

Microsoft-Cisco Alliance Update

August 20, 2007

Business requirements are in a constant state of change and the Internet has opened new opportunities for both businesses and consumers. We are in the beginning phases of a new era where the Internet is driving new opportunities and transforming experiences for consumers and businesses large and small. Microsoft Corp. and Cisco Systems Inc. believe that innovation driven by the intersection of networking and software is at the heart of this new era, creating new and improved ways to help people communicate and collaborate at work and in their personal lives.

As a result of this transformation, customers are seeking greater interoperability between the primary network provider and the primary software vendor. Cisco and Microsoft have participated in endless scenarios of customer-driven interoperability for over a decade. In the past year, we have accelerated many areas of collaboration and yet we realize we need to communicate more about the work the companies are doing. Our customers are asking for a deeper commitment to highly interoperable technology environments and more clarity on how the companies are working in unison on their behalf.

Microsoft and Cisco are looking to put forth a new model for the future in terms of how companies can have a successful competitive alliance that is customer-driven and drives new market opportunities. As a part of our alliance, Cisco and Microsoft have embarked on seven key areas of collaboration in complementary areas across the consumer, enterprise, small and medium-sized business (SMB) and public sector markets.

Our opportunity is to better communicate to our customers directly to raise awareness of the deep commitment Cisco and Microsoft have to working together where we can to address customer needs across multiple technology areas.

Customer Demands

- Nearly every customer we serve has a combination of different vendors' technology in their organization. The message we're hearing from these customers is clear: Not only do they want us to work together in complementary areas, they demand it.
- In the areas where we compete, we are committed to working together to provide interoperability between our respective competitive products.
- Most important, customers want us to commit to their success. Cisco and Microsoft have been addressing the interoperability needs of customers for years, yet customers are asking for increased collaboration to make new business scenarios a reality, a deeper commitment to highly interoperable technology environments, and more clarity on how the companies are working in unison on their behalf.
- Whether by accelerating the quad-play opportunity or Web 2.0 technologies into business environments for a richer experience or by driving innovation for enhanced customer choice, customers want technologies to work together, they want them seamless and they want them simple.

Areas of Collaboration

Although Cisco and Microsoft have been working together on joint scenarios of customer-driven interoperability for over a decade, we have recently focused our efforts in seven key areas centered around 10 technology tracks consistent with the following industry trends:

- **Communications and Quad Play over the Internet**
 - Communications and quad play have made the Internet a primary communications and entertainment medium. The opportunity for both companies lies in easing adoption of converging data, voice and video in both the fixed and mobile environments.
- **Business Collaboration in the Web 2.0 Era**
 - Organizations are adopting collaboration and Web 2.0 technologies to speed productivity, growth and innovation. Cisco and Microsoft are committed to our customers' success as we move into this new era.
- **Interoperability and Industry Standards**
 - Both companies are dedicated to developing technologies according to existing industry standards and working together and with the industry to jointly design and introduce new standards.
- **Customer Choice**
 - Collaboration, interoperability and competition between Cisco and Microsoft, as well as other industry leaders, provide customers with the business and technology solutions best suited to meet their unique needs.

The seven areas of focus for the alliance are IT architecture, Security, Management, Wireless & Mobility, Unified Communications, Connected Entertainment and Small and Medium-Sized Business (SMB).

Framework for Cooperation

Cisco and Microsoft are committed to working together so that our customers are successful regardless of whose solutions they choose. Our approach is based on a set of principles underscored by a commitment that where we do compete, we will continue to address our customer's needs for interoperability between our respective products. These principles include:

A Clear and Transparent Roadmap

- Each company will articulate more clearly how and where we are working together to minimize interoperability challenges.

Consultation with Customers

- The goal of expanded cooperation between our two companies is to help ensure that our technologies work well together to enable the scenarios that our customers need to be successful. We will consult extensively with customers to understand how information systems can work better to meet their requirements.

Industry Standards and Interoperability

- Interoperability often requires broad industry agreement about industry standards. We will work to create open industry standards that promote interoperability and foster fair competition.

Competition

- While we are committed to promoting interoperability, that commitment will never preclude either company from pursuing any competitive opportunities.

Recent Alliance Events

In August 2007, the two companies provided more details on the commitment Cisco and Microsoft have to deliver clarity and interoperability across multiple technology areas. These include the following:

- Their respective, yet complementary, infrastructure visions to enable customers to optimize and protect IT infrastructure investment
- Their focus on standards and interoperability, including Cisco joining Interop Vendor Alliance (IVA)
- Minimizing sales complexity for Small and Medium Businesses (SMBs) by collaboratively selling through third-party distribution channels

More details about the Cisco-Microsoft alliance are available at http://newsroom.cisco.com/dlls/2007/ts_082007.html and <http://www.microsoft.com/presspass/presskits/msftcisco/default.mspix>.

If you are a customer, looking for more information, please contact your account manager.

Top Seven Areas of Collaboration

- IT architecture
- Security
- Management
- Wireless & Mobility
- Unified Communications
- Connected Entertainment
- Small & Medium-Sized Business (SMB)

1) IT Architecture

- Cisco and Microsoft infrastructure visions complement each other towards helping customers create an integrated solution that optimizes infrastructure. Underlying the initiative are the Microsoft Infrastructure Optimization (IO) Model and Cisco's Service-Oriented Network Architecture (SONA). Increasingly, customers are asking Microsoft and Cisco to come together on their infrastructure visions as the need for a unified view of the infrastructure as manageability, performance, security and scalability become even more critical to success in the evolving service-oriented infrastructure. The current work between the companies is creating an integrated approach with our infrastructure

models so customers can build a common blueprint for deriving value from their IT operations.

- After completing an architecture analysis, the companies found that the architectures were quite complementary, but would be more valuable to customers if they were expressed in a way that allows customers to understand how they could use these blueprints to drive their key IT capabilities in a consistent way.
- The companies identified new areas for collaboration and have plans under way to deliver joint solutions based on customer demand.

Examples of Collaboration: Currently Available and In Progress

- One scenario that we are working on is network optimization and Quality of Service (QoS) considerations as customers begin Windows Vista® deployments, specifically the opportunities of the redesigned Internet Protocol (IP) stack in the Windows Vista operating system. Windows Vista and Windows Server 2008, formerly code-named Windows Server “Longhorn,” leverage the full bandwidth of the network, and the need for network optimization and QoS are key factors in realizing the new potential of Windows Vista.
- The companies are participating in the standards efforts around realizing infrastructure value with Cisco’s recent membership in the IVA, an industry effort focused on research and development to unify frameworks and road maps for IT and business executives to create more value from IT and better deliver IT capabilities.
- They are scoping the possibility of developing a Cisco-Microsoft Architecture Center of Excellence.
- They are leveraging each company’s experience in establishing and implementing standards, aligning both organization’s infrastructure strategies and deliverables, and jointly participating in the establishment of industry standards through IVA.

2) Security

- The need for secure systems has dramatically increased over the past five years. Security threats today are more complex and require greater coordinated protection throughout the network. Delivering a Self-Defending Network that protects IT resources across enterprise organizations of all sizes is more important than ever, especially in the era of Web 2.0. Moreover, true security requires an architectural approach versus a deployment of point solutions. “Defense in depth” encompasses the reality that network and software security are parts of an integrated, multi-tiered security strategy.
- At the request of customers, both Cisco and Microsoft have developed security businesses. Part of this alliance involves communicating joint road maps and interoperability to customers.
- At the same time, governments have turned to the Secure Information Sharing Architecture (SISA) in response to the urgent need to share information more effectively across traditional government boundaries.
- Formed by Cisco, EMC and Microsoft and other IT innovators, SISA breaks through information-sharing barriers with a commercial off-the-shelf (COTS) solution that allows agencies to collaborate and communicate while maximizing protection of sensitive and classified content. With SISA, government organizations can determine how, when, where, and with whom they will share their information.

Examples of Collaboration: Currently Available and In Progress

- The interoperability between the companies' overlapping and independently developed quarantine technologies – Cisco Network Admission Control (NAC) and Microsoft® Network Access Protection (NAP) – highlights our commitment to interoperability to maximize customer choice. The NAC/NAP interoperability agreement was announced Sept. 6, 2006, at the jointly sponsored Security Standard Trade Show. The companies are in beta of the NAC and NAP solutions and customers will be able to start implementing the NAP/NAC interoperability once Windows Server® 2008 ships, which is expected to be in the first quarter of 2008.
- SISA (Secured Information Security Architecture) is an example where both companies partnered to jointly deliver on a leading edge security requirement for the federal government.
- In this area, we are jointly integrating new levels of security standards that support deployment of Windows Vista 2008, formerly code-named Windows Server “Longhorn.” We also are mapping out collaboration areas across Networking, Federated Identity, Information Protection and Client Security.
- The companies are analyzing how customers can use network and endpoint trust boundaries to implement policies in response to various types of threats.
- They are working on a draft common statement of architecture use cases, goals and requirements around network security policy and enforcement architecture.
- SISA is based on COTS products, industry standards and accepted best practices. It is backed by more than two years of development, and teams have delivered the SISA Joint Program Office, and will be delivering a joint SISA Interoperability Lab, Training & Certification Program for Delivery Partners, and a Roadmap for Technical Refresh. The formalized business alliance is managed by Addx Corp., a principal provider of information and management sciences services.
- The companies are continuing to engage numerous delivery partners, with the initial sales focus on U.S. federal business. We continue to evaluate SISA opportunities for possible release to the global market and the broader enterprise.

3) Management

- A major challenge facing business today is reducing the complexity of information technology so that IT can truly help enable business success. Today's enterprises typically include servers, applications, Web services, clients, and networking technology from multiple vendors across multiple platforms. In lieu of integrated solutions, organizations are usually forced to cobble together solutions that are difficult to use and often require custom development and integration services.
- Leading global IT vendors are collaborating to develop a new industry standard that enables greater interoperability across heterogeneous environments. Recognizing that customers need solutions that help simplify end-to-end service management across complex IT infrastructures, these vendors are finding common ground in defining a new standard called the Service Modeling Language (SML), a consistent way to communicate how computer networks, applications, servers and other IT resources are described or modeled, ultimately offering more seamless management of the services that are built on these resources.

- We believe that working together to develop standards and implement them consistent with industry-acceptable practices that enable greater interoperability will help every IT vendor. SML and common models offer the ability to easily build powerful solutions across complex environments. This framework will make it easy for vendors to deliver innovative new products and solutions that can easily be plugged into existing systems.

Examples of Collaboration: Currently Available and In Progress

- Joint participation with EMC in new industry standard called the Service Modeling Language (SML)
- Continuing support for management protocol standards
- Interoperability of management software to enable more effective diagnostics and system analysis

4) Wireless & Mobility

- As a result of the growing popularity of mobile devices, Cisco is working with Microsoft to extend Cisco Unified Communications Manager capabilities to enterprises with Windows Mobile®- powered devices and Cisco Unified Mobile Communicator clients. This will enable customers to enjoy integrated presence, telephony, calendaring and other unified communications capabilities from the two companies. Examples include:
 - The ability for dual mode phones to provide VoIP services from Cisco Unified Communications Manager
 - Enterprise communications features available on Windows Mobile cellular phones; enterprise-class features of Cisco Unified Communications Manager available on Windows Mobile-powered cellular phones running Cisco Unified Mobile Communicator.
- In addition, Cisco's Unified WLAN system is being designed to have the ability of providing detailed information to connected devices location. Cisco and Microsoft will work together to integrate this capability and make it available via Microsoft's location API. Goals of this collaboration include these:
 - Wi-Fi location-based services on Windows Mobile to enable pinpoint location and asset tracking capabilities inside buildings – without the use of GPS services
- And as wireless local area networks (LANs) become mainstream technologies, Cisco and Microsoft have collaborated to make the technology simpler to use, increasing the user experience while meeting the rigorous security and management demands of enterprise customers.
- Similarly, as customer are deploying authentication and access control technologies on their wired networks, as well as deploying guest services, Cisco and Microsoft are collaborating to ease the deployment and enhance the user experience.

Examples of Collaboration: In Progress

- By leveraging the native Session Initiation Protocol (SIP) stack in Windows Mobile, Cisco Mobile Communications Manager is available on Windows Mobile 6.
- Focus on building applications that will work with Cisco solutions, so that a Windows Mobile-powered device can connect and interoperate with Cisco's advanced mobility services within a corporate network.
- Work on future versions of Windows Mobile using the open plug-in model allowing Cisco to integrate its client technologies into the native operating system, so that customers experience an end-to-end solution.
- By leveraging the Windows Vista networking stack, Cisco's CCX technology integrates into the Windows Mobile platform, enabling the Windows-powered device to take advantage of the rich capabilities offered by Cisco's Unified Wireless product family, as well as enable interoperability.
- Teamwork on standards for the emerging aspects of call hand-off between a local Wi-Fi network and a wide area carrier-based network, and vice versa. The two companies are committed to doing so in a way, over time, where there's a seamless user interface as well as high-quality administrative services for the business.
- In the area of Wireless, integration of Cisco's CCX into the Windows Vista operating system, to enable the Windows Vista platform to use all of the capabilities provided through the CCX program and to provide interoperability with Cisco's Unified Wireless product family
- Integrated single sign-on capabilities on the Windows Vista platform, enabling the existing machine and user credentials to be re-used to authenticate the network
- Network Advertisement Selection Protocol (NASP), a joint initiative to allow Ethernet networks to advertise their capabilities and services. The intention is to help with the deployment of 802.1X and guest services in enterprise networks.
- Provide the rich location capabilities of Cisco's location information to Windows Vista location-enabled applications

5) Unified Communications

- We operate in a 24x7 global economy where "always on" means always communicating, which opens us up to new possibilities for enterprise communications. Voice and data are converging, creating opportunities for companies to leverage their current assets as well as deploy new solutions to streamline and improve global communications.
- Cisco and Microsoft will work together in complementary areas to meet the needs of joint customers and partners, and we will also compete in Unified Communications. The companies have unique views on how to deliver and manage synchronous-asynchronous communications. Microsoft's approach is that software is the hub of all communications and Cisco's approach is that the network is the hub of all communications, yet we have a common goal to support customer-driven interoperability.

Examples of Collaboration: Currently Available and In Progress

- Cisco and Microsoft have worked closely on interoperability solutions for Unified Communications, having products commercially available and publicly announced Beta releases. They include the following:

Cisco Products Currently Available and Shipping:

- Cisco Unified Communications Manager v5.x and higher SIP/CSTA 3rd Party Call Control (3PCC) with LCS 2005/Office Communicator.
- Cisco Unified MeetingPlace integrated with Outlook and Exchange calendar for scheduling meetings.
- Microsoft Exchange Server 2007 Unified Messaging integrated with Cisco Unified Communications Manager v5.x and higher.
- Cisco Unity v5.0 Integration with Microsoft Exchange Server 2007.
- Cisco Unified MeetingPlace v6.0 click2conference with Microsoft LCS 2005/Office Communicator.

Microsoft Beta Announced

- Cisco Unified Communications Manager integrated with Microsoft Office Communications Server 2007 and Microsoft Office Communicator.
- Microsoft Office Communications Server 2007 with planned interoperability fall releases of Cisco Unified Communications Manager and Cisco Unified Presence.
- To build on these commercially available successes, the companies have defined a joint interoperability road map that focuses on customer-driven interoperability between Cisco's Unified Communications solutions and networking infrastructure and Microsoft's suite of Unified Communications products. Examples of joint projects include presence federation, Microsoft Office SharePoint® Server integration, and audio-video conferencing integration.

6) Connected Entertainment

In-home Entertainment:

- Cisco and Microsoft technologies will play a key role in home entertainment in the future, with great compatibility between the products, best-in-class product reviews, and a mainstream customer base. But an important differentiator is to bring confidence to customers that the elements work together seamlessly so the risk and complexity of self-installations is reduced.
- Today there are more than 60 million users of Windows Vista-based Media Center PCs who enjoy a connected entertainment experience with live and recorded TV, photos, home movies, music, and online media.
- Microsoft has released technology to extend the Media Center experience to TVs throughout the house. Cisco continually releases Windows Media Center Extenders that answers the increasing desire of consumers to enjoy their digital life style in any room in the home.

- Cisco will allow rich Internet and consumer-generated content on the PC to be moved around the home seamlessly and improve connected experiences in the living room.

IPTV:

- In addition, the area of Internet Protocol TV represents a significant business opportunity. There are 1.6 billion TV sets in the world and today only a fraction of those TVs are enhanced by software and broadband connectivity.
- Microsoft Mediaroom™ IPTV and multimedia software platform and Cisco's IPTV video head end, IP network and connected home solutions are both technologies that many customers will want to use where interoperability will be critical.

Examples of Collaboration: Currently Available and In Progress

- Cisco is a formal member of the Microsoft IPTV ecosystem based on the Scientific-Atlanta set-top box and video head end portfolios. The alliance has materialized in several joint customers across the globe including AT&T and Deutsche Telekom. IPTV agreements between Cisco and Microsoft are worldwide and non-exclusive.
- The companies are exploring ways to work together to enhance the next generation of IPTV systems
- The first-generation Windows Media Center Extender with Windows XP produced the Linksys Dual-Band Wireless A/G Media Center Extender (model WMCE54AG) in October 2004.
- Cisco/Linksys is currently working on the next generation of Media Center Extenders with Microsoft to support select versions of Windows Vista and the growing demand for moving rich Internet and consumer-generated content from the PC to the living room.
- The companies are collaborating on developing an entertainment capable infrastructure in the home with Dual-Band Wireless-N and Quality of Service.
- The companies are working on an open platform and ecosystem that can do the following:
 - Allows for integration of other devices into the living room experience such as the Linksys IP Camera
 - Allows Cisco and third parties to quickly bring to market devices that extend rich media content into the living room

7) Small and Medium-Sized Business (SMB)

- With fewer IT resources than large corporations, SMBs have traditionally found great value in packaged solutions. Not only do solutions versus products showcase the value proposition and simplify the buying process for customers, they also streamline the sales process for partners.
- Building on the stability and reliability both companies bring to enterprise customers, Cisco and Microsoft bring natural selling and buying scenarios when SMB value-added resellers (VARs) are servicing SMB end customers. Customers may be purchasing infrastructure (Cisco networking and Microsoft servers) or implementing new productivity tools from both companies. Cisco and Microsoft are looking for opportunities for greater collaboration for small and medium-sized companies.

Examples of Collaboration: Currently Available and In Progress

- Successful pilot programs for one-stop shopping for SMBs to minimize sales complexity by collaboratively selling through third-party distribution channels. As an example, D&H, a distribution partner of both Microsoft and Cisco launched a solution-based selling program for resellers to provide guidance to resellers on selling Microsoft and Cisco solutions for infrastructure, security and mobility.
- Cisco Unified Communications integration with Microsoft Dynamics™ CRM provides all staff – not just call-center agents – with an enhanced customer relationship management solution.
- The companies will continue to evaluate and identify opportunities for joint sales and distribution.