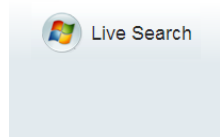


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By: Marius Oiaga, Technology News Editor

[Introducing Codename Rome and Windows Live Wave 3](#)

The evolution

Live Search
Microsoft

In the fall of 2007, Microsoft evolved the Windows Live online suite of products and services in all its aspects. From the desktop clients Windows Live Messenger, Windows Live Mail, Windows Live Photo Gallery to online offerings, such as Live Search, Windows Live Wave 2 touched all aspects of the Redmond company's presence in the cloud. And yes, while the potential takeover of Yahoo, following the completion of a \$44.6 billion transaction in both cash and stock, will undoubtedly serve to push Microsoft closer to Google, the Redmond company is by no means abandoning the growth of Windows Live. In this context, Kevin Johnson, President, Platforms & Services Division, and Steve Ballmer, Chief Executive Officer, have revealed via a Web Cast submitted to SEC that Microsoft is pushing on not only with Windows Live Wave 3, but also with a new project codenamed Rome. "I'm sure everybody's top-of-mind question, which we tried to address today with press and our letter to the Yahoo board is: Why are we doing this? You know, we've been moving along, making great progress with Windows Live wave 2, with our search offering, page views, traffic, advertisers - everything's up with MSN, which is fantastic. So we're on a good path. We have good momentum, but this is a very vibrant and very competitive marketplace, and the market leader, Google, has also been gaining position in this market. And we thought it important to take the steps we can to make us even more effective in this desire to expand our presence in search portal and advertising. aQuantive was primarily about presence with advertisers and publishers, and really with Yahoo we pick up and are focused in a market position with consumers as well as advertisers and publishers," Ballmer stated. Windows Live Wave 3 will be delivered within approximately a one-year timeframe from Windows Live Wave 2. The deadline means that by the end of 2008, Microsoft would have pushed Windows Live, with all the associated products and services from Windows Live Messenger to Windows Live Hotmail yet another step further. Additionally, Windows Live Wave 3 will be intimately connected with the Windows 7 operating system planned for availability at the end of 2009. At this point in time however, there seem to be no plans for the integration of Yahoo products and services into Windows Live Wave 3. "Feel very good about the offer that we've made. This is very additive to our progress. I think this will create great opportunity for the company and great opportunity for all of our employees, particularly our employees in OSB (Online Services Business). To all of you who are working in any of these areas, I tell you full steam ahead, nothing changes until it changes and then we have some work to do that Kevin will talk about in terms of exactly what changes, but we've got to drive ahead with our Rome release of search, we've got to get in the market, destination search, Windows Live wave 3, et cetera," Ballmer added. Codename Rome is the project that Microsoft has been keeping under wraps, but is intimately connected with Live Search. This spring, ahead of Windows Live Wave 3, the Redmond company plans to evolve its search engine, even though the last major update to Live Search was served last September. Details on the changes Microsoft is planning for codename Rome - Live Search are scarce, but it seems that they will not be exclusively under the hood, as a re-branding is also targeted. "Certainly on the audience side, the release of Windows Live wave 2, we are now in vision phase for Windows Live wave 3, working to get that out later this year. Certainly, the search team had a great release of the search in the fall. We are full speed ahead for this Rome release in the spring, great momentum there. The MSN team has done a variety of great content deals and continue to build out the network, growing page views, growing users. Great work there," Johnson said. "The plans you're working on, the work you're doing is very important. Full speed ahead with those plans whether it's the Rome

release in the spring, whether it's the work going on to reinvent the MSN portal, whether it's Windows Live wave 3, the ad platform roadmap, signing up publishers, go, go, go, go, go. We've got to stay focused."