

FOR IMMEDIATE RELEASE
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Contact:
Richard Hagstrom (612) 339-2020
Daniel Hume (212) 371-6600

**State Court Grants Preliminary Approval to Settlement
of Microsoft Class Action Antitrust Case in Minnesota That Will Benefit Consumers,
Minnesota Schools, The University of Minnesota, and The Minnesota Legal Aid Society**

**Zelle, Hofmann, Voelbel, Mason & Gette, LLP and Kirby, McInerney & Squire,
LLP Hail Agreement As Major Victory for Minnesota Consumers**

MINNEAPOLIS -- July 1, 2004 – Co-lead counsel for the plaintiffs in the Minnesota Microsoft Class Action case, Richard Hagstrom and Daniel Hume, announced today that Judge Bruce Peterson of the Hennepin County District Court has granted preliminary approval of the settlement agreement reached with Microsoft. The settlement will make available to class members up to \$174.5 million in vouchers that may be used to purchase new desktop computers, laptops, tablet computers, printers, scanners, monitors, keyboards, pointing devices and software from any manufacturer, not just Microsoft products. Additionally, in provisions unique to Minnesota, Microsoft will provide a \$2.5 million cash payment and \$2.5 million in general purpose vouchers to the University of Minnesota's Institute of Technology for technology purposes. Microsoft will also provide \$2.5 million in cash to the Minnesota Legal Aid Society.

The case, the first and only consumer class action case against Microsoft to go to trial, alleges that Microsoft violated Minnesota's antitrust laws and overcharged consumers for Microsoft software. The case settled in its seventh week of trial.

"This settlement delivers substantial benefits for Minnesotans. The major beneficiaries of this agreement are consumers and Minnesota public schools," said Richard Hagstrom of Minneapolis law firm Zelle, Hofmann, Voelbel, Mason & Gette, LLP, who was lead trial counsel.

Dan Hume of Kirby, McInerney & Squire, LLP who served as a key negotiator on the terms of the settlement on behalf of Minnesota consumers, agreed. "Not only Minnesota consumers, but Minnesota businesses, large and small, will see the benefits of this settlement on their bottom lines," Hume added.

More than one million Minnesota consumers and businesses will be eligible to collect large refunds on past purchases of Microsoft operating systems and applications software. The claims notification to the one million class members will begin July 6. At that time, consumers and businesses can begin collecting on each copy of the Microsoft software that was purchased separately by consumers or purchased preinstalled on a computer between May 18, 1994 and March 17, 2003. The amount per copy is \$15 for Windows or MS-DOS; \$23 for Microsoft Excel; \$23 for Microsoft Office; and \$9 for Microsoft Word, Works and Home Essential software.

Under the terms of the settlement agreement, Microsoft will provide one-half of the difference between \$174.5 million and the value of vouchers issued to class members to Minnesota's public schools in the form of vouchers that may be used by the schools to purchase a broad range of hardware products, Microsoft and non-Microsoft software, and professional development services. The value of vouchers that were issued to class members but that were never redeemed will also be given to schools.

Zelle, Hofmann, Voelbel, Mason & Gette LLP is a national dispute resolution and litigation law firm with offices in Boston, Dallas, Los Angeles, Minneapolis, San Francisco and Washington, D.C. The Firm excels at handling complex litigation and disputes on a national and international basis. The Firm has about 75 attorneys and represents both defendants and plaintiffs in its trial and dispute resolution practice. The Firm's broad litigation experience includes antitrust, banking, business torts, class action, commercial, employment, environmental, ERISA, financial services, insurance coverage, intellectual property, mass tort, mold claims, personal injury, product liability, professional liability, reinsurance, securities, subrogation-third party recovery, unfair business practice and unfair competition litigation. The Firm has recovered billions of dollars for its clients in the past two decades.

Kirby McInerney & Squire is a litigation firm specializing in the securities, antitrust, and consumer fraud practice areas. The Firm, with about 20 attorneys, is based in New York City and also has a presence in California, Texas, and Florida. Kirby represents public and private institutional investors in its securities practice, which includes shareholder, derivative, and corporate governance related litigation. The Firm represents public and private entities, as well as individual consumers, in antitrust and other commercial litigation. The Firm's efforts on behalf of institutions and consumers have resulted in recoveries totaling hundreds of millions of dollars, and its achievements and quality of service have been chronicled in numerous published court decisions.

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