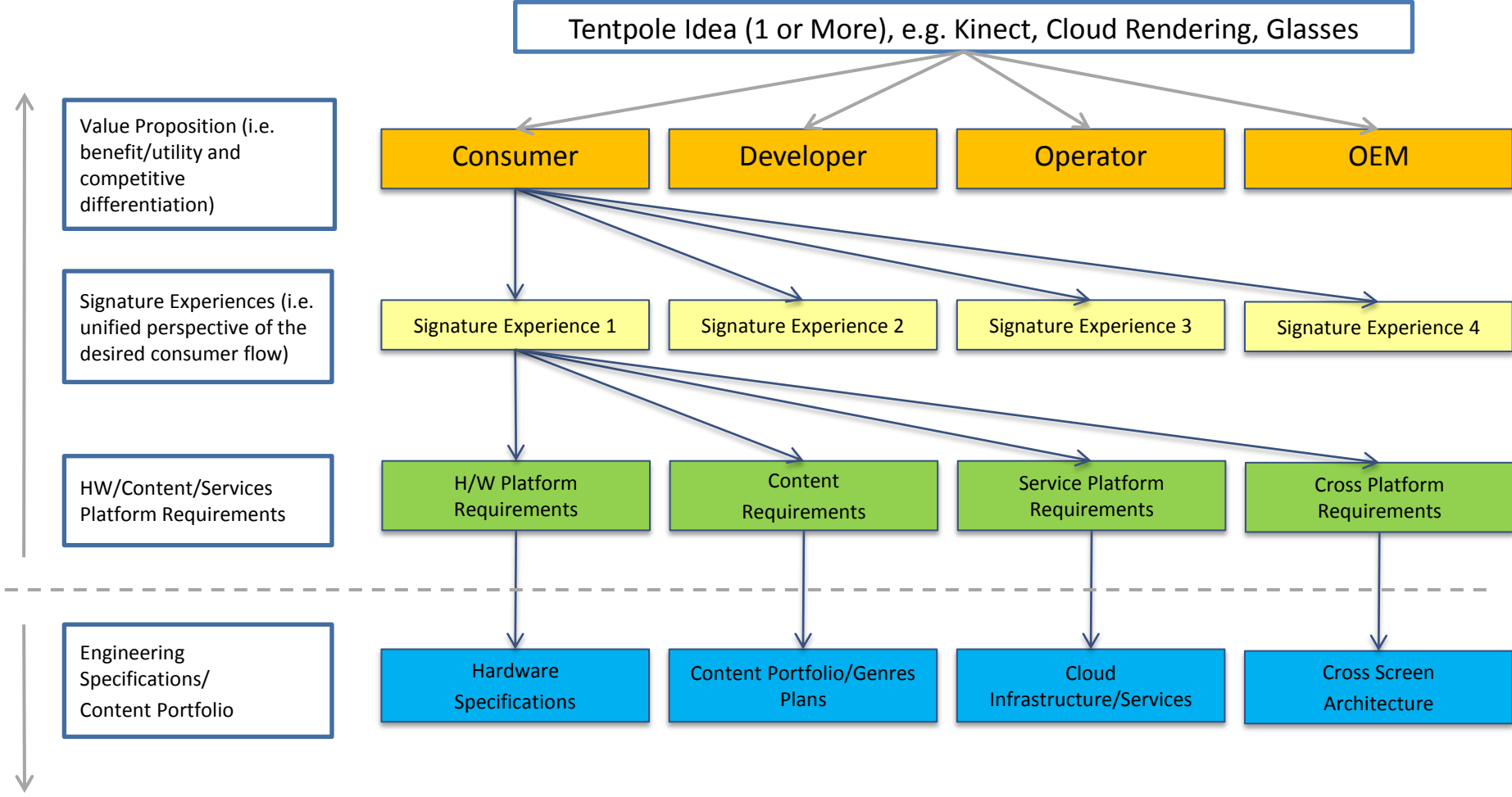


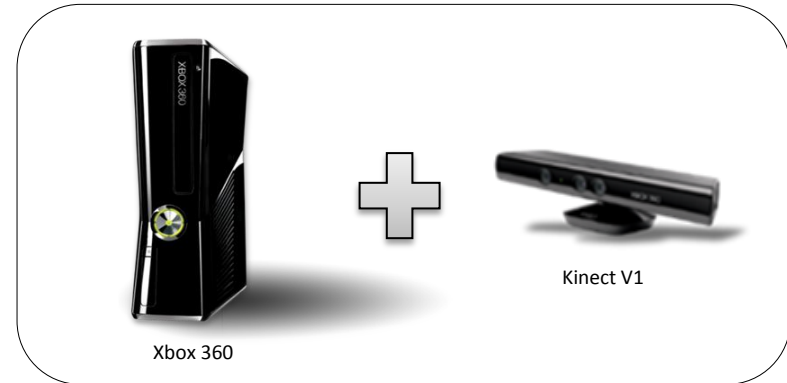
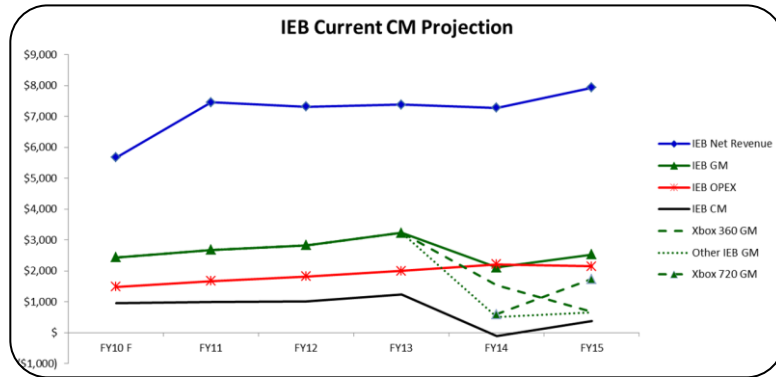
Methodology

2013 Front End Process



2013 Overview

Why do we need a next gen Xbox in 2013?



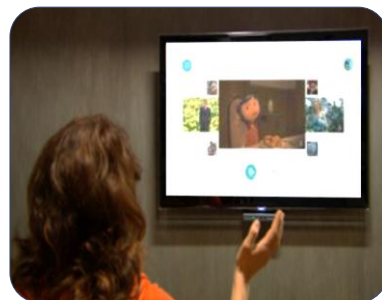
Business Needs and Competitive Threats

- Gen 7 (Xbox 360) console business will decline in 2013.
- New threats from Apple (AppleTV) and Google (Google TV).
- Gen 8 consoles will launch from Sony/Nintendo (CY 2012-CY 2013).

Xbox 360 Limitations

- No full fidelity AAA Games + Kinect V1 sensor
- Will not support full range of XTV platform scenarios (e.g. 1080p video + Video Chat + HTML5 Apps)
- Lacking modern entertainment capabilities (e.g. Blu-ray, Native 3D output, 2x1080p in/out)
- Can't run "always on"/low power states
- Can't run multiplexed or concurrent applications and services

What are the Opportunities for a Next-Gen Xbox?



Modern Entertainment Box

- Blu-ray
- Native 3D & Flexible Video output/Compositing
- Video Acceleration (2xHD video dec, 1xHD enc)
- Multiple Power States
 - Full Power
 - Media Playback
 - Idle
 - Streaming
 - Standby

Competitive Differentiation

- Next-Gen AAA games (4x-6x > Xbox 360)
- Next-Gen Sensors (Kinect V2, Glasses)
- Exclusive 720 content and experiences
- Concurrent apps/scenarios (i.e. multiplex/concurrent apps)

Appeal to Broad Audiences

- Full XTV support (i.e. linear TV, TV apps, DVR, Always on)
- Online Content (Netflix, WebApps/Content/Svcs)
- Video/Music Marketplace
- Media Hub
- A/V form factor
- Quiet. Cool. Green.

Scale The Business

- Embedded platform architecture (unified hardware portfolio)
 - Console
 - STB
 - Embedded TVs
 - Phones
 - Slates
 - Glasses

What is the IEB 2013 Consumer Offering?



Xbox 720



Kinect V2



Hardware

- **Xbox 720**
 - 4x-6x Games > Xbox 360
 - Full XTV Support
 - ODD (Blu-ray, CD/DVD)
 - Online/Web content
- **Kinect V2 Sensor**
 - Better 3D Play Space (closer, wider, deeper)
 - Improved Voice Rec.
 - 4 Player tracking
 - Dedicated Processing
 - Improved HD RGB Cam.


Content

- **Core Titles**
 - The best core content (Halo, Fable, GOW, etc)
- **Broad Gaming**
 - Kinect Titles (Kinect Sports, Kinectimals, New genres)
- **Linear TV**
 - Bring your own service
 - OTT video service
- **HD/3D Movies**
 - Video Marketplace
 - Blu Ray
- **XTV Applications**
 - TV App Store


Services

- **New Dashboard**
 - NextGen interface (NUI enabled)
- **NextGen Service Experiences**
 - Exclusive to Xbox 720

When: Xbox 720 versus the competition



- **PRODUCT:** Apple TV – next generation
- **PRICING:** \$99 (just announced and in market)
- **KEY FEATURES:** Streaming, HD, Rent all iTunes Content + Netflix. Small, Cool and Quiet (no fan), and cheap.
- **VALUE PROP:** 3Screen Synchronized Media. Works w/your iPxxx



- **PRODUCT:** ONLIVE Micro Console (announced)
- **PRICING:** \$4.95/Month+Games.Console Est <\$99
- **KEY FEATURES:** AAA Games, Instant Access, Multi-Player
- **VALUE PROP:** AAA Gaming For Less (initial)\$



- **PRODUCT:** Google TV (Announced Android OS Extension)
- **PRICING:** Free to Consumer. Free to Partner.
- **KEY FEATURES:** Search, H.264, Adobe Flash, Full Browser
- **VALUE PROP:** Simplified EPG: broadcast + internet

- **PRODUCT:** Wii2 (heavily rumored/blogged)
- **PRICING:** <\$249 (historical assumption)
- **KEY FEATURES:** HD, Digital Dist, Local Storage, NUI
- **VALUE PROP:** HD Video + Accessible Gaming.

- **PRODUCT:** PS4 (Speculation)
- **PRICING:** <\$399 (historical assump.)
- **KEY FEATURES:** 3D, BluRay, GoogleTV
- **VALUE PROP:** Tech Forward. All-in-One

Xbox 720 Overview

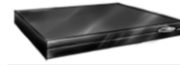
Note: Kinect V2 will be an incremental improvement over V1

- Higher accuracy vs Kinect V1
- Stereo imaging vs mono

Kinect V2



- Improved Voice Recognition
- Better 3D Play Space recognition (closer, wider, deeper)
- Four Player concurrent tracking
- Dedicated HW Processing
- Better HD RGB Camera



Xbox 720 (6x Performance)

System Pool

Native XTV/Video STB
V1/V2 Kinect Sensor Processing
Connectivity for
Glasses/Sensors/Peripherals

App Pool

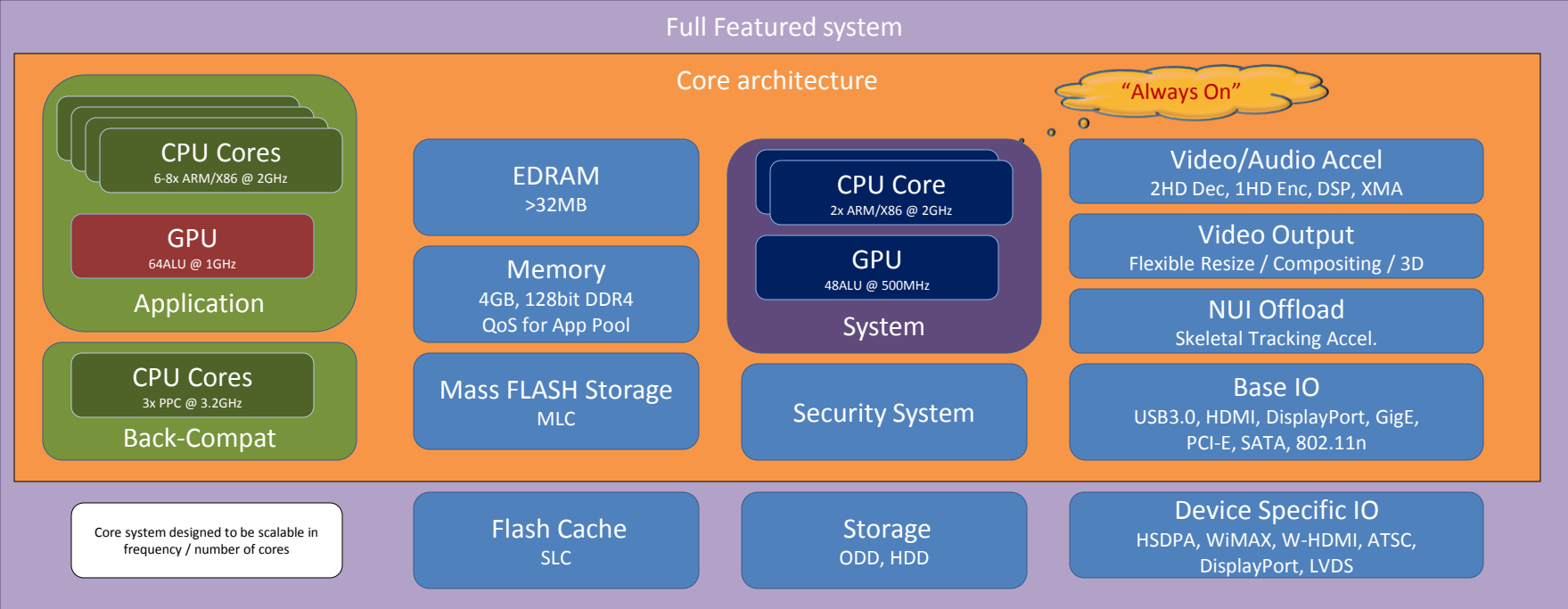
Dedicated resources for next gen gaming
Dedicated resources for Xbox 360 gaming (HW)

True 1080p and Full 3D



**XBOX
LIVE**

How will we do it - Yukon Architecture Snapshot



Perf Target (x360)	Process	SOC Power	System Power	SOC Cost	System Cost (COGS)	Standby Power
~8x	22nm SOI/ 28nm G	~50W	~120W	~\$50	~\$225	<500mW (SOC)

How will we do it - Key Hardware Features

Licensable architecture (both for incoming and outgoing licensing)

Power consumption optimized architecture ("always-on" operation, low power media playback)

Binary compatibility for title through cost reductions (10yr lifecycle)

Support for alternate form factors / devices with different total system feature set

Split Application/System Resources: Allows Title compatibility through cost reductions and different device types

Modular design to facilitate SKU updates later in lifecycle

Latest Core Technologies: DX11.1+, 3DTV

Updated Security Architecture: Apply learning from Xbox360

Dedicated Video/Audio Engines (decode, encode, transcode)

Embedded Memory: eDRAM, option for eSRAM

Flexible IO: Devices change over time and different form factors. Likely 2x2 802.11n WiFi, USB3, GigE (WakeOnLan), SATA

Coherency: All devices (GPU/IO/CODECs/etc.) go through MMU, can be coherent with CPU

9/24 Agenda

Agenda

The Road Ahead

2011-2015

2013 Console Value
Prop

Consumer
Developer
TV Operator
OEM

2013 Signature
Experiences

Xbox 720
Unique
Experiences

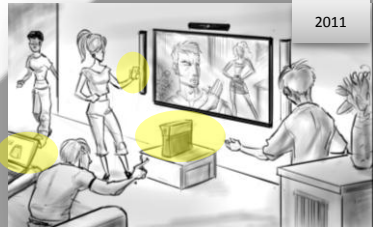
The Road Ahead 2011 – 2015



The Road to Fortaleza

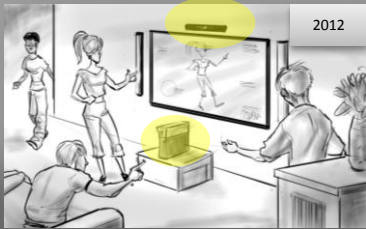
TV App Platform launches on Xbox 360, Phone and PC

2011



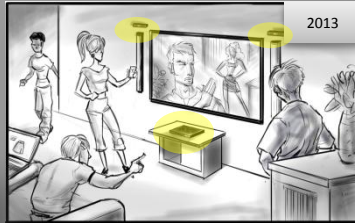
XTV Pay TV service launches on Xbox 360, Phone and PC

2012



Xbox 720 and Kinect V2 launches. One Box. Input 1.

2013



Fortaleza Glasses [Wifi]
Revolution in Living Room

2014



Fortaleza Glasses [Cell
Radio/4G]
Revolution in Mobile

2015







Xbox experiences served up from the cloud. Instantly on any screen.

2015



Summary of Top Level Consumer Benefits and Positioning

	2011	2012	2013	2014	2015
Consumer Positioning	Best Games and Entertainment for Everyone in the family.	World Class TV and Web Entertainment on the Xbox 360	Next Generation Entertainment. One Box. Input 1.	Interact with the world in a revolutionary way. See for yourself.	Latest and greatest Xbox experiences. Instantly on any screen.
Hardware 	High definition games and entertainment platform for all consumers.	Next Generation TV/Web on your Xbox 360. New Haptic controller.	The Only box you need for premium living room entertainment	Breakthrough Heads up and Hands Free Device	Enjoy premium experiences on existing or inexpensive hardware.
Sensors 	Enjoy great physical/social games solo or with a friend.	Control your TV experiences via Gesture, Voice and Touch	Natural Input that adapts to you and your world	Seamless integration of the digital world with the physical world	Enhance your experiences with innovative local sensors
Content/ Transmedia 	Best games for the core and broad. New Hero/exclusive content. Begin our TV story.	Broad entertainment portfolio (Linear TV, Apps, Hero Content, Web Content) Two way interactive applications	Exclusive Next Generation Games and Transmedia Experiences	Contextual applications and experiences for your life.	Access to the latest and greatest experiences without upgrading hardware
Services 	Deliver great TV experiences. One Unified Service.	Personalization Services (New Guide, Recommendations, New Live Tiers) Consume one experience at a time.	Enjoy multiple experiences at a time. Mix and match services based on your needs.	Real time information on people, places and objects.	Instant on Experiences Everywhere. Access your entire Entertainment library.
3 Screen 	XBL on Windows Phone. XBL on Windows. XBL on Console.	Synchronized Web Transmedia Experiences across your TV, Phone and PC	Synchronized Rich Client experiences across your TV, Phone and PC	Largest and most immersive screen, in the living room and on the go.	Enjoy the Complete Xbox experience, Any Time, Any Where, Any Screen.

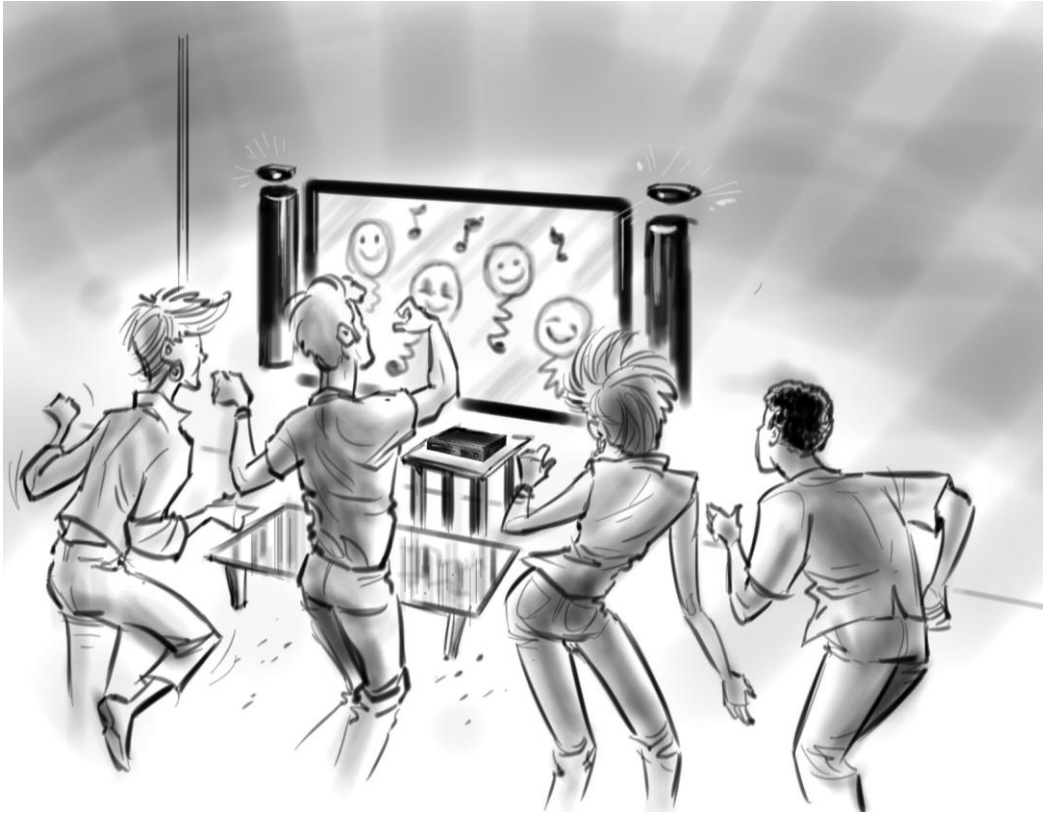
2013 Console Value Proposition

The ONLY box you need for premium living room entertainment.



- **The BEST:**
 - Gaming
 - Next Gen TV (full XTV support)
 - Physical Media (Blu-ray, CD, DVD)
 - Online experiences
- **Whole Home DVR:**
 - Record in the background and serve up to any device in the household
- **Remoting Server:**
 - Stream and play your AAA games remotely to any device
- **Designed for your living room:**
 - Sophisticated, silent, always on, green device

Natural Input that adapts to YOU and YOUR WORLD



- **Play with your entire family:**
 - Supports four player full body tracking
- **Adapts to you:**
 - Play seated or standing
- **Adapts to your world:**
 - Don't rearrange your living room, Kinect can see your living room better than ever

Exclusive Next Generation Games and Transmedia Experiences



- **The Best Content:**
 - Get all the *latest and greatest* content and genres (Halo, Fable, GOW, Edutainment etc.)
- **Next Generation Experiences:**
 - The most realistic games combining core AAA content, live video streams and rich meta-data in “real-time
- **Concurrent Experiences:**
 - Enjoy multiple experiences at once. Mix and match based on your needs (e.g. watch football scores with an NFL ticker as you play Gears of War 5)

Synchronized Rich Client experiences across your TV, Phone and PC



- **Gaming companions:**
 - Leverage available screens to enhance primary gameplay. E.g. privately select your play on your personal screen and watch the result on the big screen.
- **TV companions:**
 - Learn more about an actor on screen or where to buy the dress she is wearing without interrupting your viewing experience
- **Play, Pause, Resume:**
 - Start watching on one screen, pause and pick up on another, pause again and return to primary screen. All perfectly synchronized. Move experiences seamlessly across devices.

2013 Audience Value Proposition

Xbox 720 Value Proposition



Consumer

- The **only** box you need for premium living room entertainment

Developer

- Amplify your creativity and profit with reach, differentiation and best in class tools.

Operator

- Acquire, engage and monetize high ARPU customers with differentiated experiences.

OEM

- Differentiate your offerings and deliver integrated product portfolios. Drive new service revenue streams.

Consumers: The ONLY box you need for premium living room entertainment



All Your Entertainment. One Box.

The best TV, gaming, BluRay and online experiences on one box - designed for your living room. Enjoy in your living room or anywhere in your home.



Natural Input that Adapts to You and Your World

Kinect sees your living room better than ever which means there's no need to re-arrange furniture. Play seated or standing with your entire family.



Exclusive NextGen Games and Transmedia

The latest and greatest next generation content. The most realistic games combining AAA content, live video streams and rich meta-data in real-time. Enjoy multiple experiences at once or on their own.



Synchronized Across Devices

Use your phone, slate or PC to enhance primary game play or learn more about what you're watching on TV. Start watching on any screen - pause - resume on another.

Developers: Amplify your creativity and profit with reach, differentiation and best-in-class tools



Target Multiple Platforms

A unified Windows 8 foundation makes it easier to build integrated applications across Xbox, PC, and Windows Phone environments.
Easier to port applications across devices.



Kinect with More

Build high fidelity, differentiated experiences with motion based games for up to 4 people.



Manage Your Franchise

New tools that make it easier to create captivating cross medium and cross screen (i.e., transmedia) scenarios.
Real time consumer analytics.



More Ways To Make More Money

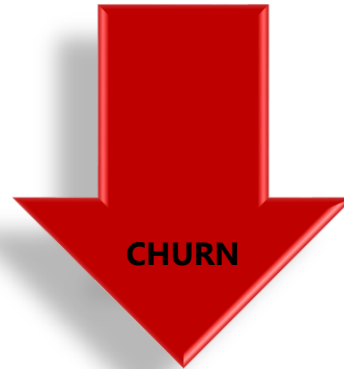
Flexible monetization options for your offerings.
From code to 100's of millions of customers with no hassle.

Operators: Acquire, engage and monetize high ARPU customers with differentiated experiences. Real time analytics for what your customers want.



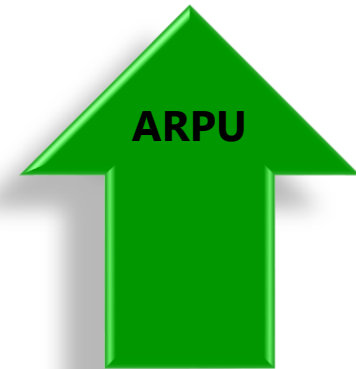
Acquire More Customers

Increase Subs and reduce SAC by leveraging a global install base of Xbox 360/720, Windows Phones, PCs and an expanded set of CE devices (including your STB).



Exclusive Experiences

Minimize Churn with innovative and differentiated experiences customized for your service.



Know Your Customers

Better

Increase ARPU by giving your customers what they want. Increased analytics for targeting and a platform to deliver the best in class 3 screen experience.

OEMs: Differentiate your offerings to sell more. Build integrated product portfolios and drive new service revenue streams.



Differentiate Your Offerings

Attract more customers by creating more compelling experiences available only on your devices



Increase Profitability

Leverage differentiated experiences for premium pricing. Increase revenue sources with our platform



Build a Unified Ecosystem

Increase customer lifetime value by selling additional devices. A common architecture allows you to create a portfolio of unified devices



Best of Xbox Live

Connect to the best value added entertainment services, application marketplace and leverage world class content creator platforms

2013 Signature Experiences

2013 Experience Ideation Goals

2013
experiences
must ONLY
be possible
on the 720
architecture

Should NOT be possible on the Xbox 360 + Kinect V1

Should NOT be directly possible on current gen competitor platforms (i.e. Wii, PS3 + Move, Apple TV, Google TV, etc.).

Experiences should NOT pick any obvious competitor “next gen” scenarios (based on their observed strategy/trajectory), unless we think we can do something differentiated/superior/unique.

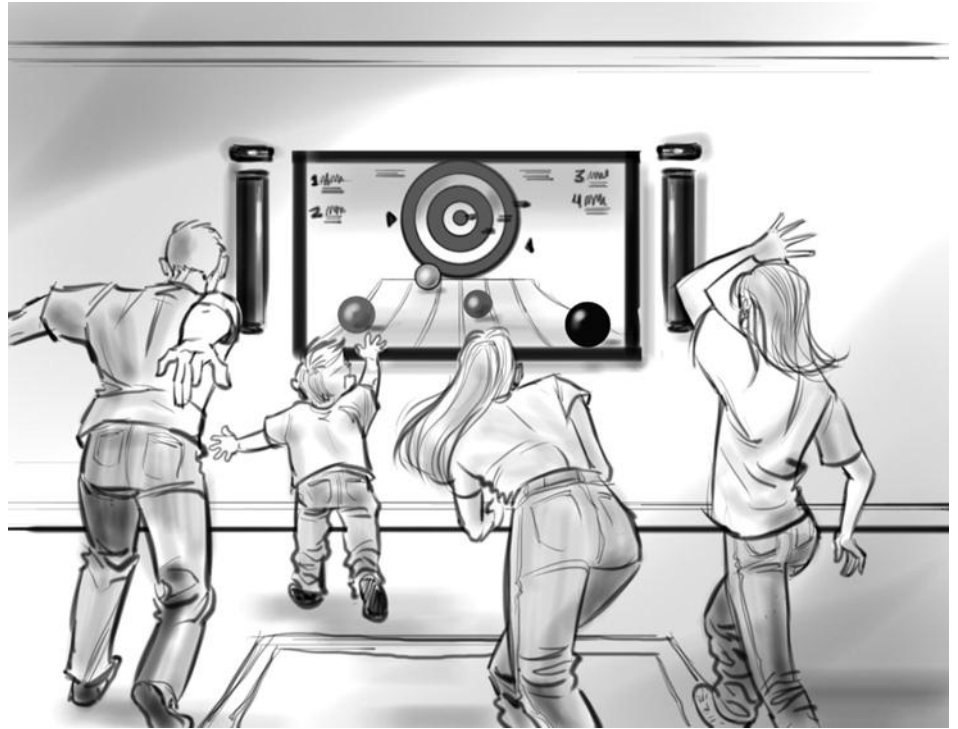
Should NOT require *glasses* or *cloud processing*. Those will be layered in post 2013.



Next Generation Kinect Gaming

A new more accurate Kinect sensor with dedicated application and system resources enables a whole new generation of Kinect experiences. Experience full fidelity next generation graphics with a full body high precision sensor.

Simultaneous Four Person Play



Play together with the whole family. Kinect v2 means better playspace recognition, no controller required and everyone playing together.



Feel the Experience with Props

Feeling is believing. Feel the crack of the bat, the kick of the rifle or the shake of the wheel as you speed through the turn.

All Your Entertainment. Input One.

Simplify your world with one box that delivers all your entertainment, including next generation gaming, linear TV, movies, music, applications and more.



Transmedia Gaming and Entertainment



With all your entertainment brought together, its easy to create and mix gaming and video for completely new and innovative experiences that break down the walls between TV, movies and gaming. Watch and play a match of Tiger at St. Andrews and see his shots inserted in real time in your game experiences.

Transmedia Games and Linear TV



New entertainment experiences with multiple TV streams incorporated into a single Game environment, e.g. enjoy your virtual Sports Bar with your Fantasy Football league.



Transmedia Applications You Control

Full access to media and apps allow the consumer to control their transmedia experience. Call up related content like game hints or pull up your fantasy league ticker while playing Gears of War.

Media Hub

Record TV in the background and serve up to any device in the household. Stream your personal videos, music, photos and more and play them back from any device.

Start and play your favorite Xbox games from other devices like phones and PCs with RemoteFX technology.



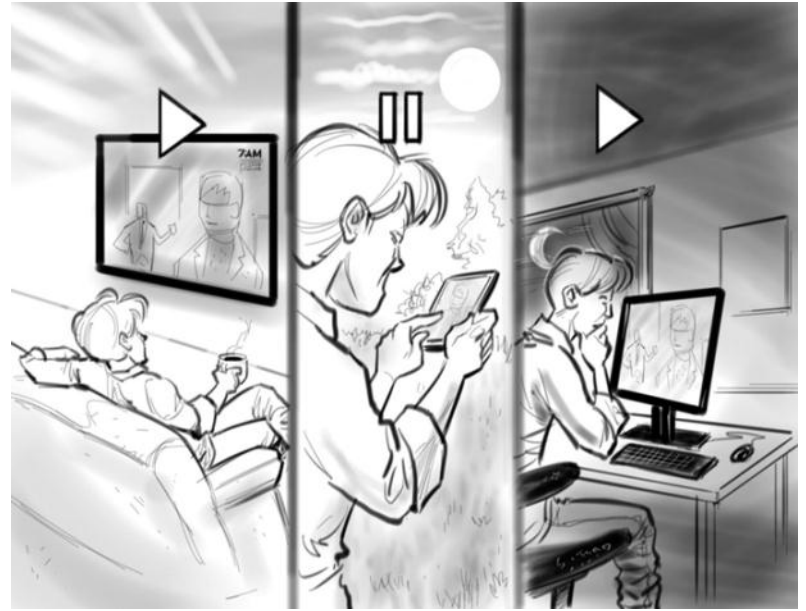
PC/Phone/Slate as companion devices



Your entertainment keeps getting better with Xbox 720 by instantly expanding the experience to all your companion devices. Your phone, laptop, slate are seamlessly integrated into 720 experiences.

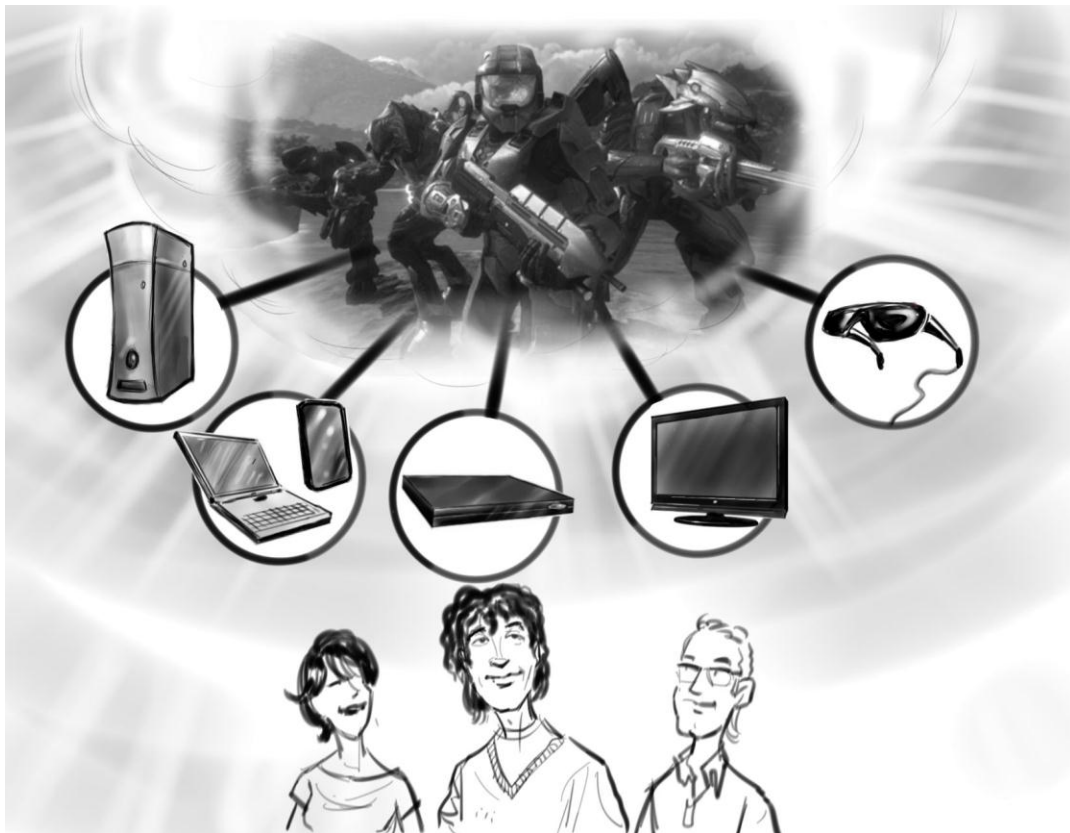
Pause and Play Across Devices

Take your entertainment everywhere. Start on one screen but instantly pause and play it again from any other device makes it best way to enjoy your TV, movies and music when you're on the go.



Cloud Value Proposition 2015

Enjoy premium experiences on existing or inexpensive hardware



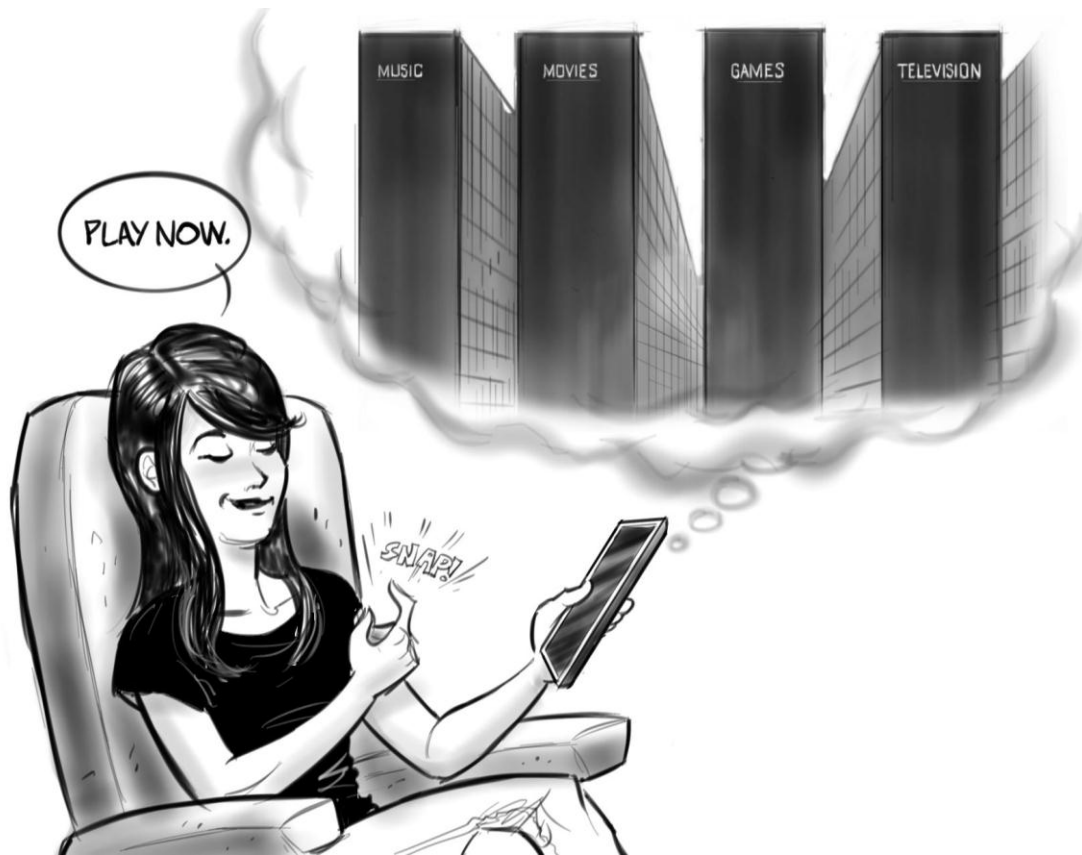
- Access to the Latest and Greatest;
- No New Hardware Required

Access to the latest and greatest experiences without upgrading hardware



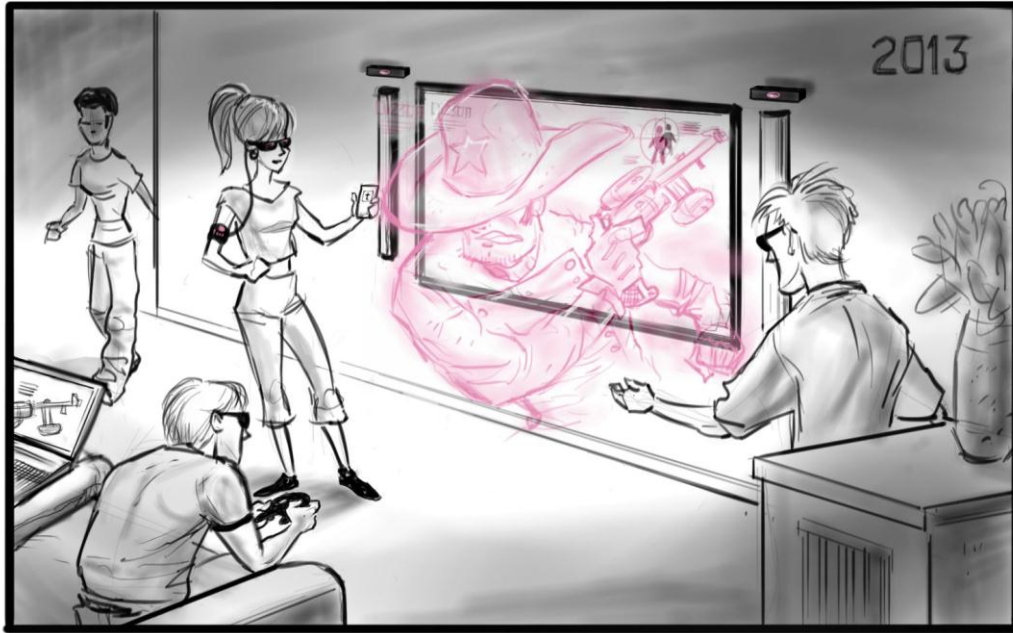
- Never need to upgrade hardware again.

Instant on Experiences Everywhere. Access your entire entertainment library



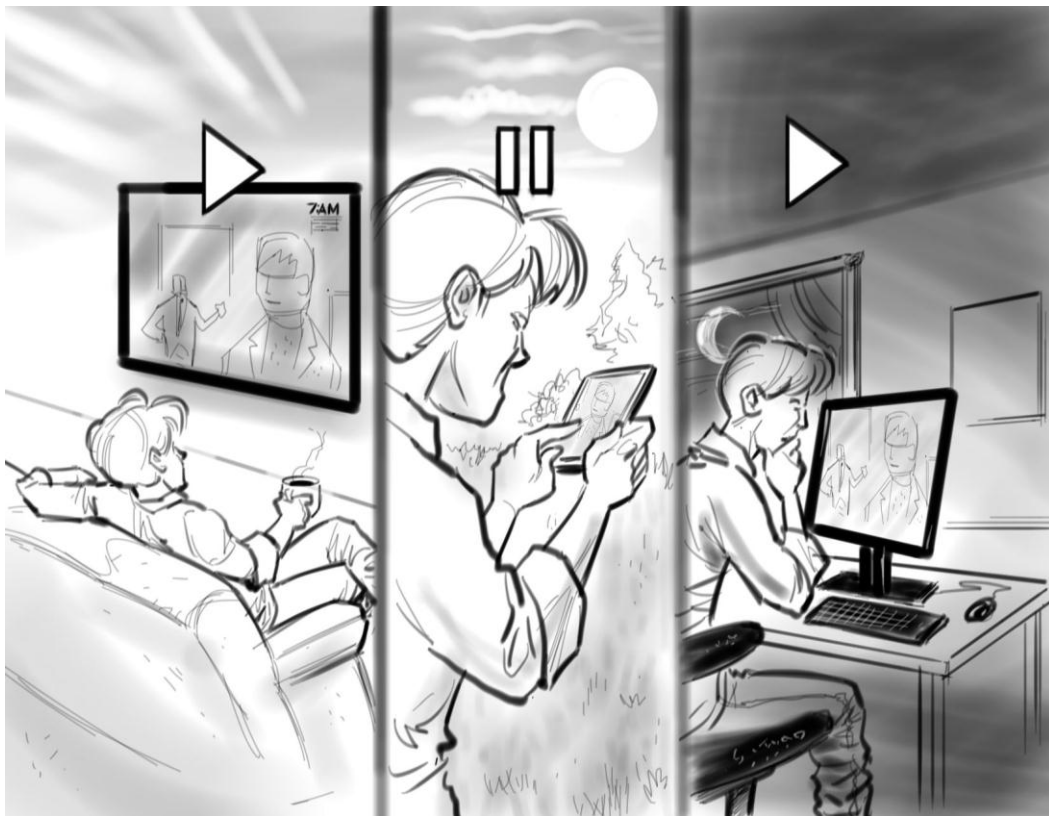
- All your entertainment served up from the cloud.
- Enjoy instant access to Xbox experiences, anywhere, anytime.

Enjoy the Complete Xbox experience, Any Time, Any Where, Any Screen.



- Cloud serves up full immersion experiences everywhere.
- The game is all around you in the real world.

Play. Pause. Resume. Across devices



- Start watching on one screen, pause and pick up on another, pause again and return to primary screen.
- All perfectly synchronized.

Business Model

Business Model Considerations

➤ **Launch Price Point**

- \$299 (with Kinect V2)

➤ **Lifecycle**

- 10 year lifecycle with > 100 MM lifetime units

➤ **Profitability**






- GM positive every year of the lifecycle

➤ **SKU strategy**






- Flexibility to support multiple SKUs/Config over lifetime

Appendix







IEB Product Roadmap and Strategy

	2011	2012	2013	2014	2015
Business Strategy	<ol style="list-style-type: none"> 1. Broaden Xbox appeal to new audiences via Kinect experiences 2. Drive Profitable 360 EOL (Console, Games, Services) 3. Launch Xbox Content Creator Platform and TV App Store (XTV) 	<ol style="list-style-type: none"> 1. Launch Xbox Pay TV service (New B2B Distribution Channel) on 3 screens 2. Launch Low Cost Xbox 360 (Xbox 361) 3. Solve Home Networking + Content Passthrough 	<ol style="list-style-type: none"> 1. Launch Next Gen Xbox 720 + Kinect V2 Sensor for core and broad audiences 2. Deliver next-gen/720 Transmedia content and services 3. Drive "embedded XTV" into STBs/Embedded TVs 	<ol style="list-style-type: none"> 1. Drive Living Room disruption via "Kinect Glasses" experiences 2. Drive XTV distribution via low cost embedded Xbox solutions (TVs, STBs, Phones and Slates) 	<ol style="list-style-type: none"> 1. Drive mobile disruption via "always connected" Glasses 2. Cloud Rendering Platform for gaming, video and apps. 3. Deliver "instant on, ambient" Xbox experiences to any screen, any where
Platform 	<ol style="list-style-type: none"> 1. HTML5 Webstack on Xbox 360 	<ol style="list-style-type: none"> 1. Xbox 361: Low cost Xbox 360 2. NUI Remote for TV experiences 3. HD Homerun + HDMI Pass Through + Home Networking 	<ol style="list-style-type: none"> 1. 720: > 6x perf + 360 back compat. Always on, low power, green. 2. "Full" XTV Platform Support 3. Transmedia 720 architecture 4. Embeddable architecture (TV, STB) 	<ol style="list-style-type: none"> 1. Kinect Glasses: New glasses delivering ambient experiences 2. New Xbox Embedded SKUs (Phone, Tablet) 	<ol style="list-style-type: none"> 1. Cloud Rendering Platform + Micro Console
Sensors 	<ol style="list-style-type: none"> 1. Kinect V1 (Mono vision/depth, i.e. single camera/microphone) 	<ol style="list-style-type: none"> 1. Kinect V1 (Mono vision/depth, i.e. single camera/microphone) 	<ol style="list-style-type: none"> 1. Kinect V2 (K2): (Stereo sensors, i.e. two cameras/microphones) 	<ol style="list-style-type: none"> 1. Kinect Glasses + Band (Living Room) 	<ol style="list-style-type: none"> 1. Kinect Glasses + Phone (3G/4G)
Content/ Transmedia 	<ol style="list-style-type: none"> 1. Games for core and broad (Kinect) 2. TV Apps 3. Hulu + Web/OTT content 4. New Hero 1st Party Experiences 5. Simple Transmedia Experiences (No native platform support) 	<ol style="list-style-type: none"> 1. Games for core and broad (Kinect) 2. XTV Pay TV Service: Full Screen TV @1080P, Overlays (VC +Full Screen) @720P 3. Hero 1st Party Content 4. Additional Web/OTT content 	<ol style="list-style-type: none"> 1. 1st and 3rd Party Games (launch portfolio/gaming) for core/broad 2. Simulcast Transmedia architecture on 720 console (Consumer controlled) 	<ol style="list-style-type: none"> 1. 1st and 3rd Party Content for Glasses 2. Screen Zero Transmedia 	<ol style="list-style-type: none"> 1. 1st and 3rd Party Content for Glasses Mobile Applications/Entertainment
Services 	<ol style="list-style-type: none"> 1. Scotch/XTV Apps Platform Services for Xbox 360, Phone and PC. 2. TV App Marketplace 	<ol style="list-style-type: none"> 1. New 360 dashboard 2. Social and Recommendation Engine. 3. New Live Tiers 	<ol style="list-style-type: none"> 1. New 720 Guide 	<ol style="list-style-type: none"> 1. Glasses Appstore 	<ol style="list-style-type: none"> 1. Wideband connected glasses services
3 Screen 	<ol style="list-style-type: none"> 1. Synchronized cross screen/device TV experiences via Scotch platform 	<ol style="list-style-type: none"> 1. Linear/Pay TV content delivered to 3 screens. 	<ol style="list-style-type: none"> 1. Companion screens provide input/output capabilities 	<ol style="list-style-type: none"> 1. Kinect Glasses creates "Screen Zero" Transscreen experiences 	<ol style="list-style-type: none"> 1. Kinect Glasses create on the go/location aware experiences






Full Consumer Benefits and Positioning

	2011	2012	2013	2014	2015
Consumer Positioning	Best Games and Entertainment for Everyone in the family.	World Class TV Entertainment on the Xbox 360	Next Generation Entertainment. One Box. Input 1.	Interact with the world in a revolutionary way. See for yourself.	Instant access to Xbox experiences. Any Time, Any Where, Any Screen.
Platform 	Xbox 360 is the only platform providing innovative, high quality AAA games, entertainment and applications for all consumers.	Xbox 361: A new low cost Xbox 360 for every person and room in your house. XTV: Next gen TV experiences, only available on the Xbox 360.	Xbox 720: “The” entertainment box – the only box you need for next gen gaming and entertainment. Enjoy XTV entertainment on STB’s and TVs.	Xbox 720: The only platform providing next generation “ambient” (natural input/output) living room entertainment experiences.	Enjoy instant access to Xbox experiences, anywhere, anytime. Xbox “ambient” (natural input/output) experiences, now available on the go.
Sensors 	Enjoy great physical/social games solo or with a friend. No controllers required.	Control your TV/Application experiences via gesture, voice and touch.	Kinect V2 understands your room and you better. Your whole family can now play together.	Full immersion entertainment experiences in the living room. The game has broken out of the screen and is all around you.	Full immersion experiences on the go. The game is all around you in the real world.
Content/ Transmedia 	The best games for the core and broad. New TV/Application experiences you can only get on the Xbox 360	“All in One” Entertainment (Games, Linear TV, Media, Apps) Enriched entertainment: Enjoy two-way interactive TV	The best Next Generation Games and Entertainment for the Core and Broad, on one box. High fidelity Transmedia experiences only on the Xbox 720.	Natural input/output ambient entertainment experiences unlike anything else in the market. You are in the game.	All your entertainment served up from the cloud. Hands free/Heads Up ambient experiences “on the go”.
Services 	New Live subscription tiers providing user flexibility. New app store providing interactive TV application experiences.	New Pay TV subscription offer. Simplified Discovery and Recommendations service. New Entertainment Guide. Social TV.	Next generation guide.	Great games, entertainment, applications and services for “ambient” experiences available from Xbox Live.	Instant on access to your entertainment. Connected services provide “real time” ambient experiences on the go.
3 Screen 	Synchronized cross screen/device gaming and TV experiences.	Watch TV anywhere, anytime. Stop and Start your content across screens.	Use your Phones/Slates/PCs for great synchronized/companion experiences with the Xbox 720.	New “Screen Zero” Transscreen experiences	Instant access to all your entertainment on any screen. Great On the go/location aware Transscreen experiences

Consumer Facing Messaging (In Green)

	2012	2013	2014	2015
Consumer Positioning	World Class TV Entertainment on the Xbox 360	Next Generation Entertainment. One Box. Input 1.	Interact with the world in a revolutionary way. See for yourself.	Instant access to Xbox experiences. Any Time, Any Where, Any Screen.
Platform 	Next Generation TV/Web entertainment platform <i>A new way to enjoy TV on your Xbox 360</i>	The Only box you need for premium living room entertainment <i>All Your Entertainment. One Box.</i>	Breakthrough Heads up and Hands Free Device <i>Breakthrough Heads up and Hands Free Device</i>	Enjoy premium experiences on existing or inexpensive hardware. <i>Access to the Latest and Greatest; No New Hardware Required</i>
Sensors 	Control your TV experiences via Gesture, Voice and Touch <i>Control your TV experiences via Gesture, Voice and Touch</i>	Natural Input that adapts to you and your world <i>Natural Input that adapts to you and your world</i>	Seamless integration of the digital world with the physical world <i>See the world in a new way</i>	Enhance your experiences with innovative local sensors <i>NEED CONSUMER STATEMENT</i>
Content/ Transmedia  	Broad Entertainment Portfolio: Linear TV, Apps, Hero Content, Web; 2-way interactive TV applications <i>Interactive TV on your Xbox</i>	Exclusive Next Generation Games and Transmedia Experiences <i>Captivating Storytelling</i>	Contextual applications and experiences for your <i>There's an experience for that.</i>	Access to the latest and greatest experiences without upgrading hardware <i>Never wait for your hardware to catch up</i>
Services 	Personalized Services (PEG, User/Social Recommendations, New Live Tiers) <i>Personalized Entertainment</i>	Rich concurrent consumption of cloud delivered services <i>Configure your entertainment.</i>	Real time information on people, places and objects. <i>The information you want when you need it</i>	Instant on Experiences. Access your entire entertainment library. <i>All your entertainment, at your fingertips</i>
3-Screens 	Rich companion experiences across your TV, Phone and PC <i>Synchronized Across your TV, Phone, PC</i>	Freeflow experiences across your TV, Phone and PC <i>Play, Pause ,Resume across devices</i>	Largest and most immersive screen, in the living room and on the go. <i>A big screen experience without the big screen.</i>	Enjoy the Complete Xbox experience, Any Time, Any Where, Any Screen. <i>Anytime, Anywhere, Any Screen</i>

Developer Benefits and Positioning

	2011	2012	2013	2014	2015
Developer Positioning	Target the largest audience and most profitable platform for gaming and entertainment.	Leverage innovative XTV platform for new monetization opportunities.	Deliver next generation transmedia/transscreen experiences at low incremental cost.	Be part of the entertainment revolution. Deliver next gen “ambient experiences” on the Xbox.	Be part of the Cloud + Mobile revolution. Deliver “instant on” ambient entertainment experiences everywhere.
Platform 	360 SDK/Toolset: Lowers dev cost of AAA/arcade titles. Scotch/TV SDK: Simplifies creation of TV apps.	Scotch/TV SDK: Simplifies creation of interactive TV applications Target install base of Xbox 360, Windows Phones, PCs.	720 SDK: Low dev cost for next gen experiences. Develop for an expanded addressable market of new devices (STB's and TVs).	New Glasses SDK: Low dev cost for building glasses experiences. Target innovative new platform.	Glasses SDK: Low dev cost for building “connected” glasses experiences on the go.
Sensors 	Build world class 2-Player HD games with full body gesture + voice.	Build interactive TV experiences with NUI (gesture, voice and touch).	Build high fidelity 4 person, concurrent motion based games. Incorporate “always available” HD Kinect V2 for use in core/broad gaming experiences.	Build next gen immersive experiences that extend beyond the TV. Incorporate the living room into your storytelling.	Build heads up/hands free next gen immersive experiences for mobile computing. Incorporate the real world into your storytelling.
Content/Transmedia 	Build traditional AAA Game titles. Create interactive apps that works with or alongside TV content on the Xbox 360.	Create rich interactive TV experiences with new monetization opportunities. Use franchise manager tools to build Transmedia experiences.	Build high fidelity, lifelike games out of reach of current platforms. Build high fidelity Transmedia experiences only on the 720.	Build an entire new genre of “ambient” entertainment experiences that are available no where else in the market.	Build an entire new genre of entertainment experiences to revolutionize mobile computing.
Services 	Leverage BI/CI services A/B Testing, Instant Publish, Direct audience connection	Leverage BI/CI services A/B Testing, Instant Publish, Direct audience connection	Leveraged unified marketplace/service to market your franchise's experiences (Video, games, apps, etc.).	Deliver living room experiences via the Glasses Appstore	Deliver mobile experiences via the Glasses Appstore
3 Screen 	Leverage unified scotch/service to build interactive TV and gaming experiences synchronized across screens.	Leverage unified scotch/service to build interactive TV and gaming experiences synchronized across screens.	Greater flexibility and tools in how you build, deliver and blend your experiences across the 720 and multiple screens.	Leverage Kinect Glasses to create “Screen Zero” Transscreen experiences	Create on the go/location aware Transscreen experiences

Consumer
Positioning

World Class TV Entertainment on the Xbox 360

Platform



Next Generation TV/Web entertainment platform

Sensors



Control your TV experiences via Gesture, Voice and Touch

Content/
Transmedia



*Broad Entertainment Portfolio (Linear TV, Apps, Hero Content, Web Content)
Two way interactive TV applications*

Services



*Personalization Services (New Guide, Recommendations, New Live Tiers)
360 provides single task consumption of services.*

3 Screen



Synchronized Web Transmedia Experiences across your TV, Phone and PC

Consumer
Positioning

Next Generation Entertainment. One Box. Input 1.

Platform



*The **Only** box you need for premium living room entertainment*

Sensors



Natural Input that adapts to you and your world

Content/
Transmedia



Exclusive Next Generation Games and Transmedia Experiences

Services



720 provides richer concurrent consumption of cloud delivered services

3 Screen



Synchronized Rich Client experiences across your TV, Phone and PC

Top Level Consumer Benefits and Positioning

Fortaleza Glasses - 2014

Consumer
Positioning

Interact with the world in a revolutionary way. See for yourself.

Platform



Breakthrough Heads up and Hands Free Device

Sensors



Seamless integration of the digital world with the physical world

Content/
Transmedia



Contextual applications and experiences for your life.

Services



Real time information on people, places and objects.

3 Screen



Largest and most immersive screen, in the living room and on the go.

Top Level Consumer Benefits and Positioning

Cloud Gaming - 2015

Consumer
Positioning

Latest and greatest Xbox experiences. Instantly on any screen.

Platform



Enjoy premium experiences on existing or inexpensive hardware.

Sensors



Enhance your experiences with innovative local sensors

Content/
Transmedia



Access to the latest and greatest experiences without upgrading hardware

Services



Instant on Experiences. Access your entire entertainment library.

3 Screen



*Enjoy the **complete** Xbox experience, Any Time, Any Where, Any Screen.*

Additional questions to answer for Todd

Microsoft Wide Platform

- What is the difference in building on non Microsoft device vs building on non microsoft (i.e. android devices)?
- What is the reason people will come to Microsoft platforms?

Elaborate on the Cross Platform Benefits anywhere.

- How do you articulate the difference in year one vs year four.
- Vertical compatibility vs horizontal compatibility. How does it run on the old.
- What are our principles. Are we going to have Android or Microsoft. What do we want to do about application versioning.
- Case study for iOS, Android, Windows, Xbox, etc.

Value Propositions

- Amp up the OEM stuff/Win on the OEM
- Win on the content/exclusive on our platform.