

MICROSOFT ACQUIRES BRUCE ARTWICK ORGANIZATION LTD.; MICROSOFT AND BAO COMBINE EFFORTS TO DELIVER NEW SIMULATION TITLES

REDMOND, Wash., Dec. 12 /PRNewswire/ -- Continuing its efforts to be the leading entertainment-software publisher for the Microsoft(R) Windows(R) operating system, Microsoft Corp. (Nasdaq: MSFT) today announced that it has acquired the Bruce Artwick Organization Ltd. (BAO), a privately held Champaign, Ill., company famed for developing realistic flight-simulation software titles such as Microsoft Flight Simulator(R). BAO also developed Flight Simulator Flight Shop, Tower and various scenery packages, such as Las Vegas Scenery. Microsoft and BAO's founder, Bruce Artwick, have had a 15-yearlong business relationship centered on Microsoft Flight Simulator, the most successful entertainment title of all time. Microsoft Flight Simulator has sold in excess of 3 million units and is consistently one of the top-10 PC game software titles sold at retail. It has also been the recipient of many industry awards including being voted one of the 20 most important software products in the 20-year history of personal computing by BYTE magazine in September 1995. With this acquisition, Microsoft and BAO will combine to deliver new simulation titles.

"This relationship has been strong and rewarding for both companies through many years," said Tony Garcia, manager of the entertainment business unit at Microsoft. "We look forward to further combining the development, marketing and distribution strengths of both companies to bring compelling new entertainment titles to market."

"We are very eager to have the opportunity to join with Microsoft's consumer division," said Artwick. "We look forward to working even more closely to bring exciting titles to gamers and all types of simulation enthusiasts everywhere."

Under the terms of the agreement, Artwick will consult with Microsoft in the design and development of new titles, while the majority of BAO's development team will relocate to Microsoft's Redmond campus. The first title expected as a result of the acquisition will be Microsoft Flight Simulator for the Windows(R) 95 operating system.

Founded in 1984, BAO grew from six original employees to over 30 by 1995. Throughout its history, BAO has overseen development of dozens of products in many versions on several computing platforms within the Flight Simulator line. It has also seen the development of many more products from third parties in support of an ever-widening hobby market surrounding BAO's aviation simulation products.

Founded in 1975, Microsoft (NASDAQ "MSFT") is the worldwide leader in software for personal computers. The company offers a wide range of products and services for business and personal use, each designed with the mission of making it easier and more enjoyable for people to take advantage of the full power of personal computing every day.

Windows and Flight Simulator are either registered trademarks or trademarks of Microsoft Corp. in the United States and/or other countries.