

The first email came after I called looking for information.

Response 5/5/08:

Hi Josh,

Thank you for your inquiry. Here are answers to the questions you provided for me in our conversation today.

Q: What sort of console problems are people facing? What is Microsoft's stance on these problems?

A: *We are happy to say that customer satisfaction runs high as Xbox 360 continues to hit profitability. People love their Xbox 360 consoles and continue to buy at a record-setting pace, contributing to global life-to-date sales of over 19 million consoles. We take care of our customers, and they love us for it.*

Q: Is the red ring of death an issue any more? Has the red ring of death issue been fixed?

A: *The three flashing red lights indicate a general hardware failure, and any consumer electronics device, especially one that contains more than 1,700 different components and 500 million transistors as the Xbox 360 does, is susceptible to hardware issues.*

Our focus has been to ensure that every new console entering the retail channel contains the improvements we've made to the console, to decrease the likelihood a customer will experience the three flashing red lights. Microsoft stands behind its products and takes responsibility to ensure that every Xbox 360 console owner continues to have a fantastic gaming experience for several years to come.

Please let me know if you have any additional questions and when or if you are planning on running this story. I look forward to hearing from you.

Many thanks,

Tarsi

Tarsi M. Hall

Edelman | Seattle

w: 206-268-2245 | c: 206-518-1843

✉ Tarsi.Hall@edelman.com

Reply: 5/5/08:

From: Boose, Josh [mailto:jboose@wgrz.gannett.com]

Sent: Mon 5/5/2008 9:15 PM

To: Hall, Tarsi

Subject: RE: Console issue inquiry - WGRZ (Buffalo)

Hi Tarsi:

Thanks for the information, here are a few more questions;

- 1) Was there ever a problem with Xbox? It was estimated that approximately 33-percent of them failed when first launched several years ago? What was the overall problem and has the issue(s) been resolved?
- 2) How many Xbox's are being returned for new models because they aren't working properly?
- 3) If a customer calls Microsoft complaining of the "flashing red lights" or of product failure, what is the proper procedure on your end? Is a new system sent to them? What should customers do? Whom do they contact?
- 4) What is the average life span of an Xbox?
- 5) Are you noticing the number of returned Xbox's being returned are less than previous years?
- 6) What do you say to a customer that has had to send an Xbox back several times and find it to be a big inconvenience?

Thanks Tarsi!
Josh

Josh Boose
Reporter
2 On Your Side
WGRZ-TV
259 Delaware Avenue
Buffalo, NY 14202
716.849.2216, office
716.849.2200, assignment desk
716.849.7602, fax
jboose@wgrz.gannett.com

Thanks for your additional questions. We will try to answer them as soon as possible.
Best,
Tarsi

***Another rep. called me. She emailed me the next day, 5/6/08:

Josh!

Nice chatting with you. As promised, here is the statement Microsoft released in July 2007 regarding the "three flashing red lights" error message. Working now on getting more specific answers to the questions you sent through Tarsi last night.

Again, I'd love to know if we could help correct some of the specific issues your viewers are reporting. Please let me know if there is a way for us to put them in touch with our Xbox 360 customer service teams.

Best, Kelda

Microsoft Expands Xbox 360 Warranty Coverage

Microsoft Expands Xbox 360 Warranty Coverage

<http://www.microsoft.com/Presspass/press/2007/jul07/07-05WarrantyExtentionPR.mspx>

REDMOND, Wash. — July 5, 2007 —Microsoft Corp. today announced that it will expand its global Xbox 360™ warranty coverage. Any Xbox 360 customer who experiences a general hardware failure indicated by three flashing red lights will now be covered by a three year warranty from date of purchase. All other existing Xbox 360 warranty policies remain in place.

As a result of what Microsoft views as an unacceptable number of repairs to Xbox 360 consoles, the company conducted extensive investigations into potential sources of general hardware failures. Having identified a number of factors which can cause general hardware failures indicated by three red flashing lights on the console, Microsoft has made improvements to the console and is enhancing its Xbox 360 warranty policy for existing and new customers.

Microsoft stands behind its products and is taking responsibility to repair or replace any Xbox 360 console that experiences the "three flashing red lights" error message within three years from time of purchase free of charge, including shipping costs. Microsoft will take a \$1.05 billion to \$1.15 billion pre-tax charge to earnings for the quarter ended June 30, 2007 for anticipated costs under its current and enhanced Xbox 360 policies.

"The majority of Xbox 360 owners are having a great experience with their console and have from day one. But, this problem has caused frustration for some of our customers and for that, we sincerely apologize," said Robbie Bach, president of Microsoft's Entertainment & Devices Division. "We value our community tremendously and look at this as an investment in our customer base. We look forward to great things to come."

For any customer who has previously paid for repair expenses related to the three flashing lights error message on the Xbox 360 console, Microsoft will retroactively reimburse them.

At 2:30 p.m. PDT today, Microsoft will hold a teleconference for financial analysts and investors with Robbie Bach, president of Entertainment and Devices, Chris Liddell, senior vice president and chief financial officer, and Frank Brod, corporate vice president and chief accounting officer to discuss today's announcement. To participate, U.S. residents can dial +1-888-459-9165, and those outside the United States can dial +1-773-799-3324. The passcode is MSFT. The call will be available for playback beginning approximately one hour after the conclusion of the call through 5 p.m. PDT on Thursday, July 12, 2007. To access the playback, U.S. residents can dial +1-866-363-4143, and those outside the United States can dial +1-203-369-0210. An audio webcast of the conference call will also be made available at the Investor Relations site at <http://www.microsoft.com/msft>.

Xbox 360 customers with questions should visit www.xbox.com.

About Microsoft

Founded in 1975, Microsoft (NASDAQ "MSFT") is the worldwide leader in software, services and solutions that help people and businesses realize their full potential.

Statements in this release that are "forward-looking statements" are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially.

For further information regarding risks and uncertainties associated with

Microsoft's business, please refer to the "Management's Discussion and Analysis of Financial

Condition and Results of Operations" and "Risk Factors" sections of Microsoft's SEC filings, including, but not limited to, its annual report on Form 10-K and quarterly reports on Form 10-Q, copies of which may be obtained by contacting Microsoft's Investor Relations department at (800) 285-7772 or at Microsoft's [Investor Relations Web site](#).

All information in this release is as of July 5, 2007. The company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the company's expectations.

5-6-08

From: Boose, Josh [mailto:jboose@wgrz.gannett.com]
Sent: Wednesday, May 07, 2008 10:51 AM
To: Rericha, Kelda
Subject: BUFFALO-NBC

Hi Kelda,

Josh Boose here from WGRZ TV in Buffalo. Thanks for all your help yesterday. Sorry I didn't get back to you late last night. I was working on the Indiana, North Carolina primary election results until the "wee" hours. Busy, busy!

As I mentioned, we've received emails from people concerning the Xbox 360. Some people we talked to still claim they are having issues, even after sending their old one back and either getting a new one or having it fixed. As of right now we're looking at about a dozen people affected in our area.

I do want to point out, we have received several emails (about 4-6) from people pleased with their Xbox and happy with the service from the company. We will certainly point this out in our report.

As I mentioned yesterday, we're requesting an interview with someone from Microsoft. We can travel anywhere, anytime to meet with someone. The questions we have are; is the "rings of death" issued resolved? What should people do who continue to have problems? Is anything being done to further investigate/ fix this problem? What will you do for customers who are still not satisfied?

Thanks Kelda! I look forward to hearing back from you.
Sincerely,

Josh

Josh Boose
Reporter
2 On Your Side
WGRZ-TV
259 Delaware Avenue
Buffalo, NY 14202
716.849.2216, office
716.849.2200, assignment desk
716.849.7602, fax
jboose@wgrz.gannett.com

her reply

Kelda Rericha
Edelman for Microsoft Xbox 360
(503) 471-6827
kelda.rericha@edelman.com

Hi Josh!

Got to love the hours of broadcast TV! Hopefully today was a little less busy for you.

Please find below a response to your inquiry. Because this issue has been covered so exhaustively in the media over the last year, Microsoft feels there isn't anything new here for a spokesperson to comment on. Sorry I'm not able to provide more information at this time.

Best, Kelda

Prompted by what Microsoft viewed as an unacceptable number of repairs to Xbox 360 consoles, nearly a year ago, Microsoft announced an expansion of its Xbox 360 warranty. Effective July 5, 2007, any original retail Xbox 360 customer who experiences a general hardware failure indicated by three flashing red lights is covered by a three year warranty from date of purchase, with all other issues remaining covered by the standard one-year warranty.

The company conducted extensive investigations into potential sources of general hardware failures and after identifying a number of factors which can cause the general hardware failures, Microsoft has made improvements to the console.

The three flashing red lights error message does not signal a single issue and can be caused by a combination of factors. For competitive reasons, we do not provide specifics about hardware components.

We encourage anyone who is experiencing issues with their Xbox 360 console to call 1-800-4-MY-XBOX. Our customer service team is well equipped to ensure that all Xbox 360 repairs go smoothly. –Microsoft spokesperson

5-7-08

From: Boose, Josh [<mailto:jboose@wgrz.gannett.com>]
Sent: Wednesday, May 07, 2008 4:48 PM
To: Rericha, Kelda
Subject: RE: BUFFALO-NBC

Kelda,

Thanks for the response.

I want to go on the record as, again, requesting an interview. We are more than able to travel to Seattle, Rochester, NYC, wherever to get some of our questions answered. I'm not looking for a

long, drawn out interview. We just want to be able to give many of the viewers the answers they are looking for.

I look forward to hearing back from you.

Sincerely,

Josh

****her reply-5/7/08**

Hi Josh,

Sorry if I wasn't clear in my message below. Microsoft will not be able to provide a spokesperson to meet your interview request.

Best, Kelda