

Devices Team,

In this past few months, there have been a lot of changes within our team, and this has given us the opportunity to attack the market in different ways. From now on, our focus for our Windows Phone platform will be on people and areas where we already control a strong share of the market. This way we will be able to act on the ever-changing climate that is the mobile industry by serving our more loyal areas more effectively.

Because of these changes, there will be an estimated reduction of 12,500 factory direct and professional employees over the next year. These decisions are difficult for the team, and we plan to support departing team members with severance benefits. We will work to provide as much clarity and information as possible. Today, and over the coming weeks, leaders across the organization will hold town halls, host information sharing sessions, and provide more details on the intranet.

We operate in a competitive industry that moves rapidly, and change is necessary. As difficult as some of our changes are today, this direction deliberately aligns our work with the cross company efforts recently outlined by our leadership team. Collectively, the clarity, focus and alignment across the company, and the opportunity to deliver the results of that work into the hands of people, will allow us to increase our success in the future.

Sincerely,



Stephen Elop

Executive Vice President- Devices Group