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THE FOLLOWING IS A PRESS RELEASE DISSEMINATED BY GREAT PLAINS SOFTWARE, INC. AND  
MICROSOFT CORPORATION ON DECEMBER 21, 2000

## Microsoft to Acquire Great Plains

Industry leaders combine to pursue new vision for small and medium business applications for the interconnected economy.

REDMOND, Wash. -- Dec. 21, 2000 -- Microsoft Corp. (Nasdaq "MSFT") today announced it has reached an agreement in principal to acquire Great Plains Software Incorporated (Nasdaq "GPSI"), a leading supplier of mid-market business applications. Microsoft's acquisition of Great Plains will accelerate the success of small and medium companies globally with integrated, extensible business management software solutions needed to succeed in an increasingly interconnected economy. The acquisition will also create new opportunities for Microsoft and Great Plains partners to grow their businesses by delivering and integrating next generation solutions that take advantage of the powerful .NET foundation of small and medium business applications that Microsoft and Great Plains will provide.

The acquisition is structured as a stock purchase and is valued at approximately \$1.1 billion. Each share of Great Plains common stock will be exchanged for 1.1 shares of Microsoft common stock. The transaction is subject to regulatory review.

"In 19 years of operations Great Plains has proved to be one of Microsoft's most innovative partners," said Steve Ballmer, President and CEO, Microsoft Corp. "Microsoft and Great Plains see the future of business applications for small and medium sized companies in the same way."

"The combination of our two companies will accelerate small and medium business efficiency and agility by offering software solutions for automating interconnected business processes," said Jeff Raikes, Group Vice President, Microsoft's Productivity and Business Services Group. "Together we will bridge the gap between on-premise software and next generation software and services."

"This combination of Great Plains and Microsoft allows us to dramatically accelerate our vision of being the leader in providing interconnected business management solutions to small and mid-sized customers, while staying true to our mission of improving the lives and business success of our partners and customers," said Great Plains Chairman and CEO Doug Burgum.

Once the acquisition has been completed, Great Plains will become the Great Plains Division, reporting jointly to Jeff Raikes, Microsoft Group Vice President, Productivity and Business Services group, and David Vaskevitch, Senior Vice President, Business Application Division. The Great Plains Division will continue to develop, market and support its award-winning business management solutions which today deliver interconnections beyond the accounting and finance department to a company's business community of employees, customers, suppliers and partners. Down the road, the division will provide new capabilities that complement Microsoft's online service for small companies, bCentral. Additionally, the integration of technologies from both companies will create a fully interconnected generation of business applications built on the .NET platform, accessed via a wide range of devices (such as PCs, terminals, handheld and wireless devices) and deployed either as web-based services (hosted applications) or as on-premise, locally managed solutions according to the customers business need, support requirements and customization requirements.

## About Great Plains

Great Plains (Nasdaq: GPSI) offers interconnected business management solutions for small and medium companies. These interconnected solutions automate end-to-end business processes across financials, distribution, enterprise reporting, project accounting, electronic commerce, human resources and payroll, manufacturing, sales and marketing management, and customer service and support functions. Great Plains solutions are sold and implemented by a worldwide network of independent partner organizations that share the company's commitment to lasting customer relationships. Named four times to the "Top 100 Companies to Work for in America" list, Great Plains has more than 2,000 team members worldwide. More information about Great Plains can be found at [www.greatplains.com](http://www.greatplains.com)

## About Microsoft

Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software, services and Internet technologies for personal and business computing. The company offers a wide range of products and services designed to empower people through great software -- any time, any place and on any device.

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