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**From:** Tim Stuart </O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=MICROSOFT.ONMICROSOFT.COM-55760-TIM STUART>  
**To:** Amy Hood; Phil Spencer  
**CC:** Bill Duff  
**Sent:** 3/17/2020 4:07:14 PM  
**Subject:** RE: Gaming in FY21

Aligned. We are continuing to ramp investment into both 3P Game Pass content [REDACTED] and externally developed 1P titles [REDACTED]

For Game Pass specifically, we are increasing our 3P content pipeline cost to drive increased performance vs our baseline revenue plan in FY21 (and FY20 H2).

**From:** Amy Hood <amyhood@microsoft.com>  
**Sent:** Tuesday, March 17, 2020 8:57 AM  
**To:** Tim Stuart <timstu@microsoft.com>; Phil Spencer <philsp@microsoft.com>  
**Cc:** Bill Duff <billduff@microsoft.com>  
**Subject:** RE: Gaming in FY21

Thanks Tim – and importantly – I would want to even invest in key external content options if it improves portfolio as that feels like the right long term trade. I know you all are working on overall internal Studios performance and staffing too.

**From:** Tim Stuart <timstu@microsoft.com>  
**Sent:** Tuesday, March 17, 2020 8:06 AM  
**To:** Amy Hood <amyhood@microsoft.com>; Phil Spencer <philsp@microsoft.com>  
**Cc:** Bill Duff <billduff@microsoft.com>  
**Subject:** RE: Gaming in FY21

Good direction, thank you.

We've started these conversations as well – as you rightly note, in the 08-09 timeframe console hardware did see an impact while content & services continued to be healthy and grow. We will continue ARPU growth inside the base, but acquiring new customers via console volume sees a significant impact (depending on how deep the surrounding economic impact is).

[REDACTED]

We have time with you next Tuesday the 24th to discuss FY21, and will come back with options to discuss. I will center around the following:

[REDACTED]

We have a few of these already in flight to hit higher AM targets, we'll iterate on additional ideas and come back

with scenarios for our discussion.

**From:** Amy Hood <[amyhood@microsoft.com](mailto:amyhood@microsoft.com)>  
**Sent:** Tuesday, March 17, 2020 7:45 AM  
**To:** Phil Spencer <[philsp@microsoft.com](mailto:philsp@microsoft.com)>; Tim Stuart <[timstu@microsoft.com](mailto:timstu@microsoft.com)>  
**Cc:** Bill Duff <[billduff@microsoft.com](mailto:billduff@microsoft.com)>  
**Subject:** Gaming in FY21

Phil and Tim,

We are starting the conversations now about where to [REDACTED] where possible and for as long as possible to see if things can get back to some level of “normal demand” by 2021. When discretionary spend gets tight, we know content does well – and content based subscriptions. The issue is how consoles do and how much we should be subsidizing them (if at all). In prior downturns, consoles haven’t done that well as people make do with what they have. As we get closer to meeting, it would be good to see some options and I have made up some here:

[REDACTED]

[REDACTED]

Amy