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Xbox 360 Transforms the Way Everyone Has Fun

Microsoft surprises and delights with Kinect, blockbuster games, exclusive ESPN deal, new ways to enjoy movies and music, and a sleek new Xbox 360.

LOS ANGELES — June 14, 2010 — Xbox today opened a new era of entertainment for everyone, transforming the way the world plays, entertains and connects with friends and family. To kick-start the Electronic Entertainment Expo (E3), Microsoft Corp. world premiered Kinect for Xbox 360, formerly known as “Project Natal,” in a spectacular live performance imagined by Cirque du Soleil. Unlike anything seen or experienced before, Kinect for Xbox 360 opens a new world of controller-free games and entertainment so everyone can have fun.

In addition to Kinect, Xbox showcased new and easy ways to enjoy music, movies and sports with friends and family. It also demonstrated that Xbox 360 remains the only place to play the biggest exclusive blockbusters with “Gears of War 3” and what promises to be the biggest game of 2010, “Halo: Reach.” For its grand finale, the company surprised everyone with the launch of a new Xbox 360 console, designed for the future of games and entertainment. The new console ships to retailers tomorrow.

“At Microsoft, we believe fun is a universal magnet, uniting us and connecting us all together,” said Don Mattrick, senior vice president for the Interactive Entertainment Business at Microsoft. “We believe interactive entertainment is the greatest form of all entertainment, and it should be open and approachable to as many people as possible. It is this belief that led us to remove the last barrier between you and the entertainment you love. By making you the controller, we will transform how you and your friends experience games and entertainment.”

The Year We All “Kinect”

Kinect for Xbox 360 brings roaring rapids, wild tigers, mountainous obstacle courses and zooming racecars to living rooms in North America on Nov. 4 and will roll out to the rest of the world thereafter. Uniquely magical and instantly fun, Kinect for Xbox 360 tracks your body movements and gestures. It even understands your voice.

By taking technology out of your hands for the first time, Kinect lets people who have never picked up a game controller join the excitement. See a ball? Just kick it. Want to learn how to dance or get fit? Just follow the moves. With Kinect, all you have to do is be you — no controller required.

Kinect also puts your favorite movies, television shows and music at your fingertips, turning ordinary entertainment into an extraordinary experience.¹ Jump right into a movie in instant-on 1080p HD² by simply saying “Xbox, play.” Browse a selection of millions of songs with just a wave of your hand. Kinect instantly makes playing games, watching movies and listening to music more fun and interactive than ever before, and it is available only on Xbox 360.

The New Xbox 360

Microsoft also surprised the world with a new Xbox 360 console designed for the future. Back in black, the new Xbox 360 is sleek, silent and sexy. Connect in seconds to the always-expanding world of Xbox LIVE through built-in Wi-Fi N and store twice as many games and entertainment on a 250GB hard drive.

The newly designed console is whisper-quiet, so the silent tension of a game or movie is never broken. The new Xbox 360 system also comes with everything you need to get started, including an Xbox 360 wireless controller, Xbox 360 headset, HDMI input, USB flash drive

storage capabilities and more, and a one-year limited warranty on the console, available this week and priced at \$299.99 ERP.

Entertainment for Everyone

Xbox LIVE connects you and your Xbox 360 to a world of fun, friends and interactive social entertainment, with the best in games, movies, TV, music, sports and community experiences all in one place.

- **The stadium experience at home.** This November, Xbox LIVE Gold members will enjoy free, instant access to more than 3,500 ESPN live global events every year on ESPN3.com, including college basketball, college football and bowl games, MLB, NBA, international soccer, tennis including all four Grand Slam tournaments, golf majors and much more — exclusively on Xbox 360.³ Members can also watch out-of-market games and access ESPN.com video clips on demand, refreshed daily.

With thousands of sporting events on ESPN3.com and the interactive social network of Xbox LIVE, ESPN on Xbox 360 brings the excitement of a stadium experience into the living room. Fans will be able to share the emotion, victory and heartbreak of world-class sports with friends and rivals from coast to coast on Xbox LIVE. They'll also be able to see what games the Xbox LIVE community is watching, participate in polls, make predictions, play sports trivia and much more. With Kinect, fans control the action from their couches with just their voices or a wave of the hand. A first for home entertainment, ESPN on Xbox 360 brings the action to life like never before in an ultimate interactive experience for sports fans.

- **Seven million songs at your fingertips.** Building on the success of Zune video on Xbox, Microsoft announced the expansion of the Zune music experience to Xbox LIVE, bringing everything you love about music right into the living room. With a Zune Pass subscription (sold separately),⁴ users can discover and play an unlimited number of songs from a catalog of more than seven million tracks, all streamed instantly, on-demand and in crystal-clear quality.

Create a playlist for your next party, and watch as the music videos of your favorite artists play in the background. Get personalized song recommendations based on your favorite artists, and see your Xbox LIVE friends' top songs. Plus, with the power of Kinect, you can control your music with hand gestures and your voice.

- **Video Kinect.** Share a smile and a wave with faraway friends and family as you come together from living rooms across the world, no headset required⁵. Video Kinect pans to follow your movements and adjusts automatically to make chat on Xbox LIVE more intuitive and easier to use than ever before.

Next year, Microsoft will link Video Kinect with Windows Live Messenger, allowing the Xbox LIVE community to have rich, real-time video conversations with hundreds of millions of PC users around the world. It will also integrate custom news feeds, weather and videos from Bing, sparking conversation just like you're in the same room reading the paper or watching the news together.

- **Global expansion.** This holiday, Xbox LIVE will roll out service to nine new regions — Brazil, Chile, Colombia, Czech Republic, Greece, Hungary, Poland, Russia and South Africa — delivering the core gaming and community features that have made Xbox LIVE the world's premier online gaming destination. In addition, Australians will soon be able to watch live television and a range of video-on-demand programming on Xbox LIVE from satellite and cable TV provider FOXTEL with no set-top box required.

The Year of Blockbuster Games

Larger-than-life characters. Emotional storytelling. Groundbreaking gameplay. This year, the Xbox 360 is the only place to play the three biggest blockbusters — “Halo: Reach,” “Call of Duty” and “Gears of War 3.” In addition to these highly anticipated titles, games like “Fable III,” “Metal Gear Solid: Rising” and code-named “Kingdoms” are also on the way.

About Xbox 360

Xbox 360 is a premier home entertainment and video game system. This November, with the addition of Kinect, Xbox 360 will forever transform social gaming and entertainment with a whole new way to play — no controller required. Xbox 360 is also home to the best and broadest games as well as the largest on-demand library of music, standard- and high-definition movies, TV shows and digital games, all in one place. The entertainment center of the living room, Xbox 360 blends unbeatable content with the leading social network of 25 million Xbox LIVE members to create a limitless entertainment experience that can be shared at home or across the globe. More information about Xbox 360 can be found online at <http://www.xbox.com>.

About Xbox LIVE

Xbox LIVE is the online entertainment service for your Xbox 360, connecting you to an ever-expanding world of games, movies, TV, music, sports and social entertainment. Xbox LIVE

lets you play the best games, enjoy the largest on-demand library on any console, listen to millions of songs and share the fun with friends around the world. Xbox LIVE is also the exclusive home of controller-free online entertainment through Kinect, making your Xbox 360 more intuitive and interactive than ever before. With an active community of 25 million people across 26 countries, expanding to 35 this fall, Xbox LIVE, together with Xbox 360, provides you with instant access to the entertainment you want, shared with the people you care about, wherever you are. More information about Xbox LIVE can be found online at <http://www.xbox.com/live>.

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.

¹ Xbox LIVE Gold Membership required.

² Users will need an HDCP-compliant 1080p display, an HDMI cable and broadband speeds greater than 3–4 Mbps for instant viewing at 1080p and 5.1 surround sound.

³ESPN on Xbox LIVE, providing great content from ESPN3.com and ESPN.com, is only available to Xbox LIVE Gold members. For access to ESPN3.com content, Gold members must receive their Internet connection from an affiliated broadband provider. See ESPN3.com for details and providers

⁴ Zune Pass is a monthly music subscription. Available content may vary over time. Zune Pass is not available in all countries; see Zune.net.

⁵ Xbox LIVE Gold membership required for Kinect Chat.

For more information, press only:

Caylen Goudie, Edelman, (312) 240-3339, caylen.goudie@edelman.com

For more information, broadcast media only:

Leslie Felarca, Edelman, (206) 268-2220, leslie.felarca@edelman.com

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