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**MICROSOFT AND THE AGA KHAN FOUNDATION U.S.A. PARTNER FOR
EDUCATION, HEALTH, CIVIL SOCIETY & ECONOMIC DEVELOPMENT**

Signing ceremony marks new community programs for Africa, South and Central Asia

REDMOND, Washington – Aug. 12, 2008 – Today at Microsoft headquarters in Redmond, WA, the vice president of the Unlimited Potential Group at Microsoft, Michael Rawding, and the chief executive officer of the Aga Khan Foundation U.S.A., Iqbal Noor Ali, signed a Memorandum of Understanding to partner in the development of innovative technology solutions and human resource capacity through education, health, civil society, financial services, rural livelihoods and economic development programs in Africa, South and Central Asia. The working partnership between the Microsoft Unlimited Potential Group and the Aga Khan Foundation U.S.A. reflects a shared commitment to expand the social and economic opportunities of underserved communities, irrespective of race, religion, political persuasion or gender.

As an initial area of collaboration, the two organizations will focus on education with the establishment of a global information and communications technology (ICT) strategy for the network of 18 Aga Khan Academies. The first Aga Khan Academy was inaugurated in 2003 in Mombasa, Kenya. Additional primary and secondary schools are in development in 14 countries across Africa, the Middle East, Central and South Asia over the next 10-15 years. Microsoft plans to provide technical assistance and advisory services to the academies and explore new ways that ICT can enable quality education and teachers' professional development with Microsoft's Partners in Learning program and Microsoft's Digital Literacy Curriculum. Microsoft also will collaborate with the Aga Khan Foundation in Pakistan and East Africa to enhance the quality and availability of math, science and technology education programs, as well as expand digital access through Community Technology and Learning Centres (CTLCs).

"Today's most pressing issues of social and economic development require more than traditional philanthropy," said Iqbal Noor Ali, CEO of the Aga Khan Foundation U.S.A. "Our agreement with Microsoft today marks a joint, long-term commitment to help the most vulnerable in society with the most innovative, appropriate solutions and technologies at our disposal."

To promote rural economic development, the two organizations plan to expand access to information and technology through the Aga Khan Foundation's existing Rural Support Programs. Microsoft and the Aga Khan Foundation will also explore areas of joint research into new technologies relevant to rural populations and ways to raise awareness about the needs of the underserved rural segment among software developers in universities and around the world.

"If we are to meet our goal of reaching the next 5 billion people around the world who are not yet realizing the benefits of technology, it is critical we look at innovative partners that span communities and geographies," said Michael Rawding, vice president of the Unlimited Potential

Group at Microsoft. “We are thrilled the Aga Khan Foundation U.S.A. will work with the Unlimited Potential Group to help address the needs of the marginalized urban and rural communities in Africa, South and Central Asia.”

Other areas of collaboration include the expansion of youth empowerment programs and shared best practices in ICT skills to help strengthen the development capacity of Civil Society Organizations (CSOs) and non-governmental organizations (NGOs). The first joint project in this area will take place in Tanzania, with the support of the International Youth Foundation. Microsoft and the Aga Khan Foundation also have agreed to jointly explore quality healthcare initiatives and how ICTs can expand outreach and lower costs for financial services for the poor (such as micro-credit and savings, microinsurance and other services).

The two organizations have already partnered with success on projects in Egypt and India, where they have opened CTLCs for marginalized rural and urban areas, youth empowerment programs that provide vocational training programs in ICT and advanced courses for professionals to become Microsoft Certified Technology Specialists at the University of Central Asia. The Memorandum of Understanding signed today will expand upon the collaboration efforts between Microsoft and the Aga Khan Foundation to help empower more communities with the ICT access that can create new social and economic opportunities.

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About Unlimited Potential

Microsoft, through its Unlimited Potential vision, is committed to making technology more affordable, relevant and accessible for the 5 billion people around the world who do not yet enjoy its benefits. The company aims to do so by helping to transform education and foster a culture of innovation, and through these means enable better jobs and opportunities. By working with governments, intergovernmental organisations, nongovernmental organisations and industry partners, Microsoft hopes to reach its first major milestone — to reach the next 1 billion people who are not yet realising the benefits of technology — by 2015.

About Microsoft

Founded in 1975, Microsoft (Nasdaq “MSFT”) is the worldwide leader in software, services and solutions that help people and businesses realise their full potential.

About Aga Khan Development Network

The Aga Khan Development Network (AKDN) is a group of private, international development agencies working to empower communities and individuals, often in disadvantaged circumstances, to improve living conditions and opportunities, especially in Africa and Asia. The Network’s agencies have individual mandates ranging from health and education to architecture, culture, microfinance, rural development, disaster reduction, the promotion of private-sector enterprise and the revitalization of historic cities. The Network’s nine development agencies focus on social, cultural and economic development for all citizens, regardless of gender, origin or religion. His Highness the Aga Khan is founder and Chairman of the Aga Khan Development Network. The AKDN’s underlying ethic is compassion for the vulnerable in society. Its annual budget for philanthropic activity is in excess of US\$ 300 million (www.akdn.org). Aga Khan Foundation, an agency of AKDN, works to address the root causes of poverty by sharing innovative solutions and by supporting over 100 programs in health,

education, rural development, civil society and the environment primarily in East Africa and South and Central Asia. Using community-based approaches to meet basic human needs, the Foundation builds the capacity of community and non-governmental organizations to have a lasting impact on reducing poverty.

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