



Commonwealth of Puerto Rico

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PRESS RELEASE

Puerto Rico: Home to the Only Microsoft Replication Plant in the World Dedicated to DVD Manufacture

Humacao, Puerto Rico – Governor Aníbal Acevedo-Vilá today inaugurated an expansion program at the Microsoft Puerto Rico plant, which will be the only Microsoft replication plant in the world dedicated to manufacture exclusively the optical media known as DVD. It will also handle manufacture of the new Microsoft Windows Vista and Office 2007 Programs for distribution in the Americas. This expansion will create 94 new jobs, and represents another advance in the Governor’s mission to position the Island at the forefront of the technological and IT industries worldwide. .

“Puerto Rico will be the home base for the only Microsoft replication plant in the world and becomes the exclusive manufacturer of the optical media known as DVD, as well as of other new technologies used in the distribution of software throughout all the Americas,” the Governor said upon inaugurating the new Microsoft building. Present for the ceremony was Frank Holland, Microsoft Corporation Vice President for Operations in the Americas; Rodolfo Acevedo, General Manager for Microsoft Puerto Rico; Ricardo Rivera, Puerto Rico Economic Development and Commerce Secretary; Boris Jaskille, PRIDCO’s Executive Director; and Marcelo Trujillo, Mayor of the Municipality of Humacao, among others.

Acevedo-Vilá said that the Microsoft expansion will also result in 60 temporary jobs during high-production periods such as, for example, when Microsoft Windows Vista and Office 2007 software products are launched into market, scheduled for the end of this year. “Now it will be Puerto Rican hands that will produce the new Microsoft Windows Vista and Office 2007 for the American market,” he added.

“To give you an idea of the importance of this expansion, last year the Information Technology sector generated \$587 million for the Puerto Rico economy and production in this sector is expected to grow during the next four years at an average rate of 2.8%. As a matter of fact, Microsoft contributes approximately \$10 million to the local industry per year in purchases of raw materials and services,” the Governor stated.

The Governor also said that the Microsoft expansion will cost \$66 million, and compares favorably with expansions done by other high-technology manufacturers, such as Infotech in Isabela; Hamilton Sundstrand in Santa Isabel; and Pall Life Sciences in Fajardo, which represented a joint \$105 million investment and the creation of 724 new jobs.

The Governor stressed that with these that the new 123,000 square foot Microsoft addition will approximately double the size of the former plant, Microsoft has added three new Technologies to its production, including the capacity to manufacture DVD and create master or original disks.

Microsoft Corporation began operations on the Island in 1990 with a \$2 million investment and 50 employees. It has since tripled its production capacity, with the plant operating 24 hours a day, seven days a week, and has the capacity to manufacture 87 million CD's and DVD's per year.

Acevedo-Vilá also noted that Microsoft operates a sales, marketing and service subsidiary located in Guaynabo, which employs 100 persons and works with a network of strategic partners comprised of over 60 local enterprises specializing in implementing technological solutions under the Microsoft platform.

“I thank the Microsoft Corporation management for placing their confidence in Puerto Rico with this expansion. I also want to thank our labor force because this has been possible thanks to their commitment and capacity to evolve with the speed required in an industry so competitive as is the software development industry,” said the Governor, who in 2005 met with Microsoft President Bill Gates to analyze the possibilities of expansion on the Island for the corporation.

The Governor also recognized PRIDCO's contribution for providing Microsoft the land for the expansion and for assisting the corporation in obtaining financing from the private banking sector. He also highlighted the collaboration of the Mayor of Humacao and of more than 50 local companies that took part in the construction and habilitation of the plan, which began in the summer of 2005 and were completed within schedule.

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