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In this photo provided by Microsoft, Microsoft chairman Bill Gates, right, speaks to employees as CEO Steve Ballmer looks on during a farewell event celebrating Gates' years at Microsoft on his last day as a full-time employee, at company headquarters in Redmond.

(AP)

## Amid cheers and tears, Gates says goodbye

### He ends an epic career as full-time Microsoft leader

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P-I REPORTER

Bill Gates wiped the tears from his face, bowed his head to the applause -- and ended an era.

Microsoft's 52-year-old icon worked his final day as a full-time executive Friday, more than three

decades after he dropped out of college to found the company with his high school friend. As he prepared to depart, Gates reminisced about Microsoft's successes, and its controversies.

"Even the times that were the toughest, in some ways those are the ones that bond you the most -- when IBM decides to attack you, or when some legal ruling isn't quite right," Gates told employees at an internal event, to laughter. "And you have to do a press conference afterwards."

Later, he concluded: "There won't be a day of my life that I'm not thinking about Microsoft and the great things that it's doing, and wanting to help. So thank you for making it the center of my life, and so much fun."

With those words, Gates marked the end of a career that began in 1975, when he and Paul Allen formed a partnership to make software for early personal computers. As Gates leaves daily life at Microsoft, the company is a global giant with more than 90,000 employees, a dominant position in PC software -- and an uncertain future in an increasingly Internet-centric world.

Speaking to employees, Gates acknowledged Microsoft's struggle to gain ground against Google in the Internet search business, but he also expressed optimism about its chances, based on the work it's doing now.

"Even though it takes years before people see the full effect of that, it's an exciting thing," Gates said. "We have so many opportunities to surprise people."

Microsoft is entering the post-Gates era having failed in its efforts to acquire Yahoo -- a move that was designed to bolster the company against Google.

But Gates said he believes he is making the move at a time when the company is strong.

"There's always intense competition. I think the company is stronger today than it's ever been. That's very clear to me. The depth of IQ in this company is phenomenal. Now, we don't always get it to add up. We get a tiny bit of subtraction sometimes and that's one of our challenges."

Gates is leaving Microsoft to focus his attention on the Bill & Melinda Gates Foundation. He will remain Microsoft's chairman and work on selected projects there part time. He will also have a third office, separate from Microsoft and the foundation. He said in a recent interview that he plans to fund projects that he finds interesting, but he won't work for any other company.

The transition has been in the works for two years, since Microsoft announced Gates' plan to step down from daily duties.

At the internal event, Microsoft Chief Executive Steve Ballmer, Gates' longtime friend, presented him with a bound scrapbook of photos and mementos. At the same time, Ballmer acknowledged that no mere

parting gift could do justice to the moment.

"We've been given an enormous, enormous opportunity," Ballmer said, breaking down into tears. "And Bill gave us that opportunity. I want to thank Bill for that, and I want you to, too."

The crowd of more than 800 employees in the Redmond conference center stood and cheered. Thousands of employees were also watching video of the event online -- the kind of technology that Gates and Allen could have only dreamed about when they were programming BASIC on paper tape for the early Altair personal computer.

Before the event, Ballmer worked the crowd with a big grin, bouncing around and snapping his fingers. Gates waited behind a black curtain, arms crossed and pacing, as Ballmer introduced him. He walked in to a standing ovation, grinning, and introduced his wife, Melinda, and his children in the crowd.

Others in the crowd Friday included Marc McDonald, 52, who attended Seattle's Lakeside School with Gates and became Microsoft's first employee, after Gates and Allen. He left Microsoft but returned in 2000 when it acquired a company where he was working. McDonald is among those pictured in a legendary photo of early Microsoft employees, taken at a shopping mall portrait studio in the late 1970s.

"I never thought I'd be the last full-time person in that picture," McDonald said after the Friday event. "That's the funniest thing. I end up back here, and then Bill leaves before I do."

Given the way Gates is intertwined with the company, McDonald said he was surprised when the transition was announced two years ago: "I hadn't thought it would happen."

Another person in the audience was Ajay Mathew, 27, who has worked at the company for less than a year. He said he took inspiration from Gates' remarks about the challenges the company has overcome. "He has shown that it's worth taking risks, and believing in your dreams," Mathew said. "It's pretty good."

Gates acknowledged that it won't be easy to move on, given how natural it has become for him to work at the company.

Sometimes, when he's driving his children to school, Gates said, "If I forget and start thinking about work a little, I start driving towards Microsoft. They say to me, 'Dad, Dad, what are we going to do at Microsoft?'"

Gates has said he can't envision a scenario under which he would return full time, but he noted Friday that he will be available to the company's next generation of leaders, if they need his advice. "To steal a sentence from Steve," Gates said, "I love this company."

## **CLOSING REMARKS**

Bill Gates' closing remarks to Microsoft employees during his farewell Friday event in Redmond:

"My life's work really is about software and working with incredible people. I love working with smart people. I love working with Steve. I love working with all the incredible people here. Even the times that were the toughest, in some ways those are the ones that bond you the most -- when IBM decides to attack you, or when some legal ruling isn't quite right. And you have to do a press conference afterwards.

"The work here combines two things that I think are just so special. One is the long-term impact -- the impact on the world of what we do -- is incredible. We can always go out and see things that remind us of that. See blind people who, using our accessibility, can browse the Internet. You know, their lives are just totally different because of that. So we can say, wow, this is so impactful.

"But I think the second thing, which is that the day-to-day work is fun and enjoyable, that's actually what's made it so easy to want to work hard, to want to always improve things, to face up to whatever it is that needs to be done better. So it's a special group of people who put so much into it.

"So let me just close by saying you've made it so much for me. There won't be a day of my life that I'm not thinking about Microsoft, and the great things that it's doing, and wanting to help. So thank you for making it the center of my life, and so much fun. Thank you."

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