

MUGLIA ROBERT L  
Form 4  
April 25, 2008

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
MUGLIA ROBERT L

2. Issuer Name and Ticker or Trading Symbol  
MICROSOFT CORP [MSFT]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
C/O MICROSOFT CORPORATION, ONE MICROSOFT WAY

3. Date of Earliest Transaction (Month/Day/Year)  
04/24/2008

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Senior Vice President

(Street)  
REDMOND, WA 98053-6399

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount or (D) Price			
Common Stock	04/24/2008		M	150,000 (1) A \$ 25.1438	425,473 (2)	D	
Common Stock	04/24/2008		S	104,592 (3) D \$ 32	320,881	D	
Common Stock	04/24/2008		S	600 (3) D \$ 32.0025	320,281	D	
Common Stock	04/24/2008		S	38,648 (3) D \$ 32.01	281,633	D	
Common Stock	04/24/2008		S	400 (3) D \$ 32.0125	281,233	D	

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Common Stock	04/24/2008	S	5,760 <sup>(3)</sup>	D	\$ 32.015	275,473	D	
Common Stock						63,040 <sup>(4)</sup>	I	By 401(k)
Common Stock						5,790	I	By Spouse
Common Stock						19,292 <sup>(4)</sup>	I	By Spouse 401(k)
Common Stock						7,200	I	By IRA
Common Stock						34,793 <sup>(5)</sup>	I	By Family Foundation

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
Employee Stock Option (right to buy) #0285244	\$ 25.1438	04/24/2008		M	150,000 <sup>(1)</sup>	02/20/2006	02/20/2011	Common Stock	150,000
Call Option (obligation to sell)	\$ 32.5	04/19/2008		E	V 498 <sup>(6)</sup>	10/23/2007	04/19/2008	Common Stock	49,800

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director      10% Owner      Officer      Other

MUGLIA ROBERT L  
C/O MICROSOFT CORPORATION  
ONE MICROSOFT WAY  
REDMOND, WA 98053-6399

Senior  
Vice  
President

## Signatures

Keith R. Dolliver, Attorney-in-Fact for Robert L.  
Muglia

04/25/2008

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The exercise was made under a 10b5-1 plan previously adopted by the reporting person.
- (2) Includes 709 shares acquired on March 31, 2008 under the Microsoft employee stock purchase plan.
- (3) The sale was made under a 10b5-1 plan previously adopted by the reporting person.
- (4) Balance as of March 31, 2008.
- (5) The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission or that the reporting person is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.
- (6) Prior to becoming a reporting person, Mr. Muglia wrote a Call Option (obligation to sell) under a Rule 10b5-1 Trading Plan for 498 lots (49,800 shares) at \$32.50 per share. The Call Option expired for no value.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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