BACH ROBERT J

Form 4

December 22, 2009

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

OMB APPROVAL

3235-0287 Number:

> January 31, 2005

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obligations may continue. See Instruction

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

1(b).

(Last)

(City)

(Print or Type Responses)

1. Name and Address of Reporting Person * **BACH ROBERT J**

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

(Middle)

(Zip)

MICROSOFT CORP [MSFT]

(Check all applicable)

C/O MICROSOFT

(Street)

(State)

(First)

3. Date of Earliest Transaction

(Month/Day/Year) 12/21/2009

Director 10% Owner X_ Officer (give title Other (specify

below) President, Entertainment Div.

CORPORATION, ONE MICROSOFT WAY

4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

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

REDMOND, WA 98052-6399

| | | Tuble 1 1 (on Berryadive Securities required, Bisposed of, or Benerician, 6 whea | | | | | | | |
|--------------------------------------|--------------------------------------|----------------------------------------------------------------------------------|------------------------------------|---------------|------------------|---------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------|-------------------------|
| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 3. Transaction Code | 4. Securition Dispose (Instr. 3, 4 | ed of (| (D) | 5. Amount of 6. Securities Ownership Beneficially Form: | Ownership | 7. Nature of Indirect Beneficial | |
| | | (Month/Day/Year) | (Instr. 8) Code V | Amount | (A) or (D) | Price | Owned Following Reported Transaction(s) (Instr. 3 and 4) | Direct (D) or Indirect (I) (Instr. 4) | Ownership (Instr. 4) |
| Common Stock' | 12/21/2009 | | M | 50,000 (1) | A | \$ 21.591 | 725,449 | D | |
| Common Stock | 12/21/2009 | | S | 50,000 (1) | D | \$ 30.5 | 675,449 | D | |

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

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

| I | 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. Transactio Code (Instr. 8) | orDerivative | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | |
|---|----------------------------------------|-----------------------------------------------------------------------|--------------------------------------|----------------------------------------------------|----------------------------------------|--------------|--------|----------------------------------------------------------|--------------------|---------------------------------------------------------------|-------------------------------------|
| | | | | | Code V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| (| Employee Stock Option Right to | \$ 21.591 | 12/21/2009 | | M | | 50,000 | 07/31/2005 | 07/31/2012 | Common Stock | 50,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | | | | |
|-------------------------------------------------------------------------------------------|---------------|-----------|-------------------------------------|-------|--|--|--|--|
| . 0 | Director | 10% Owner | Officer | Other | | | | |
| BACH ROBERT J C/O MICROSOFT CORPORATION ONE MICROSOFT WAY REDMOND, WA 98052-6399 | | | President, Entertainment Div. | | | | | |

Signatures

Buy)

Keith R. Dolliver, Attorney-in-Fact for Robert J.
Bach

**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 of the stock option and sale of the underlying shares were made under a 10b5-1 plan previously adopted by the reporting person.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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