

MICROSOFT CORP
Form 3
March 28, 2008

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| * MUGLIA ROBERT L | | (Month/Day/Year) 03/18/2008 | MICROSOFT CORP [MSFT] | |
| (Last) | (First) | (Middle) | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| C/O MICROSOFT CORPORATION, ONE MICROSOFT WAY | | | (Check all applicable) | |
| (Street) | | | <input type="checkbox"/> Director | <input type="checkbox"/> 10% Owner |
| REDMOND, WA 98052-6399 | | | <input checked="" type="checkbox"/> Officer | <input type="checkbox"/> Other |
| (City) | (State) | (Zip) | (give title below) (specify below) | |
| | | | Senior Vice President | |
| | | | 6. Individual or Joint/Group Filing(Check Applicable Line) | |
| | | | <input checked="" type="checkbox"/> Form filed by One Reporting Person | |
| | | | <input type="checkbox"/> Form filed by More than One Reporting Person | |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|------------------------------------|--|---|--|
| Common Stock | 274,764 ⁽¹⁾ | D | À |
| Common Stock | 63,040 ⁽²⁾ | I | By 401(k) |
| Common Stock | 5,760 | I | By Spouse |
| Common Stock | 19,292 ⁽²⁾ | I | By Spouse 401(k) |
| Common Stock | 7,200 | I | By IRA |
| Common Stock | 34,793 ⁽³⁾ | I | By Family Foundation |

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

SEC 1473 (7-02)

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

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|--------------------|--|----------------------------------|--|--|--|
| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | |
| Employee Stock Option (right to buy) #0171066 | 03/06/2005 | 03/06/2010 | Common Stock | 4,444,444 | \$ 40.7813 | D | Â |
| Employee Stock Option (right to buy) #0203526 | 04/24/2005 | 04/24/2010 | Common Stock | 2,222,222 | \$ 29.9813 | D | Â |
| Employee Stock Option (right to buy) #0285244 | 02/20/2006 | 02/20/2011 | Common Stock | 1,072,422 | \$ 25.1438 | D | Â |
| Call Option (obligation to sell) | 04/19/2008 | 04/19/2008 | Common Stock | 49,800 ⁽⁴⁾ | \$ 32.5 | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| MUGLIA ROBERT L C/O MICROSOFT CORPORATION ONE MICROSOFT WAY REDMOND, WA 98052-6399 | Â | Â | Â Senior Vice President | Â |

Signatures

Robert L. Muglia 03/28/2008

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 5(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).
- Includes an aggregate of 150,549 shares represented by unvested stock awards, of which 2,267 shares will vest on of August 29, 2008,
- (1) 100,060 shares will vest on August 31, 2008, 25,244 shares will vest on August 31, 2009, and 22,978 shares will vest on August 31, 2010.
 - (2) Balance as of February 29, 2008.
 - (3) The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.
 - (4) In October 2007, the reporting person wrote a Call Option (obligation to sell) under a Rule 10b5-1 Trading Plan for 498 lots (49,800 shares) shares at \$32.50 per share. The maturity date is April 19, 2008. If on the maturity date, the option is in-the-money it will be exercised (and settled in stock or cash). If the option is not in the money on the expiration date, the the option will expire.

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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