

MUGLIA ROBERT L
Form 4
November 18, 2009

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

(Last) (First) (Middle)

C/O MICROSOFT CORPORATION, ONE MICROSOFT WAY

(Street)

REDMOND, WA 98053-6399

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
11/17/2009

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 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

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 Price		
Common Stock	11/17/2009		M		119,900 (1) \$ 25.1438	A	617,783 D
Common Stock	11/17/2009		S		119,900 (1) \$ 30.0063 (2)	D	497,883 D
Common Stock	11/18/2009		M		802,522 (1) \$ 25.1438	A	1,300,405 D
Common Stock	11/18/2009		S		802,522 (1) \$ 30.0035 (3)	D	497,883 D

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Common Stock	63,045 ⁽⁴⁾	I	By 401(k)
Common Stock	5,760	I	By Spouse
Common Stock	19,293 ⁽⁴⁾	I	By Spouse 401(k)
Common Stock	7,200	I	By IRA
Common Stock	20,000 ⁽⁵⁾	I	By Family Foundation

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

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SEC 1474
(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 Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number Shares
Employee Stock Option (right to buy)	\$ 25.1438	11/17/2009		M	119,900	02/20/2006 02/20/2011	Common Stock 119,900
Employee Stock Option (right to buy)	\$ 25.1438	11/18/2009		M	802,522	02/20/2006 02/20/2011	Common Stock 802,522

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MUGLIA ROBERT L C/O MICROSOFT CORPORATION			Senior Vice	

ONE MICROSOFT WAY
REDMOND, WA 98053-6399

President

Signatures

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

11/18/2009

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

This transaction was executed in multiple trades at prices ranging from \$30.00 to \$30.05. The price reported above reflects the weighted average purchase price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transactions were effected.
- (2) This transaction was executed in multiple trades at prices ranging from \$30.00 to \$30.03. The price reported above reflects the weighted average purchase price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transactions were effected.
- (3) Balance as of October 31, 2009.
- (4) 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.
- (5)

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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