

MICROSOFT CORP  
Form 5  
August 13, 2007

**FORM 5**

**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).  
Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL 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

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

(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. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
06/30/2007

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)  
President, Entertainment Div.

6. Individual or Joint/Group Reporting

(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)	(A) or (D)	Price	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	05/01/2007	^	S4	21,429	D	\$ 30	787,465	D	^
Common Stock	05/01/2007	^	S4	7,145	D	\$ 30.22	780,320	D	^
Common Stock	05/01/2007	^	S4	7,145	D	\$ 30.17	773,175	D	^
Common Stock	05/01/2007	^	S4	7,145	D	\$	766,030	D	^

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Stock							30.29		
Common Stock	05/01/2007	Â	S4	14,284	D	\$ 30.28	751,746	D	Â
Common Stock	05/01/2007	Â	S4	14,284	D	\$ 30.3	737,462	D	Â
Common Stock	05/01/2007	Â	S4	14,284	D	\$ 30.33	723,178	D	Â
Common Stock	05/01/2007	Â	S4	14,284	D	\$ 30.4	708,895 <sup>(1)</sup>	D	Â

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)

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)	8. Price of Derivative Security (Instr. 5)	9. of
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						(A) (D)			

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BACH ROBERT J C/O MICROSOFT CORPORATION ONE MICROSOFT WAY REDMOND, WA 98053-6399	Â	Â	Â	President, Entertainment Div. Â

**Signatures**

Keith R. Dolliver, Attorney-in-fact for Robert J. Bach  
Date: 08/10/2007

     \*\*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) Includes 1 share as a result of fractional shares that have accumulated over the past year.

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