

MUGLIA ROBERT L

Form 3

November 07, 2005

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

OMB APPROVAL

OMB
Number: 3235-0104Expires: January 31,
2005Estimated average
burden hours per
response... 0.5**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

*
MUGLIA ROBERT L

(Last)

(First)

(Middle)

2. Date of Event
Requiring Statement
(Month/Day/Year)

10/27/2005

3. Issuer Name and Ticker or Trading Symbol
MICROSOFT CORP [MSFT]4. Relationship of Reporting
Person(s) to Issuer5. If Amendment, Date Original
Filed(Month/Day/Year)

(Check all applicable)

☐ Director ☐ 10% Owner☒ Officer ☐ Other
(give title below) (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 PersonC/O MICROSOFT
CORPORATION, ONE
MICROSOFT WAY

(Street)

REDMOND, WA 98052-6399

(City)

(State)

(Zip)

Table I - Non-Derivative Securities Beneficially Owned1. 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

108,212 ⁽¹⁾

D

A

Common Stock

63,024 ⁽²⁾

I

By 401(k)

Common Stock

5,760

I

By Spouse

Common Stock

19,288

I

By Spouse 401(k)

Common Stock

7,200

I

By IRA

Common Stock

14,000 ⁽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	08/20/2005 ⁽⁴⁾	02/20/2011	Common Stock	2,222,222	\$ 25.1438	D	Â
Performance Rights	08/31/2006 ⁽⁵⁾	08/31/2008	Common Stock	73,333 ⁽⁶⁾	\$ 0 ⁽⁷⁾	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

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

11/07/2005

__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).

- (1) Includes an aggregate of 47,113 shares represented by unvested stock awards, of which 3,022 shares will vest on July 31, 2006, 3,023 shares will vest on July 31, 2007, 2,667 shares will vest on each of August 29, 2006, 2007, 2008 and on each of August 31, 2006, 2007, 2008, 2009, 10,200 shares will vest over 5 years at the rate of 20% each year beginning August 31, 2006 and 15,000 shares will vest over 3 years at the rate of 33% each year beginning September 30, 2006.
- (2) Balance as of October 31, 2005.
- (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) 1,944,444 shares are vested and immediately exercisable and 277,778 shares vest and become exercisable on February 20, 2006.

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- (5) One-third of the number of shares of common stock ultimately awarded under a shared performance stock award ("SPSA") will be distributed to the reporting person on or about August 31, 2006 (the "initial vest date"), an additional one-third shall vest and be distributed to the reporting person on each of the first and second anniversaries of the initial vest date, provided that the reporting person remains continuously employed through the applicable vesting date.

- (6) Represents the minimum number of shares of common stock issuable under the SPSA for the fiscal 2004-2006 performance period. The number of shares ultimately received depends on the company's performance against specified performance targets. At the end of the performance period, the number of shares of stock and stock awards will be determined by adjusting upward or downward from a target in a range between 33% and 150%. The number reported herein is based on the 33% minimum. The final performance percentage on which the payout will be based, considering company performance metrics established for the performance period, will be determined by the board or a board committee in its sole discretion. Shares of stock are issued at the end of the performance period and as the stock awards vest over the following two years, provided that the reporting person remains continuously employed through the applicable vest date.

- (7) 1-for-1

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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