

MICROSOFT CORP  
 Form 5  
 July 07, 2006

**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 \*  
**MUGLIA ROBERT L**  
 (Last) (First) (Middle)

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

**ONE MICROSOFT WAY**  
 (Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
**06/30/2006**

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

6. Individual or Joint/Group Reporting (check applicable line)

**REDMOND, WA 98052-6399**  
 (City) (State) (Zip)

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 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)
				(A) or (D) Price			
Common Stock	Â	Â	Â	Â Â Â	109,138 <sup>(1)</sup>	D	Â
Common Stock	Â	Â	Â	Â Â Â	5,760	I	By Spouse
Common Stock	Â	Â	Â	Â Â Â	7,200	I	By IRA
Common Stock	Â	Â	Â	Â Â Â	63,029 <sup>(2)</sup>	I	By 401(k)

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Common Stock	Â	Â	Â	Â	Â	Â	19,289 (2)	I	By Spouse in 401(k)
Common Stock	Â	Â	Â	Â	Â	Â	14,000 (3)	I	By Family Foundation

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
					(A) (D)	Date Exercisable Expiration Date	Title	Amount or Number of Shares	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MUGLIA ROBERT L 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  
Date: 07/07/2006

\_\_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 765 shares acquired on March 31, 2006 and 161 shares acquired on June 30, 2006 under the Microsoft employee stock purchase plan.
- (2) Balance as of June 30, 2006
- (3) 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.

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