

MICROSOFT CORP
Form 3
April 29, 2005

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 | |
| * ^ Brummel Lisa E | | (Month/Day/Year) 04/21/2005 | 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) | |
| | | | Corporate 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 | 42,896 ⁽¹⁾ | D | ^ |
| Common Stock | 379 | I | By 401(k) |

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 | 4. Conversion or Exercise | 5. Ownership Form of | 6. Nature of Indirect Beneficial Ownership |
|--|--|--|---------------------------|----------------------|--|
|--|--|--|---------------------------|----------------------|--|

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| | Date Exercisable | Expiration Date | (Instr. 4) Title | Amount or Number of Shares | Price of Derivative Security | Derivative Security: Direct (D) or Indirect (I) (Instr. 5) | (Instr. 5) |
|---|---------------------------|-----------------|---------------------|----------------------------|------------------------------|--|------------|
| Employee Stock Option (right to buy) (#0128191) | 11/15/2004 | 07/02/2005 | Common Stock | 22,222 | \$ 24.1313 | D | Â |
| Employee Stock Option (right to buy) (#0132500) | 11/15/2004 | 07/02/2005 | Common Stock | 22,222 | \$ 24.1313 | D | Â |
| Employee Stock Option (right to buy) (#0141024) | 11/15/2004 | 07/30/2006 | Common Stock | 20,000 | \$ 38.6157 | D | Â |
| Employee Stock Option (right to buy) (#0163268) | 11/15/2004 | 07/30/2006 | Common Stock | 133,333 | \$ 38.6157 | D | Â |
| Employee Stock Option (right to buy) (#0163268) | 03/06/2005 | 03/06/2010 | Common Stock | 555,556 | \$ 40.7813 | D | Â |
| Employee Stock Option (right to buy) (#0173074) | 11/15/2004 | 04/24/2007 | Common Stock | 20,000 | \$ 29.9813 | D | Â |
| Employee Stock Option (right to buy) (#0202721) | 11/15/2004 | 04/24/2007 | Common Stock | 13,333 | \$ 29.9813 | D | Â |
| Employee Stock Option (right to buy) (#0203271) | 04/24/2005 | 04/24/2007 | Common Stock | 277,778 | \$ 29.9813 | D | Â |
| Employee Stock Option (right to buy) (#0240181) | 01/31/2005 ⁽²⁾ | 07/31/2010 | Common Stock | 333,333 | \$ 31.4157 | D | Â |
| Employee Stock Option (right to buy) (#0285146) | 02/20/2005 ⁽³⁾ | 02/20/2011 | Common Stock | 166,667 | \$ 25.1438 | D | Â |
| Employee Stock Option (right to buy) (#0285147) | 02/20/2005 ⁽⁴⁾ | 02/20/2011 | Common Stock | 277,778 | \$ 25.1438 | D | Â |
| Employee Stock Option (right to buy) (#0364954) | 01/31/2005 ⁽⁵⁾ | 07/31/2012 | Common Stock | 222,222 | \$ 21.591 | D | Â |
| Performance Rights | 08/31/2006 ⁽⁶⁾ | 08/31/2008 | Common Stock | 24,933 ⁽⁷⁾ | \$ 0 ⁽⁸⁾ | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Brummel Lisa E C/O MICROSOFT CORPORATION ONE MICROSOFT WAY REDMOND, WA 98052-6399 | Â | Â | Â Corporate Vice President | Â |

Signatures

| | |
|--|------------|
| Keith R. Dolliver, Attorney-in-Fact for Lisa E. Brummel | 04/28/2005 |
| **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 Stock Award for 5,333 shares, of which 1,777 shares will vest on July 31, 2005 and 1,778 shares will vest on each of July 31, 2006 and July 31, 2007. Includes Stock Award for 5,760 shares, of which 1,440 shares will vest on each of August 29, 2005, 2006, 2007 and 2008. Includes Stock Award for 8,000 shares, which will vest over 5 years at the rate of 20% each year beginning on August 31, 2005.
 - (2) 291,666 shares are vested and immediately exercisable. The remaining 41,667 shares will vest and become exercisable on July 31, 2005
 - (3) 125,000 shares are vested and immediately exercisable. 20,833 shares will vest and become exercisable on August 20, 2005 and 20,834 will vest and become exercisable on February 20, 2006
 - (4) 208,333 shares are vested and immediately exercisable. 34,722 shares will vest and become exercisable on August 20, 2005 and 34,723 will vest and become exercisable on February 20, 2006
 - (5) 83,333 shares are vested and immediately exercisable. 27,778 shares will vest and become exercisable on July 31, 2005, 27,777 shares will vest and become exercisable on January 31, 2006, and 27,778 shares will vest and become exercisable on each of July 31, 2006, January 31, 2007 and July 31, 2007
 - (6) One-third of the number of shares of common stock ultimately awarded under the 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 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.
 - (7) Represents the minimum number of shares of common stock issuable under a shared performance stock award ("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.
 - (8) 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.