MUGLIA ROBERT L
Form 4
April 25, 2008

# FORM 4

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

**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

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).

(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)
04/24/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 | (A) or (D) | Price | | | |
| Common Stock | 04/24/2008 | | M | | 150,000 (1) | A | $ 25.1438 | 425,473 (2) | D | |
| Common Stock | 04/24/2008 | | S | | 104,592 (3) | D | $ 32 | 320,881 | D | |
| Common Stock | 04/24/2008 | | S | | 600 (3) | D | $ 32.0025 | 320,281 | D | |
| Common Stock | 04/24/2008 | | S | | 38,648 (3) | D | $ 32.01 | 281,633 | D | |
| Common Stock | 04/24/2008 | | S | | 400 (3) | D | $ 32.0125 | 281,233 | D | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Common Stock | 04/24/2008 | | S | 5,760 (3) | D | $ 32.015 | 275,473 | D | |
| Common Stock | | | | | | | 63,040 (4) | I | By 401(k) |
| Common Stock | | | | | | | 5,790 | I | By Spouse |
| Common Stock | | | | | | | 19,292 (4) | I | By Spouse 401(k) |
| Common Stock | | | | | | | 7,200 | I | By IRA |
| Common Stock | | | | | | | 34,793 (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 Underlying Securiti (Instr. 3 and 4) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amou Numb Share |
| Employee Stock Option (right to buy) #0285244 | $ 25.1438 | 04/24/2008 | | M | | | 150,000 (1) | 02/20/2006 | 02/20/2011 | Common Stock | 150, |
| Call Option (obligation to sell) | $ 32.5 | 04/19/2008 | | E | V | | 498 (6) | 10/23/2007 | 04/19/2008 | Common Stock | 49,8 |

# Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |

MUGLIA ROBERT L
C/O MICROSOFT CORPORATION
ONE MICROSOFT WAY
REDMOND, WA 98053-6399

Senior Vice President

# Signatures

| | |
|---|---|
| Keith R. Dolliver, Attorney-in-Fact for Robert L. Muglia | 04/25/2008 |
| **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 was made under a 10b5-1 plan previously adopted by the reporting person.

**(2)** Includes 709 shares acquired on March 31, 2008 under the Microsoft employee stock purchase plan.

**(3)** The sale was made under a 10b5-1 plan previously adopted by the reporting person.

**(4)** Balance as of March 31, 2008.

**(5)** 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.

**(6)** Prior to becoming a reporting person, Mr. Muglia wrote a Call Option (obligation to sell) under a Rule 10b5-1 Trading Plan for 498 lots (49,800 shares) at $32.50 per share. The Call Option expired for no value.

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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