

MICROSOFT CORP
Form 5
July 08, 2005

FORM 5

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

OMB APPROVAL

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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 *
COURTOIS JEAN PHILIPPE

(Last) (First) (Middle)

ONE MICROSOFT WAY

(Street)

REDMOND, WA 98052-6399

(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)
06/30/2005

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)
Senior Vice President

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)	Amount or 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	Â	Â	Â	Â	Â	Â	379,111 (1)	D	Â
Common Stock	Â	Â	Â	Â	Â	Â	437,087	I	Held through "contrats d'assurance vie" (2)
Common Stock	Â	Â	Â	Â	Â	Â	66,133	I	Held through "contrats de capitalization"

Common Stock	Â	Â	Â	Â	Â	Â	66,133	I	(3) Held through "contrats de capitalization" (3)
Common Stock	Â	Â	Â	Â	Â	Â	66,133	I	Held through "contrats de capitalization" (3)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(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 Security (Instr. 3 and 4)	Amount	
					(A) (D)	Date Exercisable	Expiration Date	Title	Number of Shares
Employee Stock Option (right to buy) #0163492	\$ 38.6157 (4)	Â	Â	Â	Â	11/15/2004	07/30/2006	Common Stock	44,400
Employee Stock Option (right to buy) #0167433	\$ 40.4157 (5)	Â	Â	Â	Â	11/22/2005(6)	11/22/2009	Common Stock	44,400
Employee Stock Option (right to buy) #0171050	\$ 40.7813 (7)	Â	Â	Â	Â	03/06/2005	03/06/2010	Common Stock	2,220
		Â	Â	Â	Â	11/15/2004	04/24/2007		44,400

Employee Stock Option (right to buy) #0194881	\$ 29.9813 <u>(8)</u>									Common Stock	
Employee Stock Option (right to buy) #0202990	\$ 29.9813 <u>(9)</u>	Â	Â	Â	Â	Â	10/24/2005 ⁽¹⁰⁾	04/24/2010		Common Stock	44,
Employee Stock Option (right to buy) #0203711	\$ 29.9813 <u>(11)</u>	Â	Â	Â	Â	Â	04/24/2005	04/24/2010		Common Stock	1,111
Employee Stock Option (right to buy) #0285499	\$ 27.9375 <u>(12)</u>	Â	Â	Â	Â	Â	08/20/2005 ⁽¹³⁾	02/20/2011		Common Stock	1,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
COURTOIS JEAN PHILIPPE ONE MICROSOFT WAY REDMOND, WA 98052-6399	Â	Â	Â Senior Vice President	Â

Signatures

Keith R. Dolliver, Attorney-in-Fact for Jean-Philippe
Courtois

07/08/2005

 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 an increase to the existing 2002, 2003 and 2004 stock awards in the aggregate of 3,004 shares in connection with the \$3.00 special dividend paid to shareholders of record on November 17, 2004.

(2) Held through "contrats d'assurance vie," a form of life insurance program, where the reporting person maintains investment control over the Microsoft shares held in the program. Beneficiaries of the program include the reporting person's minor children. The reporting person disclaims beneficial ownership of these securities, except to the extent of his pecuniary interest therein.

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- (3) Held through "contrats de capitalization," a form of life insurance program for the benefit of the reporting person's three minor children, where the reporting person maintains investment control over the Microsoft shares held in the program. 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 the securities for purposes of Section 16 or any other purpose.
- (4) This option was previously reported as an option covering 20,000 shares at an exercise price of \$85.8125 per share, and has been adjusted as a result of a 2-for-1 stock split on February 14, 2003. The option has been further adjusted in connection with the \$3.00 special dividend paid to shareholders of record on November 17, 2004.
- (5) This option was previously reported as an option covering 20,000 shares at an exercise price of \$89.8125 per share, and has been adjusted as a result of a 2-for-1 stock split on February 14, 2003. The option has been further adjusted in connection with the \$3.00 special dividend paid to shareholders of record on November 17, 2004.
- (6) 34,211 shares are vested and immediately exercisable, 3,411 shares will vest and become exercisable on each of November 22, 2005, May 22, 2006 and November 22, 2006.
- (7) This option was previously reported as an option covering 1,000,000 shares at an exercise price of \$90.625 per share, and has been adjusted as a result of a 2-for-1 stock split on February 14, 2003. The option has been further adjusted in connection with the \$3.00 special dividend paid to shareholders of record on November 17, 2004.
- (8) This option was previously reported as an option covering 20,000 shares at an exercise price of \$66.625 per share, and has been adjusted as a result of a 2-for-1 stock split on February 14, 2003. The option has been further adjusted in connection with the \$3.00 special dividend paid to shareholders of record on November 17, 2004.
- (9) This option was previously reported as an option covering 20,000 shares at an exercise price of \$66.625 per share, and has been adjusted as a result of a 2-for-1 stock split on February 14, 2003. The option has been further adjusted in connection with the \$3.00 special dividend paid to shareholders of record on November 17, 2004.
- (10) 30,800 shares are vested and immediately exercisable, 3,411 shares will vest and become exercisable on each of October 24, 2005, April 24, 2006, October 24, 2006 and April 24, 2007.
- (11) This option was previously reported as an option covering 500,000 shares at an exercise price of \$66.625 per share, and has been adjusted as a result of a 2-for-1 stock split on February 14, 2003. The option has been further adjusted in connection with the \$3.00 special dividend paid to shareholders of record on November 17, 2004.
- (12) This option was previously reported as an option covering 500,000 shares at an exercise price of \$55.88 per share, and has been adjusted as a result of a 2-for-1 stock split on February 14, 2003. This option was not adjusted in connection with the \$3.00 special dividend.
- (13) 875,000 shares are vested and immediately exercisable and 125,000 shares vest and become exercisable on August 20, 2005.

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