

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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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 *
JOHNSON KEVIN R

(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)

ONE MICROSOFT WAY

(Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
06/30/2005

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

REDMOND, WA 98052-6399

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

6. Individual or Joint/Group Reporting

(check applicable line)

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

(City) (State) (Zip)

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|-----------------------------------|
| Common Stock | | | | (A) or (D) Price | 21,612 ⁽¹⁾ | D | |

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)

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| 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) | | |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------|
| | | | | | (A) (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Employee Stock Option (right to buy) #0285199 | \$ 25.1438 ⁽²⁾ | ^ | ^ | ^ | ^ ^ | 08/20/2005 ⁽³⁾ | 02/20/2011 | Common Stock | 466,6 |
| Employee Stock Option (right to buy) #0364284 | \$ 21.591 ⁽⁴⁾ | ^ | ^ | ^ | ^ ^ | 07/31/2005 ⁽⁵⁾ | 07/31/2012 | Common Stock | 666,6 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| JOHNSON KEVIN R ONE MICROSOFT WAY REDMOND, WA 98052-6399 | ^ | ^ | ^ Senior Vice President | ^ |

Signatures

Keith R. Dolliver, Attorney-in-Fact for Kevin R. Johnson
 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 574 shares acquired on March 31, 2005 and 399 shares acquired on June 30, 2005 under the Microsoft employee stock purchase plan. Also includes an increase of 907 shares to the existing July 31, 2002 stock award in connection with the \$3.00 special dividend paid to shareholders of record on November 17, 2004.
 - (2) This option was previously reported as an option covering 420,000 shares at an exercise price of \$27.9375 per share and has been adjusted in connection with the \$3.00 special dividend paid to shareholders of record on November 17, 2004.
 - (3)

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350,000 shares are vested and immediately exercisable, 58,333 shares will vest and become exercisable on August 20, 2005 and 58,334 shares will vest and become exercisable on February 20, 2006.

- (4) This option was previously reported as an option covering 600,000 shares at an exercise price of \$23.99 per share and has been adjusted in connection with the \$3.00 special dividend paid to shareholders of record on November 17, 2004.

250,000 shares are vested and immediately exercisable, 83,333 shares will vest and become exercisable on each of July 31, 2005 and

- (5) January 31, 2006, 83,334 shares will vest and become exercisable on July 31, 2006, 83,333 shares will vest and become exercisable on January 31, 2007 and 83,334 shares will vest and become exercisable on July 31, 2007.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.