

SINOFSKY STEVEN J
 Form 4
 December 16, 2010

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 SINOFSKY STEVEN J

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 C/O MICROSOFT CORPORATION, ONE MICROSOFT WAY

3. Date of Earliest Transaction (Month/Day/Year)
 12/14/2010

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 President, Windows Division

(Street)
 REDMOND, WA 98052-6399

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

6. Individual or Joint/Group Filing(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 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)
				(A) or (D)	Price		
				Code	V	Amount	
Common Stock	12/14/2010		M	A	44,451 (1)	\$ 25.1438	737,958 D
Common Stock	12/14/2010		S	D	44,451 (1)	\$ 27.316 (2)	693,507 D
Common Stock	12/16/2010		M	A	44,444 (1)	\$ 25.1438	737,951 D
Common Stock	12/16/2010		S	D	44,444 (1)	\$ 27.8087 (3)	693,507 D

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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 of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 25.1438	12/14/2010		M	44,451 <u>(1)</u>	02/20/2006 02/20/2011	Common Stock 44,451
Employee Stock Option (Right to Buy)	\$ 25.1438	12/16/2010		M	44,444 <u>(1)</u>	02/20/2006 02/20/2011	Common Stock 44,444

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SINOFSKY STEVEN J C/O MICROSOFT CORPORATION ONE MICROSOFT WAY REDMOND, WA 98052-6399			President, Windows Division	

Signatures

Keith R. Dolliver, Attorney-in-Fact for Steven J. Sinofsky 12/16/2010

__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 of the stock option and the sale of the underlying shares were made under a 10b5-1 plan previously adopted by the reporting person.

(2) This transaction was executed in multiple trades at prices ranging from \$27.265 to \$27.39. The price reported above reflects the weighted average purchase price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transactions were effected.

(3) This transaction was executed in multiple trades at prices ranging from \$27.79 to \$27.82. The price reported above reflects the weighted average purchase price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transactions were effected.

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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