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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of report (Date of earliest event reported) September 26, 2013**

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**Microsoft Corporation**  
(Exact Name of Registrant as Specified in Its Charter)

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**Washington**  
(State or Other Jurisdiction  
of Incorporation)

**0-14278**  
(Commission  
File Number)

**91-1144442**  
(IRS Employer  
Identification No.)

**One Microsoft Way, Redmond, Washington**  
(Address of Principal Executive Offices)

**98052-6399**  
(Zip Code)

**(425) 882-8080**  
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01. Regulation FD Disclosure**

In July 2013, Microsoft Corporation (the "Company") announced a realignment of its organizational structure as part of its transformation to a devices and services company. The changes are intended to enable the Company to innovate with greater speed, efficiency and capability. As a result of these changes, information that the Company's chief operating decision maker (its chief executive officer) regularly reviews for purposes of allocating resources and assessing performance changed. Therefore, beginning in fiscal year 2014, the Company will report its financial performance based on the five reportable segments described in Exhibit 99.1 to this report, incorporated herein by reference.

This Form 8-K provides a description of the new reporting structure and a summary of the effects of these changes on Microsoft's historical segment results. The information contained in this Form 8-K is being furnished pursuant to Regulation FD in order to provide the financial community with summary financial information and historical data that is presented on a basis consistent with the new reporting structure. Beginning with the quarter ending September 30, 2013, the Company's financial statements will reflect the new reporting structure with prior periods adjusted accordingly.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Microsoft Reporting Segments Presentation

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MICROSOFT CORPORATION  
(Registrant)

Date: September 26, 2013

/s/ FRANK H. BROD

Frank H. Brod  
Corporate Vice President, Finance and  
Administration, Chief Accounting Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Microsoft Reporting Segments Presentation



# MSFT Reporting Segments

Frank Brod  
Chris Suh

September 26, 2013



During this call, we may make forward-looking statements, which are predictions, projections, or other statements about future events. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could materially differ because of factors discussed in today's conference call, and in the risk factor section of our Form 10-K, Forms 10-Q, and other reports and filings with the Securities and Exchange Commission. We do not undertake any duty to update any forward-looking statement.

# Agenda



New Reporting Segments Overview

One Microsoft Reporting

Product to Segment Mapping

Key Performance Indicators

Q&A

# New Segment Overview



Provide insight into business model economics



Show progress against our strategy



Increased accountability on gross margins



Financial reporting follows how we manage the business



# Five New Reporting Segments\*

## Devices and Consumer

1	Hardware	Surface   Xbox and Xbox LIVE Subscriptions   Other Hardware
2	Licensing	Windows OEM   Windows Phone   Office Consumer   IP Licensing
3	Other	Bing & MSN   O365 Home Premium   1st Party Video Games   Marketplaces

## Commercial

4	Licensing	Windows Enterprise   Server Products   Office Business   Dynamics   Unified Communications
5	Other	Enterprise Services   O365   Azure   Dynamics CRM Online
	Corporate and Other	GAAP Adjustments   Corporate-level Activity Not Attributed to a Segment

\* Please refer to the document Q1 FY14 Segment Reporting Changes on [www.microsoft.com/investor](http://www.microsoft.com/investor) for additional information

# One Microsoft Reporting

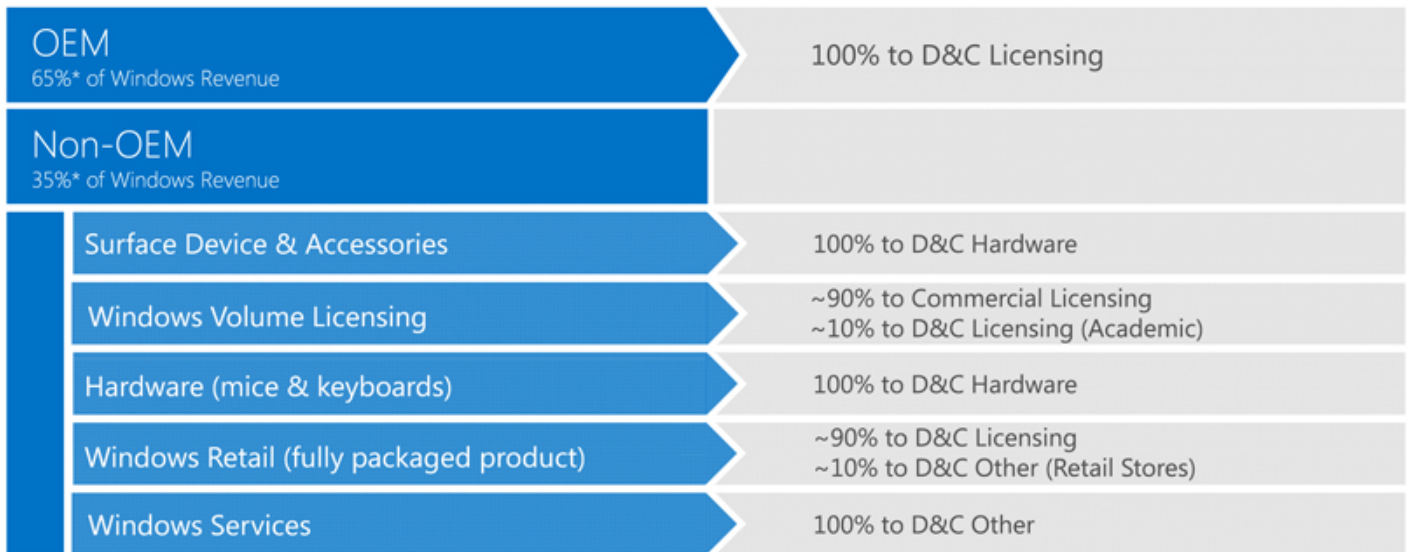
Old

New

Segments	Product		Business Model & Customer Segments
Revenue	Direct Attribution	No change	Direct Attribution
Cost of Revenue	Direct Attribution	No change	Direct Attribution
S&M	Direct and Allocated		Direct and Customer Segment
R&D	Product and Shared		Shared and Direct

# Product to Segment Mapping

## Windows Division



\*Percentages noted above relate to FY13 Q4 adjusted revenue

# Product to Segment Mapping

## Server and Tools Revenue

New

Product Transactional and  
Multi-Year Licensing

80%\* of S&T Revenue

Traditional Licensing (Server & CAL)  
to Commercial Licensing  
Azure to Commercial Other

Enterprise Services

20%\* of S&T Revenue

100% to Commercial Other

\*Percentages noted above relate to FY13 Q4 adjusted revenue

# Product to Segment Mapping

Online Services Division Revenue

New

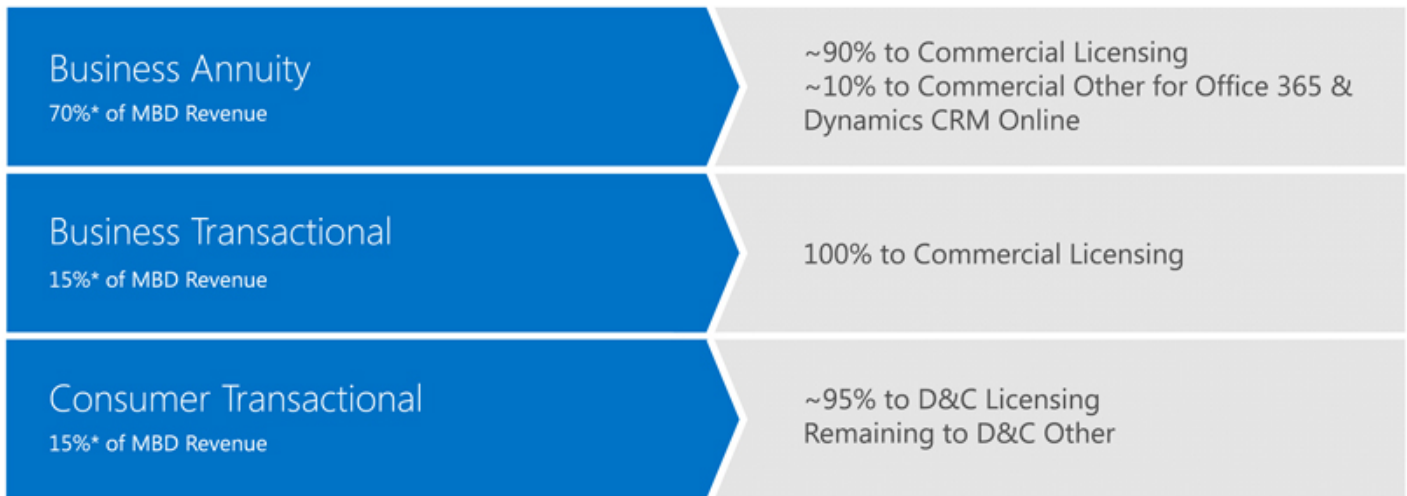


\*Percentages noted above relate to FY13 Q4 adjusted revenue

# Product to Segment Mapping

## Microsoft Business Division Revenue

New



\*Percentages noted above relate to FY13 Q4 adjusted revenue

# Product to Segment Mapping

Entertainment and Devices Division Revenue

New

Xbox Consoles, Xbox LIVE Subscriptions, 2 <sup>nd</sup> and 3 <sup>rd</sup> Party Games	100% to D&C Hardware
Xbox Studios (1 <sup>st</sup> Party Games)	100% to D&C Other
Marketplaces	100% to D&C Other
Windows Phone Licensing and IP	100% to D&C Licensing
Skype	100% to Commercial Licensing

Percentages noted above relate to FY13 Q4 adjusted revenue

# Product to Segment Mapping

## Revenue Summary

	D&C Licensing	D&C Hardware	D&C Other	Commercial Licensing	Commercial Other
Windows Division	<ul style="list-style-type: none"> <li>OEM (100%)*</li> <li>Windows Volume Licensing (academic) (~10%)</li> <li>Windows Retail (fully packaged product) (~90%)</li> </ul>	<ul style="list-style-type: none"> <li>Surface Device &amp; Accessories (100%)</li> <li>Hardware (mice &amp; keyboards) (100%)</li> </ul>	<ul style="list-style-type: none"> <li>Windows Retail (fully packaged product) (retail stores) (~10%)</li> <li>Windows Live (100%)</li> </ul>	<ul style="list-style-type: none"> <li>Windows Volume Licensing (~90%)</li> </ul>	
Server and Tools				<ul style="list-style-type: none"> <li>Product Transactional &amp; Multi-Year Licensing (ex Azure)</li> </ul>	<ul style="list-style-type: none"> <li>Azure</li> <li>Enterprise Services (100%)</li> </ul>
Online Services Division			<ul style="list-style-type: none"> <li>Bing &amp; MSN (100%)</li> </ul>		
Microsoft Business Division	<ul style="list-style-type: none"> <li>Consumer Transactional (~95%)</li> </ul>		<ul style="list-style-type: none"> <li>Consumer Transactional (~5%)</li> </ul>	<ul style="list-style-type: none"> <li>Business Annuity (~90%)</li> <li>Business Transactional (100%)</li> </ul>	<ul style="list-style-type: none"> <li>Business Annuity (O365 &amp; Dynamics CRM Online) (~10%)</li> </ul>
Entertainment and Devices Division	<ul style="list-style-type: none"> <li>Windows Phone Licensing and IP (100%)</li> </ul>	<ul style="list-style-type: none"> <li>Xbox Consoles, Xbox LIVE Subscriptions, 2<sup>nd</sup> and 3<sup>rd</sup> Party Games (100%)</li> </ul>	<ul style="list-style-type: none"> <li>Xbox Studios (1<sup>st</sup> Party Games) (100%)</li> <li>Marketplaces (100%)</li> </ul>	<ul style="list-style-type: none"> <li>Skype (100%)</li> </ul>	

\*Indicates that 100% of OEM revenue falls into D&C Licensing. In all cases, the percentages refer to the amount of revenue from the old line item (for example, OEM revenue) that falls into each new reportable segment.

Percentages noted above relate to FY13 Q4 adjusted revenue



# Enhanced Disclosures

## New Reporting Segments

Earnings Release &  
Related Materials

SEC Filings  
& MD&A

## KPIs

KPIs are supplemental metrics published quarterly to provide additional insight into business performance and aid in gauging progress of transition of business models

New KPIs will be provided starting with Q1-FY14 earnings

# KPIs - MSFT

Q4-FY13

Starting Q1-FY14

## Consolidated Microsoft

- Bookings growth
  - Unearned revenue for Windows, Server & Tools, MBD & total volume licensing
  - Contracted not billed
- Bookings growth
  - Unearned Revenue for Commercial Licensing and Total
  - Contracted not billed
  - Expected future recognition of total unearned revenue (by quarter)
  - Commercial cloud revenue growth

## Product Revenue Mix

- OEM, Multi-year licensing, Rest of business
- OEM, Multi-year licensing, Rest of business
  - Geographic mix

# KPIs - Segments

Q4-FY13	Starting Q1-FY14
<b>Windows</b>	<ul style="list-style-type: none"><li>• Windows Pro revenue growth</li><li>• Windows (non-Pro) revenue growth</li><li>• Windows volume licensing revenue growth</li><li>• Surface revenue</li></ul>
<b>MBD</b> <ul style="list-style-type: none"><li>• Consumer revenue growth</li><li>• Business revenue growth</li><li>• Dynamics revenue growth</li></ul>	<ul style="list-style-type: none"><li>• Office consumer revenue growth</li><li>• Office commercial revenue growth</li><li>• Dynamics revenue growth</li><li>• Office 365 Home Premium subscriber growth</li><li>• Office 365 Commercial seat growth</li></ul>
<b>Server and Tools</b> <ul style="list-style-type: none"><li>• Software revenue growth</li><li>• Enterprise Services revenue growth</li></ul>	<ul style="list-style-type: none"><li>• Server product revenue growth</li><li>• Enterprise Services revenue growth</li></ul>

# KPIs - Segments

Q4-FY13

Starting Q1-FY14

## EDD

- Xbox console unit sales
  - Xbox LIVE members
  - Skype monthly connected users
- Xbox console unit sales

## Online Services Division

- Online Advertising revenue growth
- Online Advertising revenue growth
  - [US Search share](#)

# FY14 Q1 KPIs

## Microsoft Consolidated

- Bookings growth
- Contracted not billed
- Unearned revenue – commercial, rest of business
- [Unearned revenue – scheduled recognition](#)
- Revenue mix: license, [geography](#)

## Device & Consumer - Hardware

- Xbox console unit sales
- [Surface revenue](#)

## Commercial - Licensing

- Office commercial revenue growth
- Server product revenue growth
- Dynamics revenue growth
- [Windows volume licensing revenue growth](#)

## Devices & Consumer - Licensing

- [Windows Pro revenue growth](#)
- [Windows \(non-Pro\) revenue growth](#)
- [Office consumer revenue growth](#)

## Commercial - Other

- Enterprise Services revenue growth
- [Commercial cloud revenue growth](#)
- [Office 365 commercial seat growth](#)

## Devices & Consumer - Other

- Online Advertising revenue growth
- [US search share](#)
- [Office 365 Home Premium subscriber growth](#)

# What to expect in October

All financials, earnings commentary and forward looking statements will be reported in the new segments

New KPI metrics will be published starting with Q1 FY14 results

A supplemental slide for revenue and operating income results in the old segment view for Q1 FY14



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# Appendix



# Financial Statements – One Microsoft

(\$ in millions)

Year ended June 30

		REVENUE		GROSS MARGIN		OPERATING INCOME (LOSS)	
		2013	2012	2013	2012	2013	2012
Devices and Consumer							
1	Hardware	6,461	6,740	956	2,495		
2	Licensing	19,021	19,495	17,044	17,240		
3	Other	6,618	6,203	2,046	1,998		
		<b>32,100</b>	<b>32,438</b>	<b>20,046</b>	<b>21,733</b>	<b>9,421</b>	<b>6,051</b>
Commercial							
4	Licensing	39,686	37,126	36,261	34,463		
5	Other	5,660	4,644	921	579		
		<b>45,346</b>	<b>41,770</b>	<b>37,182</b>	<b>35,042</b>	<b>21,132</b>	<b>19,978</b>
Corporate and Other							
		403	(485)	372	(582)	(3,789)	(4,266)
<b>TOTAL</b>		<b>\$ 77,849</b>	<b>\$ 73,723</b>	<b>\$ 57,600</b>	<b>\$ 56,193</b>	<b>\$ 26,764</b>	<b>\$ 21,763</b>

# Financial Statements – One Microsoft

(\$ in millions)

Year ended June 30

		REVENUE					GROSS MARGIN				
Devices and Consumer		FY12Q1	FY12Q2	FY12Q3	FY12Q4	2012	FY12Q1	FY12Q2	FY12Q3	FY12Q4	2012
1	Hardware	1,366	3,415	953	1,006	6,740	594	1,045	395	461	2,495
2	Licensing	5,093	4,956	4,763	4,683	19,495	4,665	4,389	4,141	4,045	17,240
3	Other	1,515	1,738	1,437	1,513	6,203	470	692	428	408	1,998
		<b>7,974</b>	<b>10,109</b>	<b>7,153</b>	<b>7,202</b>	<b>32,438</b>	<b>5,729</b>	<b>6,126</b>	<b>4,964</b>	<b>4,914</b>	<b>21,733</b>
Commercial											
4	Licensing	8,332	9,585	9,090	10,119	37,126	7,809	8,955	8,395	9,304	34,463
5	Other	1,039	1,166	1,157	1,282	4,644	53	171	114	241	579
		<b>9,371</b>	<b>10,751</b>	<b>10,247</b>	<b>11,401</b>	<b>41,770</b>	<b>7,862</b>	<b>9,126</b>	<b>8,509</b>	<b>9,545</b>	<b>35,042</b>
Corporate and Other											
		27	25	7	(544)	(485)	4	(5)	(18)	(563)	(582)
<b>TOTAL</b>		<b>\$ 17,372</b>	<b>\$ 20,885</b>	<b>\$ 17,407</b>	<b>\$ 18,059</b>	<b>\$ 73,723</b>	<b>\$ 13,595</b>	<b>\$ 15,247</b>	<b>\$ 13,455</b>	<b>\$ 13,896</b>	<b>\$ 56,193</b>

# Financial Statements – One Microsoft

(\$ in millions)

Year ended June 30

		REVENUE					GROSS MARGIN				
Devices and Consumer		FY13Q1	FY13Q2	FY13Q3	FY13Q4	2013	FY13Q1	FY13Q2	FY13Q3	FY13Q4	2013
1	Hardware	1,084	2,808	1,402	1,167	6,461	448	762	393	(647)	956
2	Licensing	4,678	5,703	4,352	4,288	19,021	4,103	5,131	3,929	3,881	17,044
3	Other	1,400	1,999	1,656	1,563	6,618	362	886	430	368	2,046
		<b>7,162</b>	<b>10,510</b>	<b>7,410</b>	<b>7,018</b>	<b>32,100</b>	<b>4,913</b>	<b>6,779</b>	<b>4,752</b>	<b>3,602</b>	<b>20,046</b>
Commercial											
4	Licensing	8,945	10,135	9,979	10,627	39,686	8,183	9,326	9,085	9,667	36,261
5	Other	1,248	1,389	1,449	1,574	5,660	105	216	264	336	921
		<b>10,193</b>	<b>11,524</b>	<b>11,428</b>	<b>12,201</b>	<b>45,346</b>	<b>8,288</b>	<b>9,542</b>	<b>9,349</b>	<b>10,003</b>	<b>37,182</b>
Corporate and Other											
		(1,347)	(578)	1,651	677	403	(1,361)	(557)	1,601	689	372
<b>TOTAL</b>		<b>\$ 16,008</b>	<b>\$ 21,456</b>	<b>\$ 20,489</b>	<b>\$ 19,896</b>	<b>\$ 77,849</b>	<b>\$ 11,840</b>	<b>\$ 15,764</b>	<b>\$ 15,702</b>	<b>\$ 14,294</b>	<b>\$ 57,600</b>

# Definitions – Devices and Consumer

**Devices and Consumer (“D&C”)** develops and markets products and services designed to entertain and connect people, increase personal productivity, help people simplify tasks and make more informed decisions online, and help advertisers connect with audiences. D&C revenue is generated from three segments:

- D&C Licensing , comprising: Windows, including OEM and other non-volume licensing of the Windows operating system and related software (“Consumer Windows”); non-volume licensing of Microsoft Office for consumers (“Consumer Office”); Windows Phone, including related patent licensing; and certain other patent licensing revenue;
- D&C Hardware , comprising: the Xbox 360 gaming and entertainment console and accessories, second-party and third-party video games, and Xbox LIVE subscriptions (“Xbox Platform”); Surface; and Microsoft PC accessories; and
- D&C Other , comprising: Resale, including Windows Store, Xbox LIVE transactions, and the Windows Phone Marketplace; search advertising; display advertising; Subscription, comprising Office 365 Home Premium; Studios, comprising first-party video games; our retail stores; and certain other consumer products and services not included in the categories above.

# Definitions – Commercial

Our **Commercial** segments develop and market software and services designed to increase individual, team, and organization productivity and efficiency, and to simplify everyday tasks through seamless operations across the user's hardware and software. Our Commercial segments are:

- Commercial Licensing , comprising: server products, including Windows Server, Microsoft SQL Server, Visual Studio, System Center, and Windows Embedded; volume licensing of the Windows operating system (excluding OEM and other non-volume licensing of the Windows operating system) ("Commercial Windows"); Microsoft Office for business ("Commercial Office"), including Exchange, SharePoint, and Lync; Microsoft Dynamics business solutions, excluding Dynamics CRM Online; and Skype; and
- Commercial Other , comprising: Enterprise Services, including Premier product support services and Microsoft Consulting Services; Online Services, comprising Office 365 (excluding Office 365 Home Premium), other Microsoft Office online offerings, and Dynamics CRM Online; Windows Azure; and certain other commercial products and online services not included in the categories above.

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# Definitions – Corporate and Other

**Corporate and Other** includes adjustments to conform our internal accounting policies to U.S. GAAP and corporate-level activity not specifically attributed to a segment. Significant internal accounting policies that differ from U.S. GAAP relate to revenue recognition, income statement classification, and depreciation.