

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

**FORM 8-K**

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

Date of report (Date of earliest event reported) March 26, 2007

**Microsoft Corporation**

(Exact Name of Registrant as Specified in Its Charter)

**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)**

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 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.**

(d) On March 26, 2007, Microsoft Corporation (“Microsoft”) issued a press release to announce that the Microsoft Board of Directors has appointed Reed Hastings, age 46, to the Microsoft Board of Directors, effective immediately. Mr. Hastings is the chairman and CEO of Netflix, Inc., which he founded in 1997.

Mr. Hastings will serve on the finance committee of the Board. Mr. Hastings will receive the same compensation as other non-employee Microsoft directors, consisting of:

- A total annual retainer of \$200,000 per year with approximately \$120,000 of the retainer provided in the form of a stock award, both amounts prorated at 75% for the portion of the current annual period during which he will serve on the Board
- Reimbursement of reasonable expenses incurred in connection with board-related activities

Mr. Hastings and Microsoft have entered into the standard Microsoft director indemnification agreement, whereby Microsoft agrees to indemnify, defend and hold its directors harmless from and against losses and expenses incurred as a result of their board service, subject to the terms and conditions provided in the agreement.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

99.1 Press Release of Microsoft Corporation dated March 26, 2007

**SIGNATURES**

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: March 26, 2007

/s/ John A. Seethoff  
John A. Seethoff  
Assistant Secretary

**INDEX TO EXHIBITS**

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Press Release of Microsoft Corporation dated March 26, 2007

For Immediate Release  
March 26, 2007

### Microsoft Board of Directors Adds New Member and Declares Quarterly Dividend

*Reed Hastings of Netflix to Join Board; Dividend of \$0.10 per share payable in June*

**REDMOND, Wash. — March 26, 2007** — Microsoft Corp. today announced that its board of directors has increased the size of the board from nine to 10 members and elected Reed Hastings, 46, chairman and CEO of Netflix Inc., to the board. Hastings has also been appointed to the finance committee. At the meeting, the board of directors also declared a quarterly dividend of \$0.10 per share, payable June 14, 2007, to shareholders of record on May 17, 2007. The ex-dividend date will be May 15, 2007.

“Reed’s track record for delivering innovative and disruptive technologies to market is very impressive,” said Microsoft chairman Bill Gates. “With his rich consumer and technology background, he will be a tremendous addition to our board.”

“There are very few companies that rival Microsoft’s impact on the way millions of people live, work and play around the world,” Hastings said. “I look forward to working with Microsoft’s esteemed group of board members to help shape the direction of the company as it continues to tackle the biggest industry challenges and opportunities.”

Hastings founded Netflix in 1997, and the company ended 2006 with 6.3 million subscribers, having more than doubled in size over the last two years.

Prior to founding Netflix, Hastings founded Pure Software, which he built into one of the

world's 50 largest public software companies. After a successful public offering and a number of acquisitions, Pure was acquired by Rational Software in 1997. An active community leader, Hastings has also been deeply involved in promoting education initiatives, and has served as president of the California State Board of Education.

He holds a bachelor's degree in mathematics from Bowdoin College and a master's degree in computer science from Stanford University. Hastings also served in the United States Peace Corps.

Microsoft's board of directors consists of William H. Gates, Microsoft chairman; Steven A. Ballmer, Microsoft chief executive officer; James I. Cash Jr., Ph.D., former James E. Robison professor of business administration at the Harvard Business School; Dina Dublon, former chief financial officer of JPMorgan Chase; Raymond V. Gilmartin, professor of management practice at Harvard Business School and former chairman, president and chief executive officer of Merck & Co. Inc.; David F. Marquardt, general partner at August Capital; Charles H. Noski, former vice chairman of AT&T Corp.; Dr. Helmut Panke, former chairman of the board of management at BMW AG; and Jon A. Shirley, former president and chief operating officer of Microsoft.

Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software, services and solutions that help people and businesses realize their full potential.

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**For shareholder and financial information:**

<http://www.microsoft.com/msft>

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