
**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) June 8, 2010

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 8.01. Other Events

On June 8, 2010, Microsoft issued a press release announcing the pricing of the private offering of zero coupon convertible senior notes due 2013. The press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits:

99.1 Press release, dated June 8, 2010

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: June 9, 2010

/s/ KEITH R. DOLLIVER

Keith R. Dolliver
Associate General Counsel, Legal and Corporate
Affairs, and Assistant Secretary

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated June 8, 2010

For Immediate Release
June 8, 2010

Microsoft Announces Pricing of Private Offering of Convertible Senior Notes

Zero Coupon Convertible Senior Notes Due 2013.

REDMOND, Wash. — June 8, 2010 — Microsoft Corp. today announced the pricing of \$1.15 billion aggregate principal amount of its zero coupon convertible senior notes due 2013 in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933. Microsoft has granted the initial purchasers a 13-day option to purchase up to \$100 million principal amount of additional convertible notes to cover over-allotments, if any.

The convertible notes will not bear interest and the principal amount will not accrete. Prior to March 15, 2013, the convertible notes will be convertible, only in certain circumstances, into cash and, if applicable, cash, shares of Microsoft's common stock or a combination thereof, at Microsoft's election. On or after March 15, 2013, the convertible notes will be convertible at any time.

The initial conversion rate is 29.9434 shares of common stock per \$1,000 principal amount of convertible notes (equivalent to an initial conversion price of approximately \$33.40 per share of common stock or a conversion premium of 33 percent based on the last reported sale price of Microsoft's common stock on June 8, 2010, of \$25.11). The conversion rate will be subject to adjustment in specified events, but will not be adjusted for any accrued and unpaid special interest. If Microsoft undergoes certain fundamental changes, holders may require it to repurchase the convertible notes in whole or in part for cash.

In connection with the pricing of the convertible notes, Microsoft entered into capped call transactions with certain option counterparties who are initial purchasers in the convertible notes offering or their affiliates. Under the capped call transactions, Microsoft will purchase from the option counterparties capped call options that in the aggregate relate to the full number of shares of its common stock initially underlying the convertible notes, with a strike price initially equal to the initial conversion price of the convertible notes and with a cap price initially equal to \$37.16 or approximately 48 percent above the last reported sale price of Microsoft's common stock on June 8, 2010, of \$25.11 (in each case subject to certain anti-dilutive or anti-concentrative adjustments). The capped call transactions are expected to reduce potential dilution upon conversion of the convertible notes, subject to the cap price. The capped call transactions will generally have the economic effect of increasing the effective conversion price of the convertible notes to that of the cap price.

The option counterparties have advised Microsoft that, in connection with the initial hedging by them or their respective affiliates of the capped call transactions, they have entered into various over-the-counter cash-settled derivative transactions with respect to Microsoft's common stock and/or purchased shares of Microsoft's common stock in privately negotiated transactions concurrently with the pricing of the convertible notes, and they expect to modify their hedge positions by purchasing or selling shares of Microsoft's common stock in open market transactions and/or privately negotiated transactions and/or entering into or unwinding various over-the-counter cash-settled derivative transactions with respect to Microsoft's common stock and/or the convertible notes during the term of the convertible notes. Any of these activities could have the effect of increasing, preventing a decline in or, in the case of any hedge modification activities, adversely impacting the price of Microsoft's common stock and/or the value of the convertible notes.

Microsoft has repurchased shares of its common stock concurrently with the pricing of the convertible notes in privately negotiated transactions, and may repurchase shares from time to time in open market transactions following the pricing of the convertible notes. Any such repurchases could also affect the price of Microsoft's common stock.

Microsoft will use the net proceeds from the offering of convertible notes to repay short-term debt.

The sale of the convertible notes is expected to close on June 14, 2010, subject to the satisfaction of customary closing conditions.

This announcement does not constitute an offer to sell or a solicitation of an offer to buy securities. The offer and the sale of the convertible notes and the shares of common stock underlying the convertible notes have not been registered under the Securities Act of 1933, as amended, or the securities laws of any other jurisdiction and the convertible notes and underlying shares of common stock may not be offered or sold absent registration or an applicable exemption from registration requirements.

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

Forward-Looking Statements

Statements in this release that are “forward-looking statements” are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially because of factors such as the following:

- Challenges to Microsoft’s business model
- Intense competition in all of Microsoft’s markets
- Microsoft’s continued ability to protect its intellectual property rights
- Claims that Microsoft has infringed the intellectual property rights of others
- The possibility of unauthorized disclosure of significant portions of Microsoft’s source code
- Actual or perceived security vulnerabilities in Microsoft products that could reduce revenue or lead to liability
- Government litigation and regulation affecting how Microsoft designs and markets its products
- Microsoft’s ability to attract and retain talented employees
- Delays in product development and related product release schedules
- Significant business investments that may not gain customer acceptance and produce offsetting increases in revenue
- Unfavorable changes in general economic conditions, disruption of our partner networks or sales channels, or the availability of credit that affect demand for Microsoft’s products and services or the value of our investment portfolio
- Adverse results in legal disputes
- Unanticipated tax liabilities

- Quality or supply problems in Microsoft's consumer hardware or other vertically integrated hardware and software products
- Impairment of goodwill or amortizable intangible assets causing a charge to earnings
- Exposure to increased economic and regulatory uncertainties from operating a global business
- Geopolitical conditions, natural disaster, cyber attack or other catastrophic events disrupting Microsoft's business
- Acquisitions and joint ventures that adversely affect the business
- Improper disclosure of personal data could result in liability and harm to Microsoft's reputation
- Outages and disruptions of services provided to customers directly or through third parties if Microsoft fails to maintain an adequate operations infrastructure

For further information regarding risks and uncertainties associated with Microsoft's business, please refer to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" sections of Microsoft's SEC filings, including, but not limited to, its annual report on Form 10-K and quarterly reports on Form 10-Q, copies of which may be obtained by contacting Microsoft's Investor Relations department at (800) 285-7772 or at Microsoft's Investor Relations website at <http://www.microsoft.com/msft>.

All information in this release is as of June 8, 2010. The company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the company's expectations.

For more information, financial analysts and investors only:

Investor Relations, Microsoft, (425) 706-3703

For more information, press only:

Rapid Response Team, Waggener Edstrom Worldwide, (503) 443-7070,
rrt@waggeneredstrom.com

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