

Analyst Rating¹



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About Microsoft Corporation

Microsoft Corporation develops, licenses and supports software products and services. It designs and sells hardware, and delivers online advertising to the customers. It has five segments: Windows & Windows Live Division, Server and Tools, Online Services Division, Microsoft Business Division, and Entertainment and Devices Division. Its products include operating systems for personal computers, servers, phones, and other intelligent devices; server applications for distributed computing environments; productivity applications; business solution applications; desktop and server management tools; software development tools; video games, and online advertising. In April 2012, LeGuide.com SA acquired shopping sites in seven European countries from the Company. In July 2012, the Company purchased Edgewater Fullscope's Process Industries 2 (PI2) software and intellectual property, and Comcast Corp. acquired the Company's 50% stake in MSNBC.com.

Overview

Sector	Technology
Industry	Application Software
Employees	94000
IPO Year	N/A

Key Data

Last Trade	\$30.63
Price Range (52 week)	24.26 - 32.95
Avg Volume (13 Week)	39,100,000
Shares Outstanding	8,380,000,000
Mkt Cap	\$256,780,000,000
Enterprise Value	\$208,020,000,000
Book Value per Share	\$7.92
Dividend Yield	2.6%

Highlights & Recent Developments

Microsoft reported quarterly revenue of \$18.06 billion for the quarter ended June 30, 2012. Operating income and loss per share for the quarter were \$192 million and \$0.06 per share.

For Microsoft's fiscal year 2012, the company's revenue, operating income, and earnings per share were \$73.72 billion, \$21.76 billion, and \$2.00 per share. Microsoft reaffirms fiscal year 2013 operating expense guidance of \$30.3 billion to \$30.9 billion.

"We delivered record fourth quarter and annual revenue, and we're fast approaching the most exciting launch season in Microsoft history," said Steve Ballmer, chief executive officer of Microsoft. "Over the coming year, we'll release the next versions of Windows, Office, Windows Server, Windows Phone, and many other products and services that will drive our business forward and provide unprecedented opportunity to our customers and partners."

¹ Analyst Consensus Rating based on publicly reported third party data. See disclaimer.

Technical Data

Price Information

52 Week Low	\$24.26
52 Week High	\$32.95
50 Day Moving Average	\$30.07
200 Day Moving Average	\$29.56
Average Daily Volume (13Wk)	39,100,000



Technical Signals	Indicator	Signal	Strength	Direction
Composite Indicator	Trend Spotter	Buy	Weak	Strengthening
Short-Term Indicators	7 Day Average Directional Indicator	Buy	Weak	Strengthening
	10 - 8 Day Moving Average Hilo Channel	Hold		Falling
	20 Day Moving Average vs Price	Buy	Minimum	Weakening
	20 - 50 Day MACD Oscillator	Buy	Minimum	Strongest
	20 Day Bollinger Bands	Hold		Falling
Medium-Term Indicators	40 Day Commodity Channel Index	Hold		Rising
	50 Day Moving Average vs Price	Buy	Weak	Strengthening
	20 - 100 Day MACD Oscillator	Buy	Minimum	Strongest
	50 Day Parabolic Time/Price	Buy	Weak	Weakening
Long-Term Indicators	60 Day Commodity Channel Index	Hold		Rising
	100 Day Moving Average vs Price	Buy	Minimum	Strengthening
	50 - 100 Day MACD Oscillator	Sell	Minimum	Weakest

Key Statistics & Ratios

Valuation Ratios

	Company	Industry	Sector
P/E Ratio (TTM)	15.34	26.31	20.16
P/E High - Last 5 Yrs.	15.33	48.20	52.43
P/E Low - Last 5 Yrs.	9.65	18.32	11.66
Beta	1.01	0.90	0.91
Price to Sales (TTM)	3.49	3.24	3.54
Price to Book (MRQ)	3.88	4.39	3.71
Price to Tangible Book (MRQ)	5.17	6.08	4.41
Price to Cash Flow (TTM)	12.90	13.61	11.99
Price to Free Cash Flow (TTM)	11.22	17.70	33.74
% Owned Institutions	0.0%	0.0%	0.0%

Growth Rates

	Company	Industry	Sector
Sales (MRQ) vs Qtr. 1 Yr. Ago	4.0%	7.3%	21.1%
Sales (TTM) vs TTM 1 Yr. Ago	5.4%	7.3%	17.6%
Sales - 5 Yr. Growth Rate	7.6%	11.9%	14.4%
EPS (MRQ) vs Qtr. 1 Yr. Ago	-108.5%	76.6%	22.3%
EPS (TTM) vs TTM 1 Yr. Ago	-25.9%	0.0%	0.0%
EPS - 5 Yr. Growth Rate	7.0%	10.3%	9.6%
Capital Spending - 5 Yr. Growth Rate	0.4%	-8.8%	3.6%

Financial Strength

	Company	Industry	Sector
Quick Ratio (MRQ)	2.57	1.69	0.89
Current Ratio (MRQ)	2.60	1.94	2.71
LT Debt to Equity (MRQ)	16.14	9.16	9.55
Total Debt to Equity (MRQ)	18.00	13.35	17.79
Interest Coverage (TTM)	0.00	579.28	69.40

Profitability

	Company	Industry	Sector
Gross Margin (TTM)	76.2%	64.3%	47.2%
Gross Margin - 5 Yr. Avg.	78.7%	66.8%	49.6%
EBITD Margin (TTM)	33.5%	0.0%	0.0%
EBITD - 5 Yr. Avg.	39.7%	30.2%	78.7%
Operating Margin (TTM)	29.5%	24.6%	17.9%
Operating Margin - 5 Yr. Avg.	36.0%	25.5%	19.0%
Pre-Tax Margin (TTM)	30.2%	24.0%	18.9%
Pre-Tax Margin - 5 Yr. Avg.	36.6%	25.7%	19.4%
Net Profit Margin (TTM)	23.0%	15.9%	13.5%
Net Profit Margin - 5 Yr. Avg.	28.0%	17.0%	14.4%
Effective Tax Rate (TTM)	23.8%	32.5%	29.5%
Effective Tax Rate - 5 Yr. Avg.			



Management Effectiveness

	Company	Industry	Sector
Return On Assets (TTM)	14.8%	11.3%	14.3%
Return On Assets - 5 Yr. Avg.	20.8%	12.5%	15.4%
Return On Investment (TTM)	20.2%	17.1%	18.7%
Return On Investment - 5 Yr. Avg.	30.6%	18.3%	20.9%
Return On Equity (TTM)	27.5%	20.4%	20.1%
Return On Equity - 5 Yr. Avg.	40.0%	21.4%	22.5%

Efficiency

	Company	Industry	Sector
Revenue/Employee (TTM)	784,287	5,586,876	12,120,135
Net Income/Employee (TTM)	180,617	635,367	1,264,946
Receivable Turnover (TTM)	4.79	7.20	5.25
Inventory Turnover (TTM)	13.97	35.57	17.66
Asset Turnover (TTM)	0.64	0.72	1.01

Dividends

	Company	Industry	Sector
Dividend Yield	2.6%	2.2%	1.9%
Dividend Yield - 5 Year Avg.	2.2%	2.2%	1.6%
Dividend 5 Year Growth Rate	14.9%	0.0%	12.4%
Payout Ratio (TTM)	39.6%	41.4%	40.9%

Earnings & Analyst Data

EPS Estimates

	# of Ests.	Mean Est.	High Est.	Low Est.
Quarter Ending Sep-12	31	\$0.59	\$0.68	\$0.52
Quarter Ending Dec-12	31	\$0.90	\$0.99	\$0.80
Year Ending Jun-12	27	\$2.68	\$2.71	\$2.64
Year Ending Jun-13	35	\$3.02	\$3.14	\$2.69

EPS Historical Surprises

	Estimates	Actual	Difference	Surprise %
Quarter Ending Jun-12	\$0.62	\$0.67	\$0.05	8.48%
Quarter Ending Mar-12	\$0.57	\$0.60	\$0.03	4.38%
Quarter Ending Dec-11	\$0.76	\$0.78	\$0.02	2.93%
Quarter Ending Sep-11	\$0.68	\$0.68	\$0.00	0.38%
Quarter Ending Jun-11	\$0.58	\$0.69	\$0.11	19.48%

Analyst Recommendation Summary

	CURRENT	1 MONTH AGO	2 MONTHS AGO	3 MONTHS AGO
Strong Buy (1.0)	16	15	14	15
Moderate Buy (2.0)	5	5	5	4
Hold (3.0)	8	8	8	8
Moderate Sell (4.0)	0	0	0	0
Strong Sell (5.0)	0	0	0	0
Mean Recommendation	1.7	1.7	1.8	1.7
Current Consensus	Moderate Buy			

Dividend Payments

Dividend Amount	Ex-dividend Date	Payable Date
0.2	14-Aug-12	13-Sep-12
0.04	14-Aug-12	13-Sep-12
0.2	15-May-12	14-Jun-12
0.04	15-May-12	14-Jun-12
0.2	14-Feb-12	8-Mar-12
0.04	14-Feb-12	8-Mar-12
0.2	15-Nov-11	8-Dec-11
0.04	15-Nov-11	8-Dec-11
0.032	16-Aug-11	8-Sep-11
0.16	17-May-11	9-Jun-11
0.032	17-May-11	9-Jun-11
0.16	15-Feb-11	10-Mar-11
0.032	15-Feb-11	10-Mar-11
0.16	16-Nov-10	9-Dec-10
0.032	16-Nov-10	9-Dec-10
0.13	17-Aug-10	9-Sep-10
0.13	17-Aug-10	9-Sep-10
0.13	17-Aug-10	9-Sep-10
0.13	17-Aug-10	9-Sep-10
0.026	17-Aug-10	9-Sep-10
0.13	17-Aug-10	9-Sep-10
0.13	18-May-10	10-Jun-10

Analyst Upgrades & Downgrades

Mean Target:

High Target:	\$40.00
Low Target:	\$29.00
No. of Brokers:	\$32.00

Financial Statements

Figures in Millions of US Dollars (except per share values)

Balance Sheet	Annual			Quarterly			
Period Ending	29-Jun-12	29-Jun-11	29-Jun-10	29-Jun-12	30-Mar-12	30-Dec-11	29-Sep-11
Assets							
Cash And Cash Equivalents	6,938	9,610	5,505	6,938	6,388	10,610	12,881
Short Term Investments	56,102	43,162	31,283	56,102	53,141	41,126	44,522
Net Receivables	17,815	17,454	15,198	17,815	13,311	15,812	12,343
Inventory	1,137	1,372	740	1,137	1,412	1,351	2,270
Other Current Assets	3,092	3,320	2,950	3,092	2,608	3,614	3,255
Total Current Assets	85,084	74,918	55,676	85,084	76,860	72,513	75,271
Long Term Investments	9,776	10,865	7,754	9,776	9,068	7,550	8,576
Property Plant and Equipment	8,269	8,162	7,630	8,269	8,225	8,010	8,033
Goodwill	13,452	12,581	12,394	13,452	19,698	19,670	12,537
Intangible Assets	3,170	744	1,158	3,170	2,756	2,581	1,026
Accumulated Amortization	--	--	--	--	--	--	--
Other Assets	1,520	1,434	1,501	1,520	1,403	1,919	1,972
Deferred Long Term Asset Charges	--	--	--	--	--	--	--
Total Assets	121,271	108,704	86,113	121,271	118,010	112,243	107,415
Liabilities							
Accounts Payable	9,653	9,560	8,564	9,653	9,230	8,331	7,953
Short/Current Long Term Debt	1,231	--	1,000	1,231	--	--	--
Other Current Liabilities	21,804	19,214	16,583	21,804	16,940	17,042	17,590
Total Current Liabilities	32,688	28,774	26,147	32,688	26,170	25,373	25,543
Long Term Debt	10,713	11,921	4,939	10,713	11,938	11,932	11,927
Other Liabilities	8,208	8,072	7,445	8,208	8,525	8,386	8,201
Deferred Long Term Liability Charges	3,299	2,854	1,407	3,299	2,718	2,431	2,353
Total Liabilities	54,908	51,621	39,938	54,908	49,351	48,122	48,024
Stockholders' Equity							
Misc Stocks Options Warrants	--	--	--	--	--	--	--
Redeemable Preferred Stock	--	--	--	--	--	--	--
Preferred Stock	--	--	--	--	--	--	--
Common Stock	65,797	63,415	62,856	65,797	65,273	63,902	63,492
Retained Earnings	566	(6,332)	(16,681)	566	3,386	219	(4,101)
Treasury Stock	--	--	--	--	--	--	--
Capital Surplus	--	--	--	--	--	--	--
Other Stockholder Equity	--	--	--	--	--	--	--
Total Stockholder Equity	66,363	57,083	46,175	66,363	68,659	64,121	59,391
Net Tangible Assets (Book Value)	49,741	43,758	32,623	49,741	46,205	41,870	45,828

Income Statement	Annual			Quarterly			
Period Ending	29-Jun-12	29-Jun-11	29-Jun-10	29-Jun-12	30-Mar-12	30-Dec-11	29-Sep-11
Total Revenue	73,723	69,943	62,484	18,059	17,407	20,885	17,372
Cost of Revenue	17,530	15,577	12,395	4,163	3,952	5,638	3,777
Gross Income	56,193	54,366	50,089	13,896	13,455	15,247	13,595
Research and Development	9,811	9,043	8,714	2,594	2,517	2,371	2,329
Selling General and Administrative	18,426	18,162	17,277	4,917	4,564	4,882	4,063
Non Recurring	6,193	--	--	6,193	--	--	--
Others	--	--	--	--	--	--	--
Total Operating Expenses	34,430	27,205	25,991	13,704	7,081	7,253	6,392
Operating Income or Loss	21,763	27,161	24,098	192	6,374	7,994	7,203
Total Other Income(Expenses) Net	504	910	915	167	(11)	245	103
Earnings Before Interest And Taxes	22,267	28,071	25,013	359	6,363	8,239	7,306
Interest Expense	--	--	--	--	--	--	--
Income Tax Expense	5,289	4,921	6,253	851	1,255	1,615	1,568
Net Income From Continuing Ops	16,978	23,150	18,760	(492)	5,108	6,624	5,738
Other Items not from Continuing Operations	--	--	--	--	--	--	--
Net Income attributable to the Company	16,978	23,150	18,760	(492)	5,108	6,624	5,738
Preferred Stock And Other Adjustments	--	--	--	--	--	--	--
Net Income Applicable To Common Shares	16,978	23,150	18,760	(492)	5,108	6,624	5,738

Cash Flow Statement	Annual			Quarterly			
Period Ending	30-Jun-12	30-Jun-11	30-Jun-10	29-Jun-12	30-Mar-12	30-Dec-11	29-Sep-11
Net Income	16,978	23,150	18,760	(492)	5,108	6,624	5,738
Operating Activities							
Depreciation	2,967	2,766	2,673	797	766	678	726
Adjustments To Net Income	11,855	4,081	1,979	12,175	374	(40)	(654)
Changes In Accounts Receivables	(1,156)	(1,451)	(2,238)	(5,007)	2,770	(3,652)	4,733
Changes In Liabilities	553	206	2,702	598	544	726	(1,315)
Changes In Inventories	184	(561)	(44)	263	(50)	891	(920)
Changes In Other Operating Activities	245	(1,197)	241	(657)	82	635	185
Total Cash Flow From Operating Activities	31,626	26,994	24,073	7,677	9,594	5,862	8,493
Investing Activities							
Capital Expenditures	(2,305)	(2,355)	(1,977)	(622)	(749)	(498)	(436)
Investments	(11,975)	(13,216)	(7,590)	(3,117)	(11,769)	3,849	(938)
Other Cash flows from Investing Activities	(10,506)	955	(1,747)	(923)	277	(8,919)	(941)
Total Cash Flows From Investing Activities	(24,786)	(14,616)	(11,314)	(4,662)	(12,241)	(5,568)	(2,315)
Financing Activities							
Dividends Paid	(6,385)	(5,180)	(4,578)	(1,678)	(1,683)	(1,683)	(1,341)
Sale Purchase of Stock	(3,116)	(9,133)	(8,958)	(752)	68	(834)	(1,598)
Net Borrowings	--	5,960	190	--	--	--	--
Other Cash Flows from Financing Activities	--	(40)	10	--	--	--	--
Total Cash Flows From Financing Activities	(9,408)	(8,376)	(13,291)	(2,421)	(1,605)	(2,513)	(2,869)
Effect Of Exchange Rate Changes	(104)	103	(39)	(44)	30	(52)	(38)
Other Liabilities	8,208	8,072	7,445	8,208	8,525	8,386	8,201

Company Insiders

Company Officers

Name	Age	Since	Current Position	Basic Compensation	Options	Options Value
William Gates	56	2006	Chairman of the Board	\$968,779	--	--
Steven Ballmer	56	2001	Chief Executive Officer, Director	\$1,376,920	--	--
Peter Klein	49	2009	Chief Financial Officer	\$3,521,690	--	--
Kurt DelBene	52	2010	President - Microsoft Office Division	\$6,219,250	172,222	\$471,715
Satya Nadella	44	2011	President - Server and Tools Business	--	--	--
Steven Sinofsky	46	2009	President - Windows & Windows Live Division	\$7,207,760	911,111	\$2,522,590
Brian Turner	47	2005	Chief Operating Officer	\$9,277,140	--	--
Bradford Smith	53	2011	Executive Vice President, General Counsel, Secretary	--	--	--
Lisa Brummel	52	2011	Chief People Officer	--	--	--
Craig Mundie	63	2006	Chief Research and Strategy Officer	\$1,033,680	5,689,200	\$18,474,000
Reed Hastings	51	2010	Lead Independent Director	--	--	--
Stephen Luczo	55	2012	Director	--	--	--
John Thompson	62	2012	Director	--	--	--
Dina Dublon	58	2005	Independent Director	--	--	--
Raymond Gilmartin	71	2010	Independent Director	--	--	--

Insider Transactions

Trading Date	Name	Title	Type	Shares Traded	Price
14 Aug 2012	GATES WILLIAM H III	Director	Buy	1242	\$0.00
14 Aug 2012	GILMARTIN RAYMOND V	Director	Buy	1242	\$0.00
14 Aug 2012	DUBLON DINA	Director	Buy	1242	\$0.00
14 Aug 2012	PANKE HELMUT	Director	Buy	1242	\$0.00
14 Aug 2012	MARQUARDT DAVID F	Director	Buy	1242	\$0.00
14 Aug 2012	PANKE HELMUT	Director	Sell	373	\$30.20
14 Aug 2012	KLAWE MARIA	Director	Buy	1241	\$0.00
25 Jul 2012	GATES WILLIAM H III	Director	Sell	5000000	\$29.24
24 Jul 2012	GATES WILLIAM H III	Director	Sell	3000000	\$28.99
23 Jul 2012	GATES WILLIAM H III	Director	Sell	2750000	\$29.09
22 Jul 2012	GATES WILLIAM H III	Director	Sell	4250000	\$29.21
8 Jul 2012	MARQUARDT DAVID F	Director	Gift	3560	\$0.00
3 Jun 2012	LUCZO STEPHEN J	Director	Buy	17500	\$28.72
22 May 2012	MARQUARDT DAVID F	Director	Gift	1051	\$0.00
14 May 2012	GATES WILLIAM H III	Director	Buy	1241	\$0.00
14 May 2012	GILMARTIN RAYMOND V	Director	Buy	1241	\$0.00
14 May 2012	KLAWE MARIA	Director	Buy	1241	\$0.00
14 May 2012	DUBLON DINA	Director	Buy	1241	\$0.00
14 May 2012	PANKE HELMUT	Director	Sell	373	\$30.21
14 May 2012	PANKE HELMUT	Director	Buy	1241	\$0.00

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