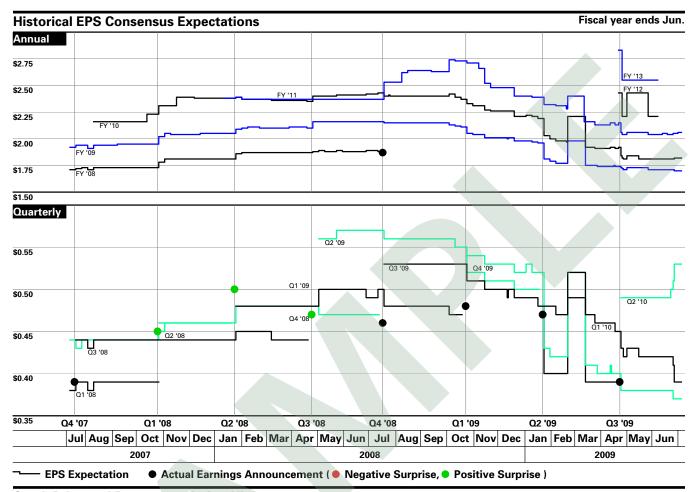
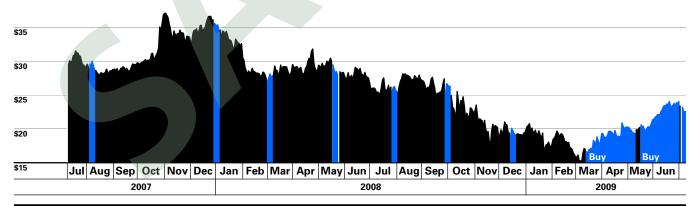
FIRST CALL® EARNINGS VALUATION REPORT

Microsoft Corporation (MSFT)

Report as of 7/8/09



Stock Price and Recommendation History





▼ FIRST CALL[®] EARNINGS VALUATION REPORT

Microsoft Corporation

continued

Stock Price	
Price as of 7/8	\$22.56
Dividend Yield	2.2%
Beta	1.0
Industry	
Sector	
Fiscal Year Ends	June

MSFT's next earnings announcement is expected on **July 23rd**.

Expected Annual Growth Rates

Five year estimates from 5 analysts

MSFT 10.0%
Industry 11.8%
Sector 11.8%
Market 9.3%

For comparison purposes, MSFT's average growth rate during the last 5 years was 16.1% per year.

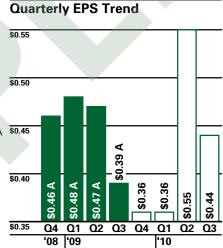
PEG Ratio A Way To Value Growth Less ← Expensive MSFT 1.36 Industry 1.20 Sector 1.52 Market 1.67

The PEG Ratio is the P/E Ratio divided by the expected growth rate. The higher the PEG ratio, the more expensive the stock.

Quarterly EPS Consensus Expectations Q4 '09 Q1 '10 Q2 '10 Q3 '10 Mean as of 7/7/09 \$0.36 \$0.36 \$0.55 \$0.44 Previous Mean \$0.37 \$0.38 \$0.54 \$0.46 # of Brokers 21 16 17 17 \$0.32/0.39 \$0.45/0.66 \$0.38/0.50 Range (low/high) \$0.31/0.46 Stnd. Deviation \$0.02 \$0.04 \$0.05 \$0.03 **Announce Date** 7/23 Wk of 10/23 \$0.39 A \$0.45 Same Qtr. Last Yr. \$0.46 A \$0.48 A \$0.47 A

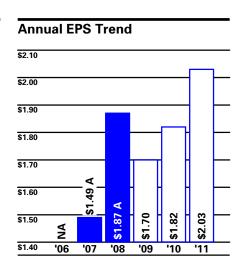
Change Over Same Quarter Last Year

Originge Over Danie Qui	uitei Last iea			
Calendar Year	Sept	Dec	Mar	June
Microsoft Corporation	-25.0%	17.0%	12.8%	25.0%
Industry	-7.2%	3.5%	9.4%	15.9%
Sector	-21.4%	18.7%	32.7%	33.3%
WSJ/DJ US Index	-19.3%	202.3%	34.9%	32.5%



Annual EPS Consensus Expectations							
	FY '09	FY '10	FY '11				
Mean as of 7/7/09	\$1.70	\$1.82	\$2.03				
Previous Mean	\$1.71	\$1.83	\$2.06				
# of Brokers	15	21	10				
Range (low/high)	\$1.64/1.73	\$1.62/1.92	\$1.78/2.18				
Stnd. Deviation	\$0.02	\$0.09	\$0.14				
Announce Date	7/23						
Year Ago EPS	\$1.87 A						

Change Over Previous Year Calendar Year '09 '10 '11 Microsoft Corporation -11.7% 16.9% 6.2% Industry -3.0% 12.8% NA Sector -16.8% 25.5% NA WSJ/DJ US Index -11.3% 28.8% NA



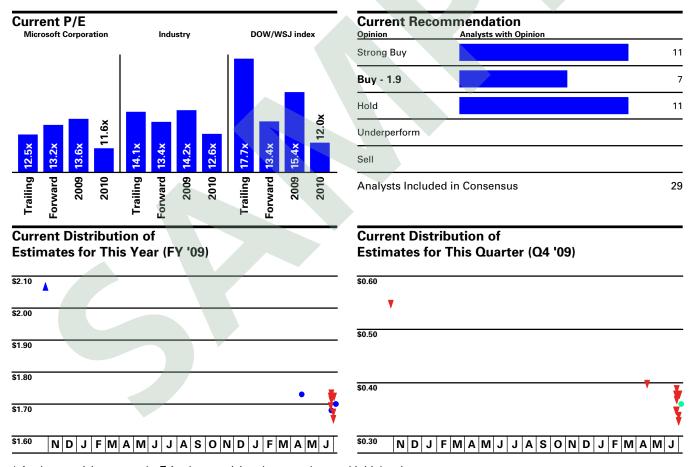
■ FIRST CALL® EARNINGS VALUATION REPORT

Microsoft Corporation

continued



FFQ is Price divided by Forward Four Quarters EPS estimate, TFQ is Price divided by Trailing Four Quarters actual EPS. Lines do not appear for any week where the P/E is not meaningful.



▲ Analysts revising upwards, ▼ Analysts revising downwards, • and initial estimates.

■ FIRST CALL® EARNINGS VALUATION REPORT

Microsoft Corporation

continued

Earnings Notes and Announcements

Q3 '09 ● On 24-Apr-08, the company guided FY '09 estimates to between 2.13 and 2.19 -- Est at annc 2.10. On 24-Apr-08, the company guided FY '09 estimates to between 2.13 and 2.19 -- Est at annc 2.10. On 24-Apr-08, the company guided FY '09 estimates to between 2.13 and 2.19 -- Est at anno 2.10. On 24-Apr-08, the company guided FY '09 estimates to between 2.13 and 2.19 -- Est at annc 2.10. On 24-Apr-08, the company guided FY '09 estimates to between 2.13 and 2.19 -- Est at annc 2.10. On 17-Jul-08, the company guided FY '09 estimates to between 2.12 and 2.18 -- Est at anno 2.15. On 17-Jul-08, the company guided FY '09 estimates to between 2.12 and 2.18 -- Est at annc 2.15. On 17-Jul-08, the company guided FY '09 estimates to between 2.12 and 2.18 -- Est at annc 2.15. On 17-Jul-08, the company guided FY '09 estimates to between 2.12 and 2.18 -- Est at anno 2.15. On 17-Jul-08, the company guided FY '09 estimates to between 2.12 and 2.18 -- Est at annc 2.15. On 23-Oct-08, the company guided FY '09 estimates to between 2.00 and 2.10 -- Est at annc 2.10. On 23-Oct-08, the company guided FY '09 estimates to between 2.00 and 2.10 -- Est at anno 2.10. On 23-Oct-08, the company guided FY '09 estimates to between 2.00 and 2.10 -- Est at annc 2.10. On 23-Oct-08, the company guided FY '09 estimates to between 2.00 and 2.10 -- Est at annc 2.10. On 23-Oct-08, the company guided FY '09 estimates to between 2.00 and 2.10 -- Est at anno 2.10. On 23-Apr-09, the company met 3 expectation of \$0.39. On 23-Apr-09, the company issued this footnote: 23-Apr-09

MAR09Q 0.02 Severance charges. On 23-Apr-09, the company issued this footnote: 23-Apr-09 MAR09Q 0.04 Impairments to investments.

Footnotes

01-Jun-09 anncd acqstn of crtn assts of Rosetta Biosoftware from Merck & Co In.

07-May-09 announced acquisition of BigPark Inc.

FY '09 The table is on proforma basis.

29-Aug-08 announced acquisition of Greenfield Online Inc.

FY '09 JUN09 Estimates reflect adoption of FAS123(R).

15-Apr-08 completed acquisition of Danger Inc.

11-Feb-08 announced acquisition of Danger Inc.

FY '08 JUN08 Estimates reflect adoption of FAS123(R).

05-Jul-2007 JUN07Q excludes 1.05B to 1.15B Xbox 360 warranty extension costs.

26-Oct-06 DEC06Q includes 0.11 impact of deferrals .

25-Oct-06 SEP06Q includes \$456.0M charge on stock based compensation.

05-Jul-2007 JUN07Q includes 1.05B to 1.15B Xbox 360 warranty extension costs.

18-May-07 announced acquisition of aQuantive Inc.

03-May-07 announced acquisition of ScreenTonic SA.

14-Mar-07 announced acquisition of Tellme Networks Inc.

26-Feb-07 announced acquisition of Medstory Inc.

26-Jul-06 announced acquisition of Helth Intllgnc Sftwr Azyxxi frm MedStar Hos.

17-Jul-06 completed acquisition of Softricity Inc.

FY '07 JUN07 Estimates reflect adoption of FAS123(R).