RESEARCH INSIGHT

THOMSON REUTERS SELL-SIDE RESEARCH

Q4 2011

IN THIS ISSUE YOU WILL FIND

I am pleased to introduce you to Research Insight, our newsletter aimed at the sell-side research community. The newsletter highlights trends and themes as well as noteworthy data points and analysis in the sell-side equity research industry.

In addition, we'll update you on Thomson Reuters product updates and enhancements that we think you will find interesting.

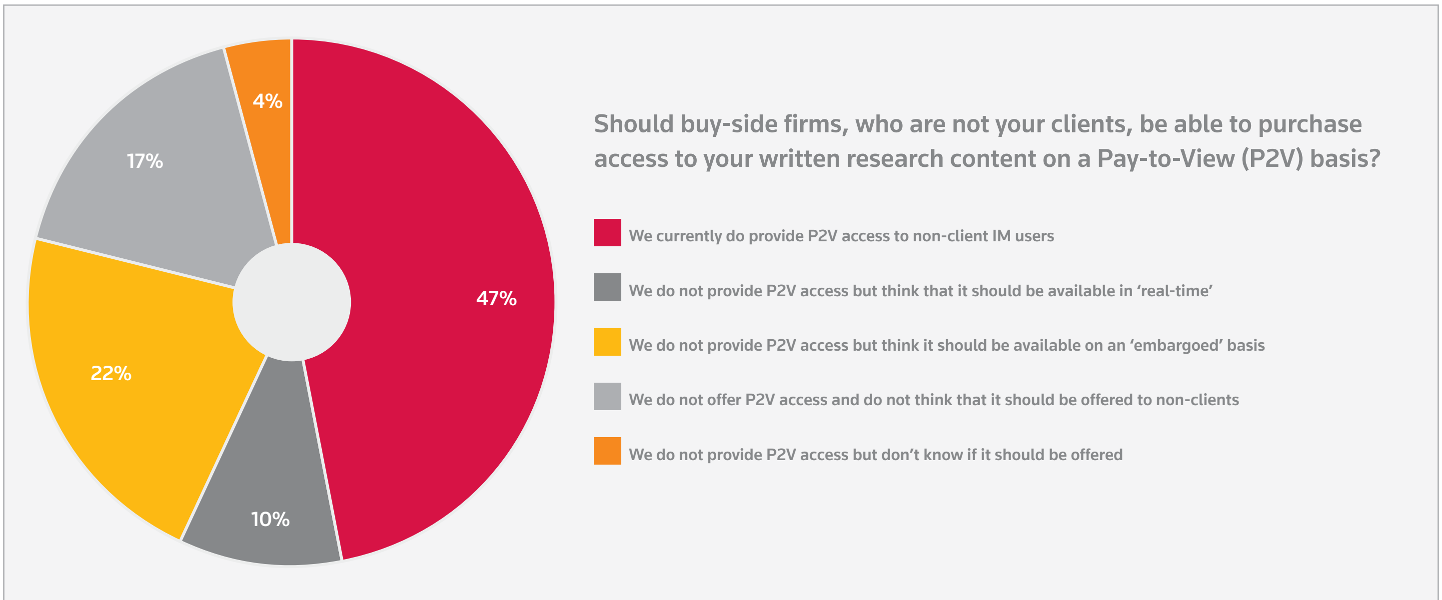
As a valued Thomson Reuters partner, we would like to give you the opportunity to **sign up** to Research Insight.

Best Regards,
Boris Markovich
Global Head of Sell-Side Research.

To receive this newsletter on a quarterly basis, please send an email to contact:
researchinsight@thomsonreuters.com

RESEARCH DISTRIBUTION ENTITLEMENTS, THE SELL-SIDE VIEW

Thomson Reuters carried out a short survey of sell-side research departments recently to delve into a number of issues regarding how sell-side research organizations entitle their buy-side clients. 144 research organizations of various size and scale participated in the survey. Of these, nearly a third does not restrict the buy-side's access to their written research at all. Here are a selection of the results and conclusions from the survey.



- Of the brokers that do actively mange research entitlements many (47%) already have arrangements in place to allow non-clients to purchase access to their research. This includes two-thirds of respondents from global firms, two-thirds of respondents from Asia, half of respondents from EMEA and a third of those from the Americas.
- About a third of respondents who do manage the buy-side's access to research content are not currently providing P2V access but think that it should actually be available, either in real-time or, more popularly, on an embargoed (or delayed) basis. Real-time access would be more valuable to the buy-side and should be priced to reflect that. Embargoed access would provide valuable marketing for a broker whilst preserving the value of real-time access to full service clients.
- Thomson Reuters offers an excellent platform for the potential monetisation of your written research content amongst the buy-side community beyond your immediate client base. Please reach out to us if you would like to work more closely with Thomson Reuters on selling your research reports directly to the buy-side.

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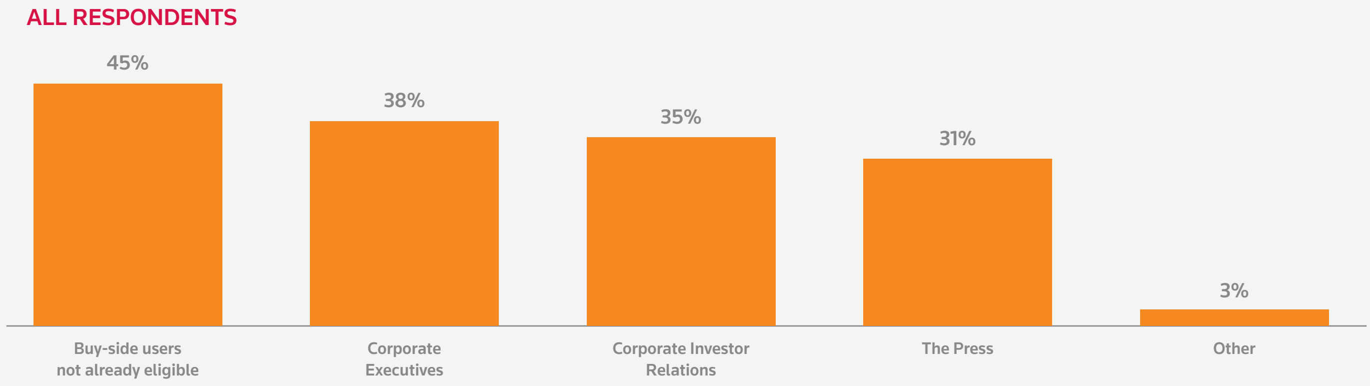
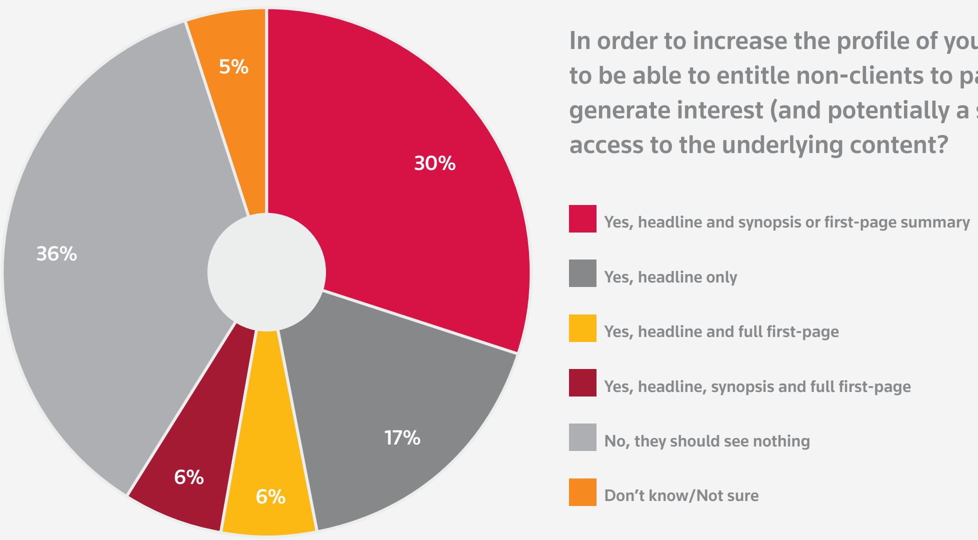
If you had more granular control over entitlement to your written research content would you consider entitling other user groups beyond your existing buy-side clients?



- About two-thirds of respondents who currently control access to their research content said they would consider entitling users who were not part of their core buy-side client base if they have more granular control.
- In addition to their existing clients respondents are interested in entitling non-client buy-side firms as well as corporate users (both Investor Relations and corporate executives) and members of the press.
- By being able to control what content is available to which users under what conditions (for example a delay) research organizations would have the ability to maximise the effectiveness of their research distribution by targeting content at users that add to the research process, such as corporate IRs, or to those that provide marketing exposure, such as the press.
- The Thomson Reuters footprint in these communities is ideally placed to help you reach these audiences.

In order to increase the profile of your research content would you want to be able to entitle non-clients to parts of your documents in order to generate interest (and potentially a sales lead) without providing full access to the underlying content?



- Of the respondents who do manage access to their content nearly 60% see the ability to provide some form of "teaser" to non-clients as a meaningful way to increase their marketing exposure.
- There are several different views on the amount of content that should be made available to these users but it is clear that many brokers are interested in increasing their exposure to potential clients as a way of increasing their contacts within the buy-side. This group includes half of the respondents from the global firms, two-thirds of respondents from EMEA and about half of those from Asia and the Americas.
- Thomson Reuters is well placed to provide this increased level of marketing exposure and will be introducing new capabilities that allow sell-sides to do just that if they wish.

To download the full survey please **click here** (PDF document).
Survey results compiled by Simon Dawson, **simon.dawson@thomsonreuters.com**

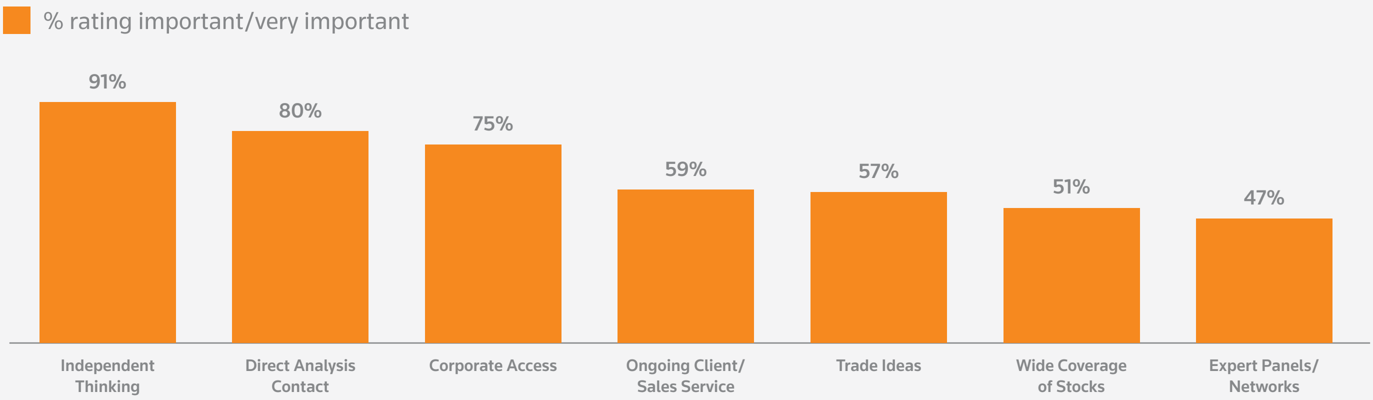
THOMSON REUTERS EXTEL

The Thomson Reuters Extel survey is well known for detailed rankings and ratings of brokerage firms and analysts, but it also provides much more underlying data. In the 2011 Extel Europe study, 5,900 portfolio managers and buy-side analysts gave their views on what they really found valuable in sell-side research and advisory. The responses came from investment management industry participants in Europe.

Sell-side news point – what does the buy-side value?

The challenge of 'how do you make research pay' may have become a tired cliché – but it remains a challenge. There are many issues involved in coming up with a sustainable solution to the question, and one of these has to be getting as clear a perspective as possible on what parts of the research service the buy-side truly values, and how that aligns with the service your own analysts are delivering.

What the buy-side values in sell-side research and advisory – Extel 2011



Top of the list is independent thinking – with over 90% of the buy-side rating that as important or very important to them. This aligns with the sense that the buy-side is looking for ideas and insights from brokers that add to their sum of knowledge, and may stimulate a different way of looking at a sector or a stock. Of course, 'twas ever thus', and every Extel study since inception nearly 40 years ago would echo this desire from the buy-side. What is more recent is the appetite amongst the buy-side for 'alternative research'. Don't misconstrue that to mean they want to use boutiques more, and mainstream brokers less. To an extent of course, asset managers do want that, but it is because they want intelligent, well-constructed and uncommon thoughts and interactions in all parts of the service they receive.

The next two most valued qualities/services are direct analyst contact (tell me what you really think, not just what you've written); and corporate access (get me in front of management so I can ask clever questions to unlock hidden value).

On corporate access, the value here is something we see expressed across our interactions with the investment community. Investors are looking to dig deeper – with demand increasing for divisional director meetings; the service is now appearing specifically acknowledged in broker reviews; and the competition to deliver compelling broker conference line-ups has probably never been fiercer.

The other service attributes are all noticeably lower rated, with perhaps the most noteworthy point being the comparatively lesser importance attached to stock coverage – as analyst team sizes have declined, by and large stock coverage has not done in tandem, yet it would seem the buy-side do not place such stress on amount of coverage. Click here for the full details on each attribute rating.

This data is just the very tip of the new Extel Market Trends service that will be available in early 2012. This new service will let clients assess the relative value of service components across research, sales, trading, mid and small caps, strategy and macro, corporate access and more. Clients will be able to view overall ratings and ratings by sector; plus by geography, fund type and size of asset management firms.

As well, the Extel Market Trends data is linked to Extel voting, enabling clients to see the composite ratings of the buy-side that voted for them in any sector, and compare that with any other selected brokerage firms, and with market averages. Initially covering the pan-European markets, Extel Market Trends will be freely provided to all clients for 2011 trends, and then be part of the Extel Europe 2012 results in June 2012.

By Steve Kelly, steve.kelly@thomsonreuters.com

To know more – go to www.extelsurveys.com or contact Thomson Reuters Extel on +44 20 7542 7700 or email extelsurveys@thomsonreuters.com

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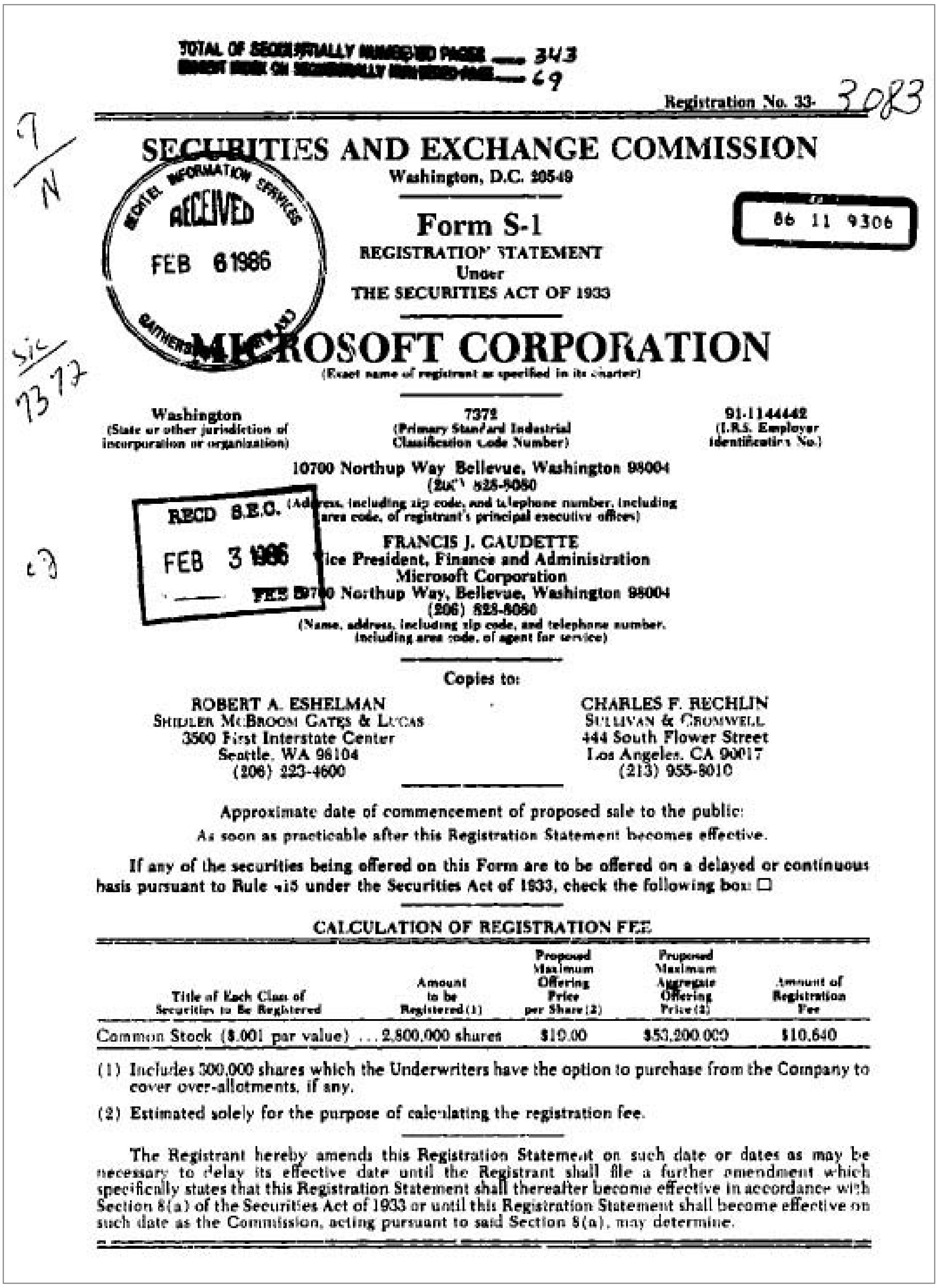

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Washington, D.C. 20549

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Under
THE SECURITIES ACT OF 1933

MICROSOFT CORPORATION

(Exact name of registrant as specified in its charter)

Washington	7372	91-1144442
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

10700 Northup Way Bellevue, Washington 98004
(206) 828-8080
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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(213) 955-8010

Approximate date of commencement of proposed sale to the public:
As soon as practicable after this Registration Statement becomes effective.

If any of the securities being offered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price per Share (2)	Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee
Common Stock ($.001 par value) ...	2,800,000 shares	$19.00	$53,200,000	$10,640

(1) Includes 300,000 shares which the Underwriters have the option to purchase from the Company to cover over-allotments, if any.

(2) Estimated solely for the purpose of calculating the registration fee.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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