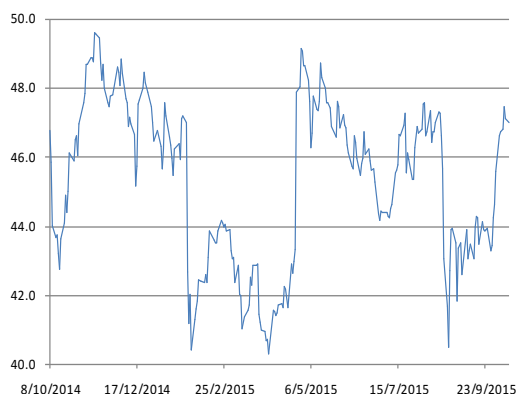


**Valuation & Research Specialists (VRS)**  
Equity Research Team  
info@valueinvest.gr

Share Price (12/10/2015) Nasdaq, in USD	\$47.00
# of Shares (mn)	7,997.98
Market Cap (in USD mn)	375,905.06
A.D. Volume (p)	34,645,617
Beta Co-efficient	0.95
<b>Statistical Data</b>	
Max 52 week, USD	49.61 USD
Min 52 week, USD	40.29 USD
1-M Rtn	8.57%
6-M Rtn	9.53%
12-M Rtn	7.67%

Source: VRS Calculations, Reuters.

## Stock Price Performance (1 year, in USD)



Note: Share price performance based on share price closes on Nasdaq Stock Market.  
Period as day/month/year.

## MICROSOFT CORP.

Listed on NASDAQ, US [Bloomberg Ticker: MSFT:US] [Reuters Ticker: MSFT.O]

**Business Sector: Software**

### Corporate & Investment Highlights

- Microsoft Corporation incorporated on September 22, 1993, is engaged in developing, licensing and supporting a range of software products and services. The Company also designs and sells hardware, and delivers online advertising to the customers.

### Consolidated Segment Revenue / Gross Profit Analysis (USD mn)

	Twelve Months Ended June 30,	
	2015	2014
<b>Revenue</b>		
Devices and Consumer Licensing	\$ 14,969	\$ 19,528
Computing and Gaming Hardware	10,183	9,093
Phone Hardware	7,524	1,982
Devices and Consumer Other	8,825	7,014
Commercial Licensing	41,039	42,085
Commercial Other	10,836	7,546
Corporate and Other	204	-415
Total revenue	\$ 93,580	\$ 86,833
<b>Gross Margin</b>		
Devices and Consumer Licensing	\$ 13,870	\$ 17,439
Computing and Gaming Hardware	1,788	892
Phone Hardware	701	54
Devices and Consumer Other	2,022	1,393
Commercial Licensing	37,830	38,615
Commercial Other	4,199	1,855
Corporate and Other	132	-493
Total gross margin	\$ 60,542	\$ 59,755

Source: The Company. Note: Twelve Months Ended June 30.

#### Important Note:

Information contained herein is based on data obtained from recognized statistical services, issue reports or communications, or other sources, believed to be reliable. However, such information has not been verified by VRS, and VRS does not make any representation as to its accuracy and completeness. Opinions, estimates, and statements nonfactual in nature expressed in its research represent VRS's judgment as of the date of its reports, are subject to change without notice and are provided in good faith and without legal responsibility. In addition, there may be instances when fundamental, technical and quantitative opinions, estimates, and statements may not be in concert. Neither the information nor any opinion expressed shall constitute an offer to sell or a solicitation of an offer to buy any shares, warrants, convertible securities or options of "covered companies" by no means. Valuation & Research Specialists (VRS) are the sole creators and distributors of this report.

## MICROSOFT CORP.

Listed on NASDAQ, US [Bloomberg Ticker: MSFT:US] [Reuters Ticker: MSFT.O]

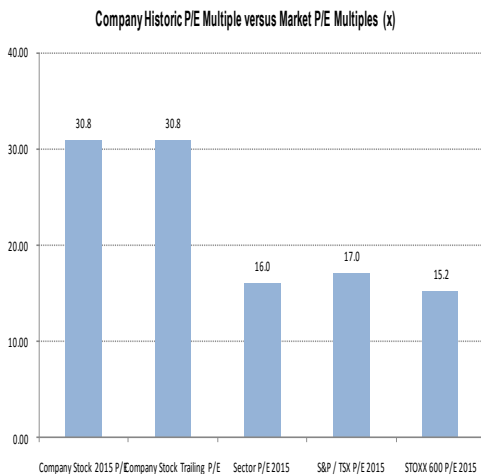
**Business Sector: Software**

### BASIC FINANCIAL INDICATORS

(in USD mn)	Sales	EBITDA	EBT	EATAM	P/E (x)	P/BV (x)	EV/EBITDA (x)	DEBT/EQUITY (x)	ROE %
<b>2009</b>	58,437	22,925	19,821	14,569	25.8	9.5	16.4	0.1	37%
<b>2010</b>	62,484	26,771	25,013	18,760	20.0	8.1	14.1	0.1	41%
<b>2011</b>	69,943	29,927	28,071	23,150	16.2	6.6	12.6	0.2	41%
<b>2012</b>	73,723	24,730	22,267	16,978	22.1	5.7	15.4	0.2	26%
<b>2013</b>	77,849	30,519	27,052	21,863	17.2	4.8	12.7	0.2	28%
<b>2014</b>	86,833	32,971	27,820	22,074	17.0	4.2	11.8	0.3	25%
<b>2015</b>	93,580	24,118	18,507	12,193	30.8	4.7	16.8	0.4	15%

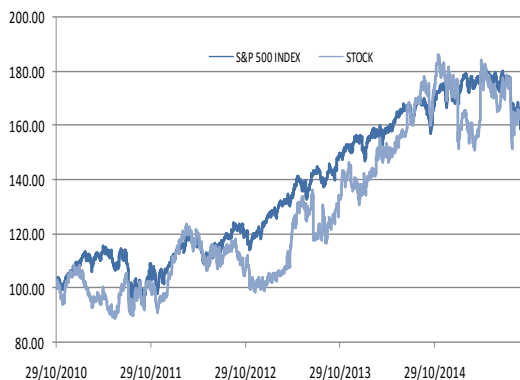
Notes: (1) EATAM and equity are calculated excluding minorities. (2) P/E, P/BV and EV/EBITDA are based on current share price.  
Source: Official Consolidated Financial Statements, VRS Calculations.  
n/c stands for non calculable.

### Stock Multiples Versus Market Multiples (x)



Source: VRS calculations based on consolidated IFRS accounts, FACTSET.

### Stock Versus S&P 500 Index (Last 5 Years, Base = 100)



Note: Data based on price closes.  
Period as day/month/year.

### Working Capital Ratios

in USD million		2010	2011	2012	2013	2014	2015
Revenues	USD mn	62,484	69,943	73,723	77,849	86,833	93,580
Cost (net of depreciation)	USD mn	12,395	15,577	17,530	20,249	27,078	33,038
Gross Profit Margin	%	80.16%	77.73%	76.22%	73.99%	68.82%	64.70%
Net Income / Profit	USD mn	18,760	23,150	16,978	21,863	22,074	12,193
Net Profit Margin	%	30.0%	33.1%	23.0%	28.1%	25.4%	13.0%
Cash & Cash Equivalents	USD mn	5,505	9,610	6,938	3,804	8,669	5,595

### Stock Days

Days	22	32	24	35	36	32
------	----	----	----	----	----	----

### Stock Inventory

USD mn	740	1,372	1,137	1,938	2,660	2,902
--------	-----	-------	-------	-------	-------	-------

### Debtors Days

Days	76	78	78	82	82	70
------	----	----	----	----	----	----

### Debtors - Receivables

USD mn	13,014	14,897	15,780	17,486	19,544	17,908
--------	--------	--------	--------	--------	--------	--------

### Creditors Days

Days	119	98	87	87	100	73
------	-----	----	----	----	-----	----

### Creditors - Suppliers

USD mn	4,025	4,197	4,175	4,828	7,432	6,591
--------	-------	-------	-------	-------	-------	-------

### Operating Cycle (Days)

Days	98	110	102	117	118	102
------	----	-----	-----	-----	-----	-----

### Cash Cycle (Days)

Days	-21	12	15	30	18	29
------	-----	----	----	----	----	----

Source: Official Consolidated Financial Statements, VRS Calculations.  
Gross profit is calculated by deducting cost of sales (net of depreciation, wherever applicable) from revenues.

### Important Note:

Information contained herein is based on data obtained from recognized statistical services, issue reports or communications, or other sources, believed to be reliable. However, such information has not been verified by VRS, and VRS does not make any representation as to its accuracy and completeness. Opinions, estimates, and statements nonfactual in nature expressed in its research represent VRS's judgment as of the date of its reports, are subject to change without notice and are provided in good faith and without legal responsibility. In addition, there may be instances when fundamental, technical and quantitative opinions, estimates, and statements may not be in concert. Neither the information nor any opinion expressed shall constitute an offer to sell or a solicitation of an offer to buy any shares, warrants, convertible securities or options of "covered companies" by no means. Valuation & Research Specialists (VRS) are the sole creators and distributors of this report.

---

# VALUATION & RESEARCH SPECIALISTS (VRS)

Value Invest - [www.valueinvest.gr](http://www.valueinvest.gr) Investment Research & Analysis Journal – [www.iraj.gr](http://www.iraj.gr)

---

## DISCLOSURE STATEMENT (1)

VALUATION & RESEARCH SPECIALISTS (VRS) is an independent firm providing advanced equity research, quality valuations and value-related advisory services to local and international business entities and / or communities. VRS services include valuations of intangible assets, business enterprises, and fixed assets. VRS's focus business is in providing independent equity research to its institutional and retail clients / subscribers.

**VRS is not a brokerage firm and does not trade in securities of any kind. VRS is not an investment bank and does not act as an underwriter for any type of securities.**

VRS accepts fees from the companies it covers and researches (the "covered companies"), and from major financial institutions. The sole purpose of this policy is to defray the cost of researching small and medium capitalization stocks which otherwise receive little research coverage. In this manner VRS can minimize fees to its clients / subscribers and thus broaden investor's attention to the "covered companies."

VRS analysts are compensated on a per-company basis and not on the basis of their recommendations. Analysts are not allowed to solicit prospective "covered companies" for research coverage by VRS and are not allowed to accept any fees or other consideration from the companies they cover for VRS. Analysts are also not allowed to trade in the shares, warrants, convertible securities, or options of companies they cover for VRS.

Furthermore, VRS, its officers, and directors cannot trade in shares, warrants, convertible securities or options of any of the "covered companies." VRS accepts payment for research only in cash and will not accept payment in shares, warrants, convertible securities or options of "covered companies" by no means.

To ensure complete independence and editorial control over its research, VRS follows certain business practices and compliance procedures, which are also applied internationally. Among other things, fees from "covered companies" are due and payable prior to the commencement of research and, as a contractual right, VRS retains complete editorial control over the research process and the final equity analysis report.

Information contained herein is based on data obtained from recognized statistical services, issue reports or communications, or other sources, believed to be reliable. However, such information has not been verified by VRS, and VRS does not make any representation as to its accuracy and completeness. Opinions, estimates, and statements nonfactual in nature expressed in its research represent VRS's judgment as of the date of its reports, are subject to change without notice and are provided in good faith and without legal responsibility. In addition, there may be instances when fundamental, technical and quantitative opinions, estimates, and statements may not be in concert. Neither the information nor any opinion expressed shall constitute an offer to sell or a solicitation of an offer to buy any shares, warrants, convertible securities or options of "covered companies" by no means.

## DISCLOSURE CHECKLIST

Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
MICROSOFT Corp.	MSFT:US	MSFT.O	USD 47	October 12, 2015	----

1. VRS has acted as financial consultant for the covered company within the past 24 months.
2. VRS has sent the research report to the covered company, prior to publication or dissemination, for factual verification.
3. VRS has changed the contents of the initially sent report, with respect to: factual changes have been made.
4. VRS has received compensation from the covered company for the preparation of this research report.
5. VRS produces research reports for this company on systematic basis.
6. VRS produces research reports for this company on demand basis.
7. VRS has produced a research report for this company within the past 12 months.

---

Please contact <b>VALUATION &amp; RESEARCH SPECIALISTS</b> for further information on Equity Research Related Fees.
---

---

# VALUATION & RESEARCH SPECIALISTS (VRS)

VRS - vrs.gr Value Invest - www.valueinvest.gr Investment Research & Analysis Journal – www.iraj.gr

---

---

## DISCLOSURE STATEMENT (2)

The current research report as well as other statements that VRS may proceed with may include future statements, regarding the future financial performance of a company or another entity or product, as well as strategies and expectations. Statements about the future may typically include expressions such as “trend”, “prospect”, “opportunity”, “course”, “believe”, “possibly”, “expect”, “current”, “intention”, “estimate”, “forecast”, continuation, “remain”, “maintain”, “target” and other similar expressions or future or hypothetical verbs such as “will”, “must”, “could”, “may be” and other expressions.

VALUATION & RESEARCH SPECIALISTS (VRS) caution that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and VRS assumes no duty to and does not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

In addition to factors previously disclosed in VRS reports and those identified elsewhere in this communication, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: (1) the introduction, withdrawal, success and timing of business initiatives and strategies; (2) changes in political, economic or industry conditions, the interest rate environment or financial and capital markets, which could result in changes in demand for products or services or in the value of assets under management; (3) the impact of increased competition; (4) the impact of capital improvement projects; (5) the impact of future acquisitions or divestitures; (6) the unfavorable resolution of legal proceedings; (7) the extent and timing of any share repurchases; (8) the impact, extent and timing of technological changes and the adequacy of intellectual property protection; (9) the impact of legislative and regulatory actions and reforms and regulatory, supervisory or enforcement actions of government agencies; (10) terrorist activities and international hostilities, which may adversely affect the general economy, domestic and local financial and capital markets, as well as specific industries; (11) the ability to attract and retain highly talented professionals; (12) fluctuations in foreign currency exchange rates; (13) the impact of changes to tax legislation and, generally, the tax position of the covered company.

## COMPLIANCE WITH EU DIRECTIVES and GREEK LAWS

VRS prepares its equity research reports in a best effort to comply with the provisions of the EU Directive 2003/6/EK of the European Commission (L 339/73/24.12.2003, L 096/16/2003), the Guidelines 2003/125/EK and the Decision 4/347/12.7.2005 of the Hellenic Capital Markets Committee, as well as with the provisions of article 14, Greek Law 3340/2005, and the relevant clarifications with regard to the legal obligations of equity analysts. VRS analysts are certified by the Hellenic Capital Markets Committee. The latter may request from VRS analysts to justify their views and conclusions with regard to this research report.

## ANALYST CERTIFICATION

The views expressed in this report accurately reflect the personal views of the undersigned analyst(s) about the subject issuer and the securities of the issuer. In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this research report.

---

### VRS Equity Research Contributors

Nicholas Georgiadis, ngeorgiadis@valueinvest.gr  
Christophoros Makrias, cmakrias@valueinvest.gr  
Zoe Vassiliou, zvassiliou@valueinvest.gr  
Georgios A. Savvakis, gsavvakis@valueinvest.gr  
Maria Papadopoulou, mpapadopoulou@valueinvest.gr  
Constantina Bourelia, cbourelia@valueinvest.gr  
Michail Rizos, mrizos@valueinvest.gr

---

### Investment Research & Analysis Journal

Dr. Efstratios Livanis  
Assistant Editor

---

Please contact **VALUATION & RESEARCH SPECIALISTS** for further information on Equity Research Related Fees.