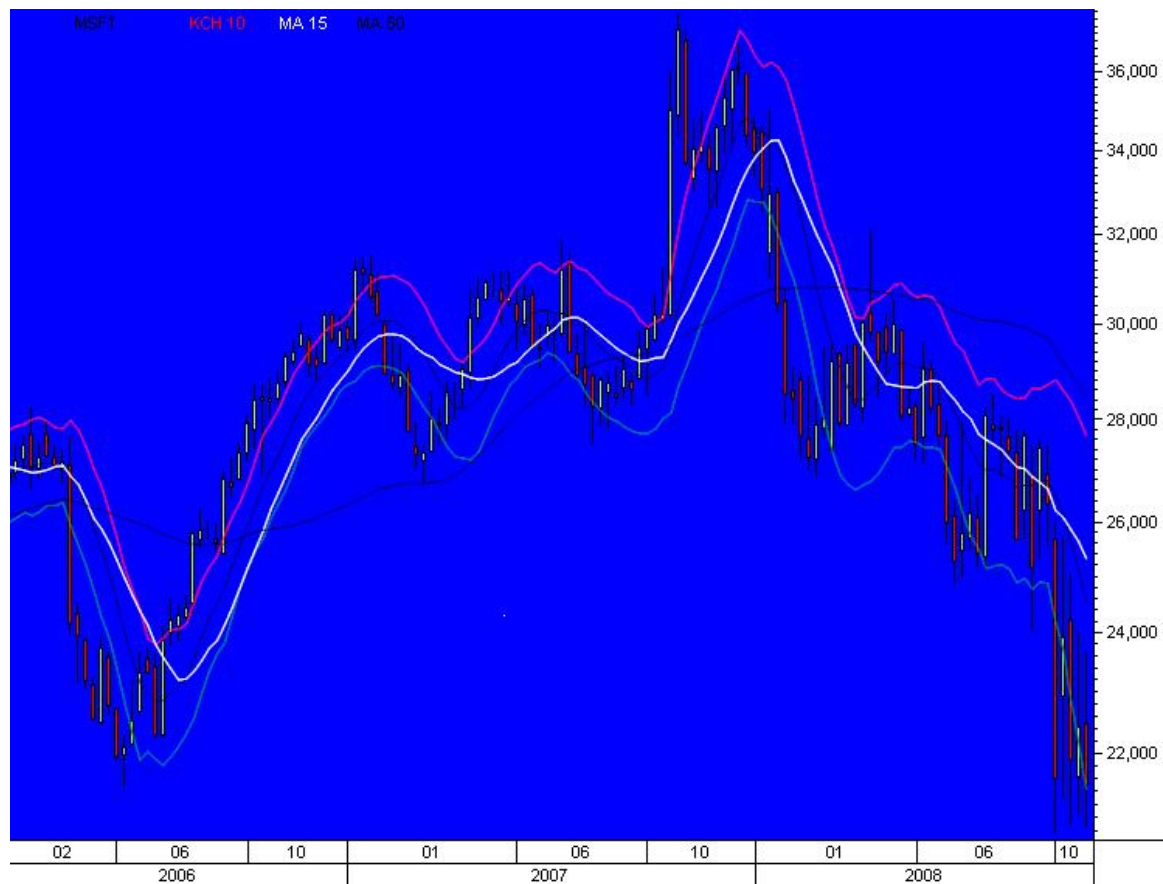


Microsoft Corporation (MSFT)



Holding period:	Price:	Target price(12month):	Investment Style:
2 Years	\$20,5	\$27	Moderate Growth

Stock price Performance:



Business summary:

We generate revenue by developing, manufacturing, licensing, and supporting a wide range of software products and services for many different types of computing devices. Our software products and services include operating systems for servers, personal computers, and intelligent devices; server applications for distributed computing environments; information worker productivity applications; business solutions applications; high-performance computing applications; software development tools; and video games. We provide consulting and product support services, and we train and certify computer system integrators and developers. We also design and sell hardware including the Xbox 360 video game console, the Zune digital music and entertainment device, and peripherals. Online offerings and information are delivered through Live Search, Windows Live, Office Live, our MSN portals and channels, and the Microsoft Online Services platform which includes offerings for businesses such as Microsoft Dynamics CRM Online, Exchange Hosted Services, Exchange Online, and SharePoint Online. We enable the delivery of online advertising across our broad range of digital media properties and on Live Search through our proprietary adCenter® platform.

Valuation	Growth	Financial Health
Our target share price is based on DCF analyses. (TTM WACC 10,5%)	Net income and net sales are growing permanently. This shows that the corporation is developing its business structure.	MSFT has a strong financial structure. Total liabilities are improving and financial cash flows are going south, which are negative facts.

Key Statistics:

(all in \$Mil, except per share data and NS/NI)

	2003	2004	2005	2006	2007
Net sales	32 187	36 835	39 788	44 282	51 122
Net income	9 993	8 168	12 254	12 599	14 065
NS/NI	31,05%	22,17%	30,80%	28,45%	27,51%
Earnings per common share (diluted):	0,92	0,75	1,12	1,20	1.42
Shares:	10882	10894	10906	10 531	9886
Cash dividends declared per common share	-	3,16	0,32	0,37	0,41
Cash Flows from Operating Activities	15797	14626	16605	14404	17796
Cash Flows from Investing Activities	-7213	-2745	15027	8003	6089
Cash Flows from Financing Activities	-5223	-2364	-41078	-20562	-24544
Free Cash Flow	14906	13517	15793	12826	15532
Total liabilities	18 551	17 564	22 700	29 493	32 074
Shareholders' equity	61 020	74 825	48 115	40 104	31 097
Total assets	79 571	92 389	70 815	69 597	63 171

Risk/Potential Profitability:

Approximately 60% of the total revenue of Microsoft Corporation comes from Windows operating system and Office Suite. The “new” products Windows Vista and Microsoft Office 2007 were much awaited. These product have several new, more user-friendly features. We believe that microsoft can maintain it’s market share in it’s sector.

Insider holding / Top Fund Owners:	General Information:
Gates William H III and Steven A. Ballmer together are holding more than 1,2 B shares. Top Fund Owners: BlackRock Index Equity Instl (3 Star) American Funds Grth Fund of Amer A (4 Star) Vanguard 500 Index (3 Star)	One Microsoft Way Redmond, WA 98052-6399 www.microsoft.com Sector: Technology Employees: 91000 CEO: Steven A. Ballmer

Wall Street analyst opinion:

	Current Month	%	Last Month	%	Three Months Ago	%
Strong Buy	15	44,1%	15	45,5%	11	36,7%
Buy	9	26,5%	9	27,3%	11	36,7%
Hold	10	29,4%	9	27,3%	8	26,7%
Sell	0	0,0%	0	0,0%	0	0,0%
Strong Sell	0	0,0%	0	0,0%	0	0,0%
Total:	34	100,0%	33	100,0%	30	100,0%

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