

XBRL US National Conference 2011

September 26 & 27
Gaylord Opryland | Nashville, TN

Get More Out of XBRL
Strategies for Public Companies

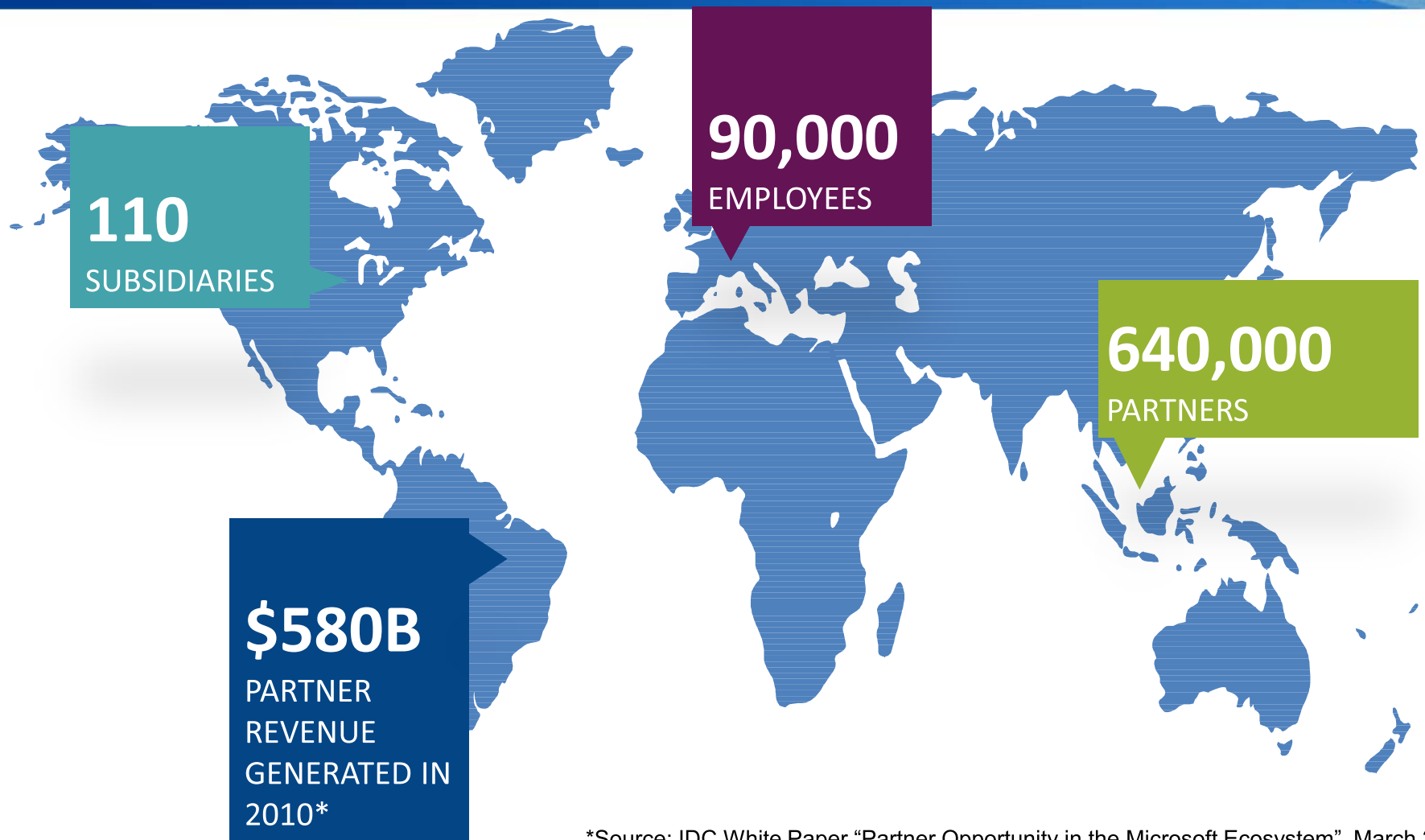
Presented by
xbri.us

Frank Brod

Microsoft Corporate VP, Chief Accounting Officer

“XBRL: View From A Publicly Traded Company”

Worldwide presence



*Source: IDC White Paper "Partner Opportunity in the Microsoft Ecosystem", March 2011

Microsoft's Management of XBRL



Full Integration into Close Rhythm

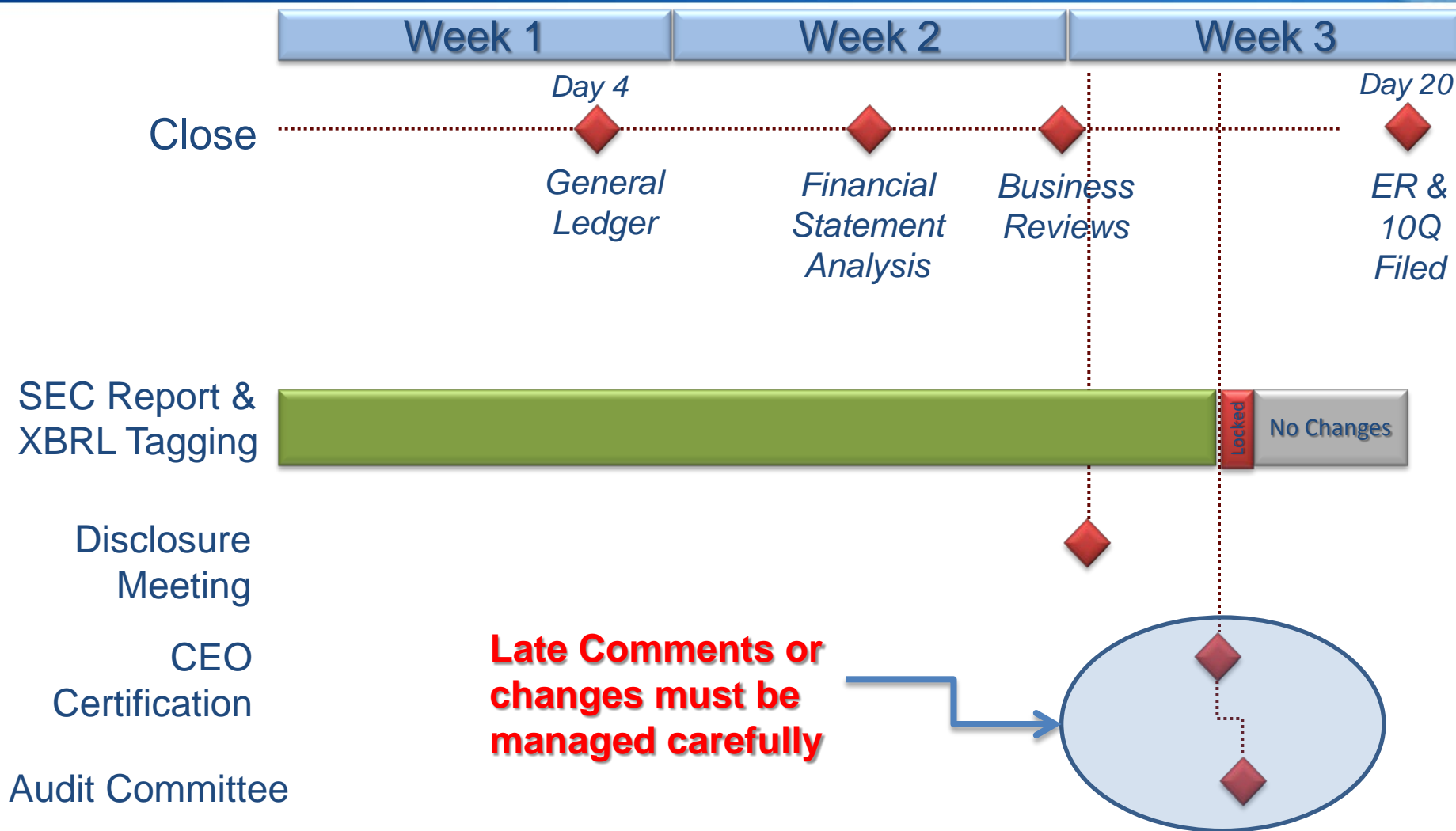
- Assign capable resources
- Integrate into the close calendar and change process
- Ensure adequate controls and internal review

Microsoft's Management of XBRL

Full Integration into Close Rhythm

- Determine resources
 - Staffing model including use of 3rd party vendors
 - Level of auditor involvement
- Build a calendar
 - Plan key meeting dates early
 - Move as many activities as possible out of criteria window
 - Plan for “lock down” of document while actual tagging occurs
- Ongoing XBRL education
 - Employee training
 - Incorporate taxonomy change
 - Engage legal about rendering and limited liability period

XBRL & Rhythm of Close



Control Procedures

Sample of Considerations

- Compare tags to tags used in prior filings and justify substantive changes
- Review all extensions and justify necessity
- Circulate tag definitions to subject matter experts (e.g. tax, treasury, legal) for review
- Review your file against SEC observations on XBRL furnished documents
- Benchmark against tags chosen by other companies and justify common differences
- Review with senior management
- Review rendering, focusing on content and completeness rather than presentation
- Document control procedures

Innovative Use of XBRL



- Publish [Investor Relations](#) site in HTML and use XBRL as a data source
- Link financial statement line items to “Notes” or “Pop-Ups”
- Approximately 90% of 10Q/10K earnings release content on the Microsoft Investor Relations site is sourced from XBRL

IR Site Benefits



Simplification

Controls

Knowledge Management

Enhanced Distribution and Analysis

Microsoft's Investor Relations Site

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Microsoft Reports Fourth Quarter Earnings for Fiscal Year 2011
July 21, 2011 [View more](#)

Microsoft 2010 Annual Report [View more](#)

September 14, 2011
Financial Analyst Meeting [View more](#)

NEWS Microsoft Releases National Survey Findings on How to Inspire the Next Generation of Doctors, Scientists, Software Developers and [View more](#)

Microsoft Corp (MSFT)

10am 12pm 2pm 4pm

26.00
25.75
25.50

25.92
+0.41 (+1.61%)

Volume 22.59 Mil
Market Cap 217.17 Bil
52 Week High 29.46
52 Week Low 23.65

Quotes delayed at least 15 min.
Price Quote as of 9/7/2011 11:16:49 AM ET
Supplied by Interactive Data

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August 31, 2011
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Microsoft Reports Record Fourth-Quarter and Full-Year Results
July 21, 2011
[Read the Press Release](#) [Webcast](#)

Microsoft Declares Quarterly Dividend
June 15, 2011
[Read the Press Release](#)

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Upcoming Events

Citi Technology Conference
September 7, 2011: 1:50 PM - PT
Satya Nadella, President, Server & Tools
[Get Notification](#) [Webcast](#)

XBRL for Microsoft Financial Statements

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Tagging
Used in
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Earnings Releases Financial Statements Trended Historical Financials

Browse Financial Statements

- Fiscal Year 2011 Q4
- Fiscal Year 2011 Q3
- Fiscal Year 2011 Q2
- Fiscal Year 2011 Q1
- Fiscal Year 2010 Q4

Fiscal Year: 2011 Quarter: Q4 Reset Filter Go

Earnings Release FY11 Q4

Financial Statements

Income Statements | Balance Sheets | Cash Flows | Segment Revenue & Operating Income

Income Statements (in millions, except per share amounts) (Audited)

	Year Ended June 30,		
	2011	2010	2009
Revenue	\$ 69,943	\$ 62,484	\$ 58,437
us-gaap:SalesRevenueNet			
Cost of revenue	15,577	12,395	12,155
Research and development	9,043	8,714	9,010
Sales and marketing	13,940	13,214	12,879
General and administrative	4,222	4,063	4,030
Total operating expenses	42,782	38,386	38,074
Operating income			
Other income (expense)			
Income before income taxes			
Provision for income taxes			
Net income			
Earnings per share			
Basic			
Diluted			

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Revenue (in billions)

QUARTERLY

\$58.4 \$62.5 \$69.9

FY09 FY10 FY11

Operating Income (in billions)

QUARTERLY

\$20.4 \$24.1 \$27.2

FY09 FY10 FY11

Diluted Earnings per Share (in dollars)

QUARTERLY

\$2.04 \$2.41 \$2.72

FY09 FY10 FY11

Earnings per share: - Windows Internet Explorer

http://www.microsoft.com/investor/EarningsAndFinancials/Earnings/FinancialStatements/FY11/Q4/IRFinancialStatementsPopups.aspx

Earnings per share:

[Notes to Financial Statements](#)

NOTE 2 — EARNINGS PER SHARE

Basic earnings per share ("EPS") is computed based on the weighted average number of shares of common stock outstanding during the period. Diluted EPS is computed based on the weighted average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. Dilutive potential common shares include outstanding stock options, stock awards, and shared performance stock awards. The components of basic and diluted EPS are as follows:

(In millions, except earnings per share)

Year Ended June 30,	2011	2010	2009
Net income available for common shareholders (A)	\$ 23,150	\$ 18,760	\$ 14,569

Linked to Notes pop-
up



Microsoft's Investor Relations Site

Demo

Browse Financial Statements

- Fiscal Year 2011 Q4
- Fiscal Year 2011 Q3
- Fiscal Year 2011 Q2
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- Fiscal Year 2010 Q4

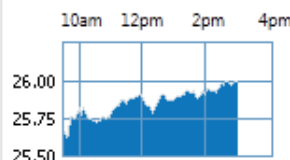
Fiscal Year: 2011

Quarter: Q4

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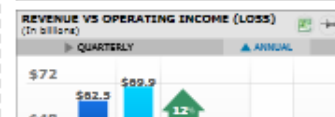
Earnings Release FY11 Q4

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General and administrative	4,222	4,063	4,030
Total operating expenses	42,782	38,386	38,074
Operating income	27,161	24,098	20,363
Other income (expense)	910	915	(542)
Income before income taxes	28,071	25,013	19,821
Provision for income taxes	4,921	6,253	5,252
Net income	\$ 23,150	\$ 18,760	\$ 14,569
Earnings per share:			
Basic	\$ 2.73	\$ 2.13	\$ 1.63
Diluted	\$ 2.69	\$ 2.10	\$ 1.62



Browse Financial Statements

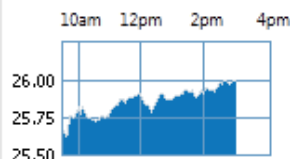
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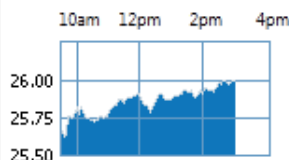
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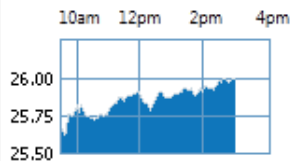
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Income Statements (in millions)

<> Revenue

us-gaap:SalesRevenueNet

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 - <> Diluted

Earnings per share: - Windows Internet Explorer

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Earnings per share:

[Notes to Financial Statements](#)

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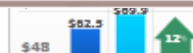
(In millions, except earnings per share)

Year Ended June 30,	2011	2010	2009
Net income available for common shareholders (A)	\$ 23,150	\$ 18,760	\$ 14,569
Weighted average outstanding shares of common stock (B)	8,490	8,813	8,945
Dilutive effect of stock-based awards	103	114	51
Common stock and common stock equivalents (C)	8,593	8,927	8,996
Earnings Per Share			
Basic (A/B)	\$ 2.73	\$ 2.13	\$ 1.63
Diluted (A/C)	\$ 2.69	\$ 2.10	\$ 1.62

We excluded the following shares underlying stock-based awards from the calculations of diluted EPS because their inclusion would have been anti-dilutive:

(In millions)

\$ 2.69 \$ 2.10 \$ 1.62



Browse Financial Statements

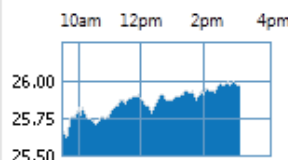
- [Fiscal Year 2011 Q4](#)
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Quarter:

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Financial Statements

[Income Statements](#) | [Balance Sheets](#) | [Cash Flows](#) | [Segment Revenue & Operating Income](#)

Balance Sheets (in millions) (Audited)

June 30,

2011

2010

Assets

Current assets:

[Cash and cash equivalents](#)

\$ 9,610 \$ 5,505

[Short-term investments \(including securities loaned of \\$1,181 and \\$62\)](#)

43,162 31,283

Total cash, cash equivalents, and short-term investments

52,772 36,788

[Accounts receivable, net of allowance for doubtful accounts of \\$333 and \\$375](#)

14,987 13,014

[Inventories](#)

1,372 740

[Deferred income taxes](#)

2,467 2,184

[Other](#)

3,320 2,950

Total current assets

74,918 55,676

[Property and equipment, net of accumulated depreciation of \\$9,829 and \\$8,629](#)

8,162 7,630

[Equity and other investments](#)

10,865 7,754

[Goodwill](#)

12,581 12,394

[Intangible assets, net](#)

744 1,158



Related Information

- [Listen to earnings webcast](#)
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- [10K](#)
- [XBRL](#)

FY12 Earnings Release Schedule

- Q1-Thursdays, Oct 20
- Q2-Thursdays, Jan 19
- Q3-Thursdays, April 19
- Q4-Thursdays, July 19

Browse Financial Statements

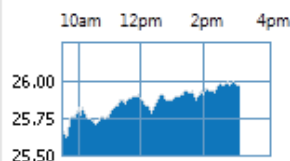
- [Fiscal Year 2011 Q4](#)
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Fiscal Year:

Quarter:

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Balance Sheets (in millions) (Audited)

June 30,	2011	2010
Assets		
Current assets:		
◁ Cash and cash equivalents	\$ 9,610	\$ 5,505
◁ Short-term investments (including securities loaned of \$1,181 and \$62)	43,162	31,283
◁ Total cash, cash equivalents, and short-term investments	52,772	36,788
◁ Accounts receivable, net of allowance for doubtful accounts of \$333 and \$375	14,987	13,014
◁ Inventories	1,372	740
◁ Deferred income taxes	2,467	2,184
◁ Other	3,320	2,950
◁ Total current assets	74,918	55,676
◁ Property and equipment, net of accumulated depreciation of \$9,829 and \$8,629	8,162	7,630
◁ Equity and other investments	10,865	7,754
◁ Goodwill	12,581	12,394
◁ Intangible assets, net	744	1,158



Related Information

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FY12 Earnings Release Schedule

- Q1-Thursday, Oct 20
- Q2-Thursday, Jan 19
- Q3-Thursday, April 19
- Q4-Thursday, July 19

Browse Financial Statements

- Fiscal Year 2011 Q4
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- Fiscal Year 2010 Q4

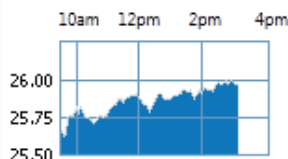
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Balance Sheets (in millions) (Audited)

June 30,

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Total cash, cash equivalents
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Accounts receivable, net of allowance
accounts of \$333 and \$375

Inventories

Deferred income taxes

Other

Total current assets

Property and equipment, net of accumulated
depreciation of \$9,829 and \$8,629

Equity and other investments

Goodwill

Intangible assets, net

Cash and cash equivalents - Windows Internet Explorer

http://www.microsoft.com/investor/EarningsAndFinancials/Earnings/FinancialStatements/FY11/Q4/IRFinancialStatementsPopups.aspx

Cash and cash equivalents

[Notes to Financial Statements](#)

The components of investments, including associated derivatives, were as follows:

(In millions)	Cost Basis	Unrealized Gains	Unrealized Losses	Recorded Basis	Cash and Cash Equivalents	Short-term Investments	Equity and Other Investments
June 30, 2011							
Cash	\$ 1,648	\$ 0	\$ 0	\$ 1,648	\$ 1,648	\$ 0	\$ 0
Mutual funds	1,752	0	0	1,752	1,752	0	0
Commercial paper	639	0	0	639	414	225	0
Certificates of deposit	598	0	0	598	372	226	0
U.S. government and agency securities	33,607	162	(7)	33,762	2,049	31,713	0
Foreign government bonds	658	11	(2)	667	0	667	0
Mortgage-backed securities	2,307	121	(4)	2,424	0	2,424	0
Corporate notes and bonds	10,575	260	(11)	10,824	3,375	7,449	0
Municipal securities	441	15	(2)	454	0	454	0
Common and preferred stock	7,925	2,483	(193)	10,215	0	0	10,215
Other investments	654	0	0	654	0	4	650
Total	\$ 60,804	\$ 3,052	\$ (219)	\$ 63,637	\$ 9,610	\$ 43,162	\$ 10,865

Cash Equity

Future Internal Opportunities



- Integrated with ERP software
- Integrated controls & checks
- Multiple use (commerce, tax, and compliance reporting)
- Internal management reporting
- Linkage to policies, reconciliations & controls
- Use in dashboards, similar to investor central