

XBRL and Public Company Business Information

Case Study

Public companies covered:



Users of XBRL data covered:

Morgan Stanley

Microsoft®

Extensible Business Reporting Language (XBRL) is the standard for financial and business reporting that provides a consistent, accurate, machine-readable format. In March 2005, the Securities and Exchange Commission (SEC) initiated their XBRL Voluntary Filing Program (VFP), the early adoption program to prepare companies for EDGAR submission of XBRL data. Through April 2008, over 75 companies have filed in XBRL format; approximately 10% are foreign companies.

The use of XBRL will make information more accurate, transparent and usable by key audiences of the public company: investors, analysts, regulators, lenders and others. Preparers at public companies have an opportunity to “test out” different options for filing in XBRL format during the SEC’s voluntary program and prior to a potential mandate of XBRL submission to EDGAR. In today’s market, roughly 50% of the VFP participants outsource the creation of their XBRL financials to their financial printer, wire service or an outside consultant; the remaining 50% purchase a software tool and perform the XBRL creation themselves. This document provides case studies for both processes.



3M Company - Outsourcing

Business Challenge	Create and use XML-tagged data to improve the transparency, data quality and integrity of public company-reported business and financial information.
Solution	Format public company information in Extensible Business Reporting Language (XBRL), using an outsourced service provider.

3M Company initiated a discussion on the use of XBRL for its own filings in October 2000 when it hosted a meeting with PeopleSoft, its financial management software vendor, and PricewaterhouseCoopers, its auditor, as well as an internal team. The 3M departments involved included Corporate Accounting, IT, Tax, Sourcing, Credit, Internal Audit and Investor Relations. After this group's initial review, 3M decided to monitor the progress and acceptance of XBRL for external reporting within the marketplace before creating XBRL financials themselves.

Starting in the second half of 2005, 3M began testing the development of XBRL-formatted financials, excluding footnotes and MD&A. 3M experimented with the use of a do-it-yourself software tool and reviewed the outsourcing option with their financial printer, Merrill Corporation. In September 2005, 3M external reporting staff attended an XBRL seminar hosted by Merrill Corporation in Minneapolis and after the conference met with PricewaterhouseCoopers, Microsoft and other XBRL leaders to discuss their options for XBRL creation.

In December 2005, the 3M team reviewed the tags (identifiers that match the line items on their financial statement with elements within the taxonomy) that were used by EDGAR Online in the development of its taxonomy. EDGAR Online is a financial aggregator that developed its own taxonomy and used it to create XBRL-formatted financials for all US public companies. Comparing the tags chosen by EDGAR Online gave 3M some insights into how they might map their financials themselves and what extensions (company-specific line items not included in the US GAAP taxonomies that 3M had to create separately for its own reporting needs) they needed to create.

In January 2006, 3M received the necessary internal approvals to participate in the SEC Voluntary Filing Program and on March 29, 2007, 3M was officially announced as a participant in the SEC VFP.

3M decided to outsource to Merrill Corporation; they felt that Merrill's experience helping multiple clients convert their financials to XBRL gave them a greater level of expertise. With Merrill, they had a partner in the process that could answer questions and share ideas, and by outsourcing in this manner, they could be involved in the technology without putting undue strain on internal resources. 3M did however, want to be actively involved in advancing the standard and also, of course, in selecting the tags for their line items. They felt that the negatives to outsourcing, including 1) higher out-of-pocket costs when using a service provider and 2) the drawbacks to not being as educated about the creation process as companies that tag themselves, were outweighed by the benefits.

Case Study



On June 29, 2006, 3M submitted their first XBRL-formatted financials to the SEC's EDGAR database with their Q1 2006 10-Q. They have subsequently filed their Q2 2006 10-Q (on August 29, 2006), their Q3 2006 10-Q (on November 15 2006), their 2006 10-K (on May 16, 2007), their Q1 2007 10-Q (July 2, 2007), their Q2 2007 10-Q (on September 19, 2007) and their Q3 2007 10-Q (on November 20, 2007).

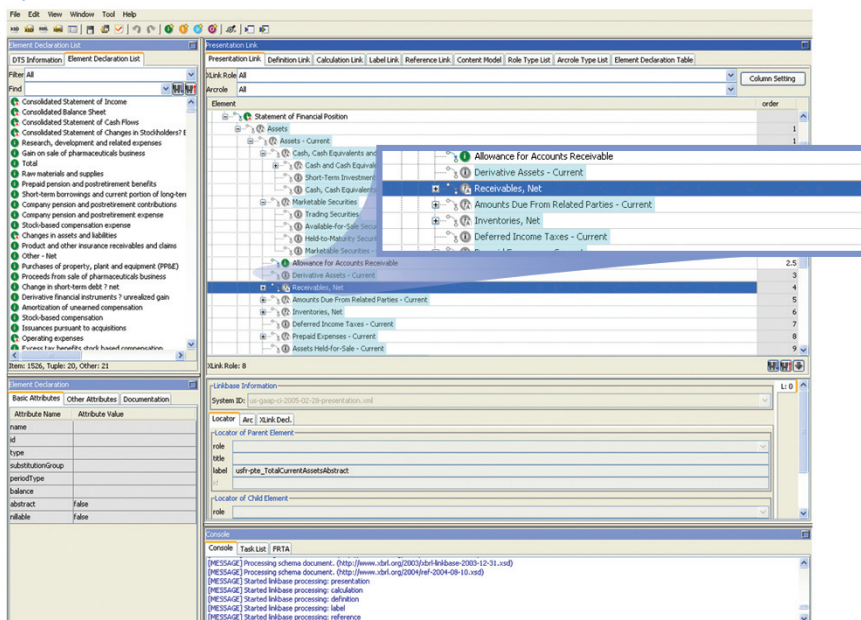
Throughout 2007 and 2008 to date, 3M has participated in the XBRL US SEC VFP Team - a working group of voluntary filers who share ideas and gather input. This group serves as a sounding board for ideas from the XBRL US Project Team on taxonomy and documentation development as well as software development. SEC representatives often attend the regularly scheduled meetings of this group to get feedback and to provide them with updates on SEC activities.

3M has been providing input on the new taxonomies and Preparers Guide, and will begin using the new taxonomies, when finalized, effective with its year-end 2007 filing.

Costs and resources involved in the filing process

Merrill Corporation uses Fujitsu's XWand tool to convert 3M's financial statements into XBRL format. Two of 3M's external reporting staff worked closely with the team at Merrill. They estimate that the initial process took about 80 hours of 3M staff time between getting educated, reviewing the tags and on through to final submission. Subsequent filings only took about 8 hours of 3M staff time. When 3M begins working with the new taxonomy, given their experiences to date, they anticipate it will take about 24 hours to complete the first filing and then drop down to 8 hours again for subsequent filings. The out-of-pocket cost for XBRL conversion from the service provider was absorbed in 3M's EDGAR filing and printing costs, because 3M was an early adopter, and because Merrill benefited from the learning experience in doing the XBRL conversion. Ultimately, the costs of XBRL conversion will be incremental to the EDGAR submission costs as they are easily separable and distinguishable from traditional filing activities.

Fujitsu's XWand Tool



Process for XBRL financial statement preparation

The current financial reporting consolidation and review process for 3M Company runs about 20-30 days for the complete quarterly process and approximately 45 days for the complete annual process. Major steps in the process include the global consolidation of results from 3M subsidiaries around the world, reviews of general ledger accounts and financial statements, disclosure committee meetings and officer certification of results. The earnings release is then created and issued, the investor call takes place, while concurrently throughout the process the 3M team is preparing the notes, MD&A and supplemental data. After incorporating comments from management and others, 3M external reporting prepares the final 10-Q or 10-K for EDGAR submission. When XBRL is added to the mix, there are a few additional steps to 3M's reporting process:

1. **Final financial statements are given to the third party provider for conversion into XBRL.**
2. **Proofs are received back from the service provider for 3M review.**
3. **3M reviews the tags applied to their financial statement line items and gives feedback to the service provider, if any.**
4. **If changes, the service provider gives the final proof to 3M for a last review.**
5. **XBRL-formatted financials are filed via EDGAR as exhibits to a Form 8-K.**

If fast-tracked, the incremental XBRL steps can take one to two days for the financial statements (excluding Notes and MD&A), or could be worked on simultaneously with the official filing, which could enable same day filing as part of the official filing.

Benefits of early involvement in XBRL

3M's early adoption of XBRL was spurred by a desire to be fully prepared prior to mandatory

XBRL filing with the confidence that its first filing would be accurate and timely. As an early participant, 3M was also involved in the US GAAP Taxonomies development, ensuring that most of its financial statement captions will be covered in the taxonomy, thereby limiting the need to create company-specific extensions. Through involvement in the SEC VFP with XBRL US-organized teams of filers, 3M was able to share its experiences, learn from other voluntary filers and ensure that its issues and concerns were addressed.

What's ahead and how preparers can gain from XBRL

3M believes that while future benefits may be years away, when more public companies file in XBRL, the resulting data will be more easily comparable across companies and consumers of that data will have more ready access to the information. Interactive analytical tools available today have already demonstrated the power of XBRL in comparing information and enabling greater access.

"Getting started is not easy. From your standpoint (as a preparer), you are delving into the unknown and the complex world of interactive data – data that is not pretty to view, but which is useful for downloads and analysis. However, once you get over the initial hurdles and file your first XBRL document, the effort becomes more streamlined and less time-consuming. . . you can also use a knowledgeable third party to assist with your efforts."

—Tom Jacob, Manager, External Reporting, 3M Company

About 3M Company

3M is a global, diversified technology company that is fundamentally a science-based company. 3M produces thousands of imaginative products, and is a leader in scores of markets – from health care and highway safety to office products and optical films for LCD displays. Their success begins with their ability to apply their technologies – often in combination – to an endless array of real-world customer needs. For more information about 3M Company, visit mmm.com.



What preparers should know – advice from 3M Company

- Get educated through webinars from XBRL US and other organizations
- Start actively participating in the process by reviewing the Preparers Guide
- Identify internal resources that need to be involved in the process; determine XBRL responsibilities and team, which should typically be led by external reporting
- Explore alternatives for implementation and consider working with a knowledgeable third-party to assist in the process
- Estimate the time and cost commitments
- Evaluate XBRL versus other priorities within your organization
- Discuss pros and cons with your management team
- Advise your management team that XBRL is likely to be mandated
- Gain management commitment on when you should begin participating in the SEC Voluntary Filing Program

For more information about XBRL, visit xbrl.us

For more information about 3M Company, visit mmm.com



Comcast Corporation - Using a Software Tool

Business Challenge	Create and use XML-tagged data to improve the transparency, data quality and integrity of public company-reported business and financial information.
Solution	Format public company information in Extensible Business Reporting Language (XBRL), using a software tool in-house.

Staff from Comcast Corporation first attended an XBRL US sponsored workshop in New York in June 2006 which began their investigation into XBRL filing. Initial research efforts into XBRL involved Comcast's Manager of Accounting Projects, the Senior Director of Corporate Accounting and Reporting as well as its Senior Vice President, Chief Accounting Officer and Controller. Through the Summer of 2006, members of the Comcast team educated themselves on XBRL and investigated the options of using a software tool versus outsourcing to a third party. They chose to use a software tool because it gave them more control over their own filing and a greater opportunity to learn about XBRL. Performing the tagging (identifying elements within the taxonomy to associate with line items on the company's own financials) was also less costly than outsourcing. The negatives to going in-house were dealing with periodic software problems inherent with using a relatively new technology and not having an extra "expert" in the form of a third party provider that could respond to questions. Ultimately, the Comcast team found that they worked very closely with their software provider and received a high level of service in terms of reviewing their filings and getting answers to questions.

In September 2006, the Comcast team selected Rivet Software, and its Dragon Tag and Dragon View products, and prepared their 1st quarter 2006 10-Q in XBRL format. Through the Fall of 2006, they converted their 2nd and 3rd quarter 10-Qs for 2006 into XBRL format. In December 2006, representatives from Comcast attended the XBRL International conference in Philadelphia, PA. Also in December, they made a presentation to their Audit Committee which gave them the go-ahead to proceed with XBRL filing. On December 11, 2006, Comcast filed their Q1 – Q3 financials in XBRL format as an attachment to a Form 8-K.

On March 19, 2007, Larry Salva, Comcast's Senior Vice President, Chief Accounting Officer and Controller presented at the SEC's Roundtable in Washington, DC and that same month, they prepared and filed their 2006 10-K in XBRL format. At this point, XBRL creation became part of their regular reporting process and in May 2007, they transitioned ongoing responsibility for XBRL conversion to the Comcast Financial Reporting team. Comcast subsequently filed its 1st, 2nd and 3rd 10-Qs for 2007 as well as its 2007 10-K.

Costs and resources involved in the filing process

Comcast relied on Rivet's Dragon Tag tool to convert its financials at a cost of \$2,800 for the license and support. There was no cost associated with the Dragon View software used for review and validation purposes as it is provided free of charge by Rivet Software. Comcast staff spent about 120 hours doing research and getting trained on the tools themselves and about 60 hours on the first filing. Subsequent filings were much easier given that the tags (identifiers for their financial statement captions) had already been identified and today each filing takes around 20

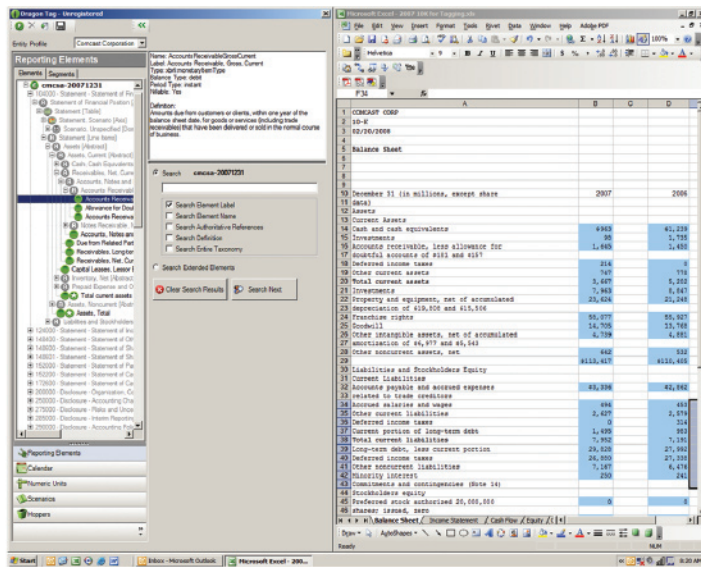
Case Study



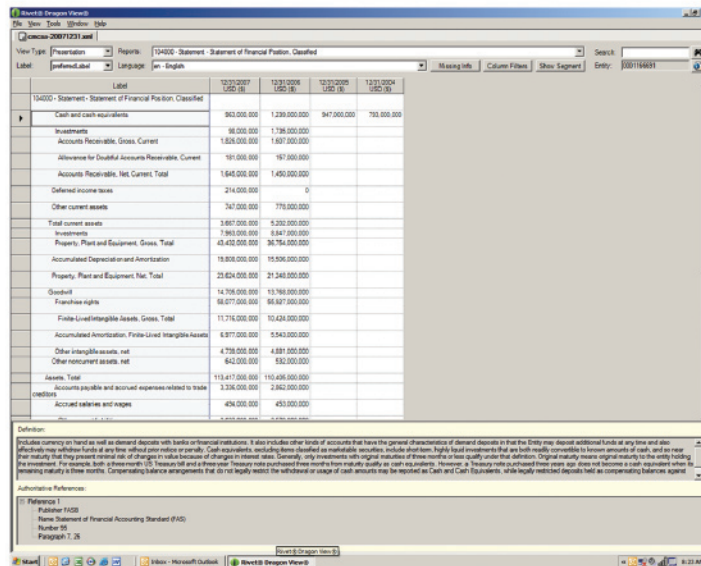
hours of staff time. In addition to the cost of the license, Comcast pays \$710 per filing, which includes the fees for the SEC EDGAR submission by its financial printer and a review of the Form 8-K by external counsel.

Comcast employees involved in the process include the Senior Accountant of SEC Reporting who prepares the financials in XBRL format. A detailed review is conducted by the Manager of Accounting Projects and Manager of SEC Reporting. A higher level of review is then conducted by the Senior Director of Corporate Accounting and Reporting, the Vice President of Financial Reporting and Senior Vice President, Chief Accountant and Controller prior to EDGAR submission. Others involved included external counsel to review the Form 8-K used to submit XBRL documents, Rivet to assist in XBRL document preparation and Comcast's financial printer, RR Donnelley, to ensure SEC acceptance and to perform the actual filing.

Dragon Tag Screen Shot – Balance Sheet Mark-up



Dragon View Screen Shot – Balance Sheet Review



Benefits of early involvement in XBRL

Comcast got involved in the VFP to further their understanding of XBRL and to be able to provide feedback that will influence the direction of XBRL for filing. Comcast's Senior Vice President, Chief Accounting Officer and Controller is involved in FEI (Financial Executives International) which was investigating XBRL at the time; early involvement in XBRL

Process for XBRL financial statement preparation

Comcast uses HFM by Oracle Corporation for consolidation and to provide baseline financials for internal and external reports, including the 10-K and 10-Q. The final preparation and filing of the Forms 10-K or 10-Q is handled by the Financial Reporting group including the Senior Vice President, Chief Accounting Officer and Controller, Vice President of Financial Reporting and the financial reporting process owners.

Filing in XBRL format requires incremental steps to the traditional process that do not commence until after the standard SEC filing is completed.

1. Data is populated manually from the SEC filing into the previous periods XBRL mark-up worksheet.
2. All data in the mark-up worksheet is appropriately tagged and any new extensions (company-specific line items not included in the US GAAP taxonomies that Comcast had to create separately for its own reporting needs) that are needed are created.
3. Any issues during the mark-up are first discussed internally; any issues that can not be resolved are then elevated to the outside software vendor.
4. Once mark-up is complete, an XBRL instance document is created and validated internally.
5. The internal review process is performed and any identified issues are addressed. Comcast uses an internally prepared review checklist based of the PCAOB's "Staff Answers and Questions Regarding XBRL Financial Information Furnished Under the XBRL Voluntary Financial Reporting Program on the EDGAR System."
6. The final instance document is provided to the software vendor for additional review.
7. A memo is drafted highlighting key changes from the previous filing and distributed to senior department management for review.
8. Concurrent to the memo circulation, an 8-K is drafted internally and sent to external counsel for their review.
9. Once all internal and external reviews are completed, the appropriate documents and files are provided to the financial printer who validates and prepares the final files for filing.
10. Documents are officially filed.

fit Comcast's position as an industry leader and "good corporate citizen." Comcast also became a member of the XBRL US SEC VFP Team, a group of voluntary filers that were active contributors to the Preparers Guide, reviewed the taxonomies, and provided direct feedback to the SEC.

What's ahead and how preparers can gain from XBRL

Comcast believes that the ultimate benefit for preparers will come from the improved comparability of information between companies and the ease of accessing such information from the EDGAR system. Instead of searching through pages of text, one will be able to search for a specific tag that will retrieve the information that they need in a much quicker fashion. Critical stakeholders of public companies will have access to more granular public company data straight from the source. In addition, XBRL provides companies the ability to present their own information and tell their own story, as opposed to having data aggregators tell the story for them.

"We decided to create XBRL documents in-house and worked very closely with our software vendor. Creating financials this way gave us greater control over our filing and allowed us to learn a lot more about XBRL and the individual tags. Understanding the technology, being involved in the US GAAP Taxonomy development and review went a long way towards helping us get our arms around what XBRL is and where it's going."

—Phil Gaudreau, Manager, Accounting Projects, Comcast Corporation

About Comcast Corporation

Comcast Corporation is the nation's leading provider of entertainment, information and communications products and services, with 24.1 million cable customers, 13.2 million high-speed Internet customers and 4.6 million voice customers. Comcast is principally involved in the development, management and operation of broadband cable networks and in the delivery of program content. For more information about Comcast, visit Comcast.com.



What preparers should know – advice from Comcast

- Determine who within the organization is going to be involved in all stages of the process.
- Think through the entire process from creation to review to filing.
- Investigate options (outsourcing vs. internal preparation) and investigate several vendors for each option.
- Get proper approvals from management and Audit Committee.
- Start early; the initial document is the most difficult part and subsequent documents are significantly easier to manage.
- Read the XBRL US Preparers Guide.
- Attend as many seminars as possible and talk to as many filers as possible.
- Review other company's XBRL filings on the SEC website.
- Translate a very small section of an (XBRL) instance document to gain an understanding of the XBRL "language."
- Read the PCAOB's "Staff Answers and Questions Regarding XBRL Financial Information Furnished Under the XBRL Voluntary Financial Reporting Program on the EDGAR System" which Comcast found very helpful in creating their XBRL review process.

For more information about XBRL, visit xbrl.us

For more information about Comcast, visit comcast.com



What's ahead and how preparer's can benefit

For preparers in the short-term, formatting financials in XBRL will result in incremental cost and effort beyond what companies currently expend on their financial reporting process. Longer-term, companies can expect to recognize benefits through the integration of XBRL into their financial management systems and the use of XBRL within their general ledger. Expected benefits include improved consistency, reliability, accuracy, speed of reporting and ultimately cost-savings.

What are SEC voluntary filers saying?

"One of the great benefits of XBRL is that it allows analysts and other stakeholders to shift focus from more monotonous and error-prone activities, such as keypunching voluminous amounts of financial data into financial models, to more value-added activities, such as analyzing data and benchmarking financial metrics and disclosures across companies and industries."

—David Delott, Director of External Reporting, PepsiCo.

"Interactive Data can serve to improve data access, accuracy and flexibility, all of which are essential to users of financial information throughout the world. For that reason, we support efforts in this area. XBRL may prove to be a major step forward for the spread of interactive data and Pfizer has been a proud participant in the pilot program since its inception. While there are limited financial statement filers using XBRL today, I believe the evolution of XBRL and SEC support for universal acceptance holds tremendous promise for the financial community. As a professional, I appreciate the chance to be a part of this transformation."

—Clare O'Leary, Director Special Projects, Pfizer Inc

"Although it's difficult to say when it will come to pass, we expect that in the long-term, companies will be able to build XBRL tags into their ERP/financial management systems to create a single-source system. At that time, preparers will reap the significant benefits of little or no manual entry, improved consistency and speed of reporting."

—Patsy Ramsey, Director, External and Corporate Reporting, The Dow Chemical Company

"It is the longer term potential of XBRL that holds the most promise for companies. Beyond the common benefits of improved consistency, reliability, accuracy and speed in financial reporting, companies will at a minimum be able to leverage the technology to enhance analysis, gain access to data across systems and applications, eliminate manual effort and strengthen controls. The technology is there; the tools are there; and now the catalyst has been provided to begin exploring the future benefits."

The longer term benefits should accrue to smaller companies as well, as potential opportunities for application of XBRL exist wherever there are manual processes, multiple systems, analytical requirements, external reporting obligations and so forth.

We truly view this as an opportunity and believe other preparers will discover this as well. "

—John Stantial, Assistant Controller - Financial Reporting & Analysis, United Technologies Corporation



Morgan Stanley – Using XBRL for Analysis

Business Challenge	Improve transparency, quality and accuracy of financial analysis through XML-tagged data.
Solution	Use company and internal analyst data formatted in Extensible Business Reporting Language (XBRL) for investor analytics.

Trevor Harris, an accounting professor focused on valuation analysis at Columbia University had a vision of creating a robust framework that allowed the comparison of companies globally with superior analytics. In 1997, Trevor was hired by Morgan Stanley to implement his vision.

How tagged information improves accuracy and timeliness

To create this analytical framework, Morgan Stanley developed a taxonomy (collection of financial and business information terms) initially utilizing XML and subsequently changed to use the XBRL specification. The taxonomy defined not only financial concepts reported by companies globally, but also analytical concepts such as “Return on Net Operating Assets” and “Adjusted EPS”. Morgan Stanley utilized the data from analyst models and loaded them into a centralized database where analytics could be applied to both historical and forecast data. A tagging tool very similar to that used by filers in the SEC Voluntary Filing Program was provided to Morgan Stanley analysts that allowed them to tag (identify line items in their models that matched up with the terms in the taxonomy) and upload the results in an XML format into a central database. When Morgan Stanley’s analysts made adjustments to the firm’s economic forecast, individual analysts were able to see the impact of those adjustments to their models in real time.

The use of an XBRL taxonomy internally allowed Morgan Stanley to instill discipline and consistency into their analysts’ workflow by establishing standard identifiers for the history and forecast of all data and for greater comparability across companies and time.

The work involved in the initial tagging of each analyst’s model was substantial, but once tagged it was a relatively simple but still manual process to update the model for subsequent years of historical and forecast data. Tagging or identifying of elements was now only required for incremental disclosures.

A vision of XBRL in the future

The application of the framework and the robustness of the analysis remained limited by the number of analysts covering companies and the significant expense of acquiring detailed data like pension, tax or lease information which was necessary for investment decisions.

The implementation of an XBRL-based reporting mechanism as envisioned in the interactive data initiative will have significant potential to not only improve the quality of analysis, but also to expand the companies under coverage by large investment banks and small research firms alike. The two obstacles that Morgan Stanley ran up against were the manpower required to tag their models accurately and the large cost of acquiring the detailed data necessary to accurately

Case Study

Morgan Stanley



evaluate companies. The data available from data aggregators solves the problem of acquiring comparable data but it is expensive to re-distribute, is based on data dictionaries that are specific to the data aggregator and lacks detailed data such as tax information. To build a more comprehensive database, drawing in data from separate data aggregators, analysts must stitch together their different data dictionaries, which is not an easy or completely accurate task. The problem is further compounded by the aggregated nature of the data which is forced to conform to an aggregator's data dictionary.

"We found the use of tagged information within Morgan Stanley's research department gave us a greater level of consistency, accuracy and reliability in the information produced and perhaps most importantly with greater timeliness. But that's really just the tip of the iceberg - when significant numbers of companies are reporting in XBRL format, investors and analysts will have entered a new era in conducting analysis."

—Trevor Harris, Managing Director, Vice Chairman of Client Services, Morgan Stanley

About Morgan Stanley

Morgan Stanley (NYSE: MS) is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 600 offices in 33 countries. For more information about Morgan Stanley, visit morganstanley.com.

How can the data be used?

With the implementation of XBRL-based data for US filers, companies like Morgan Stanley can start to use the additional data and standardized XBRL taxonomies to build comprehensive fundamental analytics frameworks that can be used in trading, risk management, investment banking and fixed income and equity sales. For example, in the proprietary trading group, rich fundamental data can be used to build fundamental analytics that will work in conjunction with quantitative analytics to give the trader a more comprehensive view of the risks to which the firm is exposed. In risk management, the firm can create a global view of their counterparty risk based on more timely data about their counterparty's financial condition. This should reduce credit spreads for most companies and should limit some of the big credit surprises of the past.

For more information about XBRL, visit xbrl.us

For more information about Morgan Stanley, visit morganstanley.com



Microsoft – Using XBRL for Individual Investor Analysis

Business Challenge	Streamline the process and improve the quality of information provided direct to investors by public companies.
Solution	Format corporate data in Extensible Business Reporting Language (XBRL) and develop an online reporting system to automatically populate an investor-facing website.

Microsoft has been a long-time advocate of improving financial disclosures and the delivery of financial information, and has been involved with XBRL development for several years. Microsoft became one of the initial members of the SEC’s voluntary filer program with their first XBRL filing in May 2005. When Microsoft’s CFO, Chris Liddell, was asked to join the SEC’s Committee on Improvements to Financial Reporting in July 2007, he challenged an internal, cross-group team to come up with an idea of how to develop a site that could consolidate and summarize relevant financial information from across the company’s various public communications. Investor Central is the output of the team’s work.

Case Study



Using tagged information to improve communication with investors

In January 2008, Microsoft unveiled Investor Central (www.microsoft.com/msft/ic), its new investor-targeted website, designed to help investors better understand Microsoft’s business strategies and financial results. Microsoft’s main goal with the site was to create something that catered to all investors, and especially investors who are new to Microsoft or check-in infrequently and want to see a snapshot of how the company is doing. Microsoft also wanted to create something that could be easily navigated and didn’t contain so much financial information as to be overwhelming. Finally, Microsoft also wanted to reuse information that was already publicly available – information that is already being created in support of other purposes such as earnings releases, periodic filings and investor presentations.

Investor Central organizes the data into tabs and includes a company overview and business unit breakdowns as well as full financial statements both in tabular and chart form. The site also incorporates tiering of information, so that investors can quickly navigate and drill down into the information of interest. Much of the financial data used in Investor Central comes directly from the XBRL documents that Microsoft files with the SEC. Data and text is updated automatically through Microsoft’s XBRL-formatted documents.

Before Investor Central, data found on Microsoft’s investor site was posted in html and was created each period by copying and pasting content from their 10-Q or earnings release. With XBRL, there is less copying and pasting of information and therefore, less opportunity to introduce errors into the data. Also with Investor Central, the data flows directly from the XBRL-formatted financials already created so that content can be posted as soon as they are created. Eventually, when XBRL documents are created and filed as an “official” filing, that information could be made available in a usable form on Microsoft’s website at the same time that it is submitted to the SEC. That would hold true even for a smaller company with fewer internal resources than Microsoft has.



Today, Microsoft maintains both its traditional investor site as well as Investor Central, powered by XBRL. The company will eventually merge the two sites once it creates an eloquent, efficient and compliant way to present the information. While today there is incremental work because of the need to maintain two separate sites, the eventual merging of the two is expected to free up resources and streamline the process of populating the investor site.

Using XBRL to populate financial data in its investor relations website also puts Microsoft's financial results in context with its footnote disclosures and Management's Discussion and Analysis (MD&A) of financial results. XBRL allows the linking of footnotes and MD&A directly to line items in financial statements and allows viewers to see the full story behind the numbers.

Microsoft's Investor Central

Who benefits and how?

For Microsoft, XBRL helps:

- Provide timely and transparent financial information to all investors – large and small – to help them gain a better understanding of how Microsoft looks at its business and its financial results;
- Reduce the likelihood of error in the delivery of financial information; and
- Gives Microsoft the flexibility to select the taxonomy elements (line items within the US GAAP collection of financial terms) that they feel best represent their investment outlook, rather than rely on terms created by third party data aggregators that may not accurately describe their company's financials.

For investors, XBRL allows:

- Quick access to financial data on the site, linked to the full context of the financial statements.
- Visual representation of XBRL data that can then be downloaded and used for further analyses.
- The ability to drill down and gain better insights into the company through footnotes and MD&A content drawn directly from financial statement line items without the need to have an in-depth understanding of technical financial analysis.

Financial Statements

Microsoft Investor Central - Financial Statements

Investor Central FY08 - Q2

	2007	2008	2007	2008
Revenue	\$16,367	\$12,542	\$30,129	\$23,353
Operating expenses:				
Cost of revenue	3,543	3,030	2,793	2,793
Research and development	1,885	1,637	3,722	3,423
Sales and marketing	3,392	2,999	8,006	5,199
General and administrative	1,066	814	1,784	1,478
Total operating expenses	8,886	8,570	17,735	15,497
Operating income	6,481	3,472	12,396	7,846
Investment income and other	338	333	637	800
Income before income taxes	6,820	3,805	13,033	8,646
Provision for income taxes	2,113	1,170	4,940	2,742
Net income	\$4,707	\$2,635	\$8,093	\$5,904
Earnings per share:				
Basic	\$0.50	\$0.27	\$0.96	\$0.62
Diluted	\$0.50	\$0.26	\$0.95	\$0.61
Weighted average shares outstanding:				
Basic	9,391	9,806	8,370	9,687
Diluted	9,503	9,842	8,570	9,899
Cash dividends declared per common share	\$0.19	\$0.10	\$0.22	\$0.22

Revenue / Operating Income

Microsoft Investor Central - Revenue / Operating Income

Investor Central FY08 - Q2

	2007	2008	2007	2008
Revenue	\$16,367	\$12,542	\$30,129	\$23,353
Operating income	\$6,481	\$3,472	\$12,396	\$7,846
Diluted earnings per share	\$0.50	\$0.26	\$0.95	\$0.61

Revenue / Operating Income Summary

Management's Discussion and Analysis (MD&A) Overview

Management's Discussion and Analysis (MD&A) Summary

FY08 Q2 10Q Note 4 - Unearned Revenue

Note 4 - Unearned Revenue

The components of unearned revenue were as follows:

(in millions)	December 31, 2007	June 30, 2007
Volume licensing programs	\$9,142	\$9,332
Unlevered Elements	1,650	1,839
Other	1,382	1,427
Unearned Revenue	\$12,174	\$12,598

Unearned revenue by segment was as follows:

(in millions)	December 31, 2007	June 30, 2007
Client	\$2,720	\$2,810
Server and Tools	3,740	3,952
Microsoft Business Division	6,396	5,771
Other	452	366
Unearned Revenue	\$13,308	\$12,900

MD&A Unearned Revenue

Revenue Recognition Accounting Policy

“XBRL provides a powerful mechanism to streamline our process for publishing company information out to investors in a process that ensures higher quality of data, more accuracy and consistency and quicker time-to-market. Companies spend a lot of money and resources maintaining the investor section of their web sites. XBRL can definitely improve that process.”

—Lisa Nelson, Group Manager, Corporate Accounting & Analysis, Microsoft Corporation

About Microsoft

Founded in 1975, Microsoft (Nasdaq “MSFT”) is the worldwide leader in software, services and solutions that help people and businesses realize their full potential. For more information about Microsoft’s Investor Central, visit www.microsoft.com/msft/ic.

How can public companies add XBRL to their investor site today?

Companies that participate in the SEC’s Voluntary Filing Program can quickly and easily provide a link to their own XBRL filings and the SEC viewer on their site to give investors a quick way to view and analyze their company’s financial data. But ultimately, companies should build out a framework like Investor Central that incorporates XBRL data and provides investors with significant insight into the company’s strategies and financial results.

For more information about XBRL, visit xbrl.us

For more information about Microsoft or Investor Central, visit microsoft.com or www.microsoft.com/msft/ic

