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Microsoft®

August 23, 2010

Mr. Russell Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856-5116

Re: File Reference No. 1790-100

Dear Russ:

Microsoft appreciates the opportunity to respond to the Exposure Draft (ED), "Statement of Comprehensive Income". As indicated in our April 2009 response to the Discussion Paper on Financial Statement Presentation, given that the Board has agreed on the presentation of a net income figure, Microsoft is not opposed to a requirement for a continuous statement of comprehensive income. However, similar to the option for the presentation of the tax effect of each component of other comprehensive income, we believe companies should be permitted to display reclassification adjustments on the statement of comprehensive income or in the notes to the financial statements. Allowing reclassification adjustments to be displayed in the notes to the financial statements is consistent with current requirements and will avoid adding clutter to the statement of comprehensive income.

Our responses to the discussion questions raised in the ED are attached. If you have any questions, please contact me at (425) 703-6094.

Sincerely,

Bob Laux
Senior Director, Financial Accounting and Reporting

Attachment

Question 1*— Do you agree that requiring a continuous statement of comprehensive income will improve the comparability, transparency, and understandability of financial statements such as relationships between changes in the statement of financial position, the components of other comprehensive income, and the components of net income in each period? If not, why not, and what changes would you suggest to the amendments in this proposed Update?*

Response: Microsoft is not opposed to a requirement for a continuous statement of comprehensive income and we believe it will enhance the prominence of the items reported in other comprehensive income.

Question 2*— Do you agree that the option should continue to report the tax effect for each component of other comprehensive income either in the statement of comprehensive income or in the notes to the financial statements?*

Response: Yes, we agree that the option should continue to report the tax effect for each component of other comprehensive income either in the statement of comprehensive income or in the notes to the financial statements.

Question 3*— Do you believe that a requirement to display reclassification adjustments for each component of other comprehensive income in both net income and other comprehensive income in the statement of comprehensive income would improve the understandability and comparability of financial statements?*

Response: No, similar to the option for the presentation of the tax effect of each component of other comprehensive income, we believe companies should be permitted to display reclassification adjustments on the statement of comprehensive income or in the notes to the financial statements. Allowing reclassification adjustments to be displayed in the notes to the financial statements is consistent with current requirements and will avoid adding clutter to the statement of comprehensive income.

Question 4*— What costs, if any, will a reporting entity incur as a result of the proposed changes?*

Response: We do not believe the cost of implementing the changes will be significant.

Question 5*— The Board plans to align the proposed effective date of the amendments in this proposed Update with the effective date of the amendments in the proposed Update on financial instruments. Are there any significant operational issues that the Board needs to understand to determine the appropriate effective date for the amendments in this proposed Update?*

Response: No, we are not aware of any significant operational issues that the Board needs to understand in connection with the appropriate effective date for the amendments in this proposed Update.

Question 6*— The amendments in this proposed Update would not change the guidance on the calculation and display of earnings per share. Do you believe that the Board should change the guidance on earnings per share? If so, what changes would you recommend and why?*

Response: No, we do not believe that the Board should change the guidance on earnings per share.