**Microsoft Corporation** is an American multinational [technology corporation](https://en.wikipedia.org/wiki/Technology_company) headquartered in [Redmond, Washington](https://en.wikipedia.org/wiki/Redmond,_Washington). Microsoft's best-known software products are the [Windows](https://en.wikipedia.org/wiki/Microsoft_Windows) line of [operating systems](https://en.wikipedia.org/wiki/Operating_system), the [Microsoft 365](https://en.wikipedia.org/wiki/Microsoft_365) suite of productivity applications, and the [Edge](https://en.wikipedia.org/wiki/Microsoft_Edge) web browser. Its flagship hardware products are the [Xbox](https://en.wikipedia.org/wiki/Xbox) video game consoles and the [Microsoft Surface](https://en.wikipedia.org/wiki/Microsoft_Surface) lineup of [touchscreen](https://en.wikipedia.org/wiki/Touchscreen) personal computers. Microsoft ranked No. 14 in the 2022 [Fortune 500](https://en.wikipedia.org/wiki/Fortune_500) rankings of the largest United States corporations by total revenue;[[2]](https://en.wikipedia.org/wiki/Microsoft#cite_note-2) it was the world's [largest software maker](https://en.wikipedia.org/wiki/List_of_the_largest_software_companies) by revenue as of 2022. It is considered one of the [Big Five](https://en.wikipedia.org/wiki/Big_Tech) American [information technology](https://en.wikipedia.org/wiki/Information_technology) companies, alongside [Alphabet](https://en.wikipedia.org/wiki/Alphabet_Inc.) (parent company of [Google](https://en.wikipedia.org/wiki/Google)), [Amazon](https://en.wikipedia.org/wiki/Amazon_(company)), [Apple](https://en.wikipedia.org/wiki/Apple_Inc.), and [Meta](https://en.wikipedia.org/wiki/Meta_Platforms).

Microsoft was founded by [Bill Gates](https://en.wikipedia.org/wiki/Bill_Gates) and [Paul Allen](https://en.wikipedia.org/wiki/Paul_Allen) on April 4, 1975, to develop and sell [BASIC interpreters](https://en.wikipedia.org/wiki/BASIC_interpreter) for the [Altair 8800](https://en.wikipedia.org/wiki/Altair_8800). It rose to dominate the personal computer operating system market with [MS-DOS](https://en.wikipedia.org/wiki/MS-DOS) in the mid-1980s, followed by Windows. The company's 1986 [initial public offering](https://en.wikipedia.org/wiki/Initial_public_offering) (IPO) and subsequent rise in its share price created three billionaires and an estimated 12,000 millionaires among Microsoft employees. Since the 1990s, it has increasingly diversified from the operating system market and has made several [corporate acquisitions](https://en.wikipedia.org/wiki/List_of_mergers_and_acquisitions_by_Microsoft), the largest being the [acquisition](https://en.wikipedia.org/wiki/Acquisition_of_Activision_Blizzard_by_Microsoft) of [Activision Blizzard](https://en.wikipedia.org/wiki/Activision_Blizzard) for $68.7 billion in October 2023,[[3]](https://en.wikipedia.org/wiki/Microsoft#cite_note-3) followed by its acquisition of [LinkedIn](https://en.wikipedia.org/wiki/LinkedIn) for $26.2 billion in December 2016,[[4]](https://en.wikipedia.org/wiki/Microsoft#cite_note-4) and its acquisition of [Skype Technologies](https://en.wikipedia.org/wiki/Skype_Technologies) for $8.5 billion in May 2011.[[5]](https://en.wikipedia.org/wiki/Microsoft#cite_note-5)

As of 2015, Microsoft is market-dominant in the [IBM PC compatible](https://en.wikipedia.org/wiki/IBM_PC_compatible) operating system market and the office software suite market, although it has lost the majority of the overall operating system market to [Android](https://en.wikipedia.org/wiki/Android_(operating_system)).[[6]](https://en.wikipedia.org/wiki/Microsoft#cite_note-6) The company also produces a wide range of other consumer and enterprise software for desktops, laptops, tabs, gadgets, and servers, including [Internet search](https://en.wikipedia.org/wiki/Web_search_engine) (with [Bing](https://en.wikipedia.org/wiki/Microsoft_Bing)), the digital services market (through [MSN](https://en.wikipedia.org/wiki/MSN)), [mixed reality](https://en.wikipedia.org/wiki/Mixed_reality) ([HoloLens](https://en.wikipedia.org/wiki/Microsoft_HoloLens)), cloud computing ([Azure](https://en.wikipedia.org/wiki/Microsoft_Azure)), and software development ([Visual Studio](https://en.wikipedia.org/wiki/Microsoft_Visual_Studio)).

[Steve Ballmer](https://en.wikipedia.org/wiki/Steve_Ballmer) replaced Gates as CEO in 2000 and later envisioned a "devices and services" strategy.[[7]](https://en.wikipedia.org/wiki/Microsoft#cite_note-7) This unfolded with Microsoft acquiring [Danger Inc.](https://en.wikipedia.org/wiki/Danger_Inc.) in 2008,[[8]](https://en.wikipedia.org/wiki/Microsoft#cite_note-8) entering the personal computer production market for the first time in June 2012 with the launch of the Microsoft Surface line of [tablet computers](https://en.wikipedia.org/wiki/Tablet_computer), and later forming [Microsoft Mobile](https://en.wikipedia.org/wiki/Microsoft_Mobile) through the acquisition of [Nokia](https://en.wikipedia.org/wiki/Nokia)'s devices and services division. Since [Satya Nadella](https://en.wikipedia.org/wiki/Satya_Nadella) took over as CEO in 2014, the company has scaled back on hardware and instead focused on [cloud computing](https://en.wikipedia.org/wiki/Cloud_computing), a move that helped the company's [shares](https://en.wikipedia.org/wiki/Share_(finance)) reach their highest value since December 1999.[[9]](https://en.wikipedia.org/wiki/Microsoft#cite_note-9)[[10]](https://en.wikipedia.org/wiki/Microsoft#cite_note-10) Under Nadella's direction, the company has also heavily expanded its gaming business to support the Xbox brand, establishing the [Microsoft Gaming](https://en.wikipedia.org/wiki/Microsoft_Gaming) division in 2022, dedicated to operating Xbox in addition to its three subsidiaries ([publishers](https://en.wikipedia.org/wiki/Video_game_publisher)). Microsoft Gaming is the third-largest gaming company in the world by revenue as of 2023.[[11]](https://en.wikipedia.org/wiki/Microsoft#cite_note-11)

Earlier dethroned by Apple in 2010, in 2018, Microsoft reclaimed its position as the most valuable publicly traded company in the world.[[12]](https://en.wikipedia.org/wiki/Microsoft#cite_note-12) In April 2019, Microsoft reached a trillion-dollar [market cap](https://en.wikipedia.org/wiki/Market_capitalization), becoming the third U.S. public company to be [valued at over $1 trillion](https://en.wikipedia.org/wiki/Trillion-dollar_company) after Apple and Amazon, respectively. As of 2023, Microsoft has the [third-highest](https://en.wikipedia.org/wiki/List_of_most_valuable_brands) global [brand valuation](https://en.wikipedia.org/wiki/Brand_valuation).

Microsoft [has been criticized](https://en.wikipedia.org/wiki/Criticism_of_Microsoft) for its monopolistic practices and the company's software has been criticized for problems with [ease of use](https://en.wikipedia.org/wiki/Ease_of_use), [robustness](https://en.wikipedia.org/wiki/Robustness_(computer_science)), and [security](https://en.wikipedia.org/wiki/Computer_security).

History

*Main article:*[*History of Microsoft*](https://en.wikipedia.org/wiki/History_of_Microsoft)

*For a chronological guide, see*[*Timeline of Microsoft*](https://en.wikipedia.org/wiki/Timeline_of_Microsoft)*.*

**1972–1985: Founding**

An Altair 8800 computer (left) with the popular Model 33 ASR Teletype as terminal, paper tape reader, and paper tape punch[Paul Allen](https://en.wikipedia.org/wiki/Paul_Allen) and [Bill Gates](https://en.wikipedia.org/wiki/Bill_Gates) on October 19, 1981, after signing a pivotal contract with [IBM](https://en.wikipedia.org/wiki/IBM)[[13]](https://en.wikipedia.org/wiki/Microsoft#cite_note-Allan_2001-13): 228Bill Gates and Paul Allen's Original Business Cards located in the Microsoft Visitor Center.

Childhood friends [Bill Gates](https://en.wikipedia.org/wiki/Bill_Gates) and [Paul Allen](https://en.wikipedia.org/wiki/Paul_Allen) sought to make a business using their skills in [computer programming](https://en.wikipedia.org/wiki/Computer_programming).[[14]](https://en.wikipedia.org/wiki/Microsoft#cite_note-14) In 1972, they founded [Traf-O-Data](https://en.wikipedia.org/wiki/Traf-O-Data), which sold a rudimentary computer to track and analyze automobile traffic data. Gates enrolled at [Harvard University](https://en.wikipedia.org/wiki/Harvard_University) while Allen pursued a degree in computer science at [Washington State University](https://en.wikipedia.org/wiki/Washington_State_University), though he later dropped out to work at [Honeywell](https://en.wikipedia.org/wiki/Honeywell).[[15]](https://en.wikipedia.org/wiki/Microsoft#cite_note-15) The January 1975 issue of [*Popular Electronics*](https://en.wikipedia.org/wiki/Popular_Electronics) featured [Micro Instrumentation and Telemetry Systems](https://en.wikipedia.org/wiki/Micro_Instrumentation_and_Telemetry_Systems)'s (MITS) [Altair 8800](https://en.wikipedia.org/wiki/Altair_8800) microcomputer,[[16]](https://en.wikipedia.org/wiki/Microsoft#cite_note-16) which inspired Allen to suggest that they could program a [BASIC](https://en.wikipedia.org/wiki/BASIC) interpreter for the device. Gates called MITS and claimed that he had a working interpreter, and MITS requested a demonstration. Allen worked on a simulator for the Altair while Gates developed the interpreter, and it worked flawlessly when they demonstrated it to MITS in March 1975 in [Albuquerque, New Mexico](https://en.wikipedia.org/wiki/Albuquerque,_New_Mexico). MITS agreed to distribute it, marketing it as [Altair BASIC](https://en.wikipedia.org/wiki/Altair_BASIC).[[13]](https://en.wikipedia.org/wiki/Microsoft#cite_note-Allan_2001-13): 108, 112–114 Gates and Allen established Microsoft on April 4, 1975, with Gates as CEO,[[17]](https://en.wikipedia.org/wiki/Microsoft#cite_note-BBCTL-17) and Allen suggested the name "Micro-Soft," short for micro-computer software.[[18]](https://en.wikipedia.org/wiki/Microsoft#cite_note-18)[[19]](https://en.wikipedia.org/wiki/Microsoft#cite_note-19) In August 1977, the company formed an agreement with ASCII Magazine in Japan, resulting in its first international office of [ASCII Microsoft](https://en.wikipedia.org/wiki/ASCII_Corporation).[[20]](https://en.wikipedia.org/wiki/Microsoft#cite_note-20) Microsoft moved its headquarters to [Bellevue, Washington](https://en.wikipedia.org/wiki/Bellevue,_Washington), in January 1979.[[17]](https://en.wikipedia.org/wiki/Microsoft#cite_note-BBCTL-17)

Microsoft entered the operating system (OS) business in 1980 with its own version of [Unix](https://en.wikipedia.org/wiki/Unix) called [Xenix](https://en.wikipedia.org/wiki/Xenix" \o "Xenix),[[21]](https://en.wikipedia.org/wiki/Microsoft#cite_note-21) but it was [MS-DOS](https://en.wikipedia.org/wiki/MS-DOS) that solidified the company's dominance. [IBM](https://en.wikipedia.org/wiki/IBM) awarded a contract to Microsoft in November 1980 to provide a version of the [CP/M](https://en.wikipedia.org/wiki/CP/M) OS to be used in the [IBM Personal Computer](https://en.wikipedia.org/wiki/IBM_Personal_Computer) (IBM PC).[[22]](https://en.wikipedia.org/wiki/Microsoft#cite_note-22) For this deal, Microsoft purchased a CP/M clone called [86-DOS](https://en.wikipedia.org/wiki/86-DOS) from [Seattle Computer Products](https://en.wikipedia.org/wiki/Seattle_Computer_Products) which it branded as MS-DOS, although IBM rebranded it to [IBM PC DOS](https://en.wikipedia.org/wiki/IBM_PC_DOS). Microsoft retained ownership of MS-DOS following the release of the IBM PC in August 1981. IBM had copyrighted the IBM PC [BIOS](https://en.wikipedia.org/wiki/BIOS), so other companies had to reverse engineer it in order for non-IBM hardware to run as [IBM PC compatibles](https://en.wikipedia.org/wiki/IBM_PC_compatible), but no such restriction applied to the operating systems. Microsoft eventually became the leading PC operating systems vendor.[[23]](https://en.wikipedia.org/wiki/Microsoft#cite_note-23)[[24]](https://en.wikipedia.org/wiki/Microsoft#cite_note-24): 210 The company expanded into new markets with the release of the [Microsoft Mouse](https://en.wikipedia.org/wiki/Microsoft_Mouse) in 1983, as well as with a publishing division named [Microsoft Press](https://en.wikipedia.org/wiki/Microsoft_Press).[[13]](https://en.wikipedia.org/wiki/Microsoft#cite_note-Allan_2001-13): 232 Paul Allen resigned from Microsoft in 1983 after developing [Hodgkin's lymphoma](https://en.wikipedia.org/wiki/Hodgkin%27s_lymphoma).[[25]](https://en.wikipedia.org/wiki/Microsoft#cite_note-25) Allen claimed in *Idea Man: A Memoir by the Co-founder of Microsoft* that Gates wanted to dilute his share in the company when he was diagnosed with Hodgkin's disease because he did not think that he was working hard enough.[[26]](https://en.wikipedia.org/wiki/Microsoft#cite_note-26) Allen later invested in low-tech sectors, sports teams, commercial real estate, neuroscience, private space flight, and more.[[27]](https://en.wikipedia.org/wiki/Microsoft#cite_note-27)

**1985–1994: Windows and Office**

[Windows 1.0](https://en.wikipedia.org/wiki/Windows_1.0) was released on November 20, 1985, as the first version of the Windows line.

Microsoft released [Windows](https://en.wikipedia.org/wiki/Windows) on November 20, 1985, as a graphical extension for MS-DOS,[[13]](https://en.wikipedia.org/wiki/Microsoft#cite_note-Allan_2001-13): 242–243, 246 despite having begun jointly developing [OS/2](https://en.wikipedia.org/wiki/OS/2) with IBM the previous August.[[28]](https://en.wikipedia.org/wiki/Microsoft#cite_note-28) Microsoft moved its headquarters from Bellevue to [Redmond, Washington](https://en.wikipedia.org/wiki/Redmond,_Washington), on February 26, 1986, and went public on March 13,[[29]](https://en.wikipedia.org/wiki/Microsoft#cite_note-CBSCHRON-29) with the resulting rise in stock making an estimated four billionaires and 12,000 millionaires from Microsoft employees.[[30]](https://en.wikipedia.org/wiki/Microsoft#cite_note-30) Microsoft released its version of OS/2 to original equipment manufacturers (OEMs) on April 2, 1987.[[13]](https://en.wikipedia.org/wiki/Microsoft#cite_note-Allan_2001-13) In 1990, the Federal Trade Commission examined Microsoft for possible collusion due to the partnership with IBM, marking the beginning of more than a decade of legal clashes with the government.[[31]](https://en.wikipedia.org/wiki/Microsoft#cite_note-31) : 243–244 Meanwhile, the company was at work on Microsoft [Windows NT](https://en.wikipedia.org/wiki/Windows_NT), which was heavily based on their copy of the OS/2 code. It shipped on July 21, 1993, with a new modular [kernel](https://en.wikipedia.org/wiki/Kernel_(operating_system)) and the [32-bit](https://en.wikipedia.org/wiki/32-bit_computing) [Win32](https://en.wikipedia.org/wiki/Windows_API) application programming interface (API), making it easier to port from [16-bit](https://en.wikipedia.org/wiki/16-bit_computing) (MS-DOS-based) Windows. Microsoft informed IBM of Windows NT, and the OS/2 partnership deteriorated.[[32]](https://en.wikipedia.org/wiki/Microsoft#cite_note-32)

In 1990, Microsoft introduced the [Microsoft Office](https://en.wikipedia.org/wiki/Microsoft_Office) suite which bundled separate applications such as [Microsoft Word](https://en.wikipedia.org/wiki/Microsoft_Word) and [Microsoft Excel](https://en.wikipedia.org/wiki/Microsoft_Excel).[[13]](https://en.wikipedia.org/wiki/Microsoft#cite_note-Allan_2001-13): 301 On May 22, Microsoft launched [Windows 3.0](https://en.wikipedia.org/wiki/Windows_3.0), featuring streamlined user interface graphics and improved protected mode capability for the [Intel 386](https://en.wikipedia.org/wiki/I386) processor,[[33]](https://en.wikipedia.org/wiki/Microsoft#cite_note-33) and both Office and Windows became dominant in their respective areas.[[34]](https://en.wikipedia.org/wiki/Microsoft#cite_note-34)[[35]](https://en.wikipedia.org/wiki/Microsoft#cite_note-35)

On July 27, 1994, the Department of Justice's Antitrust Division filed a competitive impact statement that said: "Beginning in 1988 and continuing until July 15, 1994, Microsoft induced many OEMs to execute anti-competitive 'per processor licenses. Under a per-processor license, an OEM pays Microsoft a royalty for each computer it sells containing a particular microprocessor, whether the OEM sells the computer with a Microsoft operating system or a non-Microsoft operating system. In effect, the royalty payment to Microsoft when no Microsoft product is being used acts as a penalty, or tax, on the OEM's use of a competing PC operating system. Since 1988, Microsoft's use of per processor licenses has increased."[[36]](https://en.wikipedia.org/wiki/Microsoft#cite_note-36)