

GATES WILLIAM H III  
Form 4  
March 02, 2007

**FORM 4**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
GATES WILLIAM H III

2. Issuer Name and Ticker or Trading Symbol  
MICROSOFT CORP [MSFT]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
ONE MICROSOFT WAY  
  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
02/28/2007

Director  10% Owner  
 Officer (give title below)  Other (specify below)

REDMOND, WA 98052  
  
(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount		
					(A) or (D) Price		
Common Stock	02/28/2007		S		10,000	D	\$ 28.24 918,489,336 D
Common Stock	02/28/2007		S		30,000	D	\$ 28.23 918,459,336 D
Common Stock	02/28/2007		S		20,000	D	\$ 28.22 918,439,336 D
Common Stock	02/28/2007		S		27,531	D	\$ 28.21 918,411,805 D
Common Stock	02/28/2007		S		72,469	D	\$ 28.2 918,339,336 D
	02/28/2007		S		25,000	D	918,314,336 D

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Common Stock					\$ 28.19		
Common Stock	02/28/2007	S	120,000	D	\$ 28.17	918,194,336	D
Common Stock	02/28/2007	S	30,000	D	\$ 28.16	918,164,336	D
Common Stock	02/28/2007	S	25,000	D	\$ 28.15	918,139,336	D
Common Stock	02/28/2007	S	10,000	D	\$ 28.14	918,129,336	D
Common Stock	02/28/2007	S	10,000	D	\$ 28.12	918,119,336	D
Common Stock	02/28/2007	S	15,000	D	\$ 28.11	918,104,336	D
Common Stock	02/28/2007	S	154,295	D	\$ 28.1	917,950,041	D
Common Stock	02/28/2007	S	123,400	D	\$ 28.09	917,826,641	D
Common Stock	02/28/2007	S	90,379	D	\$ 28.08	917,736,262	D
Common Stock	02/28/2007	S	10,000	D	\$ 28.07	917,726,262	D
Common Stock	02/28/2007	S	10,000	D	\$ 28.06	917,716,262	D
Common Stock	02/28/2007	S	108,000	D	\$ 28.05	917,608,262	D
Common Stock	02/28/2007	S	8,926	D	\$ 28.04	917,599,336	D
Common Stock	02/28/2007	S	10,000	D	\$ 28.03	917,589,336	D
Common Stock	02/28/2007	S	30,000	D	\$ 28.02	917,559,336	D
Common Stock	02/28/2007	S	10,000	D	\$ 28	917,549,336	D
Common Stock	02/28/2007	S	25,000	D	\$ 27.99	917,524,336	D
Common Stock	02/28/2007	S	5,000	D	\$ 27.98	917,519,336	D
Common Stock	02/28/2007	S	20,000	D	\$ 27.95	917,499,336	D

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

Table with columns for Title of Derivative Security, Conversion or Exercise Price of Derivative Security, Transaction Date, Deemed Execution Date, Transaction Code, Number of Derivative Securities, Date Exercisable and Expiration Date, Title and Amount of Underlying Securities, and Price of Derivative Security.

Reporting Owners

Table with columns for Reporting Owner Name / Address and Relationships (Director, 10% Owner, Officer, Other). Entry for GATES WILLIAM H III with relationship X.

Signatures

William H. Gates III By: /s/ Michael Larson\*, Attorney-In-Fact 03/02/2007

Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
(1) In addition, there are 425,066 shares owned by reporting person's spouse. The reporting person disclaims beneficial ownership of these securities...

Remarks:

\* Duly authorized under Special Power of Attorney appointing Michael Larson attorney-in-fact, dated February 3, 2006, by an
Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.
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