

GATES WILLIAM H III

Form 4

August 10, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(Print or Type Responses)

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

(Last) (First) (Middle)

ONE MICROSOFT WAY

(Street)

REDMOND, WA 98052

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
08/08/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

Chairman of the Board

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)
Common Stock	08/08/2006		S	16,454 D	\$ 24.34 958,172,424	D	
Common Stock	08/08/2006		S	8,200 D	\$ 24.339 958,164,224	D	
Common Stock	08/08/2006		S	2,800 D	\$ 24.337 958,161,424	D	
Common Stock	08/08/2006		S	50,600 D	\$ 24.33 958,110,824	D	
Common Stock	08/08/2006		S	8,700 D	\$ 24.328 958,102,124	D	

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Common Stock	08/08/2006	S	58,700	D	\$ 24.32	958,043,424	D
Common Stock	08/08/2006	S	4,800	D	\$ 24.315	958,038,624	D
Common Stock	08/08/2006	S	21,300	D	\$ 24.31	958,017,324	D
Common Stock	08/08/2006	S	5,300	D	\$ 24.303	958,012,024	D
Common Stock	08/08/2006	S	2,500	D	\$ 24.302	958,009,524	D
Common Stock	08/08/2006	S	4,900	D	\$ 24.301	958,004,624	D
Common Stock	08/08/2006	S	7,588	D	\$ 24.3	957,997,036	D
Common Stock	08/08/2006	S	9,000	D	\$ 24.295	957,988,036	D
Common Stock	08/08/2006	S	6,300	D	\$ 24.294	957,981,736	D
Common Stock	08/08/2006	S	8,000	D	\$ 24.293	957,973,736	D
Common Stock	08/08/2006	S	2,100	D	\$ 24.291	957,971,636	D
Common Stock	08/08/2006	S	2,100	D	\$ 24.29	957,969,536	D
Common Stock	08/08/2006	S	4,200	D	\$ 24.281	957,965,336	D
Common Stock	08/08/2006	S	8,000	D	\$ 24.28	957,957,336	D
Common Stock	08/08/2006	S	24,000	D	\$ 24.279	957,933,336	D
Common Stock	08/08/2006	S	21,600	D	\$ 24.274	957,911,736	D
Common Stock	08/08/2006	S	10,400	D	\$ 24.269	957,901,336	D
Common Stock	08/08/2006	S	2,000	D	\$ 24.23	957,899,336	D

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

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(9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Benef Own Follo Repor Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GATES WILLIAM H III ONE MICROSOFT WAY REDMOND, WA 98052	X		Chairman of the Board	

Signatures

William H. Gates III By: /s/ Michael Larson*,
Attorney-In-Fact 08/10/2006

**Signature of Reporting Person

Date

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).

In addition, there are 425,066 shares owned by reporting person's spouse. The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of the securities for purpose of Section 16 or for any other purposes.

Remarks:

* Duly authorized under Special Power of Attorney appointing Michael Larson attorney-in-fact, dated February 3, 2006, by and

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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