

GATES WILLIAM H III
 Form 4
 February 07, 2006

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

(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)
02/03/2006

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)
			Code	V	Amount or Price (A) or (D)		
Common Stock	02/03/2006		S		100,000	D	\$ 27.67 997,399,336
Common Stock	02/03/2006		S		100,000	D	\$ 27.63 997,299,336
Common Stock	02/03/2006		S		75,000	D	\$ 27.62 997,224,336
Common Stock	02/03/2006		S		75,000	D	\$ 27.61 997,149,336
Common Stock	02/03/2006		S		600,000	D	\$ 27.6 996,549,336

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Common Stock	02/03/2006	S	100,000	D	\$ 27.59	996,449,336	D
Common Stock	02/03/2006	S	2,340	D	\$ 27.56	996,446,996	D
Common Stock	02/03/2006	S	60,660	D	\$ 27.55	996,386,336	D
Common Stock	02/03/2006	S	3,630	D	\$ 27.54	996,382,706	D
Common Stock	02/03/2006	S	122,794	D	\$ 27.53	996,259,912	D
Common Stock	02/03/2006	S	67,576	D	\$ 27.52	996,192,336	D
Common Stock	02/03/2006	S	500,000	D	\$ 27.51	995,692,336	D
Common Stock	02/03/2006	S	150,000	D	\$ 27.5	995,542,336	D
Common Stock	02/03/2006	S	250,000	D	\$ 27.49	995,292,336	D
Common Stock	02/03/2006	S	93,000	D	\$ 27.48	995,199,336	D
Common Stock	02/03/2006	S	150,000	D	\$ 27.47	995,049,336	D
Common Stock	02/03/2006	S	150,000	D	\$ 27.45	994,899,336	D
Common Stock	02/03/2006	S	100,000	D	\$ 27.44	994,799,336	D
Common Stock	02/03/2006	S	100,000	D	\$ 27.43	994,699,336	D
Common Stock	02/03/2006	S	200,000	D	\$ 27.42	994,499,336	D

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

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(9-02)

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	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene
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Derivative Security

Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)

(Instr. 3 and 4)

Owned Followed Reportable Transaction (Instr

Code V (A) (D) Date Exercisable Expiration Date Title Amount or Number of Shares

Reporting Owners

Table with 2 columns: Reporting Owner Name / Address and Relationships. Includes entry for GATES WILLIAM H III, Chairman of the Board.

Signatures

William H. Gates III By: /s/ Michael Larson*, Attorney-In-Fact 02/07/2006

**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).
(1) 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 4, 2005, 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.