

GATES WILLIAM H III  
 Form 4  
 August 01, 2005

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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

3. Date of Earliest Transaction (Month/Day/Year)  
 07/28/2005

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 Chairman of the Board

(Street)  
 REDMOND, WA 98052

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

(City) (State) (Zip)

**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		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	07/28/2005		S		251,600	D	\$ 25.8	1,032,247,736	D	
Common Stock	07/28/2005		S		13,000	D	\$ 25.77	1,032,234,736	D	
Common Stock	07/28/2005		S		166,600	D	\$ 25.76	1,032,068,136	D	
Common Stock	07/28/2005		S		6,100	D	\$ 25.755	1,032,062,036	D	
Common Stock	07/28/2005		S		562,700	D	\$ 25.75	1,031,499,336 <u>(1)</u>	D	

