MICROSOFT CORP

Form 4

August 04, 2005

FORM 4

Check this box

if no longer

subject to

Section 16.

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

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OMB APPROVAL

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

Form 4 or Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. See Instruction

30(h) of the Investment Company Act of 1940

1(b).

(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)	3. Date of Earliest Transaction	(Chook an applicable)
			(Month/Day/Year)	X Director 10% Owner
ONE MICROSOFT WAY			08/02/2005	_X_ Officer (give title Other (specify below)
				Chairman of the Board
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check
			Filed(Month/Day/Year)	Applicable Line)
REDMOND,	WA 98052			_X_ 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 Securi (Instr.	ty	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) nor Disposed of (D) (Instr. 3, 4 and 5) (A)		5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership (Instr. 4)			
				Code V	Amount	or (D)	Price	(Instr. 3 and 4)	(Instr. 4)			
Com		08/02/2005		S	3,100	D	\$ 26.43	425,066 <u>(1)</u>	I	By Spouse		
Com		08/02/2005		S	99,000	D	\$ 26.89	1,027,400,336	D			
Com		08/02/2005		S	31,245	D	\$ 26.88	1,027,369,091	D			
Com		08/02/2005		S	6,100	D	\$ 26.87	1,027,362,991	D			
Com		08/02/2005		S	292,900	D	\$ 26.86	1,027,070,091	D			
		08/02/2005		S	124,000	D		1,026,946,091	D			

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Common Stock					\$ 26.85		
Common Stock	08/02/2005	S	108,000	D	\$ 26.84	1,026,838,091	D
Common Stock	08/02/2005	S	135,152	D	\$ 26.83	1,026,702,939	D
Common Stock	08/02/2005	S	150,000	D	\$ 26.82	1,026,552,939	D
Common Stock	08/02/2005	S	255,973	D	\$ 26.81	1,026,296,966	D
Common Stock	08/02/2005	S	247,630	D	\$ 26.8	1,026,049,336	D
Common Stock	08/02/2005	S	50,000	D	\$ 26.79	1,025,999,336	D
Common Stock	08/02/2005	S	60,000	D	\$ 26.74	1,025,939,336	D
Common Stock	08/02/2005	S	90,000	D	\$ 26.72	1,025,849,336	D
Common Stock	08/02/2005	S	50,000	D	\$ 26.71	1,025,799,336	D
Common Stock	08/02/2005	S	50,000	D	\$ 26.65	1,025,749,336	D
Common Stock	08/02/2005	S	100,000	D	\$ 26.6	1,025,649,336	D
Common Stock	08/02/2005	S	65,000	D	\$ 26.58	1,025,584,336	D
Common Stock	08/02/2005	S	35,000	D	\$ 26.56	1,025,549,336	D
Common Stock	08/02/2005	S	83,200	D	\$ 26.55	1,025,466,136	D
Common Stock	08/02/2005	S	82,900	D	\$ 26.53	1,025,383,236	D
Common Stock	08/02/2005	S	250,000	D	\$ 26.52	1,025,133,236	D
Common Stock	08/02/2005	S	300,000	D	\$ 26.51	1,024,833,236	D
Common Stock	08/02/2005	S	225,000	D	\$ 26.5	1,024,608,236	D
Common Stock	08/02/2005	S	107,800	D	\$ 26.49	1,024,500,436	D
	08/02/2005	S	1,100	D		1,024,499,336	D

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Common Stock					\$ 26.47		
Common Stock	08/02/2005	S	8,100	D	\$ 26.45	1,024,491,236	D
Common Stock	08/02/2005	S	3,100	D	\$ 26.44	1,024,488,136	D
Common Stock	08/02/2005	S	18,500	D	\$ 26.43	1,024,469,636	D
Common Stock	08/02/2005	S	46,500	D	\$ 26.42	1,024,423,136	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 Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	5. DiNumber of Derivative Securities Acquired (A) or Disposed of (D)		ate	7. Title a Amount Underlyi Securitie (Instr. 3 a	of ing es	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
					(Instr. 3, 4, and 5)						
				Code V	(A) (D)	Date Exercisable	Expiration Date	or Title Nu of	umber		

Reporting Owners

Reporting Owner Name / Address	Relationships s							
1 0	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

08/04/2005

Reporting Owners 3

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**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) 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.

Signatures 4