GATES WILLIAM H III
Form 4
February 13, 2007

# FORM 4

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

**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

| | |
|---|---|
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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).

(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)
02/09/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 | 02/09/2007 | | S | | 9,360 | D | $ 29.36 | 934,489,976 | D | |
| Common Stock | 02/09/2007 | | S | | 38,940 | D | $ 29.34 | 934,451,036 | D | |
| Common Stock | 02/09/2007 | | S | | 7,200 | D | $ 29.32 | 934,443,836 | D | |
| Common Stock | 02/09/2007 | | S | | 28,900 | D | $ 29.31 | 934,414,936 | D | |
| Common Stock | 02/09/2007 | | S | | 68,200 | D | $ 29.3 | 934,346,736 | D | |
| | 02/09/2007 | | S | | 46,200 | D | | 934,300,536 | D | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Common Stock | | | | | $ 29.29 | | |
| Common Stock | 02/09/2007 | S | 67,150 | D | $ 29.28 | 934,233,386 | D |
| Common Stock | 02/09/2007 | S | 78,357 | D | $ 29.27 | 934,155,029 | D |
| Common Stock | 02/09/2007 | S | 40,600 | D | $ 29.26 | 934,114,429 | D |
| Common Stock | 02/09/2007 | S | 87,293 | D | $ 29.25 | 934,027,136 | D |
| Common Stock | 02/09/2007 | S | 23,600 | D | $ 29.24 | 934,003,536 | D |
| Common Stock | 02/09/2007 | S | 20,100 | D | $ 29.23 | 933,983,436 | D |
| Common Stock | 02/09/2007 | S | 13,700 | D | $ 29.22 | 933,969,736 | D |
| Common Stock | 02/09/2007 | S | 25,000 | D | $ 29.21 | 933,944,736 | D |
| Common Stock | 02/09/2007 | S | 6,700 | D | $ 29.18 | 933,938,036 | D |
| Common Stock | 02/09/2007 | S | 1,900 | D | $ 29.17 | 933,936,136 | D |
| Common Stock | 02/09/2007 | S | 100 | D | $ 29.16 | 933,936,036 | D |
| Common Stock | 02/09/2007 | S | 2,800 | D | $ 29.15 | 933,933,236 | D |
| Common Stock | 02/09/2007 | S | 5,600 | D | $ 29.13 | 933,927,636 | D |
| Common Stock | 02/09/2007 | S | 5,500 | D | $ 29.12 | 933,922,136 | D |
| Common Stock | 02/09/2007 | S | 1,500 | D | $ 29.11 | 933,920,636 | D |
| Common Stock | 02/09/2007 | S | 4,100 | D | $ 29.1 | 933,916,536 | D |
| Common Stock | 02/09/2007 | S | 6,200 | D | $ 29.09 | 933,910,336 | D |
| Common Stock | 02/09/2007 | S | 8,400 | D | $ 29.08 | 933,901,936 | D |
| Common Stock | 02/09/2007 | S | 5,900 | D | $ 29.07 | 933,896,036 | D |
| | 02/09/2007 | S | 14,580 | D | | 933,881,456 | D |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Common Stock | | | | | | $ 29.06 | | |
| Common Stock | 02/09/2007 | | S | 20,520 | D | $ 29.05 | 933,860,936 | D |
| Common Stock | 02/09/2007 | | S | 18,150 | D | $ 29.04 | 933,842,786 | D |
| Common Stock | 02/09/2007 | | S | 28,598 | D | $ 29.03 | 933,814,188 | D |
| Common Stock | 02/09/2007 | | S | 26,102 | D | $ 29.02 | 933,788,086 (1) | D |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474 (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. 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 Bene Owne Follo Repo 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<br>ONE MICROSOFT WAY<br>REDMOND, WA 98052 | X | | | |

# Signatures

| | |
|---|---|
| William H. Gates III By: /s/ Michael Larson*, Attorney-In-Fact | 02/13/2007 |

**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 purposes 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 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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