MICROSOFT CORP

Form 4

August 31, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB Number:

3235-0287

OMB APPROVAL

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January 31, 2005

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if no longer subject to Section 16. Form 4 or

Check this box

SECURITIES Form 5 obligations may continue.

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

See Instruction 1(b).

(Last)

(City)

(Print or Type Responses)

1. Name and Address of Reporting Person * **BACH ROBERT J**

(First)

(Street)

(State)

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

below)

(Middle)

(Zip)

MICROSOFT CORP [MSFT] 3. Date of Earliest Transaction

Director 10% Owner

(Check all applicable)

President, Entertainment Div.

C/O MICROSOFT

CORPORATION, ONE MICROSOFT WAY

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check Applicable Line)

X_ Officer (give title

Filed(Month/Day/Year)

(Month/Day/Year)

08/29/2007

X Form filed by One Reporting Person Form filed by More than One Reporting

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

REDMOND, WA 98052-6399

1. Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3) (Month/Day/Year)

3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)

(A)

5. Amount of Securities Beneficially (D) or Owned Following Reported

6. Ownership 7. Nature of Form: Direct Indirect Beneficial Ownership Indirect (I) (Instr. 4) (Instr. 4)

Other (specify

Common 08/29/2007 Stock

Code V Amount (D) Price F 529 D

Transaction(s) (Instr. 3 and 4)

28.59

708,366 D

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

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SEC 1474 (9-02)

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

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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. Transacti Code (Instr. 8)	5. orNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3,		ate	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
					4, and 5)	Date	Expiration		Amount		
				Code V	/ (A) (D)	Exercisable	Date	Title	Number of Shares		

Reporting Owners

Relationships Reporting Owner Name / Address

> Director 10% Owner Officer Other

BACH ROBERT J C/O MICROSOFT CORPORATION ONE MICROSOFT WAY REDMOND, WA 98052-6399

President, Entertainment

Div.

Signatures

Keith R. Dolliver, Attorney-in-Fact for Robert J. 08/31/2007 Bach

> **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).

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.

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