MICROSOFT CORP

Form 4

February 22, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

OMB APPROVAL

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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. 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 * **GATES WILLIAM H III**

(First)

(Street)

(Stata)

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

(Middle)

MICROSOFT CORP [MSFT]

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

_X__ Director Officer (give title

10% Owner Other (specify

02/20/2007

below)

6. Individual or Joint/Group Filing(Check

Applicable Line)

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

(Check all applicable)

Person

ONE MICROSOFT WAY

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

REDMOND, WA 98052

(City)	(State)	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)	Code (Instr. 8)	4. Securitie ord Dispose (Instr. 3, 4	d of (E and 5) (A) or))	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)		
Common Stock	02/20/2007		Code V S	Amount 20,000	(D)	Price \$ 28.85	927,479,336	D			
Common Stock	02/20/2007		S	55,000	D	\$ 28.83	927,424,336	D			
Common Stock	02/20/2007		S	165,563	D	\$ 28.82	927,258,773	D			
Common Stock	02/20/2007		S	126,001	D	\$ 28.81	927,132,772	D			
Common Stock	02/20/2007		S	55,700	D	\$ 28.8	927,077,072	D			
	02/20/2007		S	81,654	D		926,995,418	D			

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Common Stock					\$ 28.79		
Common Stock	02/20/2007	S	172,422	D	\$ 28.78	926,822,996	D
Common Stock	02/20/2007	S	161,065	D	\$ 28.77	926,661,931	D
Common Stock	02/20/2007	S	182,167	D	\$ 28.76	926,479,764	D
Common Stock	02/20/2007	S	329,628	D	\$ 28.75	926,150,136	D
Common Stock	02/20/2007	S	50,000	D	\$ 28.74	926,100,136	D
Common Stock	02/20/2007	S	20,800	D	\$ 28.73	926,079,336	D
Common Stock	02/20/2007	S	500	D	\$ 28.72	926,078,836	D
Common Stock	02/20/2007	S	20,000	D	\$ 28.71	926,058,836	D
Common Stock	02/20/2007	S	60,000	D	\$ 28.7	925,998,836	D
Common Stock	02/20/2007	S	19,500	D	\$ 28.69	925,979,336	D
Common Stock	02/20/2007	S	20,000	D	\$ 28.68	925,959,336	D
Common Stock	02/20/2007	S	20,000	D	\$ 28.67	925,939,336	D
Common Stock	02/20/2007	S	30,000	D	\$ 28.66	925,909,336	D
Common Stock	02/20/2007	S	50,000	D	\$ 28.65	925,859,336	D
Common Stock	02/20/2007	S	20,000	D	\$ 28.64	925,839,336	D
Common Stock	02/20/2007	S	25,000	D	\$ 28.63	925,814,336	D
Common Stock	02/20/2007	S	15,000	D	\$ 28.61	925,799,336	D
Common Stock	02/20/2007	S	45,000	D	\$ 28.6	925,754,336	D
Common Stock	02/20/2007	S	25,000	D	\$ 28.59	925,729,336	D
	02/20/2007	S	65,000	D		925,664,336	D

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Common Stock					\$ 28.58		
Common Stock	02/20/2007	S	40,000	D	\$ 28.56	925,624,336	D
Common Stock	02/20/2007	S	84,395	D	\$ 28.55	925,539,941	D
Common Stock	02/20/2007	S	605	D	\$ 28.54	925,539,336	D
Common Stock	02/20/2007	S	20,000	D	\$ 28.51	925,519,336 (1)	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)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. DrNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3,		ate	7. Titl Amou Under Securi (Instr.	nt of lying	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
			Code V	4, and 5)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships							
1	Director	10% Owner	Officer	Other				
GATES WILLIAM H III ONE MICROSOFT WAY	X							
REDMOND, WA 98052								

Signatures

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

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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).
- 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 ar 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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