GATES WILLIAM H III

Form 4 July 28, 2005

FORM 4

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

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)

(Last)

(City)

1. Name and Address of Reporting Person * **GATES WILLIAM H III**

(First)

(Street)

(State)

(Middle)

(Zip)

ONE MICROSOFT WAY

REDMOND, WA 98052

2. Issuer Name and Ticker or Trading Symbol

MICROSOFT CORP [MSFT]

3. Date of Earliest Transaction (Month/Day/Year) 07/27/2005

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

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

OMB

Number:

Expires:

response...

OMB APPROVAL

Estimated average

burden hours per

3235-0287

January 31,

2005

0.5

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

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

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

					-	, .	•	
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	3. Transaction Code (Instr. 8)	or Disposed	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned Following	6. Ownership Form: Direct (D)	7. Nature of Indirect Beneficial Ownership
		Code V	Amount	(A) or (D)	Price	Reported Transaction(s) (Instr. 3 and 4)	or Indirect (I) (Instr. 4)	(Instr. 4)
Common Stock	07/27/2005	S	200,000	D	\$ 25.78	1,035,299,336	D	
Common Stock	07/27/2005	S	50,000	D	\$ 25.77	1,035,249,336	D	
Common Stock	07/27/2005	S	50,000	D	\$ 25.76	1,035,199,336	D	
Common Stock	07/27/2005	S	500,000	D	\$ 25.75	1,034,699,336	D	
Common Stock	07/27/2005	S	570,618	D	\$ 25.74	1,034,128,718	D	
	07/27/2005	S	177,132	D		1,033,951,586	D	

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Common Stock					\$ 25.73		
Common Stock	07/27/2005	S	42,050	D	\$ 25.72	1,033,909,536	D
Common Stock	07/27/2005	S	150,000	D	\$ 25.71	1,033,759,536	D
Common Stock	07/27/2005	S	10,200	D	\$ 25.7	1,033,749,336	D
Common Stock	07/27/2005	S	150,000	D	\$ 25.69	1,033,599,336	D
Common Stock	07/27/2005	S	91,275	D	\$ 25.68	1,033,508,061	D
Common Stock	07/27/2005	S	215,346	D	\$ 25.67	1,033,292,715	D
Common Stock	07/27/2005	S	386,456	D	\$ 25.66	1,032,906,259	D
Common Stock	07/27/2005	S	406,923	D	\$ 25.65	1,032,499,336 (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	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exerc	isable and	7. Title	e and	8. Price of
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transacti	onNumber	Expiration Da	ate	Amou	nt of	Derivative
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Under	lying	Security
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securi	ties	(Instr. 5)
	Derivative				Securities			(Instr.	3 and 4)	
	Security				Acquired					
	·				(A) or					
					Disposed					
					of (D)					
					(Instr. 3,					
					4, and 5)					
									Amount	
						Date	Expiration		or	
						Exercisable Date	Title			
									of	
				Code V	(A) (D)				Shares	

9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr

Reporting Owners

Reporting Owner Name / Address	Relationships							
reporting of their remains a remainder	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

**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 428,166 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 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.

Reporting Owners 3