

GATES WILLIAM H III  
Form 4  
August 10, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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)

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)  
08/08/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

Chairman of the Board

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

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 Price (D)   |  |   |
| Common Stock                    | 08/08/2006                           |  | S                              |   | 16,454  | D  | \$ 24.34 958,172,424                                  |
| Common Stock                    | 08/08/2006                           |  | S                              |   | 8,200   | D  | \$ 24.339 958,164,224                                 |
| Common Stock                    | 08/08/2006                           |  | S                              |   | 2,800   | D  | \$ 24.337 958,161,424                                 |
| Common Stock                    | 08/08/2006                           |  | S                              |   | 50,600  | D  | \$ 24.33 958,110,824                                  |
| Common Stock                    | 08/08/2006                           |  | S                              |   | 8,700   | D  | \$ 24.328 958,102,124                                 |

Edgar Filing: GATES WILLIAM H III - Form 4

|              |            |   |        |   |           |             |   |
|--------------|------------|---|--------|---|-----------|-------------|---|
| Common Stock | 08/08/2006 | S | 58,700 | D | \$ 24.32  | 958,043,424 | D |
| Common Stock | 08/08/2006 | S | 4,800  | D | \$ 24.315 | 958,038,624 | D |
| Common Stock | 08/08/2006 | S | 21,300 | D | \$ 24.31  | 958,017,324 | D |
| Common Stock | 08/08/2006 | S | 5,300  | D | \$ 24.303 | 958,012,024 | D |
| Common Stock | 08/08/2006 | S | 2,500  | D | \$ 24.302 | 958,009,524 | D |
| Common Stock | 08/08/2006 | S | 4,900  | D | \$ 24.301 | 958,004,624 | D |
| Common Stock | 08/08/2006 | S | 7,588  | D | \$ 24.3   | 957,997,036 | D |
| Common Stock | 08/08/2006 | S | 9,000  | D | \$ 24.295 | 957,988,036 | D |
| Common Stock | 08/08/2006 | S | 6,300  | D | \$ 24.294 | 957,981,736 | D |
| Common Stock | 08/08/2006 | S | 8,000  | D | \$ 24.293 | 957,973,736 | D |
| Common Stock | 08/08/2006 | S | 2,100  | D | \$ 24.291 | 957,971,636 | D |
| Common Stock | 08/08/2006 | S | 2,100  | D | \$ 24.29  | 957,969,536 | D |
| Common Stock | 08/08/2006 | S | 4,200  | D | \$ 24.281 | 957,965,336 | D |
| Common Stock | 08/08/2006 | S | 8,000  | D | \$ 24.28  | 957,957,336 | D |
| Common Stock | 08/08/2006 | S | 24,000 | D | \$ 24.279 | 957,933,336 | D |
| Common Stock | 08/08/2006 | S | 21,600 | D | \$ 24.274 | 957,911,736 | D |
| Common Stock | 08/08/2006 | S | 10,400 | D | \$ 24.269 | 957,901,336 | D |
| Common Stock | 08/08/2006 | S | 2,000  | D | \$ 24.23  | 957,899,336 | 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)

Edgar Filing: GATES WILLIAM H III - Form 4

**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. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
|  |  |                                      |  | 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             |           | Chairman of the Board |       |

## Signatures

William H. Gates III By: /s/ Michael Larson\*,  
Attorney-In-Fact 08/10/2006

\_\_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 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 3, 2006, by and

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.