

GATES WILLIAM H III  
 Form 4  
 May 16, 2005

**FORM 4**

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

OMB APPROVAL

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**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**

2. Issuer Name and Ticker or Trading Symbol  
**MICROSOFT CORP [MSFT]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
**ONE MICROSOFT WAY**

3. Date of Earliest Transaction (Month/Day/Year)  
**05/12/2005**

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

Chairman of the Board

(Street)  
**REDMOND, WA 98052**

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**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 |   | 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) |   |  |   |
| Common Stock                    | 05/12/2005                           |  | S                   |   | 11,600  | D          | \$ 25.08  | 1,044,487,736  | D   |
| Common Stock                    | 05/12/2005                           |  | S                   |   | 81,598  | D          | \$ 25.06  | 1,044,406,138  | D   |
| Common Stock                    | 05/12/2005                           |  | S                   |   | 152,571   | D          | \$ 25.05  | 1,044,253,567  | D   |
| Common Stock                    | 05/12/2005                           |  | S                   |   | 357,341   | D          | \$ 25.04  | 1,043,896,226  | D   |
| Common Stock                    | 05/12/2005                           |  | S                   |   | 206,490   | D          | \$ 25.03  | 1,043,689,736  | D   |
|                                 | 05/12/2005                           |  | S                   |   | 441,190   | D          |   | 1,043,248,546  | D   |

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|              |            |   |         |   |          |               |   |
|--------------|------------|---|---------|---|----------|---------------|---|
| Common Stock |            |   |         |   | \$ 25.02 |               |   |
| Common Stock | 05/12/2005 | S | 317,757 | D | \$ 25.01 | 1,042,930,789 | D |
| Common Stock | 05/12/2005 | S | 126,132 | D | \$ 25    | 1,042,804,657 | D |
| Common Stock | 05/12/2005 | S | 137,925 | D | \$ 24.99 | 1,042,666,732 | D |
| Common Stock | 05/12/2005 | S | 334,146 | D | \$ 24.98 | 1,042,332,586 | D |
| Common Stock | 05/12/2005 | S | 103,600 | D | \$ 24.97 | 1,042,228,986 | D |
| Common Stock | 05/12/2005 | S | 49,738  | D | \$ 24.96 | 1,042,179,248 | D |
| Common Stock | 05/12/2005 | S | 52,650  | D | \$ 24.95 | 1,042,126,598 | D |
| Common Stock | 05/12/2005 | S | 45,934  | D | \$ 24.94 | 1,042,080,664 | D |
| Common Stock | 05/12/2005 | S | 182,046 | D | \$ 24.93 | 1,041,898,618 | D |
| Common Stock | 05/12/2005 | S | 67,302  | D | \$ 24.92 | 1,041,831,316 | D |
| Common Stock | 05/12/2005 | S | 31,980  | D | \$ 24.91 | 1,041,799,336 | D |
| Common Stock | 05/12/2005 | S | 155,306 | D | \$ 24.9  | 1,041,644,030 | D |
| Common Stock | 05/12/2005 | S | 50,000  | D | \$ 24.88 | 1,041,594,030 | D |
| Common Stock | 05/12/2005 | S | 5,800   | D | \$ 24.87 | 1,041,588,230 | D |
| Common Stock | 05/12/2005 | S | 38,894  | D | \$ 24.86 | 1,041,549,336 | D |
| Common Stock | 05/12/2005 | S | 6,784   | D | \$ 24.85 | 1,041,542,552 | D |
| Common Stock | 05/12/2005 | S | 43,216  | D | \$ 24.84 | 1,041,499,336 | D |

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

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