

Avanade Inc.  
Form 3  
March 21, 2006

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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<br>*<br>^ MICROSOFT CORP<br>(Last) (First) (Middle) |  | 2. Date of Event Requiring Statement<br>(Month/Day/Year)<br>03/21/2006   | 3. Issuer Name and Ticker or Trading Symbol<br>Avanade Inc. [NO TICKER] | 5. If Amendment, Date Original Filed(Month/Day/Year)  |
| ONE MICROSOFT WAY<br>(Street)   |  | (Check all applicable)<br><input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner<br><input type="checkbox"/> Officer <input type="checkbox"/> Other<br>(give title below) (specify below) |   | 6. Individual or Joint/Group Filing(Check Applicable Line)<br><input type="checkbox"/> Form filed by One Reporting Person<br><input checked="" type="checkbox"/> Form filed by More than One Reporting Person |
| REDMOND,^ WA^ 98052-6399<br>(City) (State) (Zip)  |  |  |   |   |

**Table I - Non-Derivative Securities Beneficially Owned**

| 1. Title of Security<br>(Instr. 4) | 2. Amount of Securities Beneficially Owned<br>(Instr. 4) | 3. Ownership Form:<br>Direct (D)<br>or Indirect (I)<br>(Instr. 5) | 4. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|------------------------------------|--|---|--|
| Common Stock                       | 99   | I   | see footnote <u>(1)</u>                                  |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security<br>(Instr. 4) | 2. Date Exercisable and Expiration Date<br>(Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security<br>(Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security:<br>Direct (D)<br>or Indirect | 6. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|---|---|--|--|--|--|
|   | Date Exercisable      Expiration Date                       | Title      Amount or Number of   |  |  |  |

|                                      |       |       |              | Shares     |        | (I)<br>(Instr. 5) |                  |
|--------------------------------------|-------|-------|--------------|------------|--------|-------------------|------------------|
| Convertible Series A Preferred Stock | Â (2) | Â (2) | Common Stock | 15,479,135 | \$ (3) | I                 | see footnote (4) |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| MICROSOFT CORP<br>ONE MICROSOFT WAY<br>REDMOND, WA 98052-6399               | Â             | Â X       | Â       | Â     |
| Microsoft AVN Holdings, Inc.<br>ONE MICROSOFT WAY<br>REDMOND, WA 98052-6399 | Â             | Â X       | Â       | Â     |

## Signatures

Keith R. Dolliver, Assistant Secretary, Microsoft Corporation 03/21/2006

\_\_Signature of Reporting Person

Date

Keith R. Dolliver, Vice President, Microsoft AVN Holdings, Inc. 03/21/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 5(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) These shares are owned directly by Microsoft AVN Holdings, Inc., which is a wholly-owned subsidiary of Microsoft Corporation. Microsoft Corporation is an indirect beneficial owner of the reported shares of common stock.

(2) The Convertible Series A preferred stock is convertible at any time at the holder's election. The conversion rights do not expire.

(3) The Convertible Series A preferred stock is convertible into Avanade Inc. common stock on a one-for-one basis, subject to certain adjustments in accordance with the terms of the Convertible Series A preferred stock.

(4) Includes 14,343,008 shares of Convertible Series A preferred stock owned by Microsoft AVN Holdings, Inc., a wholly-owned subsidiary of Microsoft Corporation and 1,136,127 shares of Convertible Series A preferred stock owned directly by Microsoft Corporation. Microsoft Corporation is an indirect beneficial owner of the Convertible Series A preferred stock held by Microsoft AVN Holdings, Inc.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.

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