

MICROSOFT CORP
Form 4
March 13, 2006

FORM 4

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

OMB APPROVAL

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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 *
COLE DAVID WAYNE

(Last) (First) (Middle)

ONE MICROSOFT WAY

(Street)

REDMOND, WA 98053-6399

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
03/10/2006

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)
Senior Vice President

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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	03/10/2006		M		196,000 A \$ 6.2227	252,671	D
Common Stock	03/10/2006		S		22,623 (1) D \$ 27.08	230,048	D
Common Stock	03/13/2006		S		37,700 (1) D \$ 27.09	192,348	D
Common Stock	03/10/2006		S		12,800 (1) D \$ 27.1	179,548	D
Common Stock	03/10/2006		S		23,900 (1) D \$ 27.12	155,648	D

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Common Stock	03/10/2006	S	<u>20,777</u> (1)	D	\$ 27.13	134,871	D
Common Stock	03/10/2006	S	4,900 (1)	D	\$ 27.14	129,971	D
Common Stock	03/10/2006	S	<u>33,800</u> (1)	D	\$ 27.15	96,171	D
Common Stock	03/10/2006	S	<u>10,400</u> (1)	D	\$ 27.16	85,771	D
Common Stock	03/10/2006	S	<u>10,800</u> (1)	D	\$ 27.17	74,971	D
Common Stock	03/10/2006	S	<u>12,540</u> (1)	D	\$ 27.18	62,431	D
Common Stock	03/10/2006	S	5,760 (1)	D	\$ 27.2	56,671	D

Common Stock						20	I	By dependent child
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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.

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(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)	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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Employee Stock Option	\$ 6.2227	03/10/2006		M	196,000	11/15/2004	07/15/2006	Common Stock	196,000

(right to
buy)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
COLE DAVID WAYNE ONE MICROSOFT WAY REDMOND, WA 98053-6399			Senior Vice President	

Signatures

Keith R. Dolliver, Attorney-in-Fact for David W. Cole	03/13/2006
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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).
- (1) This sale was effected pursuant to a 10b5-1 sales plan adopted by the reporting person.

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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