

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934

VISIO CORPORATION
(Name of Issuer)

Common Stock, Par Value, \$0.001 Per Share
(Title of Class of Securities)

927914101
(CUSIP Number)

September 14, 1999
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this schedule is filed:

- Rule 13d-1(b)
 Rule 13d-1(c)
 Rule 13d-1(d)

Robert A. Eshelman
General Counsel, Finance and Operations
One Microsoft Way
Redmond, Washington 98052-6399
(425) 882-8080

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP NO.927914101

NAME OF REPORTING PERSON

Microsoft Corporation

1 S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

91-1144442

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

2 (a) []
(b) []

SEC USE ONLY

3

SOURCE OF FUNDS*(See instructions)

4

WC

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

State of Washington

SOLE VOTING POWER

7

NUMBER OF

6,012,500*

SHARES

SHARED VOTING POWER

BENEFICIALLY

8

OWNED BY

4,749,370**

EACH

SOLE DISPOSITIVE POWER

REPORTING

9

PERSON

6,012,500*

WITH

SHARED DISPOSITIVE POWER

10

0***

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

10,761,870

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

12

[]

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

35.6%

TYPE OF REPORTING PERSON*

14

CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7 (INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

* Microsoft Corporation is a party to an Agreement and Plan of Reorganization dated as of September 14, 1999 by and among Microsoft Corporation ("Microsoft"), Visio Corporation ("Visio") and MovieSub, Inc., a wholly owned subsidiary of

Microsoft, providing for the merger of MovieSub, Inc. into Visio (the "Merger"), described further in Item 4 of this Statement. 6,012,500 shares of common stock, par value \$0.001 per share

("Visio Common Stock"), of Visio are purchasable by Microsoft upon exercise of an option granted to Microsoft on September 14, 1999 and described in Item 4 of this Statement (the "Option"). Prior to the exercise of the option, Microsoft is not entitled to any rights as a shareholder of Visio with respect to the shares of Visio Common Stock covered by the option. Microsoft disclaims any beneficial ownership of the shares of Visio Common Stock which are purchasable by Microsoft upon exercise of the option on the grounds that the option is not presently exercisable and only becomes exercisable upon the occurrence of the events referred to in Item 4 of this Statement. If the option were exercised, Microsoft would have the sole right to vote and to dispose of the shares of Visio Common Stock issued as a result of such exercise.

** Based on beneficial ownership of the individuals listed below, Microsoft has the right to vote 4,749,370 shares of Visio Common Stock, representing 15.7 percent of the shares outstanding (as of September 10, 1999) in favor of the Merger pursuant to the Voting Agreements described below. Shares obtainable upon exercise of the option described above may not be eligible to vote on the Merger, but would represent 16.6% of the outstanding shares if the Option were to be exercised. The amount listed as beneficially owned is the sum of (i) the 6,012,500 shares obtainable upon exercise of the option and (ii) the 4,749,370 shares which may be voted by Microsoft in favor of the Merger. Under certain circumstances described below, Microsoft could have the right to vote 29.2 percent of the shares of Visio Common Stock in favor of the Merger.

Certain shareholders of Visio (listed below) beneficially owning approximately 15.7% percent of the outstanding shares of Visio Common Stock have agreed to vote in favor of the Merger, pursuant to the terms of Voting Agreements (the "Voting Agreements") dated as of September 14, 1999 between each of such holders and Microsoft. Each of such holders has granted an irrevocable proxy in favor of Microsoft to vote their shares of common stock in favor of the Merger. Microsoft has the right under the Voting Agreements to vote up to 4,749,370 shares of Visio Common Stock owned in favor of the Merger (representing 15.7% of the shares outstanding as of September 10, 1999). In addition these holders have also executed affiliate letters (the "Affiliate Letters") dated as of September 14, 1999. The Affiliate Letters that provide for restrictions on purchases and dispositions of Visio Common Stock specifically relating to treatment of the merger as a pooling of interests for accounting purposes.

Each of the following persons is a party to a Voting Agreement and an Affiliate Letter: Tom Alberg; Tom Byers; Jeremy Jaech, Theodore Johnson, John Johnston, Doug Mackenzie, Scott Oki, Steve Gordon, Jim Horsburgh, Tom Hull, and Evelyn Cruz Sroufe, and Microsoft Corporation.

*** Pursuant to the terms of the Voting Agreements and Affiliate Letters described above and in Item 4 to this Statement, holders of shares of Visio Common Stock subject to such agreements may only transfer such shares subject to the terms of such agreement.

SCHEDULE 13D
RELATING TO THE COMMON STOCK OF
VISIO CORPORATION

Item 1. Security and Issuer

This Statement on Schedule 13D (this "Statement") relates to the common stock, \$0.001 par value per share ("Visio Common Stock"), of Visio Corporation, a Washington corporation ("Visio"). The principal executive offices of Visio are located at 2211 Elliott Avenue, Seattle, WA 98121.

Item 2. Identity and Background

This Statement is being filed by Microsoft Corporation, a Washington corporation ("Microsoft"). The principal business address of Microsoft is One Microsoft Way, Redmond, Washington 98052. Microsoft develops, manufactures, licenses and supports a range of software products, including scalable operating systems, server applications, business/consumer productivity applications, software development tools and Internet software and technologies.

(a)-(c); (f) The name, business address, present principal occupation or employment, and the name and principal business of any corporation or other organization in which such employment is conducted of each of the directors and executive officers of Microsoft is set forth in Schedule I hereto, which is incorporated herein by reference. With the exception of (i) Bernard P. Vergnes and Michel Lacombe, who are citizens of France, (ii) Joachim Kempin, who is a citizen of Germany, and (iii) Orlando Ayala Lozano, who is a citizen of Columbia, each person listed in Schedule I hereto is a citizen of the United States.

(d)-(e) During the last five years, neither Microsoft nor, to the knowledge of Microsoft, any of the persons listed on Schedule I hereto (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration

As more fully described below, pursuant to the terms of the Stock Option Agreement (as defined in the response to Item 4), Microsoft will have the right, upon the occurrence of certain events specified therein, to purchase from time to time up to 6,012,500 shares of Visio Common Stock (subject to adjustment as provided in the Stock Option Agreement) at a price of \$42.78 per share. If Microsoft purchases Visio Common Stock pursuant to the Stock Option Agreement, Microsoft anticipates that the funds to finance such purchase would come from working capital, although no definitive determination has been made at this time as to the source of such funds.

Item 4. Purpose of the Transaction

(a)-(j) On September 14, 1999, Microsoft, Visio, and MovieSub, Inc., a Washington corporation and a wholly owned subsidiary of Microsoft ("Merger Sub"), entered into an Agreement and Plan of Merger, dated as of September 14, 1999 (the "Reorganization Agreement"), a copy of which is

incorporated by reference as Exhibit 1 and is incorporated herein by reference. The Reorganization Agreement provides, among other things, for the merger of Merger Sub with and into Visio (the "Merger") with Visio being the corporation surviving the Merger (the "Surviving Corporation").

Pursuant to the Merger Agreement, at the Effective Time (as defined in the Reorganization Agreement), Merger Sub shall be merged with and into Visio and the separate corporate existence of Merger Sub shall cease. Visio will continue as the Surviving Corporation in the Merger. At the Effective Time, Visio will become a wholly owned subsidiary of Microsoft. As a result of the Merger, Microsoft will own 100% of the Visio Common Stock.

In the merger, each share of Visio Common Stock will be converted into Microsoft common stock using an exchange ratio. The exchange ratio provides for Visio shareholders, other than those who have perfected dissenters' rights under Washington law, to receive 0.45 shares of Microsoft common stock for each share of Visio Common Stock.

Consummation of the Merger is subject to the satisfaction or waiver at or prior to the Effective Time of certain conditions, including, but not limited to, approval of the Merger and the Merger Agreement by the holders of shares of Visio Common Stock, expiration or termination of the applicable waiting periods under the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976, as amended, and various other customary conditions.

The Reorganization Agreement contains certain customary restrictions on the conduct of the business of Visio pending the Merger, including, without limitation, not declaring, setting aside or paying any dividend or distribution payable in cash, stock or property in respect of any capital stock of Visio unless in the ordinary course of business or with the prior consent of Microsoft.

Concurrent with the execution of the Reorganization Agreement, Microsoft and Visio entered into a Stock Option Agreement, dated as of September 14, 1999 (the "Stock Option Agreement"), a copy of which is incorporated by reference as Exhibit 2 and is incorporated herein by reference. Pursuant to the Stock Option Agreement, Visio granted Microsoft an unconditional, irrevocable option (the "Option") to purchase, pursuant to the terms and conditions thereof, up to 6,012,500 (subject to adjustment as provided in the Stock Option Agreement) fully paid and nonassessable shares of Visio Common Stock at a price of \$42.78 per share (such shares, the "Option Shares" and such price, the "Option Price"). The Stock Option Agreement provides that Microsoft may exercise the Option in whole or in part, at any time or from time to time after but only after the occurrence of any event as a result of which Microsoft is entitled to receive the fee specified pursuant to Section 8.3(b) of the Reorganization Agreement (a "Triggering Event"); provided, however, that except as provided in the last sentence of this paragraph, the Option shall terminate and be of no further force and effect upon the earliest to occur of (A) the Effective Time and (B) one year after the first occurrence of a Triggering Event. Notwithstanding the termination of the Option, Microsoft shall be entitled to purchase the Option Shares if it has exercised the Option in accordance with the terms hereof prior to the termination of the Option and the termination of the Option shall not affect any rights thereunder which by their terms do not terminate or expire prior to or as of such termination.

Certain holders (listed below) beneficially owning approximately 15.7 percent of the outstanding shares of Visio Common Stock have agreed to vote in favor of the Merger, pursuant to the terms of Voting Agreements (the "Voting Agreements") dated as of September 14, 1999 between each such holder and Microsoft. Each such holder has granted an irrevocable proxy in favor of Microsoft to vote their shares of such Visio Common Stock in favor of the Merger. Microsoft has the right under the Voting

Agreements to vote all of the shares owned by Tom Alberg; Tom Byers; Jeremy Jaech, Theodore Johnson, John Johnston, Doug Mackenzie, Scott Oki, Steve Gordon, Jim Horsburgh, Tom Hull, and Evelyn Cruz Sroufe. In addition these holders have also agreed pursuant to the terms of affiliate letters agreements (the "Affiliate Letter") dated as of September 14, 1999 between each of such holders and Microsoft, not to transfer their shares (except as allowed in the Affiliate Letters) during the thirty day period prior to the Effective Time and until after such time as results covering at least 30 days of combined operations of Visio and Microsoft have been published by Microsoft, in the form of a quarterly earnings report, an effective registration statement filed with the Commission, a report to the Commission on Form 10-K, 10-Q or 8-K, or any other public filing or announcement which includes the combined results of operations.

Each of the following persons is a party to a Voting Agreement and the Affiliate Letter: Tom Alberg; Tom Byers; Jeremy Jaech, Theodore Johnson, John Johnston, Doug Mackenzie, Scott Oki, Steve Gordon, Jim Horsburgh, Tom Hull, and Evelyn Cruz Sroufe and Microsoft Corporation.

The foregoing summaries of the Reorganization Agreement, the Stock Option Agreement, the Voting Agreements and the Affiliate Letter do not purport to be complete and are qualified in their entirety by reference to the text of such agreements included as Exhibits 1, 2, 3 and 4 respectively.

Except as set forth in this Statement, the Reorganization Agreement, the Stock Option Agreement, the Voting Agreements and the Affiliate Letters neither Microsoft nor, to the best of Microsoft's knowledge, any of the individuals named in Schedule I hereto has any plans or proposals which relate to or which would result in or relate to any of the actions specified in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer

(a) - (b) By reason of its execution of the Stock Option Agreement, Microsoft may be deemed to have beneficial ownership of, and sole voting and dispositive power with respect to, the 6,012,500 shares of Visio Common Stock subject to the Option and, accordingly, might be deemed to beneficially own such shares of Visio Common Stock. Based on the number of shares of Visio Common Stock subject to the Option, Microsoft may be deemed to beneficially own approximately 16.6% of the outstanding Visio Common Stock (based upon (i) the 30,213,572 shares of Visio Common Stock outstanding on September 10, 1999, as represented to Microsoft by Visio in the Reorganization Agreement, and (ii) an additional 6,012,500 shares that Visio will issue to Microsoft in the event that the Option is exercised) following the exercise in whole of the Option for 6,012,500 shares of Visio Common Stock. However, Microsoft expressly disclaims any beneficial ownership of the shares of Visio Common Stock which are purchasable by Microsoft upon exercise of the Option, on the grounds that the Option is not presently exercisable and only becomes exercisable upon the occurrence of the events referred to in Item 4 above. If the Option were exercised, Microsoft would have the sole right to vote and to dispose of the shares of Visio issued as a result of such exercise.

In addition, pursuant to the terms of the Voting Agreements and the Letter Agreements, Microsoft may be deemed to be the beneficial owner of shares of Visio Common Stock subject to such agreements.

Microsoft has the right to vote 4,749,370 shares of Visio Common Stock, representing 15.7 percent of the shares outstanding (as of September 10, 1999) in favor of the Merger pursuant to the Voting Agreements described below. Shares obtainable upon exercise of the option described above are

not eligible to vote on the Merger, but would represent 16.6% of the outstanding shares if the Option were to be exercised. The amount listed on item 11 of Schedule 13D as beneficially owned is the sum of (i) the 6,012,500 shares obtainable upon exercise of the option and (ii) the 4,749,370 shares which may be voted by Microsoft in favor of the Merger. Under certain circumstances, Microsoft will have the right to vote 29.2 percent of the shares of Visio Common Stock in favor of the Merger./1/

(c) Except as described herein, neither Microsoft nor, to the best of Microsoft's knowledge, any of the individuals named in Schedule I hereto, has effected any transaction in Visio Stock during the past 60 days.

(d) So long as Microsoft has not exercised the Option (and prior to the consummation of the Merger), Microsoft does not have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, any shares of Visio Common Stock.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect

to Securities of the Issuer

Except as provided in the Reorganization Agreement, the Voting Agreements and the Affiliate Letters or as set forth in this Statement, neither Microsoft or, to the best of Microsoft's knowledge, any of the individuals named in Schedule I hereto has any contracts, arrangements, understandings or relationships (legal or otherwise) with any person with respect to any securities of Visio, including, but not limited to, transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

Item 7. Material to be Filed as Exhibits

- Exhibit 1 Agreement and Plan of Reorganization, dated as of September 14, 1999, among Microsoft, MovieSub, Inc. and Visio Corporation, Incorporated by reference to Exhibit 2.1 of the Visio Corporation current report on Form 8-K, dated September 15, 1999.
- Exhibit 2 Stock Option Agreement, dated as of September 14, 1999, between Microsoft and Visio (Visio as Issuer), Incorporated by reference to Exhibit 2.2 of the Visio Corporation current report on Form 8-K, dated September 15, 1999.
- Exhibit 3* Form of Voting Agreement.
- Exhibit 4** Form of Affiliate Letter.

/1/ This percentage is derived by adding the number of shares exercisable by Microsoft pursuant to the Stock Option Agreement with the number of shares beneficially owned by those who have executed a Voting Agreement in favor of Microsoft, divided by the sum of (i) the number of shares of Visio Common Stock as of September 10, 1999, (ii) the number of shares exercisable by Microsoft pursuant to the Stock Option Agreement, and (iii) the number of presently exercisable options owned by those who have executed a Voting Agreement in favor of Microsoft.

* Microsoft Corporation has entered into a Voting Agreement in substantially the form attached hereto as Exhibit 3 with Tom Alberg; Tom Byers; Jeremy Jaech, Theodore Johnson, John Johnston, Doug Mackenzie, Scott Oki, Steve Gordon, Jim Horsburgh, Tom Hull, and Evelyn Cruz Sroufe.

** Microsoft has received letters in substantially the form attached hereto as Exhibit 4 from Tom Alberg, Tom Byers, Jeremy Jaech, Theodore Johnson, John Johnston, Doug Mackenzie, Scott Oki, Steve Gordon, Jim Horsburgh, Tom Hull, and Evelyn Cruz Sroufe.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

September 24, 1999

MICROSOFT CORPORATION

By /s/ Robert A. Eshelman

Robert A. Eshelman, General Counsel,
Finance and Operations; Assistant Secretary

SCHEDULE I
DIRECTORS AND EXECUTIVE OFFICERS OF
MICROSOFT CORPORATION

The name, present principal occupation or employment, and the name of any corporation or other organization in which such employment is conducted, of each of the directors and executive officers of Microsoft Corporation ("Microsoft") is set forth below. With the exception of (i) Bernard P. Vergnes and Michel Lacombe, who are citizens of France, (ii) Joachim Kempin, who is a citizen of Germany, and (iii) Orlando Ayala Lozano, who is a citizen of Columbia, each person listed in Schedule I hereto is a citizen of the United States. The business address of each executive officer and director is Microsoft Corporation, One Microsoft Way, Redmond, Washington 98052.

Directors	Title\Occupation
William H. Gates	Chairman of the Board; Chief Executive Officer, Microsoft Corporation
Paul G. Allen	Founder, Asymetrix Corp.; Owner, Interval Research Corp., Vulcan Ventures Inc.
Jill E. Barad	President and Chief Executive Officer, Mattel, Inc.
Richard A. Hackborn	Executive Vice President, Hewlett-Packard Company (retired)
David F. Marquardt	General Partner, Technology Venture Investors and August Capital
Wm. G. Reed, Jr.	Chairman, Simpson Investment Company (retired)
Jon A. Shirley	President and Chief Operating Officer, Microsoft Corporation (retired)

Executive Officer	Title
William H. Gates	Chairman of the Board; Chief Executive Officer
Steven A. Ballmer	President
Robert J. Herbold	Executive Vice President; Chief Operating Officer
Frank M. (Pete) Higgins	Group Vice President, Interactive Media
Paul A. Maritz	Group Vice President, Platforms and Applications
Nathan P. Myhrvold	Group Vice President; Chief Technology Officer
Jeffrey S. Raikes	Group Vice President, Sales and Support
James E. Allchin	Senior Vice President, Personal and Business Systems Division
Orlando Ayala Lozano	Senior Vice President, South Pacific and Americas Region
Joachim Kempin	Senior Vice President, OEM, Internet Customer Unit, Embedded Systems
Michel Lacombe	Senior Vice President, Europe, Middle East, and Africa Region; President, Microsoft Europe
Robert L. Muglia	Senior Vice President, Applications and Tools Division
Craig Mundie	Senior Vice President, Consumer Platforms Division
William H. Neukom	Senior Vice President, Law and Corporate Affairs; Secretary
Bernard P. Vergnes	Senior Vice President, Microsoft; Chairman, Microsoft Europe
Gregory B. Maffei	Vice President, Finance; Chief Financial Officer

VISIO
VOTING AGREEMENT

This Voting Agreement (this "Agreement") is made and entered into as of September 14, 1999, between Microsoft Corporation, a Washington corporation ("Parent"), and the undersigned Shareholder ("Shareholder") of Visio Corporation, a Washington corporation ("Company").

RECITALS

A. Concurrently with the execution of this Agreement, Company Parent and a wholly owned subsidiary of parent ("Sub") have entered into an Agreement and Plan of Reorganization (the "Reorganization Agreement"), which provides for the merger (the "Merger") of Sub with and into Company. Pursuant to the Merger, all outstanding capital stock of Company will be converted into Parent Common Stock (as defined in the Reorganization Agreement).

B. The Shareholder is the beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of such number of shares of the outstanding Common Stock of Company as indicated on the final page of this Agreement (the "Shares").

C. In consideration of the execution of the Reorganization Agreement by Parent, Shareholder agrees not to transfer or otherwise dispose of any of the Shares, or any other shares of capital stock of Company acquired by Shareholder hereafter and prior to the Expiration Date (as defined in Section 1.1 below), and agrees to vote the Shares and any other such shares of capital stock of Company so as to facilitate consummation of the Merger.

NOW, THEREFORE, the parties agree as follows:

1. Agreement to Retain Shares.

1.1 Transfer and Encumbrance. Until the Expiration Date (as defined

below), Shareholder agrees not to sell, exchange, transfer, pledge or otherwise dispose of or encumber the Shares or any New Shares (as defined in Section 1.2 below) unless each person to whom Shares are sold, exchanged, transferred, pledged or otherwise disposed of or encumbered agrees in writing to hold such Shares subject to the terms and conditions of this Agreement. As used herein, the term "Expiration Date" shall mean the earlier to occur of (i) such date and time as the Merger shall become effective in accordance with the terms and provisions of the Reorganization Agreement and (ii) such date and time as the Reorganization Agreement shall be terminated in accordance with the terms therein.

1.2 New Shares. Shareholder agrees that any shares of capital stock

of Company that Shareholder purchases or with respect to which Shareholder otherwise acquires

beneficial ownership after the date of this Agreement and prior to the Expiration Date ("New Shares") shall be subject to the terms and conditions of this Agreement to the same extent as if they constituted Shares.

2. Agreement to Vote Shares. Until the Expiration Date, at every

meeting of the shareholders of Company called with respect to any of the following, and at every adjournment thereof, and on every action or approval by written consent of the shareholders of Company with respect to any of the following, Shareholder shall vote the Shares and any New Shares: (i) in favor of approval of the Reorganization Agreement and the Merger and any matter that could reasonably be expected to facilitate the Merger, and (ii) against approval of any proposal made in opposition to or in competition with consummation of the Merger and the Reorganization Agreement, against any merger, consolidation, sale of assets, reorganization or recapitalization with any party other than Parent or its affiliates and against any liquidation or winding up of Company (each of the foregoing is hereinafter referred to as an "Opposing Proposal"). Shareholder agrees not, directly or indirectly, to solicit or knowingly encourage any offer from any party concerning the possible disposition of all or any substantial portion of Company's business, assets or capital stock. This Agreement is intended to bind Shareholder as a shareholder of Company only with respect to the specific matters set forth herein and shall not prohibit Shareholder from acting in accordance with his or her fiduciary duties, if applicable, as an officer or director of Company.

3. Irrevocable Proxy. Concurrently with the execution of this Agreement,

Shareholder agrees to deliver to Parent a proxy in the form attached hereto as Exhibit A (the "Proxy"), which shall be irrevocable to the extent provided in

Section 23B.07.220 of the Washington Business Corporation Act, covering the total number of Shares and New Shares of capital stock of Company beneficially owned (as such term is defined in Rule 13d-3 under the Exchange Act) by Shareholder set forth therein.

4. Representations, Warranties and Covenants of Shareholder. Shareholder

hereby represents, warrants and covenants to Company as follows:

4.1 Ownership of Shares. Shareholder: (i) is the beneficial owner

of the Shares, which at the date of this Agreement are free and clear of any liens, claims, options, charges or other encumbrances that would adversely affect the ability of Shareholder to carry out the terms of this Agreement; (ii) does not beneficially own any shares of capital stock of Company other than the Shares (excluding shares as to which Shareholder currently disclaims beneficial ownership in accordance with applicable law); and (iii) has full power and authority to make, enter into and carry out the terms of this Agreement and the Proxy.

4.2 No Proxy Solicitations. Shareholder will not, and will not

permit any entity under Shareholder's control, to: (i) solicit proxies or become a "participant" in a "solicitation" as such terms are defined in Regulation 14A under the Exchange Act) with respect to an Opposing Proposal or otherwise knowingly encourage or assist any party in taking or planning any action that would compete with, or materially restrain, serve to interfere with or inhibit the timely consummation of the Merger in accordance with the terms of the Merger

Agreements; (ii) initiate a shareholders' vote or action by written consent of Company Shareholders with respect to an Opposing Proposal; or (iii) become a member of a "group" (as such term is used in Section 13(d) of the Exchange Act) with respect to any voting securities of Company with respect to an Opposing Proposal.

5. Additional Documents. Shareholder and Company hereby covenant and

agree to execute and deliver any additional documents necessary or desirable, in the reasonable opinion of Parent, to carry out the purpose and intent of this Agreement.

6. No Ownership Interest Nothing contained in this Agreement shall be

deemed to vest in Parent any direct or indirect ownership or incidence of ownership of or with respect to any Shares. All rights, ownership and economic benefits of and relating to the Shares shall remain and belong to Shareholder. Except as otherwise provided in the Reorganization Agreement, Parent shall have no authority to manage, direct, superintend, restrict, regulate, govern, or administer any of the policies or operations of Company, or exercise any power or authority to direct Shareholder in the voting of any of the Shares (except as otherwise provided herein and in Exhibit A) or the performance of the Shareholder's duties or responsibilities as a shareholder of Company.

7. Termination. This Agreement and the Proxy delivered in connection

herewith shall terminate and shall have no further force or effect as of the Expiration Date.

8. Miscellaneous.

8.1 Severability. If any term, provision, covenant or restriction

of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

8.2 Binding Effect and Assignment. This Agreement and all of the

provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but, except as otherwise specifically provided herein, neither this Agreement nor any of the rights, interest or obligations of the parties hereto may be assigned by either of the parties without the prior written consent of the other.

8.3 Amendments and Modification. This Agreement may not be

modified, amended, altered or supplemented except by the execution and delivery of a written agreement executed by the parties hereto.

8.4 Specific Performance: Injunctive Relief. The parties hereto

acknowledge that Parent will be irreparably harmed and that there will be no adequate remedy at law for a violation of any of the covenants or agreements of Shareholder set forth herein. Therefore, it is agreed that, in addition to any other remedies that may be available to Parent upon any such violation, Parent shall have the right to enforce such covenants and agreements by

specific performance, injunctive relief or by any other means available to Parent at law or in equity.

8.5 Notices. All notices and other communications pursuant to this

Agreement shall be in writing and deemed to be sufficient if contained in a written instrument and shall be deemed given if delivered personally, telecopies, sent by nationally-recognized overnight courier or mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following address (or at such other address for a party as shall be specified by like notice):

If to Parent: Microsoft Corporation
 One Microsoft Way
 Redmond, Washington 98052
 Attn.: Robert A. Eshelman
 General Counsel, Finance and Administration
 Facsimile No. (206) 869-1327

With a copy to: Preston Gates & Ellis LLP
 5000 Columbia Center
 701 Fifth Avenue
 Seattle, Washington 98104-7078
 Attention: Robert S. Jaffe
 Facsimile: (206) 623-7022

If to Shareholder: To the address for notice set forth on the last
 page hereof.

With a copy to: Shearman & Sterling
 1550 El Camino Real
 Menlo Park, CA 94025-4100
 Attention: Christopher D. Dillon
 Facsimile No.: (650) 330-2299

 Perkins Coie LLP
 1201 Third Avenue, Suite 4800
 Seattle, Washington 98101-3099
 Attention: Linda A. Schoemaker
 Facsimile No.: 206 583-8500

8.6 Governing Law. This Agreement shall be governed by, construed

and enforced in accordance with the internal laws of the State of Washington

8.7 Entire Agreement. This Agreement and the Proxy contain the

entire understanding of the parties in respect of the subject matter hereof, and supersedes all prior negotiations and understandings between the parties with respect to such subject matter.

8.8 Counterparts. This Agreement may be executed in several

counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

8.9 Effect of Headings. The section headings herein are for

convenience only and shall not affect the construction or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year first above written.

MICROSOFT CORPORATION

SHAREHOLDER

By: _____

Title: _____

Its (as applicable)

Address

Shares beneficially owned:

_____ shares of Company Common Stock

EXHIBIT A

IRREVOCABLE PROXY
to Vote
Visio Corporation Stock

The undersigned Shareholder of Visio Corporation, a Washington corporation ("Company"), hereby irrevocably (to the full extent permitted by Section 23B.07.220 of the Washington Business Corporation Act) appoints the directors on the Board of Directors of Microsoft Corporation, a Washington corporation ("Parent"), and each of them, as the sole and exclusive attorneys and proxies of the undersigned, with full power of substitution and resubstitution, to vote and exercise all voting and related rights (to the full extent that the undersigned is entitled to do so) with respect to all of the shares of capital stock of Company that now are or hereafter may be beneficially owned by the undersigned and any and all other shares or securities of Company issued or issuable in respect thereof on or after the date hereof (collectively, the "Shares") in accordance with the terms of this Proxy. The Shares beneficially owned by the undersigned Shareholder of Company as of the date of this Proxy are listed on the final page of this Proxy. Upon the undersigned's execution of this Proxy, any and all prior proxies given by the undersigned with respect to any Shares that are inconsistent with this Proxy are hereby revoked and the undersigned agrees not to grant any subsequent proxies with respect to the Shares that are inconsistent with this Proxy until after the Expiration Date (as defined below).

This proxy is irrevocable (to the extent provided in Section 23B.07.220 of the Washington Business Corporation Act), is granted pursuant to that certain Shareholder Agreement dated as of September 14, 1999 by and among Parent and the undersigned Shareholder (the "Shareholder Agreement"), and is granted in consideration of Parent entering into that certain Agreement and Plan of Reorganization dated as of September 14, 1999 (the "Reorganization Agreement"), among Company, Parent, and a wholly-owned subsidiary of Parent ("Sub"). The Reorganization Agreement provides for the merger of Sub with and into Company in accordance with its terms (the "Merger"). As used herein the term "Expiration Date" shall mean the earlier to occur of (i) such date and time as the Merger shall become effective in accordance with the terms and provisions of the Reorganization Agreement or (ii) such date and time as the Reorganization Agreement shall be terminated in accordance with the terms therein. This proxy is intended to bind Shareholder as a shareholder of Company only with respect to the specific matters set forth herein and shall not prohibit Shareholder from acting in accordance with his or her fiduciary duties, if applicable, as an officer or director of Company.

The attorneys and proxies named above, and each of them, are hereby authorized and empowered by the undersigned, at any time prior to the Expiration Date, to act as the undersigned's attorney and proxy to vote the Shares, and to exercise all voting and other rights of the undersigned with respect to the Shares (including, without limitation, the power to execute and deliver written consents pursuant to Section 23B.07.040 of the Washington Business Corporation Act), at every annual, special or adjourned meeting of the shareholders of Company

and in every written consent in lieu of such meeting: (a) in favor of approval of the Merger and the Reorganization Agreement and in favor of any matter that could reasonably be expected to facilitate the Merger, and (b) against approval of any proposal made in opposition to or in competition with the consummation of the Merger and the Reorganization Agreement and against any liquidation or winding up of Company. The attorneys and proxies named above may not exercise this Irrevocable Proxy on any other matter except as provided in clauses (a) and (b) above. The undersigned Shareholder may vote the Shares on all other matters.

Any obligation of the undersigned hereunder shall be binding upon the successors and assigns of the undersigned.

This proxy is irrevocable (to the extent provided in Section 23B.07.220 of the Washington Business Corporation Act).

Dated: September 14, 1999

SHAREHOLDER

By _____

By _____

Shares beneficially owned:

_____ shares of Company Common Stock

AFFILIATE'S LETTER

Microsoft Corporation
One Microsoft Way
Redmond, Washington 98052

Ladies and Gentlemen:

The undersigned officer and/or director of Visio Corporation (the "Company") has been advised that the undersigned may be deemed to be an "affiliate" of the Company, as that term is used in paragraphs (c) and (d) of Rule 145 under the Securities Act of 1933, as amended (the "Securities Act") (such rule, as amended or replaced by any successor rule, referred to herein as "Rule 145"). Pursuant to the terms of the Agreement and Plan of Reorganization dated on or about the date hereof (the "Merger Agreement"), among Microsoft Corporation ("Parent"), MovieSub, Inc. ("Merger Subsidiary"), and the Company, Merger Subsidiary will be merged with and into the Company (the "Merger"). As a result of the Merger, outstanding shares of common stock, \$.001 par value per share, of the Company ("Company Common Stock") will be converted into the right to receive shares of common stock, \$.0000125 par value per share, of Parent ("Parent Common Stock"), as determined pursuant to the Merger Agreement.

In order to induce Parent and the Company to enter into the Merger Agreement, the undersigned (referred to herein as "Affiliate") represents, warrants and agrees as follows:

1. Affiliate will not, during the 30 days prior to the effective time of the Merger (the "Effective Time"), sell, transfer or otherwise dispose of or reduce Affiliate's risk (as contemplated by SEC Accounting Series Release No. 135) with respect to the shares of Company Common Stock or shares of the capital stock of Parent that Affiliate may hold and, furthermore, Affiliate will not sell, transfer or otherwise dispose of or reduce Affiliate's risk (as contemplated by SEC Accounting Series Release No. 135) with respect to the shares of Parent Common Stock received by Affiliate in the Merger or any other shares of the capital stock of Parent until after such time as results covering at least 30 days of combined operations of the Company and Parent have been published by Parent, in the form of a quarterly earnings report, an effective registration statement filed with the Commission, a report to the Commission on Form 10-K, 10-Q or 8-K, or any other public filing or announcement which includes the combined results of operations (the "Pooling Period"). Parent shall notify Affiliate of the

publication of such results. Notwithstanding the foregoing, during the Pooling Period, subject to providing written notice to Parent, Affiliate will not be prohibited from selling up to 10% of the shares of Parent Common Stock (the "10% Shares") received by Affiliate or the shares of

Company Common Stock owned by Affiliate or making charitable contributions or bona fide gifts of the shares of Parent Common Stock received by Affiliate or the shares of Company Common Stock owned by Affiliate, subject to the same restrictions. The 10% Shares shall be calculated in accordance with SEC Accounting Series Release No. 135 as amended by Staff Accounting Bulletin No. 76.
2. Affiliate has been advised that the issuance of the Parent Common Stock, if any, to Affiliate pursuant to the Merger is being registered with the SEC under the Securities Act and the rules

and regulations promulgated thereunder on a Registration Statement on Form S-4. However, Affiliate has also been advised that, because Affiliate may be deemed to be an "affiliate" of the Company (as that term is used in paragraphs (c) and (d) of Rule 145), any sale, transfer or other disposition by Affiliate of any Parent Common Stock issued pursuant to the Merger will, under current law, require either (a) further registration under the Securities Act of the Parent Common Stock to be sold, transferred, or otherwise disposed of, or (b) compliance with Rule 145, or (c) the availability of another exemption from such registration.

3. Affiliate will not offer to sell, sell, or otherwise dispose of any Parent Common Stock issued pursuant to the Merger except pursuant to an effective registration statement or in compliance with Rule 145 or another exemption from the registration requirements of the Securities Act (the compliance with Rule 145 or the availability of such other exemption to be established by Affiliate to the satisfaction of Parent's counsel).

4. Affiliate consents to the placement of a stop transfer order with the Company's and Parent's stock transfer agent and registrar, and to the placement of the following legend on certificates representing the Company Common Stock and Parent Common Stock issued or to be issued to Affiliate:

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH AN AFFILIATE'S LETTER FROM THE UNDERSIGNED TO MICROSOFT CORPORATION, AND IN COMPLIANCE WITH RULE 145 OF THE SECURITIES ACT OF 1933."

5. Affiliate has carefully read this letter and has discussed with counsel for Affiliate or counsel for the Company, to the extent Affiliate felt necessary, the requirements of this letter and other applicable limitations on the ability of Affiliate to sell, transfer, or otherwise dispose of Company Common Stock and Parent Common Stock.

6. Execution of this letter should not be considered an admission on Affiliate's part that Affiliate is an "affiliate" of the Company, nor as a waiver of any rights Affiliate may have to object to any claim that Affiliate is such an affiliate on or after the date of this letter.

7. By Parent's acceptance of this letter, Parent hereby agrees with Affiliate as follows:

(i) For so long as and to the extent necessary to permit Affiliate to sell shares of Parent Common Stock pursuant to Rule 145 and, to the extent applicable, Rule 144 under the Act, Parent shall (a) use its reasonable efforts to file, on a timely basis, all reports and data required to be filed with the Commission by it pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "1934 Act"),

and (b) otherwise use its reasonable efforts to permit such sales pursuant to Rule 145 and Rule 144. Parent hereby represents to Affiliate that it has filed all reports required to be filed with the Commission under Section 13 of the 1934 Act during the preceding 12 months.

(ii) It is understood and agreed that certificates with the legends set forth in paragraph 4 above will be substituted by delivery of certificates without such legends if (i) one year shall have elapsed from the date the undersigned acquired the shares of Parent Common

Stock received in the Merger and the provisions of Rule 145(d)(2) are then available to the undersigned, (ii) two years shall have elapsed from the date the undersigned acquired the Parent Shares received in the Merger and the provisions of Rule 145(d)(3) are then applicable to the Affiliate, or (iii) Parent has received either an opinion of counsel, which opinion and counsel shall be reasonably satisfactory to Parent, or a "no action" letter obtained by the undersigned from the staff of the Commission, to the effect that the restrictions imposed by Rule 145 under the Act no longer apply to the Affiliate.

Very truly yours,

September 14, 1999

(Signature)

(Name) (Please Print)

MICROSOFT CORPORATION

By: _____
Its: _____