

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934
(Amendment No.)*

General Magic, Inc.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

370253 10 6

(CUSIP Number)

February 27, 1998

(Date of Event Which Requires Filing of this Statement)

Robert A. Eshelman, Esq.
General Counsel, Finance & Administration
Microsoft Corporation
One Microsoft Way
Redmond, Washington 98052-6399
(425) 882-8080

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

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)

*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 the
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).

CUSIP NO. 370253 10 6

1 NAME OF REPORTING PERSON
Microsoft Corporation
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
91-1144442

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a)
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
State of Washington

5 SOLE VOTING POWER
NUMBER OF 5 3,629,000
SHARES

6 SHARED VOTING POWER
BENEFICIALLY 6 -0-
OWNED BY

7 SOLE DISPOSITIVE POWER
EACH 7 3,629,000
REPORTING
PERSON

8 SHARED DISPOSITIVE POWER
WITH 8 -0-

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
3,629,000

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

[]

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
11.9%

12 TYPE OF REPORTING PERSON
CO

Item 1.

- (a) Name of Issuer: General Magic, Inc.
- (b) Address of Issuer's Principal Executive Offices:
420 North Mary Avenue
Sunnyvale, California 94086

Item 2.

- (a) Name of Person Filing: Microsoft Corporation
- (b) Address of Principal Business Office:
One Microsoft Way
Redmond, Washington 98052-6399
- (c) Citizenship: State of Washington
- (d) Title of Class of Securities: Common Stock
- (e) CUSIP Number: 370253 10 6

Item 3. Not Applicable

Item 4. Ownership

- (a) Amount Beneficially Owned: 3,629,000
- (b) Percent of Class: 11.9%
- (c) Number of shares as to which such person has:
 - (i) sole power to vote or to direct the vote 3,629,000
 - (ii) shared power to vote or to direct the vote -0-
 - (iii) sole power to dispose or to direct the disposition of 3,629,000
 - (iv) shared power to dispose or to direct the disposition of -0-

Item 5. Ownership of Five Percent or Less of a Class

Not Applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person

Not Applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company.

Not Applicable.

Item 8. Identification and Classification of Members of the Group

Not Applicable.

Item 9. Notice of Dissolution of a Group

Not Applicable.

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

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

March 9, 1998

MICROSOFT CORPORATION

By /s/ Robert A. Eshelman

Robert A. Eshelman
General Counsel, Finance & Administration