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FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

| Check this box if no longer subject to |
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| Section 16. Form 4 or Form 5 |
| obligations may continue. See |
| Instruction 1(b). |

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL OMB Number: 3235-0287 Estimated average burden

| Estimated average burden | |
|--------------------------|-----|
| hours per response: | 0.5 |
| | |

| 1. Name and Address of Reporting Person* GILMARTIN RAYMOND V | | | 2. Issuer Name and Ticker or Trading Symbol <u>MICROSOFT CORP</u> [MSFT] | | ationship of Reporting Per < all applicable) Director | son(s) to Issuer 10% Owner |
|---|---------------|------------|---|------------------------|--|-------------------------------|
| C/O MICROSOFT CORPORATION | | | 3. Date of Earliest Transaction (Month/Day/Year) 03/08/2007 | | Officer (give title below) | Other (specify below) |
| ONE MICROS (Street) REDMOND | OFT WAY WA | 98052-6399 | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Indiv Line) X | vidual or Joint/Group Filing Form filed by One Rep Form filed by More that Person | orting 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) | Transaction Code (Instr. | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--|---|-----------------------------|---|---|---------------|-------|---|---|---|
| | | | Code | v | Amount | (A) or (D) | Price | Transaction(s) (Instr. 3 and 4) | | (1150.4) |
| Common Stock | | | | | | | | 16,332 | D | |
| Common Stock | | | | | | | | 1,200(1) | Ι | By spouse |

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. Transa Code (8) | | of | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|---|--|---|------------------------------|---|-------------------|-----|--|--------------------|--|--|---|--|--|--|
| | | | | Code | v | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Restricted Stock Units | (2) | 03/08/2007 | | A | v | 15 ⁽³⁾ | | (4) | (4) | Common Stock | 15 | \$0 | 4,339 ⁽⁵⁾ | D | |

Explanation of Responses:

1. The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.

2. Each restricted stock unit represents a contingent right to receive one share of Microsoft common stock.

3. Dividend equivalent rights accrue when and as dividends are paid on the Company's common stock and become exercisable proportionately with the restricted stock units to which they relate.

4. The restricted stock units are fully vested. Delivery of the shares to the reporting person will occur in equal installments on the first, second, third, fourth and fifth anniversary of the reporting person's separation from service to the Board of Directors.

5. Includes 1 additional share as a result of fractional shares that have accumulated over the past year.

Remarks:

Keith R. Dolliver, Attorney-in-Fact for Raymond V. Gilmartin 03/09/2007

** Signature of Reporting Person Date

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

* 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).

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

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 Number.