

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

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
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1. Name and Address of Reporting Person* COLE DAVID WAYNE			2. Issuer Name and Ticker or Trading Symbol MICROSOFT CORP [MSFT]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) Senior Vice President		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 03/10/2006			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
ONE MICROSOFT WAY			4. If Amendment, Date of Original Filed (Month/Day/Year)					
(Street) REDMOND WA 98053-6399								
(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)	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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	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	
Common Stock	03/10/2006		S		20,777 ⁽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		33,800 ⁽¹⁾	D	\$27.15	96,171	D	
Common Stock	03/10/2006		S		10,400 ⁽¹⁾	D	\$27.16	85,771	D	
Common Stock	03/10/2006		S		10,800 ⁽¹⁾	D	\$27.17	74,971	D	
Common Stock	03/10/2006		S		12,540 ⁽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
Common Stock								20	I	By dependent child
Common Stock								20	I	By dependent child

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 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				
Employee Stock Option (right to buy)	\$6.2227	03/10/2006		M		196,000		11/15/2004	07/15/2006	Common Stock	196,000	\$0	0	D	

Explanation of Responses:

1. This sale was effected pursuant to a 10b5-1 sales plan adopted by the reporting person.

Remarks:

Keith R. Dolliver, Attorney-in- 03/13/2006

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.