

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON DECEMBER 17, 1996

REGISTRATION NO. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

REGISTRATION STATEMENT

ON FORM S-3
UNDER
THE SECURITIES ACT OF 1933

MICROSOFT CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

WASHINGTON
(STATE OR OTHER JURISDICTION
OF INCORPORATION OR ORGANIZATION)

91-1144442
(IRS EMPLOYER
IDENTIFICATION NO.)

ONE MICROSOFT WAY
REDMOND, WASHINGTON 98052-6399
(206) 882-8080
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER INCLUDING
AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICE)

ROBERT A. ESHELMAN, ESQ.
ONE MICROSOFT WAY
REDMOND, WASHINGTON 98052-6399
(206) 882-8080
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER,
INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES OF ALL COMMUNICATIONS TO:

RICHARD B. DODD, ESQ.
PRESTON GATES & ELLIS
5000 COLUMBIA CENTER
701 FIFTH AVENUE
SEATTLE, WASHINGTON 98104-7078

ANDREW D. SOUSSLOFF, ESQ.
SULLIVAN & CROMWELL
125 BROAD STREET
NEW YORK, NEW YORK 10004-2498

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)	AMOUNT OF REGISTRATION FEE(4)
% Convertible Exchangeable Principal-Protected Preferred Shares, Series A.....	\$137,500,000	\$41,667
% Convertible Subordinated Notes due 1999(2).....	N/A	N/A
Common Shares(3).....	N/A	N/A

- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o).
- (2) Also being registered is such indeterminate principal amount of % Convertible Subordinated Notes due 1999 (the "Convertible Notes") as may be issuable upon or in connection with the exchange of the % Convertible Exchangeable Principal-Protected Preferred Shares, Series A (the "Series A Preferred Shares") being registered. No additional consideration will be received upon the issuance of the Convertible Notes and, therefore, no registration fee payment is required pursuant to Rule 457(i).
- (3) Also being registered are such indeterminate number of Common Shares as may be issuable upon or in connection with the conversion of the Series A Preferred Shares or the Convertible Notes being registered. No additional consideration will be received upon the issuance of the Common Shares and, therefore, no registration fee payment is required pursuant to Rule 457(i).
- (4) \$261,364 has been paid previously.

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box: []

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box: []

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: [X] 333-17143.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

INCORPORATION OF CONTENTS OF REGISTRATION STATEMENT BY REFERENCE

This Registration Statement is being filed pursuant to Rule 462(b) and General Instruction IV of Form S-3. The contents of the Registrant's Registration Statement on Form S-3 (Commission File No. 333-17143), as amended as of the date hereof, are incorporated by reference.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Redmond, State of Washington on December 17, 1996.

MICROSOFT CORPORATION

/s/ WILLIAM H. GATES

William H. Gates,

Chairman; Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below on December 17, 1996 by the following persons in the capacities indicated.

SIGNATURES

TITLE

-----	-----
/s/ MICHAEL W. BROWN	Vice President, Finance; Chief
-----	Financial Officer (Principal
Michael W. Brown	Financial and Accounting
*	Officer)
-----	Chairman, Chief Executive
William H. Gates	Officer, Director (Principal
*	Executive Officer)
-----	Director
Paul G. Allen	-----
*	Director
-----	-----
Jill E. Barad	Director
*	-----
-----	-----
Richard A. Hackborn	Director
*	-----
-----	-----
David F. Marquardt	-----

SIGNATURES

TITLE

*

Director

Robert D. O'Brien

*

Director

William G. Reed, Jr.

*

Director

Jon A. Shirley

*By /s/ WILLIAM H. GATES

William H. Gates
Attorney-in-Fact

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION	PAGE OR FOOTNOTE
1.1	Underwriting Agreement.....	(1)
3.1	Restated Articles of Incorporation.....	(1)
3.2	Bylaws.....	(2)
4.1	Form of Amendment to the Registrant's Restated Articles of Incorporation designating the rights and preferences with respect to the Series A Preferred Shares.....	(1)
4.2	Form of Indenture with respect to the % Convertible Subordinated Notes due 1999.....	(1)
5.1	Opinion of Preston Gates & Ellis.....	
8.1	Opinion of Preston Gates & Ellis.....	
12.1	Computation of Ratio of Earnings to Fixed Charges.....	(1)
13.1	Quarterly and Market Information Incorporated by Reference to Page 28 of 1996 Annual Report to Shareholders ("1996 Annual Report")... (Intentionally Omitted).....	(3)
13.2	Management's Discussion and Analysis of Financial Condition and Results of Operations Incorporated by Reference to Pages 16-19, 22, and 23 of 1996 Annual Report.....	(3)
13.3	Management's Discussion and Analysis of Financial Condition and Results of Operations Incorporated by Reference to Pages 16-19, 22, and 23 of 1996 Annual Report.....	(3)
13.4	Financial Statements Incorporated by Reference to Pages 1, 15, 20, 21, 24-29, and 31 of 1996 Annual Report.....	(3)
23.1	Consent of Deloitte & Touche LLP.....	
23.2	Consent of Preston Gates & Ellis.....	(4)
24.1	Power of Attorney.....	(1)
25.1	Statement of Eligibility of Trustee.....	(1)

(1) Incorporated by reference to the Registrant's Registration Statement on Form S-3 (Commission File No. 333-17143).

(2) Incorporated by reference to Microsoft's Form 10-K for the fiscal year ended June 30, 1994.

(3) Incorporated by reference to Microsoft's Form 10-K for the fiscal year ended June 30, 1996.

(4) Contained within Exhibit 5.1.

December 17, 1996

Microsoft Corporation
One Microsoft Way
Redmond, Washington 98052-6399

Re: Registration Statement on Form S-3 of Microsoft Corporation

Ladies and Gentlemen:

We have acted as counsel to Microsoft Corporation (the "Company") in connection with the filing of the above-referenced Registration Statement (the "Registration Statement") relating to the offer of % Convertible Exchangeable Principal-Protected Preferred Shares, Series A, par value \$0.01 per share (the "Series A Preferred Shares"), and the % Convertible Subordinated Notes Due 1999 (the "Convertible Notes") and the Common Shares, par value \$0.000025 per share (the "Common Shares" and, together with the Series A Preferred Shares and the Convertible Notes, the "Securities") issuable upon conversion of the Series A Preferred Shares or the Convertible Notes. In connection therewith, we have reviewed the Company's Restated Articles of Incorporation, Bylaws, resolutions of the Company's Board of Directors, the Indenture under which the Convertible Notes will be issued (the "Indenture"), and such other documents and matters we deemed appropriate.

In connection with this opinion, we have assumed that (i) the Registration Statement, and any amendments thereto (including post-effective amendments), will have become effective, and (ii) all Securities will be issued and sold in compliance with applicable federal and state securities laws and in the manner stated in the Registration Statement.

Based on this review, it is our opinion that:

1. The Series A Preferred Shares have been duly authorized and, when securities representing the Series A Preferred Shares shall have been duly executed, authenticated, issued and delivered to the recipients thereof upon payment of consideration therefor, will be legally issued, fully paid and non-assessable.
2. The Convertible Notes have been duly authorized and, when securities representing the Convertible Notes shall have been duly executed, authenticated, issued and delivered to the recipients thereof in accordance with the terms of the Indenture and upon exercise of the Company's right of exchange pursuant to the Series A Preferred Shares, will be legally issued, fully paid, non-assessable and binding obligations of the Company and will be

enforceable against the Company in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance and other similar laws affecting the enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

3. The Common Shares have been duly authorized and, when securities representing the Common Shares shall have been duly executed, authenticated, issued and delivered to the recipients thereof upon conversion of the Series A Preferred Shares or the Convertible Notes, will be legally issued, fully paid and non-assessable.

We do not find it necessary for the purposes of this opinion to cover, and accordingly we express no opinion as to, the application of the securities or blue sky laws of the various states to the sale of the Convertible Notes.

This opinion letter is limited to the matters stated herein and no opinion is implied or may be inferred beyond the matters expressly stated.

This letter speaks only as of the date hereof and is limited to present statutes, regulations and administrative and judicial interpretations. We undertake no responsibility to update or supplement this letter after the date hereof.

We consent to being named in the Registration Statement and related Prospectus as counsel who are passing upon the validity of the Securities for the Company and to the reference to our name under the caption "Validity of Securities" in such Prospectus. We further consent to your filing copies of this opinion as an exhibit to the Registration Statement or any amendment thereto. In giving such consents, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act.

Very truly yours,

PRESTON GATES & ELLIS

By /s/ Richard B. Dodd

Richard B. Dodd

December 17, 1996

Microsoft Corporation
One Microsoft Way
Redmond, WA 98052

Ladies and Gentlemen :

Reference is made to the Registration Statement on form S-3 (the "Registration Statement") to be filed with the Securities and Exchange Commission in connection with the proposed sale by Microsoft Corporation of ___% Convertible Exchangeable Principal-Protected Preferred Shares, Series A, par value \$0.01 per share (the "Series A Preferred Shares").

We have reviewed the discussion contained under the caption "Certain U.S. Federal Income Tax Considerations" in the Prospectus that is part of the Registration Statement. In our opinion such discussion accurately summarizes the material federal income tax considerations applicable to the Series A Preferred Shares.

We consent to the use of this opinion as an exhibit to the Registration Statement and any amendments thereto, and to the reference to Preston Gates & Ellis under the caption "Certain U.S. Federal Income Tax Considerations" in the Prospectus that is part of the Registration Statement.

Very truly yours,

PRESTON GATES & ELLIS

By /s/ Charles H. Purcell
Charles H. Purcell

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Microsoft Corporation on Form S-3 of our report dated July 22, 1996 appearing in and incorporated by reference in the Annual Report on Form 10-K of Microsoft Corporation for the year ended June 30, 1996.

Deloitte & Touche LLP

Seattle, Washington
December 17, 1996