

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934  
(Amendment No. 1)\*

BANYAN SYSTEMS INCORPORATED

(Name of Issuer)

Common Stock, \$.01 par value

(Title of Class of Securities)

06698104

(CUSIP Number)

January 8, 1999

(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).

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CUSIP No.: 06698104  
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1 NAME OF REPORTING PERSON  
Microsoft Corporation  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
91-1144442  
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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
(b) [ ]  
-----

3 SEC USE ONLY  
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4 CITIZENSHIP OR PLACE OF ORGANIZATION  
State of Washington  
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	5	SOLE VOTING POWER	
		1,750,000	
NUMBER OF SHARES	-----		
BENEFICIALLY	6	SHARED VOTING POWER	
OWNED BY		-0-	
EACH	-----		
REPORTING	7	SOLE DISPOSITIVE POWER	
PERSON		1,750,000	
WITH	-----		
	8	SHARED DISPOSITIVE POWER	
		-0-	

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9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
1,750,000  
-----

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES [ ]  
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11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
8.64%  
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12 TYPE OF REPORTING PERSON  
CO  
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Item 1.

- (a) Name of Issuer: Banyan Systems Incorporated
- (b) Address of Issuer's Principal Executive Offices:  
120 Flanders Road  
Westboro, MA 01581-5013

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: 06698104

Item 3. Not Applicable.

Item 4. Ownership

(a) Amount Beneficially Owned: On January 8, 1999, Microsoft Corporation ("Microsoft") purchased from Banyan Systems Incorporated ("Banyan") a warrant to purchase 1,750,000 shares of Banyan Common Stock at an exercise price of \$10.00 per share (the "Warrant"). Pursuant to the Warrant, Microsoft may not dispose of shares of Banyan Common Stock issuable upon exercise of the Warrant (the "Warrant Shares") for a three-year period ending on January 8, 2002 (the "Lock Up Period"). The Lock Up Period is subject to earlier termination upon the happening of certain events specified in the Warrant. In addition, pursuant to certain provisions contained in the Warrant Purchase Agreement dated January 8, 1999 between Microsoft and Banyan, the Warrant and the Warrant Shares are subject to forfeiture and repurchase in the event of the happening of certain events specified therein.

- (b) Percent of Class: 8.64%
- (c) Number of shares as to which such person has:
  - (i) sole power to vote or to direct the vote 1,750,000
  - (ii) shared power to vote or to direct the vote -0-
  - (iii) sole power to dispose or to direct the disposition of 1,750,000
  - (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 the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

January 15, 1999

MICROSOFT CORPORATION

By /s/ Robert A. Eshelman

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Robert A. Eshelman  
General Counsel, Finance &  
Administration