

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 | |
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|--|----------------|-----------|---|--|--|--|--|--|--|
| 1. Name and Address of Reporting Person * <u>COURTOIS JEAN PHILIPPE</u> | | | 2. Issuer Name and Ticker or Trading Symbol <u>MICROSOFT CORP [MSFT]</u> | | | 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) <u>11/10/2004</u> | | | 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 | | | |
| <u>ONE MICROSOFT WAY</u> | | | 4. If Amendment, Date of Original Filed (Month/Day/Year) | | | | | | |
| (Street) | <u>REDMOND</u> | <u>WA</u> | <u>98052-6399</u> | | | | | | |
| (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 | | | | | | | | 440,160 | D | |
| Common Stock | | | | | | | | 66,133 | I | Held through "contrats de capitalization" ⁽¹⁾ |
| Common Stock | | | | | | | | 66,133 | I | Held through "contrats de capitalization" ⁽¹⁾ |
| Common Stock | | | | | | | | 66,133 | I | Held through "contrats de capitalization" ⁽¹⁾ |
| Common Stock | 11/10/2004 | | S | | 722,912 | D | \$29.72 | 0 | I | By Trust ⁽²⁾ |

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 |
| Equity Swap (Obligation to Purchase) | \$29.72 | 11/10/2004 | | J/K ⁽³⁾⁽⁴⁾ | | 1 | | 05/16/2005 | 05/16/2005 | Common Stock | 722,912 | \$0 | 1 | I | By Trust ⁽²⁾ |

Explanation of Responses:

- Held through "contrats de capitalization," a form of life insurance program for the benefit of the reporting person's three minor children, where the reporting person maintains investment control over the Microsoft shares held in the program. 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 any other purpose.
- The reporting person is the Settlor of the Trust and not a Trustee or beneficiary of the Trust. The reporting person therefore disclaims beneficial ownership of all securities held by the Trust, and this report should not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.
- On November 10, 2004, the Trust entered into an equity swap agreement with a securities broker covering 722,912 Microsoft shares (the "Shares") under which, on the expiration date of the agreement (May 16, 2005), one of the following will occur: (i) if the market price of Microsoft stock on the expiration date is above \$29.72, the broker will pay the Trust an amount equal to the difference between the market price and \$29.72 multiplied by the number of Shares; (ii) if the market price of Microsoft stock on the expiration date is below \$29.72, the Trust will pay the broker an amount equal to the difference between \$29.72 and the market price multiplied by the number of Shares; or (iii) if the market price on the expiration date equals \$29.72, no payment will be made by either party. An amount equal to any dividends payable on the Shares during the term of the agreement will be paid in cash by the broker to the Trust, less applicable withholding taxes.
- During the term of the agreement, the Trust will pay the broker a fee equal to the 3-month USD LIBOR rate plus 10 basis points multiplied by the value of the Shares.

Remarks:

Keith R. Dolliver, Attorney-in-Fact for Jean-Philippe Courtois 11/11/2004

** 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.

