

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

1. Name and Address of Reporting Person* <u>REED WILLIAM JR</u> (Last) (First) (Middle) <u>1402 - 3RD AVENUE, SUITE 1318</u> <u>JOSEPH VANCE BUILDING</u> (Street) <u>SEATTLE WA 98101</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>MICROSOFT CORP [MSFT]</u> 3. Date of Earliest Transaction (Month/Day/Year) <u>10/28/2004</u> 4. If Amendment, Date of Original Filed (Month/Day/Year) <u>11/01/2004</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
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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	10/28/2004		G	V	4,223 ⁽¹⁾	D	\$0	1,017,777 ⁽²⁾	I	Riviera LLC
Common Stock	10/28/2004		S		153,746 ⁽³⁾	D	\$0 ⁽³⁾	0 ⁽³⁾	I	Riviera LLC
Common Stock								185,744	D	

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
Stock Option (Right to Buy)	\$70.5	10/28/2004		S		3,009 ⁽³⁾		01/04/2000	01/04/2009	Common Stock	3,009	\$0 ⁽³⁾	0 ⁽²⁾	I	Riviera LLC

Explanation of Responses:

- The reporting person gifted 0.4132% interest in the LLC held by the reporting person and his spouse as community property.
- The reporting person disclaims beneficial ownership of the shares held by the LLC except to the extent of his pecuniary interest therein.
- The reporting person sold the remaining 15.0436% interest in the LLC consisting of stock and stock options, held by the reporting person and his spouse as community property, for an aggregate price of \$3,106,499.48. The reporting person and his spouse retain no further interest in the LLC.

W. G. Reed, Jr.

05/31/2005

** 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.