

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**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* <b>BALLMER STEVEN A</b>			2. Issuer Name and Ticker or Trading Symbol <b>MICROSOFT CORP [ MSFT ]</b>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <b>Chief Executive Officer</b>		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <b>05/23/2003</b>			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
(Street)			4. If Amendment, Date of Original Filed (Month/Day/Year)					
(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	05/23/2003		S <sup>(1)</sup>		19,006	D	24.32	425,882,126	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		129,941	D	24.33	425,752,185	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		319,353	D	24.34	425,432,832	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		858,228	D	24.35	424,574,604	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		157,245	D	24.36	424,417,359	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		24,844	D	24.37	424,392,515	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		108,388	D	24.38	424,284,127	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		221,779	D	24.39	424,062,348	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		966,586	D	24.4	423,095,762	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		60,048	D	24.41	423,035,714	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		340,090	D	24.42	422,695,624	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		177,390	D	24.43	422,518,234	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		241,993	D	24.44	422,276,241	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		155,909	D	24.45	422,120,332	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		507,846	D	24.46	421,612,486	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		40,449	D	24.47	421,572,037	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		49,765	D	24.48	421,522,272	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		2,600	D	24.49	421,519,672	D	
Common Stock	05/23/2003		S <sup>(1)</sup>		50	D	24.5	421,519,622 <sup>(2)</sup>	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					

**Explanation of Responses:**

- This sale was effected pursuant to a 10b5-1 sales plan adopted by the reporting person.
- This Form 4 is the second of two forms to report all May 23, 2003 transactions for the reporting person.

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.**