

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

Filed By Romeo & Dye's Instant Form 4 Filer  
www.section16.net

1. Name and Address of Reporting Person*  <b>Ayala Lozano, Orlando</b>  (Last) (First) (Middle)  <b>One Microsoft Way</b>  (Street)  <b>Redmond, WA 98052</b>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <b>Microsoft Corporation (MSFT)</b>  3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)  4. Statement for Month/Day/Year <b>11/13/02</b>  5. If Amendment, Date of Original (Month/Day/Year)	6. Relationship of Reporting Person(s) to Issuer (Check all applicable) ___ Director ___ 10% Owner <input checked="" type="checkbox"/> Officer (give title below) ___ Other (specify below)  <b>Group Vice President</b>  7. 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
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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 & 5)			5. Amount of Securities Beneficially Owned Following Reported Transactions(s) (Instr. 3 & 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	11/13/02		M		420,000	A	\$11.31			
Common Stock	11/13/02		M		66,000	A	\$31.23			
Common Stock	11/13/02		S		20,000	D	\$55.45			
Common Stock	11/13/02		S		20,000	D	\$55.40			
Common Stock	11/13/02		S		25,000	D	\$55.35			
Common Stock	11/13/02		S		15,000	D	\$55.30			
Common Stock	11/13/02		S		20,000	D	\$55.30			
Common Stock	11/13/02		S		20,000	D	\$55.26			
Common Stock	11/13/02		S		10,000	D	\$55.25			
Common Stock	11/13/02		S		20,000	D	\$55.22			
Common Stock	11/13/02		S		30,000	D	\$55.21			
Common Stock	11/13/02		S		15,000	D	\$55.20			
Common Stock	11/13/02		S		20,000	D	\$55.20			
Common Stock	11/13/02		S		20,000	D	\$55.20			
Common Stock	11/13/02		S		20,000	D	\$55.20			
Common Stock	11/13/02		S		20,000	D	\$55.20			
Common Stock	11/13/02		S		20,000	D	\$55.15			
Common Stock	11/13/02		S		40,000	D	\$55.15			
Common Stock	11/13/02		S		25,000	D	\$55.10			
Common Stock	11/13/02		S		20,000	D	\$55.04			
Common Stock	11/13/02		S		16,000	D	\$55.02			
Common Stock	11/13/02		S		50,000	D	\$55.00			
Common Stock	11/13/02		S		25,000	D	\$55.00			

Common Stock	11/13/02		S		10,000	D	\$55.00			
Common Stock	11/13/02		S		25,000	D	\$55.00	7,538	D	
Common Stock	11/13/02		S					3,964	I	Held in 401(k) account

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).

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FORM 4 (continued)

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 & 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 & 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Employee stock option (Right to Buy)	\$11.31	11/13/02		M		420,000	01/31/01	07/31/05	Common stock	420,000		300,000	D	
Employee stock option (Right to Buy)	\$31.23	11/13/02		M		66,000	01/01/01	07/01/07	Common stock	66,000		198,000	D	

Explanation of Responses:

By: /s/ **Shauna L. Vernal** 11/13/2002

**Shauna L. Vernal, Attorney-in-Fact for Orlando Ayala** Date

**Lozano**

\*\*Signature of Reporting Person

\*\*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.

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