FORM 4

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

(Print or Type Responses)

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

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

OMB Number: 3235-0287 Expires: January 31, 2005

Estimated average burden hours per response. . . 0.5

1. Name and Address of Reporting Person * Gates III William (Last) (First) One Microsoft Way (Street) Redmond WA 98052-6399 (City) (State)	 2. Issuer Name and Ticker or Trading Symbol MICROSOFT CORPORATION (MSFT) 3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary) 	 4. Statement for (Month/Day/Year) 2/27/2003 5. If Amendment, Date of Original (Month/Day/Year) 	6. Relationship of Reporting Person(s) to Issuer (Check all applicable) X Director X 10% Owner X Officer (give tile below) Chairman of the Board; Chief Software Architect Other (specify below) 7. Individual or Joint/Group Filing (Check Applicable Line) X 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	2. Transaction Date (Month/Day/ Year)	2A. Deemed Execution Date, if any (Month/Day/ Year)	3. Transaction (Instr. 8)	Code	4. Securities Acc (Instr. 3, 4 and 5	juired (A) or Disp	osed of (D)		6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
(Instr. 3)			Code	V	Amount	(A) or (D)	Price			
Common Stock	2/27/03		S		58,900	D	23.31			
Common Stock	2/27/03		S		41,000	D	23.32			
Common Stock	2/27/03		S		41,079	D	23.37			
Common Stock	2/27/03		S		3,000	D	23.38			
Common Stock	2/27/03		S		92,050	D	23.39			
Common Stock	2/27/03		S		23,971	D	23.40			
Common Stock	2/27/03		S		40,000	D	23.41			
Common Stock	2/27/03		S		72,100	D	23.43			
Common Stock	2/27/03		s		27,900	D	23.44			
Common Stock	2/27/03		S		69,000	D	23.55			
Common Stock	2/27/03		S		30,900	D	23.56			
Common Stock	2/27/03		S		100		23.57			
Common Stock	2/27/03	·	S		27,750	D	23.66			
Common Stock	2/27/03		S		13,300	D	23.68			
Common Stock	2/27/03		S		33,950	D	23.69			
Common Stock	2/27/03		S		25,000	D	23.70			
Common Stock	2/27/03		S		70,621	D	23.74	1		
Common Stock	2/27/03		S		50,000	D	23.75			
Common Stock	2/27/03		s		29,379	D	23.76			
Common Stock	2/27/03		S		50,000	D	23.77			
Common Stock	2/27/03		S		4,103	D	23.80			
Common Stock	2/27/03		S		2,900	D	23.81			
Common Stock	2/27/03		S		1,000	D	23.82			
Common Stock	2/27/03		S S		32,300	D	23.83			
Common Stock	2/27/03		S		40,050	D	23.84			
Common Stock	2/27/03		S S		140,626	D	23.85			
Common Stock	2/27/03		S		115,100	D	23.86			
Common Stock	2/27/03		S		1,200	D	23.87			
Common Stock	2/27/03		S		46,300	D	23.88			
Common Stock	2/27/03		S		129,250	D	23.89			
Common Stock	2/27/03		S S		90,371	D	23.90		L	
Common Stock	2/27/03		S S		43,900	D	23.91			
Common Stock	2/27/03		S		13,400	D	23.92		L	
Common Stock	2/27/03		S		7,500	D	23.93			
Common Stock	2/27/03		S S		72,600	D	23.95			
Common Stock	2/27/03		S S		133,500	D	23.96			
Common Stock	2/27/03		S		155,500	D	23.97			
Common Stock	2/27/03		S		93,300	D	23.98			
Common Stock	2/27/03	<u> </u>	S S		10,800	D	23.99			
Common Stock	2/27/03		S		46,700	D	24.00			
Common Stock	2/27/03		S S		19,600	D	24.00	1,209,498,600	D	
Common Stock								736	I	Through an entity owned by the reporting person
Common Stock								428,520*	I	Held by spouse

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of 2. Conversion or Derivative Exercise Price of Security Derivative (Instr. 3) Security	3 34 Deemed	3A. Deemed	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 Underlying Securities (Instr. 3 and 4)			9. Number of Derivative Securities	10. Ownership Form of	11. Nature	
	Exercise Price of Derivative	Transaction Date	Execution Date, if any	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	8. Price of Derivative Security	Beneficially Owned Following Reported Transaction(s)	Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)	of Indirect Beneficial Ownership (Instr. 4)

Explanation of Responses:

* The reporting officer 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 for any other purpose.

/s/ Michael Larson
** Signature of Reporting Person

2/27/03 Date

Attorney-in-fact.

Duly authorized under Special Power of Attorney appointing Michael Larson attorney-in-fact, dated March 14, 2001, by and on behalf of William H. Gates III, filed as Exhibit B to Cascade Investment's Amendment No. 1 to Schedule 13D with respect to Pan American Silver Corp. on March 19, 2001, SEC File No. 005-52919, and incorporated by reference herein.

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.

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