

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

OMB APPROVAL	
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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>COLE DAVID WAYNE</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) <u>Senior Vice President</u>		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <u>12/11/2003</u>			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		
<u>ONE MICROSOFT WAY</u>			4. If Amendment, Date of Original Filed (Month/Day/Year)					
(Street)	<u>REDMOND</u>	<u>WA</u>	<u>98053-6399</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								38,920	D	
Common Stock								10	I	By dependent child
Common Stock								10	I	By dependent child
Common Stock								10	I	By dependent child

**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	Amount or Number of Shares				
Employee Stock Option (Right to Buy)	\$42.9063 <sup>(1)</sup>	12/11/2003		j <sup>(2)</sup>		12,000 <sup>(1)</sup>		07/30/2000 <sup>(3)</sup>	07/30/2006	Common Stock	12,000 <sup>(1)</sup>	\$0.4154 <sup>(2)</sup>	0	D	
Employee Stock Option (Right to Buy)	\$44.9063 <sup>(4)</sup>	12/11/2003		j <sup>(2)</sup>		60,000 <sup>(4)</sup>		11/22/2000 <sup>(5)</sup>	11/22/2009	Common Stock	60,000 <sup>(4)</sup>	\$0.4069 <sup>(2)</sup>	0	D	
Employee Stock Option (Right to Buy)	\$45.3125 <sup>(6)</sup>	12/11/2003		j <sup>(2)</sup>		2,000,000 <sup>(6)</sup>		09/06/2001 <sup>(7)</sup>	03/06/2010	Common Stock	2,000,000 <sup>(6)</sup>	\$0.114 <sup>(2)</sup>	0	D	
Employee Stock Option (Right to Buy)	\$33.3125 <sup>(8)</sup>	12/11/2003		j <sup>(2)</sup>		12,000 <sup>(8)</sup>		04/24/2001 <sup>(3)</sup>	04/24/2007	Common Stock	12,000 <sup>(8)</sup>	\$1.9644 <sup>(2)</sup>	0	D	
Employee Stock Option (Right to Buy)	\$33.3125 <sup>(9)</sup>	12/11/2003		j <sup>(2)</sup>		60,000 <sup>(9)</sup>		04/24/2001 <sup>(5)</sup>	04/24/2010	Common Stock	60,000 <sup>(9)</sup>	\$1.9644 <sup>(2)</sup>	0	D	
Employee Stock Option (Right to Buy)	\$33.3125 <sup>(10)</sup>	12/11/2003		j <sup>(2)</sup>		1,000,000 <sup>(10)</sup>		10/24/2001 <sup>(7)</sup>	04/24/2010	Common Stock	1,000,000 <sup>(10)</sup>	\$1.9644 <sup>(2)</sup>	0	D	
Employee Stock Option (Right to Buy)	\$27.9375 <sup>(11)</sup>							08/20/2002 <sup>(7)</sup>	02/20/2011	Common Stock	1,000,000 <sup>(11)</sup>		1,000,000 <sup>(11)</sup>	D	
Employee Stock Option (Right to Buy)	\$6.9161 <sup>(12)</sup>							01/15/2000 <sup>(13)</sup>	07/15/2006	Common Stock	979,200 <sup>(12)</sup>		979,200 <sup>(12)</sup>	D	

Explanation of Responses:

1. This option was previously reported as an option for 6,000 shares with an exercise price of \$85.8125 per share, but was adjusted to reflect a 2-for-1 stock split effective February 14, 2003.
2. The reporting person has elected to transfer these options to JPMorgan Chase Bank under the Microsoft Stock Option Transfer Program, which is described in the Schedule TO filed with the Securities and Exchange Commission on October 15, 2003, as amended. The payment to the reporting person for each such option is reported in Item 8 of Table II of this Form 4. One-third of the total payment is expected to be paid no later than December 31, 2003. One-half of the remainder of the total payment, plus interest equivalent for this payment, is scheduled to be made in December 2005 and the remaining amount, plus interest equivalent for this payment, is scheduled to be made in December 2006. The payments in 2005 and 2006 are contingent upon continued employment with Microsoft.
3. The option vests over 4-1/2 years at the rate of 12.5% after 12 months from the date of grant and then at the rate of 12.5% each 6 months thereafter.
4. This option was previously reported as an option for 30,000 shares with an exercise price of \$89.81 per share, but was adjusted to reflect a 2-for-1 stock split effective February 14, 2003.
5. The option vests over 7 years at the rate of 7.7% after 12 months from the date of grant and then at the rate of 7.7% each 6 months thereafter.
6. This option was previously reported as an option for 1,000,000 shares with an exercise price of \$90.63 per share, but was adjusted to reflect a 2-for-1 stock split effective February 14, 2003.
7. The option vests over 5 years at the rate of 12.5% after 18 months from the date of grant and then at the rate of 12.5% each 6 months thereafter.
8. This option was previously reported as an option for 6,000 shares with an exercise price of \$66.63 per share, but was adjusted to reflect a 2-for-1 stock split effective February 14, 2003.
9. This option was previously reported as an option for 30,000 shares with an exercise price of \$66.63 per share, but was adjusted to reflect a 2-for-1 stock split effective February 14, 2003.
10. This option was previously reported as an option for 500,000 shares with an exercise price of \$66.63 per share, but was adjusted to reflect a 2-for-1 stock split effective February 14, 2003.
11. This option was previously reported as an option for 500,000 shares with an exercise price of \$55.88 per share, but was adjusted to reflect a 2-for-1 stock split effective February 14, 2003.
12. This option was previously reported as an option for 489,600 shares with an exercise price of \$13.8281 per share, but was adjusted to reflect a 2-for-1 stock split effective February 14, 2003.
13. The option vests 1/3 on 1/15/2000, 1/3 on 1/15/2002 and 1/3 on 1/15/2004.

**Remarks:**

Keith R. Dolliver, Attorney-in-  
Fact for David W. Cole

12/12/2003

\*\* 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.

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