

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>RUDDER ERIC D</u> (Last) (First) (Middle) <u>ONE MICROSOFT WAY</u> (Street) <u>REDMOND WA 98052-6399</u> (City) (State) (Zip)	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>
	3. Date of Earliest Transaction (Month/Day/Year) <u>09/04/2003</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

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	09/04/2003		M		200,960	A	\$6.9141	240,380	I	Eric D. Rudder and Elizabeth Savage FBO Revocable Living Trust
Common Stock	09/04/2003		S		50,000	D	\$28.37	190,380	I	Eric D. Rudder and Elizabeth Savage FBO Revocable Living Trust
Common Stock	09/04/2003		S		75,000	D	\$28.36	115,380	I	Eric D. Rudder and Elizabeth Savage FBO Revocable Living Trust
Common Stock	09/04/2003		S		75,500	D	\$28.35	39,880	I	Eric D. Rudder and Elizabeth Savage FBO Revocable Living Trust
Common Stock								40,852	I	Eric D. Rudder and Elizabeth Savage, Joint Tenants
Common Stock	07/31/2003		F	V	720	D	\$26.41	12,880	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. 6)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
Employee Stock Option (Right to Buy)	\$6.9141 ⁽¹⁾	09/04/2003		M	200,960 ⁽¹⁾	07/15/2000 - 07/15/2006	Common Stock	\$0	352,000 ⁽¹⁾ (s)	D	

Explanation of Responses:

1. This option was previously reported as covering 276,480 shares at \$13.83 per share, but is adjusted to reflect a 2-for-1 stock split effective February 14, 2003.

Remarks:

Keith Dolliver, Attorney-in-Fact 09/05/2003
for Eric D. Rudder

** 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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