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FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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 APPR	ted average burden			
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1. Name and Address of Reporting Pers GATES WILLIAM H III	son*	2. Issuer Name and Ticker or Trading Symbol MICROSOFT CORP [MSFT]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) X Director X 10% Owner					
(Last) (First) (Middle) ONE MICROSOFT WAY		3. Date of Earliest Transaction (Month/Day/Year) 08/02/2004	X	Officer (give title below) Chairman o	f the I	Other (specify below)		
(Street) REDMOND WA (City) (State)	98052 (Zip)	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Indiv Line) X	idual or Joint/Group Form filed by One Form filed by More Person	Report	ing 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 Disposed Of	Acquired D) (Instr.	(A) or 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported	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	Transaction(s) (Instr. 3 and 4)		
Common Stock	08/02/2004		S		50,000	D	\$28.52	1,111,449,336	D	
Common Stock	08/02/2004		S		25,000	D	\$28.49	1,111,424,336	D	
Common Stock	08/02/2004		S		25,000	D	\$28.44	1,111,399,336	D	
Common Stock	08/02/2004		S		7,700	D	\$28.43	1,111,391,636	D	
Common Stock	08/02/2004		S		6,462	D	\$28.42	1,111,385,174	D	
Common Stock	08/02/2004		S		3,900	D	\$28.41	1,111,381,274	D	
Common Stock	08/02/2004		S		347,926	D	\$28.4	1,111,033,348	D	
Common Stock	08/02/2004		S		100,000	D	\$28.38	1,110,933,348	D	
Common Stock	08/02/2004		S		100,000	D	\$28.37	1,110,833,348	D	ĺ
Common Stock	08/02/2004		S		103,500	D	\$28.36	1,110,729,848	D	ĺ
Common Stock	08/02/2004		S		276,500	D	\$28.35	1,110,453,348	D	
Common Stock	08/02/2004		S		50,000	D	\$28.34	1,110,403,348	D	
Common Stock	08/02/2004		S		50,000	D	\$28.33	1,110,353,348	D	
Common Stock	08/02/2004		S		45,000	D	\$28.32	1,110,308,348	D	
Common Stock	08/02/2004		S		50,000	D	\$28.3	1,110,258,348	D	
Common Stock	08/02/2004		S		59,012	D	\$28.24	1,110,199,336	D	
Common Stock	08/02/2004		S		84,863	D	\$28.23	1,110,114,473	D	
Common Stock	08/02/2004		S		226,717	D	\$2 <mark>8.2</mark> 2	1,109,887,756	D	
Common Stock	08/02/2004		S		90,145	D	\$28.21	1,109,797,611	D	
Common Stock	08/02/2004		S		83,275	D	\$28.2	1,109,714,336	D	
Common Stock	08/02/2004		S		36,853	D	\$28.19	1,109,677,483	D	
Common Stock	08/02/2004		S		141,147	D	\$28.179	1,109,536,336	D	
Common Stock	08/02/2004		S		37,000	D	\$28.17	1,109,499,336(1)	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. 3. Transaction Date (Month/Day/Year) 3A. Deemed Execution Date if any (Month/Day/Year)	4.5. 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)
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		Ta	ble II - Deriva (e.g., p					ired, Disp options, o		le sec	or	y Owned			
1. Title of Derivative	2. Conversion	3. Transaction	3A. Deemed Execution Date,	C .ode Transa	V	(6A)Nu	m(160e)r	ExDecties Elatero	isDatatlee and		aSolidiares	8. Price of Derivative	9. Number of derivative	10. Ownership	11. Nature of Indirect
Banantation	of Bespises Price of Derivative Oscillative Security	efMonth/Day/Vear)	if any reporting person's sp urities for purpose o	Code	Instr	Deriv Secu Acqu (A) of Dispo of (D) (Instr and 5) . 3, 4	(Month/Dav/)	(ear) ial ownership <u>M</u>	Securit Underly Derivat Securit and 4)	ies Ving Ive y (Instr. 3 Larson, O	Security (Instr.5) ad this report	Securities Beneficially Source De deem Following Reported Transaction(s)	Form: Direct (D) of Indirect (I) (Instr. 4)	Beneficial Ownership (Instr. 4)
				Code	v	(A)	(D)	Date Exercisable	A <u>at</u> W Expiratic Date In	uthorize torney ('illiam I 19/200 vestme	I. Gates	<u>power of</u> 4/2001 by III, filed o scade dule 13D,	· U0/U4/2UU	<u>4</u>	

** 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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