

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

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|--|--|---|--|---|--|
| 1. Name and Address of Reporting Person* Muglia, Robert Lewis (Last) (First) (Middle) One Microsoft Way (Street) Redmond, WA 98052 (City) (State) (Zip) | | 2. Issuer Name and Ticker or Trading Symbol Microsoft Corporation, MSFT | | 6. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Group Vice President | |
| | | 3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary) | | 4. Statement for Month/Day/Year 01/06/03 | |
| | | 5. If Amendment, Date of Original (Month/Day/Year) | | 7. 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 & 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 & 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|---------|---|--|---|
| | | | | Amount | (A) or (D) | Price | | | |
| Common Stock | 01/06/03 | | M | 10,000 | A | \$11.31 | | | |
| Common Stock | 01/06/03 | | S | 10,000 | D | \$55.00 | 34,511 | D | |
| Common Stock | | | | | | | 2,880 | I | Held by spouse |
| Common Stock | | | | | | | 3,600 | I | Held in IRA account |
| Common Stock | | | | | | | 31,210 | I | Held in 401(k) account |
| Common Stock | | | | | | | 9,550 | I | Held by spouse 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 | 01/06/03 | | M | | 10,000 | 01/31/99 | 07/31/05 | Common stock | 10,000 | | 700,000 | D | |

Explanation of Responses:

By: /s/ **Keith R. Dolliver**

Keith R. Dolliver, Attorney-in-Fact for Robert L. Muglia

**Signature of Reporting Person

01/07/03

Date

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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