### 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 APPROVAL

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 H.  (Last) (First) (Middle)  One Microsoft Way  (Street)  Redmond WA 98052-6399  (City) (State) (Zip)  2. Issuer Name and Ticker or Trading Symbol  MICROSOFT CORPORATION (MSFT)  3. 1.R.S. Identification Number of Reporting Person, if an entity (voluntary) | 4. Statement for (Month/Day/Year)  2/18/2003  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 title below) Other (specify below)  Chairman of the Board; Chief Software Architect  7. Individual or Joint/Group Filing (Check Applicable Line)  X Form filed by One Reporting Person Form filed by More than One Reporting Person |
|---|--|---|
|---|--|---|

#### Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of<br>Security | 2.<br>Transaction<br>Date<br>(Month/Day/ | 2A. Deemed<br>Execution<br>Date, if any<br>(Month/Day/ | 3. Transaction Code<br>(Instr. 8) |   | 4. Securities<br>(Instr. 3, 4 a |            | or Disposed of (D) | Beneficially<br>Owned<br>Following<br>Reported | 6.<br>Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I) | 7. Nature<br>of Indirect<br>Beneficial<br>Ownership |
|-------------------------|--|--|-----------------------------------|---|---------------------------------|------------|--------------------|--|--|---|
| (Instr. 3)              | Year)                                    | Year)  | Code                              | V | Amount                          | (A) or (D) | Price              | (Instr. 3 and 4)                               | (Instr. 4)   | (Instr. 4)  |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 10,000                          | D          | 24.56              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | s                                 |   | 10,000                          | D          | 24.57              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 20,000                          | D          | 24.59              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 18,700                          | D          | 24.60              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 20,000                          | D          | 24.61              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 10,000                          | D          | 24.62              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 10,000                          | D          | 24.63              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | s                                 |   | 20,000                          | D          | 24.64              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 10,000                          | D          | 24.65              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 20,000                          | D          | 24.67              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 111,496                         | D          | 24.69              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 7,987                           | D          | 24.70              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 10,000                          | D          | 24.71              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 22,900                          | D          | 24.72              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 64,900                          | D          | 24.73              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 165,196                         | D          | 24.75              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 357,577                         | D          | 24.76              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 110,604                         | D          | 24.77              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 140,854                         | D          | 24.78              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 84,586                          | D          | 24.79              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 15,900                          | D          | 24.80              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 39,300                          | D          | 24.81              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 65,000                          | D          | 24.82              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | s                                 |   | 20,000                          | D          | 24.83              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 20,000                          | D          | 24.84              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 146,900                         | D          | 24.85              |  |  |   |
| Common<br>Stock         | 2/18/2003                                |  | S                                 |   | 62,200                          | D          | 24.86              |  |  |   |
|                         |  |  |                                   |   |                                 |            |                    |  |  |   |

| Common<br>Stock | 2/18/2003 | S | 161,400 | D | 24.87 |               |   |  |
|-----------------|-----------|---|---------|---|-------|---------------|---|--|
| Common<br>Stock | 2/18/2003 | s | 120,000 | D | 24.88 |               |   |  |
| Common<br>Stock | 2/18/2003 | s | 53,800  | D | 24.89 |               |   |  |
| Common<br>Stock | 2/18/2003 | S | 68,300  | D | 24.90 |               |   |  |
| Common<br>Stock | 2/18/2003 | s | 2,400   | D | 24.91 | 1,217,498,600 | D |  |
| Common<br>Stock |           |   |         |   |       | 736           | I | Through<br>an entity<br>owned by<br>the<br>reporting<br>person |
| Common<br>Stock |           |   |         |   |       | 428,520*      | I | Held by spouse   |

<sup>\*</sup> 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.

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

|   |   | 3. 3A. Deemed                               |   | Code |   | Disposed of (D) |     | 6. Date Exercisable and Expiration Date (Month/Day/Year) |                    | 7. Title and<br>Amount of<br>Underlying<br>Securities<br>(Instr. 3 and 4) |                                     |   | 9. Number of<br>Derivative Securities                                    | 10. Ownership<br>Form of                                     | 11. Nature   |
|---|---|---|---|------|---|-----------------|-----|--|--------------------|---|-------------------------------------|---|--|--|--|
| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion or<br>Exercise Price of<br>Derivative<br>Security | Transaction<br>Date<br>(Month/Day/<br>Year) | Execution<br>Date, if any<br>(Month/Day/<br>Year) | Code | V | (A)             | (D) | Date<br>Exercisable                                      | Expiration<br>Date | Title   | Amount<br>or<br>Number<br>of Shares | 8. Price of<br>Derivative<br>Security<br>(Instr. 5) | Beneficially Owned<br>Following Reported<br>Transaction(s)<br>(Instr. 4) | Derivative Securities: Direct (D) or Indirect (I) (Instr. 4) | of Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|   |   |   |   |      |   |                 |     |  |                    |   |                                     |   |  |  |  |
|   |   |   |   |      |   |                 |     |  |                    |   |                                     |   |  |  |  |
|   |   |   |   |      |   |                 |     |  |                    |   |                                     |   |  |  |  |
|   |   |   |   |      | Н |                 |     |  |                    |   |                                     |   |  |  |  |
|   |   |   |   |      |   |                 |     |  |                    |   |                                     |   |  |  |  |
|   |   |   |   |      | Ш |                 |     |  |                    |   |                                     |   |  |  |  |
|   |   |   |   |      |   |                 |     |  |                    |   |                                     |   |  |  |  |

| Explanation | οf | Responses: |
|-------------|----|------------|
|             |    |            |

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

| /s/ Michael Larson               | 2/18/03 |
|----------------------------------|---------|
| ** Signature of Reporting Person | 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.

http://www.sec.gov/divisions/corpfin/forms/form4.htm

Last update: 09/05/2002