

**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

<p>1. Name and Address of Reporting Person *</p> <p style="text-align: center;"><b>Gates, III William H.</b></p> <p style="text-align: center;">(Last) (First) (Middle)</p> <p style="text-align: center;"><b>One Microsoft Way</b></p> <p style="text-align: center;">(Street)</p> <p style="text-align: center;"><b>Redmond WA 98052-6399</b></p> <p style="text-align: center;">(City) (State) (Zip)</p>	<p>2. Issuer Name and Ticker or Trading Symbol</p> <p style="text-align: center;"><b>MICROSOFT CORPORATION (MSFT)</b></p> <p>3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)</p>	<p>4. Statement for (Month/Day/Year)</p> <p style="text-align: center;"><b>2/18/2003</b></p> <p>5. If Amendment, Date of Original (Month/Day/Year)</p>	<p>6. Relationship of Reporting Person(s) to Issuer (Check all applicable)</p> <p><input checked="" type="checkbox"/> Director  <input checked="" type="checkbox"/> 10% Owner  <input checked="" type="checkbox"/> Officer (give title below)  <input type="checkbox"/> Other (specify below)</p> <p style="text-align: center;"><b>Chairman of the Board; Chief Software Architect</b></p> <p>7. Individual or Joint/Group Filing (Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person  <input type="checkbox"/> Form filed by More than One Reporting Person</p>
---	--	--	---

**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	2/18/2003		S		10,000	D	24.56			
Common Stock	2/18/2003		S		10,000	D	24.57			
Common Stock	2/18/2003		S		20,000	D	24.59			
Common Stock	2/18/2003		S		18,700	D	24.60			
Common Stock	2/18/2003		S		20,000	D	24.61			
Common Stock	2/18/2003		S		10,000	D	24.62			
Common Stock	2/18/2003		S		10,000	D	24.63			
Common Stock	2/18/2003		S		20,000	D	24.64			
Common Stock	2/18/2003		S		10,000	D	24.65			
Common Stock	2/18/2003		S		20,000	D	24.67			
Common Stock	2/18/2003		S		111,496	D	24.69			
Common Stock	2/18/2003		S		7,987	D	24.70			
Common Stock	2/18/2003		S		10,000	D	24.71			
Common Stock	2/18/2003		S		22,900	D	24.72			
Common Stock	2/18/2003		S		64,900	D	24.73			
Common Stock	2/18/2003		S		165,196	D	24.75			
Common Stock	2/18/2003		S		357,577	D	24.76			
Common Stock	2/18/2003		S		110,604	D	24.77			
Common Stock	2/18/2003		S		140,854	D	24.78			
Common Stock	2/18/2003		S		84,586	D	24.79			
Common Stock	2/18/2003		S		15,900	D	24.80			
Common Stock	2/18/2003		S		39,300	D	24.81			
Common Stock	2/18/2003		S		65,000	D	24.82			
Common Stock	2/18/2003		S		20,000	D	24.83			
Common Stock	2/18/2003		S		20,000	D	24.84			
Common Stock	2/18/2003		S		146,900	D	24.85			
Common Stock	2/18/2003		S		62,200	D	24.86			

