

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

<b>1. Name and Address of Reporting Person*</b> <u>COLE DAVID WAYNE</u> _____ (Last) (First) (Middle) <u>ONE MICROSOFT WAY</u> _____ (Street) <u>REDMOND WA 98053-6399</u> _____ (City) (State) (Zip)			<b>2. Issuer Name and Ticker or Trading Symbol</b> <u>MICROSOFT CORP [ MSFT ]</u>			<b>5. Relationship of Reporting Person(s) to Issuer</b> (Check all applicable) Director _____ 10% Owner _____ <input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) _____ <p style="text-align: center;"><b>Senior Vice President</b></p>		
			<b>3. Date of Earliest Transaction (Month/Day/Year)</b> <u>08/05/2003</u>					
			<b>4. If Amendment, Date of Original Filed (Month/Day/Year)</b>			<b>6. Individual or Joint/Group Filing (Check Applicable Line)</b> <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	08/05/2003		M		441,200	A	\$5.6563	472,050	D	
Common Stock	08/05/2003		S		50,000	D	\$26.1	422,050	D	
Common Stock	08/05/2003		S		15,834	D	\$26.11	406,205	D	
Common Stock	08/05/2003		S		37,698	D	\$26.12	368,507	D	
Common Stock	08/05/2003		S		7,349	D	\$26.13	361,158	D	
Common Stock	08/05/2003		S		159,058	D	\$26.14	202,100	D	
Common Stock	08/05/2003		S		25,000	D	\$26.15	177,100	D	
Common Stock	08/05/2003		S		145,339	D	\$26.19	31,761	D	
Common Stock	08/05/2003		S		400	D	\$26.192	31,361	D	
Common Stock	08/05/2003		S		100	D	\$26.24	31,261	D	
Common Stock	08/05/2003		S		311	D	\$26.241	30,950	D	
Common Stock	08/05/2003		S		100	D	\$26.244	30,850	D	
Common Stock								10	I	By dependent child
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**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. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Employee Stock Option (Right to Buy)	\$5.6563 <sup>(1)</sup>	08/05/2003		M		441,200 <sup>(1)</sup>		07/31/1999 <sup>(2)</sup>	07/31/2005	Common Stock	441,200 <sup>(1)</sup>	\$0	0	D	

**Explanation of Responses:**

- 1. This option was previously report as covering 220,600 shares at \$11.31 per share, but is adjusted to reflect a 2-for-1 stock split effective February 14, 2003.
- 2. 145,339 shares became exercisable on January 31, 2001.

**Remarks:**

Shauna L. Vernal, Attorney-in-Fact for David W. Cole

08/06/2003

\*\* 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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