

COURTOIS JEAN PHILIPPE

Form 4

November 12, 2004

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 OF
SECURITIES**

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
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(Print or Type Responses)

1. Name and Address of Reporting Person *
COURTOIS JEAN PHILIPPE

(Last) (First) (Middle)

ONE MICROSOFT WAY

(Street)

REDMOND, WA 98052-6399

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
MICROSOFT CORP [MSFT]

3. Date of Earliest Transaction
(Month/Day/Year)
11/10/2004

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
X Officer (give title below) ____ Other (specify
below) below)

Senior Vice President

6. 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 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							440,160	D	
Common Stock							66,133	I	Held through "contrats de capitalization" <u>(1)</u>
Common Stock							66,133	I	Held through "contrats de capitalization" <u>(1)</u>
							66,133	I	

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Common Stock								Held through "contrats de capitalization" (1)
Common Stock	11/10/2004	S	722,912	D	\$ 29.72	0	I	By Trust (2)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

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 Underlying Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Equity Swap (Obligation to Purchase)	\$ 29.72	11/10/2004		J/K ⁽³⁾⁽⁴⁾		1		05/16/2005	05/16/2005	Common Stock	722,912

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
COURTOIS JEAN PHILIPPE ONE MICROSOFT WAY REDMOND, WA 98052-6399	Senior Vice President

Signatures

Keith R. Dolliver, Attorney-in-Fact for Jean-Philippe
Courtois

11/11/2004

**Signature of Reporting Person

Date

Explanation of Responses:

* 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).

(1) Held through "contrats de capitalization," a form of life insurance program for the benefit of the reporting person's three minor children, where the reporting person maintains investment control over the Microsoft shares held in the program. The reporting person 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 any other purpose.

(2) The reporting person is the Settlor of the Trust and not a Trustee or beneficiary of the Trust. The reporting person therefore disclaims beneficial ownership of all securities held by the Trust, and this report should not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.

(3) On November 10, 2004, the Trust entered into an equity swap agreement with a securities broker covering 722,912 Microsoft shares (the "Shares") under which, on the expiration date of the agreement (May 16, 2005), one of the following will occur: (i) if the market price of Microsoft stock on the expiration date is above \$29.72, the broker will pay the Trust an amount equal to the difference between the market price and \$29.72 multiplied by the number of Shares; (ii) if the market price of Microsoft stock on the expiration date is below \$29.72, the Trust will pay the broker an amount equal to the difference between \$29.72 and the market price multiplied by the number of Shares; or (iii) if the market price on the expiration date equals \$29.72, no payment will be made by either party. An amount equal to any dividends payable on the Shares during the term of the agreement will be paid in cash by the broker to the Trust, less applicable withholding taxes.

(4) During the term of the agreement, the Trust will pay the broker a fee equal to the 3-month USD LIBOR rate plus 10 basis points multiplied by the value of the Shares.

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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