

MUNDIE CRAIG J  
Form 4  
February 28, 2003

**FORM 4**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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

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|  |         |          |   |  |  |  |  |  |
|--|---------|----------|---|--|--|--|--|--|
| 1. Name and Address of Reporting Person* |         |          | 2. Issuer Name and Ticker or Trading Symbol   |  |  | 6. Relationship of Reporting Person(s) to Issuer (Check all applicable)  |  |  |
| <b>Mundie, Craig J.</b>                  |         |          | <b>Microsoft Corporation (MSFT)</b>   |  |  | <input type="checkbox"/> Director<br><input type="checkbox"/> 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below)<br>Other (specify below)   |  |  |
| (Last)                                   | (First) | (Middle) | 3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)         |  |  | 4. Statement for Month/Day/Year<br><b>02/27/03</b>   |  |  |
| <b>Microsoft Corporation</b>             |         |          |   |  |  |  |  |  |
| (Street)                                 |         |          | 5. If Amendment, Date of Original (Month/Day/Year)                                    |  |  | 7. Individual or Joint/Group Filing (Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> Form filed by More than One Reporting Person |  |  |
| <b>Redmond, WA 98052-6399</b>            |         |          |   |  |  |  |  |  |
| (City)                                   | (State) | (Zip)    | <b>Table I Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned</b> |  |  |  |  |  |

| 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|----------|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price    |   |  |                                   |
| Common Stock                    | 02/27/03                             |  | M                              |   | 400,000   | A          | \$2.9844 |   |  |                                   |
| Common Stock                    | 02/27/03                             |  | S                              |   | 20,000  | D          | \$23.36  |   |  |                                   |
| Common Stock                    | 02/27/03                             |  | S                              |   | 80,000  | D          | \$23.40  |   |  |                                   |
| Common Stock                    | 02/27/03                             |  | S                              |   | 25,000  | D          | \$23.46  |   |  |                                   |
| Common Stock                    | 02/27/03                             |  | S                              |   | 50,000  | D          | \$23.47  |   |  |                                   |
| Common Stock                    | 02/27/03                             |  | S                              |   | 25,000  | D          | \$23.48  |   |  |                                   |
| Common Stock                    | 02/27/03                             |  | S                              |   | 75,000  | D          | \$23.50  |   |  |                                   |
| Common Stock                    | 02/27/03                             |  | S                              |   | 10,000  | D          | \$23.52  |   |  |                                   |

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|              |          |  |   |  |        |   |         |  |                      |   |
|--------------|----------|--|---|--|--------|---|---------|--|----------------------|---|
| Common Stock | 02/27/03 |  | S |  | 15,000 | D | \$23.53 |  |                      |   |
| Common Stock | 02/27/03 |  | S |  | 25,000 | D | \$23.55 |  |                      |   |
| Common Stock | 02/27/03 |  | S |  | 35,000 | D | \$23.57 |  |                      |   |
| Common Stock | 02/27/03 |  | S |  | 15,000 | D | \$23.58 |  |                      |   |
| Common Stock | 02/27/03 |  | S |  | 25,000 | D | \$23.59 |  | 2,204 <sup>(1)</sup> | D |

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<br>(Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed Execution Date, if any<br>(Month/Day/Year) | 4. Transaction Code<br>(Instr. 8) |   | 5. Number of Derivative Securities Acquired (A) or Disposed of (D)<br>(Instr. 3, 4 & 5) |     | 6. Date Exercisable and Expiration Date<br>(Month/Day/Year) |                 | 7. Title and Amount of Underlying Securities<br>(Instr. 3 & 4) |                            | 8. Price of Derivative Security<br>(Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s)<br>(Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I)<br>(Instr. 4) | 11. Name of Beneficial Owner<br>(Instr. 4) |
|---|--|---|---|-----------------------------------|---|---|-----|---|-----------------|--|----------------------------|---|---|---|--|
|   |  |   |   | Code                              | V | (A)   | (D) | Date Exercisable  | Expiration Date | Title  | Amount or Number of Shares |   |   |   |  |
| Employee Stock Option (Right to Buy)          | \$2.9844 <sup>(2)</sup>                                | 02/27/03                                |   | M                                 |   | 400,000 <sup>(2)</sup>  |     | 1/21/02   | 7/21/04         | Common Stock   | 400,000 <sup>(2)</sup>     |   | 0   |   |  |

Explanation of Responses:

- (1) Adjusted to reflect a 2-for-1 stock split effective February 14, 2003.
- (2) This option was previously reported as covering 200,000 shares at \$5.9688 per share, but is adjusted to reflect a 2-for-1 stock split effective February 14, 2003.

By: /s/ **Shauna L. Vernal, Attorney-in-Fact for** **02/28/03**  
**Craig J. Mundie** Date  
 \*\*Signature of Reporting Person

\*\*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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