

COURTOIS JEAN PHILIPPE
 Form 4
 November 12, 2004

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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

(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
 Officer (give title below) Other (specify below)
Senior Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
 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)
Common Stock				(A) Amount Price	440,160	D	
Common Stock				(A) Amount Price	66,133	I	Held through "contrats de capitalization" (1)
Common Stock				(A) Amount Price	66,133	I	Held through "contrats de capitalization" (1)
				(A) Amount Price	66,133	I	

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.

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.