

SHIRLEY JON A
Form 4
January 06, 2005

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 *
SHIRLEY JON A

(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)
01/04/2005

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)

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	01/04/2005		A	V 4,000 (1)	A \$ 0 2,050,750	D	
Common Stock	12/27/2004		G	V 18,000	D \$ 0 2,033,194 (2)	D	
Common Stock					1,308,940	I	Shirley Family Limited Partnership

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form

SEC 1474 (9-02)

displays a currently valid OMB control number.

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 or Number of Shares
Stock Option (Right to Buy) #0134943	\$ 31.725 <u>(3)</u>					01/04/2000	01/04/2009	Common Stock	22,222
Stock Option (Right to Buy) #0168540	\$ 44.0438 <u>(4)</u>					01/31/2001	01/31/2010	Common Stock	11,111
Stock Option (Right to Buy) #0283212	\$ 27.2532 <u>(5)</u>					01/23/2002 ⁽⁶⁾	01/23/2008	Common Stock	22,222
Stock Option (Right to Buy) #0316194	\$ 29.007 <u>(7)</u>					01/22/2003 ⁽⁸⁾	01/22/2012	Common Stock	22,222
Stock Option (Right to Buy) #0372478	\$ 24.174 <u>(9)</u>					02/13/2004 ⁽¹⁰⁾	02/13/2013	Common Stock	22,222

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

Edgar Filing: SHIRLEY JON A - Form 4

Director 10% Owner Officer Other

SHIRLEY JON A
ONE MICROSOFT WAY X
REDMOND, WA 98052-6399

Signatures

Keith R. Dolliver, Attorney-in-Fact for Jon A.
Shirley

01/06/2005

__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) Represents stock award which shall vest over 5 years at the rate of 20% on the first anniversary of the date of grant and then at the rate of 20% on each of the following four anniversaries thereafter, subject to continuous service on the Board of Directors.
- (2) Includes an increase of 444 shares to the existing 1/5/04 stock award in connection with the \$3.00 special dividend payable to shareholders of record on November 17, 2004.

This option was previously reported as an option covering 10,000 shares at an exercise price of \$70.50 per share, and has been adjusted as a result of a 2-for-1 stock split on February 14, 2003. This option has been further adjusted in connection with the \$3.00 special dividend payable to shareholders of record on November 17, 2004.
- (3) This option was previously reported as an option covering 5,000 shares at an exercise price of \$97.88 per share, and has been adjusted as a result of a 2-for-1 stock split on February 14, 2003. This option has been further adjusted in connection with the \$3.00 special dividend payable to shareholders of record on November 17, 2004.
- (4) This option was previously reported as an option covering 10,000 shares at an exercise price of \$60.56 per share, and has been adjusted as a result of a 2-for-1 stock split on February 14, 2003. This option has been further adjusted in connection with the \$3.00 special dividend payable to shareholders of record on November 17, 2004.
- (5) The option vests at the rate of 1/8 on January 23, 2002 and additional 1/8 increments every six months thereafter.

This option was previously reported as an option covering 10,000 shares at an exercise price of \$64.46 per share, and has been adjusted as a result of a 2-for-1 stock split on February 14, 2003. This option has been further adjusted in connection with the \$3.00 special dividend payable to shareholders of record on November 17, 2004.
- (6) The option vests at the rate of 1/8 on January 22, 2003 and additional 1/8 increments every six months thereafter.

This option was previously reported as an option covering 10,000 shares at an exercise price of \$53.72 per share, and has been adjusted as a result of a 2-for-1 stock split on February 14, 2003. This option has been further adjusted in connection with the \$3.00 special dividend payable to shareholders of record on November 17, 2004.
- (7) The option vests at the rate of 1/4 on February 13, 2004 and additional 1/8 increments every six months thereafter.
- (8) The option vests at the rate of 1/4 on February 13, 2004 and additional 1/8 increments every six months thereafter.
- (9) The option vests at the rate of 1/4 on February 13, 2004 and additional 1/8 increments every six months thereafter.
- (10) The option vests at the rate of 1/4 on February 13, 2004 and additional 1/8 increments every six months thereafter.

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.