

BACH ROBERT J
Form 4
November 17, 2004

FORM 4

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

OMB APPROVAL

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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 *
BACH ROBERT J

(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)
11/15/2004

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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	11/15/2004		M	40,800	A \$ 5.0907	147,339	D
Common Stock	11/15/2004		S	2,800	D \$ 27.4	144,539	D
Common Stock	11/15/2004		S	1,000	D \$ 27.39	143,539	D
Common Stock	11/15/2004		S	2,000	D \$ 27.38	141,539	D
Common Stock	11/15/2004		S	2,000	D \$ 27.36	139,539	D

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Common Stock	11/15/2004	S	4,000	D	\$ 27.35	135,539	D
Common Stock	11/15/2004	S	6,000	D	\$ 27.33	129,539	D
Common Stock	11/15/2004	S	6,000	D	\$ 27.32	123,539	D
Common Stock	11/15/2004	S	2,000	D	\$ 27.31	121,539	D
Common Stock	11/15/2004	S	12,100	D	\$ 27.3	109,439	D
Common Stock	11/15/2004	S	900	D	\$ 27.29	108,539	D
Common Stock	11/15/2004	S	2,000	D	\$ 27.28	106,539	D

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

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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 Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Share
Employee Stock Option (Right to Buy) (#057652)	\$ 5.0907 <u>(1)</u>	11/15/2004		M	40,800	01/31/2001	07/31/2005	Common Stock	40,800 <u>(1)</u>

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other

BACH ROBERT J
ONE MICROSOFT WAY
REDMOND, WA 98052-6399

Senior Vice President

Signatures

Keith R. Dolliver, Attorney-in-Fact for Robert J.
Bach

11/16/2004

__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).

This option was previously reported as an option covering 82,960 shares at an exercise price of \$5.6563 per share, and has been adjusted (1) by the Board of Directors pursuant to the terms of the Microsoft Corporation [2001 Stock Plan/1991 Stock Option Plan], as amended and approved by the shareholders, in connection with the \$3.00 special dividend payable to shareholders of record on November 17, 2004.

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.