RASHID RICHARD F
Form 4
February 27, 2003

FORM 4

_ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

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

OMB APPROVAL

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

Filed By
Romeo and Dye's
Section 16 Filer
www.section16.net

1. Name and Address of Reporting Person* **Rashid, Richard F.** (Last) (First) (Middle) **One Microsoft Way** (Street) **Redmond, WA 98052-6399** (City) (State) (Zip)	2. Issuer Name **and** Ticker or Trading Symbol **Microsoft Corporation (MSFT)**		6. Relationship of Reporting Person(s) to Issuer (Check all applicable) _ Director 10% Owner **X** Officer (give title below) Other (specify below) **Senior Vice President**
	3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)	4. Statement for Month/Day/Year **02/26/03**	
		5. If Amendment, Date of Original (Month/Day/Year)	7. 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 & 5)			5. Amount of Securities Beneficially Owned Following Reported Transactions(s) (Instr. 3 & 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	**02/26/03**		**M**		**175,000**	**A**	**$2.31**			
Common Stock	**02/26/03**		**S**		**25,000**	**D**	**$24.00**			
Common Stock	**02/26/03**		**S**		**30,000**	**D**	**$24.02**			
Common Stock	**02/26/03**		**S**		**120,000**	**D**	**$24.01**	**14,280**[1]	**D**	
Common Stock								**802**[1]	**I**	**By spouse**
Common Stock								**5,822**[1][2]	**I**	**By 401(k)**

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).

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number

1

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 (Instr. 3)	2. Conver-sion or Exercise Price of Derivative Security	3. Trans-action Date (Month/ Day/ Year)	3A. Deemed Execution Date, if any (Month/ Day/ Year)	4. Trans-action Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 & 5)		6. Date Exercisable and Expiration Date (Month/Day/ Year)		7. Title and Amount of Underlying Securities (Instr. 3 & 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Owner-ship Form of Deriv-ative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Na of Ind of Benef Owne (Instr.
				Code	V	(A)	(D)	Date Exer-cisable	Expira-tion Date	Title	Amount or Number of Shares				
Employee Stock Option (Right to Buy)	$2.31[(3)]	2/26/03		M		175,000[(3)]		1/30/98	7/30/04	**Common Stock**	175,000[(3)]		**0**		

Explanation of Responses:

[(1)] Adjusted to reflect a 2-for-1 stock split effective February 14, 2003.

[(2)] Includes 30 shares acquired through the Microsoft 401(k) through January 31, 2003. This number is adjusted to reflect a 2-for-1 stock split effective February 14, 2003.

[(3)] This option was previously reported as covering 87,500 shares at $4.625 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**   **02/27/03**
          Richard F. Rashid   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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.