

MUGLIA ROBERT L  
Form 4  
January 21, 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).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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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

Filed By  
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1. Name and Address of Reporting Person*			2. Issuer Name <b>and</b> Ticker or Trading Symbol			6. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
<b>Muglia, Robert Lewis</b>			<b>Microsoft Corporation, MSFT</b>			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) 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		
<b>One Microsoft Way</b>						<b>01/16/03</b>		
(Street)						5. If Amendment, Date of Original (Month/Day/Year)		
<b>Redmond, WA 98052</b>						7. Individual or Joint/Group Filing (Check Applicable Line)		
						<input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		

1. Title of Security (Instr. 3)			2. Trans-action Date (Month/ Day/ Year)		2A. Deemed Execution Date, if any (Month/Day/ Year)		3. Trans-action Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 & 5)			5. Amount of Securities Beneficially Owned Follow-ing Reported Transactions(s) (Instr. 3 & 4)		6. Owner-ship 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			01/16/03				M		10,000	A	\$11.31					
Common Stock			01/16/03				S		12	D	\$56.37					
Common Stock			01/16/03				S		5,263	D	\$56.35					
Common Stock			01/16/03				S		1,525	D	\$56.34					
Common Stock			01/16/03				S		200	D	\$56.33					
Common Stock			01/16/03				S		3,000	D	\$56.26	34,511		D		
Common Stock												2,880		I		Held by spouse
Common Stock												3,600		I		Held in IRA account

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Common Stock								31,210	I	Held in 401(k) account
Common Stock								9,550	I	Held by spouse in 401(k) account

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 (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 & 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. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares						
Employee Stock Option (right to buy)	\$11.31	01/16/03		M			10,000	01/31/99	07/31/05	Common stock	10,000		690,000	D			

Explanation of Responses:

By: /s/ **Shauna L. Vernal** 01/17/03  
**Shauna L. Vernal, Attorney-in-Fact for Robert L. Muglia** 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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