

GATES WILLIAM H III
 Form 4
 November 19, 2004

FORM 4

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

OMB APPROVAL

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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 *
GATES WILLIAM H III

(Last) (First) (Middle)

ONE MICROSOFT WAY

(Street)

REDMOND, WA 98052

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
MICROSOFT CORP [MSFT]

3. Date of Earliest Transaction
 (Month/Day/Year)
11/17/2004

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)

Chairman of the Board

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		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)
			Code	V	Amount	(A) or (D) Price			
Common Stock	11/17/2004		S		50,000	D	\$ 27.32	1,093,449,336	D
Common Stock	11/17/2004		S		50,000	D	\$ 27.31	1,093,399,336	D
Common Stock	11/17/2004		S		100,000	D	\$ 27.3	1,093,299,336	D
Common Stock	11/17/2004		S		50,000	D	\$ 27.29	1,093,249,336	D
Common Stock	11/17/2004		S		200,000	D	\$ 27.28	1,093,049,336	D
	11/17/2004		S		100,000	D		1,092,949,336	D

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Common Stock						\$ 27.27		
Common Stock	11/17/2004		S	50,000	D	\$ 27.26	1,092,899,336	D
Common Stock	11/17/2004		S	100,000	D	\$ 27.26	1,092,799,336	D
Common Stock	11/17/2004		S	100,000	D	\$ 27.23	1,092,699,336	D
Common Stock	11/17/2004		S	50,000	D	\$ 27.21	1,092,649,336	D
Common Stock	11/17/2004		S	150,000	D	\$ 27.12	1,092,499,336	D

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 displays a currently valid OMB control number.

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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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 5)
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V (A) (D)		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GATES WILLIAM H III ONE MICROSOFT WAY REDMOND, WA 98052	X	X	Chairman of the Board	

Signatures

Michael Larson, on behalf of William H. Gates III. Authorized under power of attorney dated 3/14/2001 by William H. Gates III, filed on 3/19/2001 with Cascade Investment's Schedule 13D, SEC File No. 005-52919.

11/19/2004

__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).

In addition, there are 428,520 shares owned by reporting person's spouse. The reporting person disclaims beneficial ownership of these (1) securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of the securities for purpose of Section 16 or for any other purposes.

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.