

Microsoft profit hits \$4.97 bn as revenues rise

July 18 2013

Microsoft on Thursday announced a profit of \$4.97 billion in the past quarter, helped by growing revenues from business services, which offset the hit from a lagging market in personal computers.

Chief financial officer Amy Hood said results "were impacted by the decline in the PC market," but added that "we continue to see strong demand for our enterprise and cloud offerings, resulting in a record unearned revenue balance this quarter."

Hood said Microsoft, which traditionally draws its income from the Windows operating system, saw increasing consumer demand for services like its Office 365 online software suite, its Outlook email service, the Skype messaging service, and its Xbox Live gaming platform.

"While we have work ahead of us, we are making the focused investments needed to deliver on long-term growth opportunities like cloud services," she said.

But Microsoft also took a \$900 million charge for "inventory adjustments" for its Surface RT, the device aimed at putting the company on the map in the tablet market.

Microsoft has not released sales data for Surface, but analysts say the device has been disappointing.

The results compared with a loss in the same period a year ago of \$492 million due to a massive \$6.2 billion write-down to reflect the slump in value of its online operations.

© 2013 AFP

Citation: Microsoft profit hits \$4.97 bn as revenues rise (2013, July 18) retrieved 26 April 2024 from <https://phys.org/news/2013-07-microsoft-profit-bn-revenues.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.