

Microsoft quarterly profit up 28 percent at \$4.8 bn

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Microsoft on Thursday reported a strong jump in profits in the just-ended quarter but revenue fell short of expectations in the tech giant's first earnings report incorporating social network LinkedIn.

Net profit rose 28 percent to \$4.8 billion while revenues edged up eight percent to \$22.1 billion in the quarter ending March 31, Microsoft said.

Shares in Microsoft fell 1.8 percent in after-hours trade on the results.

The earnings for Microsoft's fiscal third quarter come as chief executive Satya Nadella seeks to reduce the tech giant's focus on software, shifting to cloud computing and business services.

"Our results this quarter reflect the trust customers are placing in the Microsoft cloud," Nadella said in a statement.

"From large multi-nationals to small and medium businesses to non-profits all over the world, organizations are using Microsoft's cloud platforms to power their digital transformation."

Microsoft reported revenue gains in cloud and business service operations, which offset a drop in "personal computing," which includes the Windows operating system that once made up its core [business](#).

Microsoft said revenue from its "Intelligent Cloud" rose 11 percent from a year earlier to \$6.8 billion.

LinkedIn, the professional social network acquired by Microsoft last year for some \$26 billion, contributed revenue of \$975 million.

Microsoft said its Office commercial products and cloud services revenue increased seven percent.

Office consumer products and cloud services revenue rose 15 percent, as the number of Office 365 consumer subscribers increased to 26.2 million.

But revenue from its Surface family of tablet computers slumped 26 percent from a year ago, suggesting more woes for Microsoft's hardware efforts.

Search advertising [revenue](#) rose eight percent while gaming from its Xbox operations saw a four percent rise.

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