

Cloud boosts Microsoft as it absorbs LinkedIn

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Microsoft sees a a 3.6 percent rise in profit to \$5.2 billion in past quarter

Microsoft on Thursday reported a rise in profits over the past quarter, showing gains in cloud computing and other new areas of focus as it absorbed the LinkedIn social network.

The US tech giant said profits rose 3.6 percent in the second fiscal quarter to \$5.2 billion, while revenues edged up one percent to \$24 billion.

The US tech giant, which is shifting away from dependence on software to a broader array of services, said the LinkedIn acquisition boosted its revenue in the last three months of the year but dragged on profit.

The results, which got a lift from a big jump in cloud computing, helped push Microsoft shares up nearly one percent in after-hours trade.

Microsoft, which bought the professional social network LinkedIn as part of its efforts to make better connections with customers, said the deal added \$228 million in revenue but erased \$100 million in net profit.

Chief executive Satya Nadella said the results confirm the new direction for Microsoft in areas such as cloud computing and artificial intelligence.

"Our customers are seeing greater value and opportunity as we partner with them through their digital transformation," he said in a statement.

"Accelerating advancements in AI across our platforms and services will provide further opportunity to drive growth in the Microsoft Cloud."

Revenue in Microsoft's "intelligent cloud", which includes a range of services for the enterprise, rose eight percent.

Within that segment, its Azure cloud computing unit saw a 93 percent rise in revenue and computing usage more than doubling from a year ago

Microsoft reported a 10 percent jump in revenue from its productivity and business products, which include its Office suite of programs such as cloud-based Office 365.

The personal computing segment, which includes the Windows operating system, saw a five percent drop in revenue in the quarter.

Microsoft also saw increases from its Bing search advertising and a drop in revenue from its Xbox gaming operations.

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