

Microsoft's earning are pie in the cloud

SAN FRANCISCO, USA: Microsoft reported quarterly profits ahead of most expectations, as revenues got a boost from its Xbox consoles and Internet "cloud" services for enterprises.



Microsoft's Satya Nadella says the investment in cloud services and the enthusiasm of users has substantially boosted its revenue from this division.
Image: Wikipedia

Net profit in the quarter dipped to \$4.5bn from \$5.2bn in the same period a year ago, but topped most analyst forecasts. Revenue rose above \$23bn, its best ever for the fiscal first quarter.

"We are innovating faster, engaging more deeply across the industry, and putting our customers at the centre of everything we do, all of which positions Microsoft for future growth," Microsoft's Chief Executive Satya Nadella said in a release.

Microsoft said its revenue hit a record high for its first fiscal quarter, aided by the popularity of its Xbox video game consoles and Surface tablet computers along with businesses turning to software offered as services in the Internet "cloud."

"Customers are embracing our latest technologies from Surface Pro 3 and Office 365 to (cloud-based) Azure and SQL Server" for corporate customers, Microsoft Chief Operating Officer Kevin Turner said.

Revenue in Microsoft's Devices and Consumer unit grew 47% to \$10.96bn, with the company bringing in nearly a billion dollars from sales of its Surface Pro 3 tablet computer.

Cloud services backed by huge data centres

Xbox sales more than doubled to 2.4m units in the quarter, which saw the newest version of the console released in 28 new markets.

Revenue was up 10% when it came to commercial offerings, with cloud services such as Office 365 and Azure growing 128%, according to Microsoft.

At a press briefing in San Francisco this week, Nadella detailed the latest moves in Microsoft's strategy to entice businesses with the ability to tap into the power of colossal online data centres as needed.



The Microsoft data centre in San Antonio, Texas. Microsoft runs more than a million services and some of its data centres are being enough to house two jumbo jets. Image: [ExtremeTech](#)

Microsoft's event spotlighted how the company is playing on its strengths with software used by businesses to capitalise on a trend of renting computing power, storage, or software services hosted at data-centres in the Internet cloud.

"The Microsoft cloud is the most complete cloud offering that empowers every business across every industry in every geography," Nadella boasted at the event.

"Microsoft is on track to bring in \$4.4bn this year from cloud services, but is spending about \$4.5bn annually on major investments such as huge data centres packed with computing equipment," executives said at the briefing.

Microsoft sees its main rivals in the cloud computing as Google and Amazon Web Services.

Microsoft has cloud data centres in 19 regions around the world, and some of the facilities are large enough to hold a pair of jumbo jets.

Microsoft's "cloud" will handle demanding computing loads for businesses and let them better extract valuable insights from their data, along with "public" cloud power augment "private" in-house systems.

Source: AFP via I-Net Bridge

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