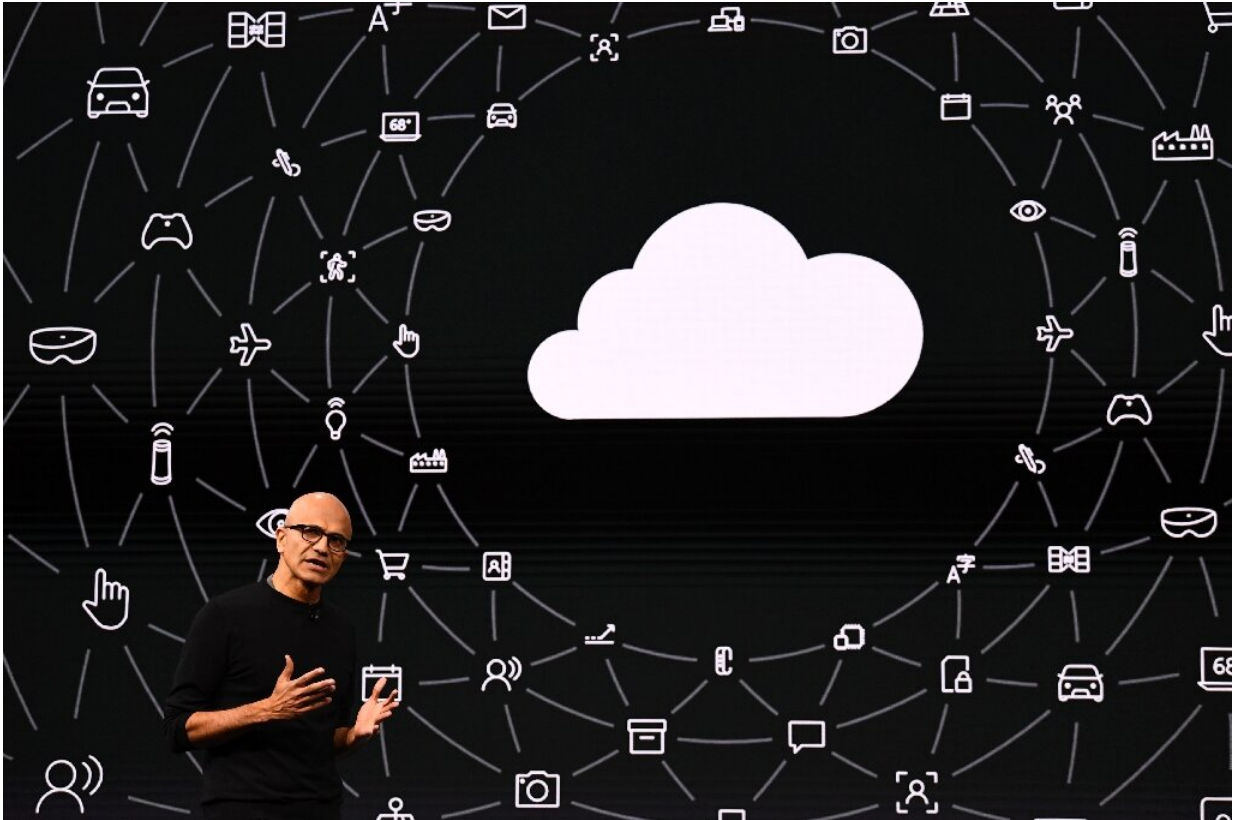


Microsoft gets lift from rise in earnings

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Microsoft CEO Satya Nadella says the tech giant's latest results come from a variety of consumer and business services including cloud computing

Microsoft said Wednesday that its profits rose sharply in the past quarter, boosted by improving sales across a range of consumer products and business services, sending its shares higher.

Overall profit for the quarter ending December 31 rose 38 percent from a year ago to \$11.6 billion, while revenues jumped 14 percent to \$36.9 billion.

The earnings highlighted Microsoft's successful transition from a pure consumer software firm to a diversified tech giant focused heavily on [business services](#).

"We are innovating across every layer of our differentiated technology stack," chief executive Satya Nadella said in releasing the fiscal second quarter results.

"We are working to ensure the technology we build is inclusive, trusted and creates a more sustainable world."

The results showed strong revenue gains (27 percent) for Microsoft's cloud computing division and a modest two percent increase in the personal computing division, which includes the Windows operating system and Surface devices.

The division for productivity and business, including the Office software suite and the LinkedIn social network, saw a rise in revenue of 17 percent.

Microsoft shares gained two percent in after-hours trade following the release.

"The strength this quarter was broad-based as Microsoft beat (expectations) across all product categories," said Wedbush Securities analyst Daniel Ives.

"This quarter was an absolute 'blow out quarter' across the board with no blemishes and in our opinion speaks to an inflection point in deal flow as

more enterprises pick" Microsoft for their cloud needs, he added.

Patrick Moorhead of Moor Insights & Strategy said the strong results come from "increased cloud investments over the past five years and its ability to uniquely serve the needs of multinational corporations with end to end, secure solutions" in fields including retail, manufacturing, health care, financial services and government.

Microsoft was selected last year for a multibillion-dollar cloud computing contract for the Pentagon known as JEDI, beating out Amazon, which is challenging the award.

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