

Microsoft's cloud business powers 10% growth in quarterly profits

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A Microsoft Surface logo is seen before an NFL football game between the Houston Texans and the Baltimore Ravens, on Jan. 20, 2024, in Baltimore. Microsoft reports earnings on Tuesday, July 30, 2024. Credit: AP Photo/Matt Slocum, File

Microsoft reported a 10% increase in quarterly profits Tuesday as it tries

to maintain its position as a leader in artificial intelligence technology.

The [software giant](#) said its fiscal fourth-quarter profit was \$22 billion, or \$2.95 per share, slightly beating [analyst expectations](#) for \$2.94 per share.

It posted [revenue](#) of \$64.7 billion in the April-June period, up 15% from last year. Analysts polled by FactSet Research had been looking for revenue of \$64.4 billion.

Microsoft's growth was led by its cloud computing business, where quarterly revenue rose 19% to \$28.5 billion. That was still lower than what some analysts expected, leading to the stock shedding about 5% in after-hours trading Tuesday.

The Redmond, Washington-based company doesn't report revenue specifically from AI products but says it has infused the technology into all of its business segments, particularly its Azure cloud computing contracts, but increasingly its workplace software and other products. Much of its generative AI technology has been built as part of its multibillion-dollar investments in OpenAI, maker of ChatGPT.

Revenue from Microsoft's productivity services—such as its Office line of products—rose 11% to \$20.3 billion.

Microsoft's personal computing business, centered on licensing its Windows operating system, made \$15.9 billion for the quarter, up 14% from last year.

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