

Cloud, Devices Drive Microsoft Q2 2015

Written by Marco Attard
29 January 2015

Microsoft reports Q2 2015 net income of \$5.6 billion on revenues reaching \$26.5bn-- an 8% Y-o-Y increase in revenues yet an income drop of -10%, one the company says is due to investments in cloud and mobile technologies.



Further adding in Microsoft expenses is a \$243 million "integration and restructuring" charge related to the Nokia phone business.

Interestingly the company sees a breakthrough in hardware-- Microsoft Devices & Consumer revenues are up by 8% Y-o-Y, with Lumia smartphone sales reaching 10.5m units (adding \$2.3bn to overall revenues) and Surface revenues growing by 24% thanks to the Surface Pro 3 and companion accessories.

Going less well is the Xbox, as Q2 2015 sales reach 6.6m (combining both Xbox One and 360), down from 7.4m in Q2 2014. Also on decline are Windows OEM revenues, with drops of -13% Y-o-Y in both Pro and non-Pro segments.

As mentioned earlier Microsoft is going strong in the cloud-- commercial cloud revenues grow by 114% through Office 365, Azure and Dynamics CRM Online. Server products also see growth (9% Y-o-Y), while Office Commercial revenues drop by -1% as the company makes its move to the cloud-based Office 365.

"Microsoft is continuing to transform, executing against our strategic priorities and extending our cloud leadership," CEO Satya Nadella says. "We are taking bold steps forward across our

Cloud, Devices Drive Microsoft Q2 2015

Written by Marco Attard
29 January 2015

business, and specifically with Windows 10, to deliver new experiences, new categories, and new opportunities to our customers.”

Go [Microsoft Earnings Q2 2015](#)