Microsoft Cloud Strength Highlights Third Quarter Results

*Commercial cloud annualized revenue run rate exceeds $15.2 billion*

**REDMOND, Wash. — April 27, 2017 —** Microsoft Corp. today announced the following results for the quarter ended March 31, 2017:

* Revenue was $22.1 billion GAAP, and $23.6 billion non-GAAP
* Operating income was $5.6 billion GAAP, and $7.1 billion non-GAAP
* Net income was $4.8 billion GAAP, and $5.7 billion non-GAAP
* Diluted earnings per share was $0.61 GAAP, and $0.73 non-GAAP

“Our results this quarter reflect the trust customers are placing in the Microsoft Cloud,” said Satya Nadella, chief executive officer at Microsoft. “From large multi-nationals to small and medium businesses to non-profits all over the world, organizations are using Microsoft’s cloud platforms to power their digital transformation.”

The following table reconciles our financial results reported in accordance with generally accepted accounting principles (“GAAP”) to non-GAAP financial results. Microsoft has provided this non-GAAP financial information to aid investors in better understanding the company’s performance. Additional information regarding our non-GAAP definition is provided below. All growth comparisons relate to the corresponding period in the last fiscal year.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Three Months Ended March 31,** | | | |
| ($ in millions, except per share amounts) | **Revenue** | **Operating Income** | **Net Income** | **Diluted Earnings per Share** |
| **2016 As Reported (GAAP)** | **$20,531** | **$5,283** | **$3,756** | **$0.47** |
| Net Impact from Windows 10 Revenue Deferrals | 1,625 | 1,625 | 1,282 | 0.16 |
| **2016 As Adjusted (non-GAAP)** | **$22,156** | **$6,908** | **$5,038** | **$0.63** |
| **2017 As Reported (GAAP)** | **$22,090** | **$5,594** | **$4,801** | **$0.61** |
| Net Impact from Windows 10 Revenue Deferrals | 1,467 | 1,467 | 914 | 0.12 |
| **2017 As Adjusted (non-GAAP)** | **$23,557** | **$7,061** | **$5,715** | **$0.73** |
| Percentage Change Y/Y (GAAP) | 8% | 6% | 28% | 30% |
| Percentage Change Y/Y (non-GAAP) | 6% | 2% | 13% | 16% |
| Percentage Change Y/Y (non-GAAP) Constant Currency | 7% | 5% | 16% | 19% |

Microsoft returned $4.6 billion to shareholders in the form of share repurchases and dividends in the third quarter of fiscal year 2017.

“Strong execution and demand for our cloud-based services drove our commercial cloud annualized revenue run rate to more than $15.2 billion,” said Amy Hood, executive vice president and chief financial officer at Microsoft.

Revenue in Productivity and Business Processes was $8.0 billion and increased 22% (up 23% in constant currency), with the following business highlights:

* Office commercial products and cloud services revenue increased 7% (up 8% in constant currency) driven by Office 365 commercial revenue growth of 45% (up 45% in constant currency)
* Office consumer products and cloud services revenue increased 15% (up 14% in constant currency) and Office 365 consumer subscribers increased to 26.2 million
* Dynamics products and cloud services revenue increased 10% (up 11% in constant currency) driven by Dynamics 365 revenue growth of 81% (up 82% in constant currency)
* LinkedIn contributed revenue of $975 million

Revenue in Intelligent Cloud was $6.8 billion and increased 11% (up 12% in constant currency), with the following business highlights:

* Server products and cloud services revenue increased 15% (up 16% in constant currency) driven by Azure revenue growth of 93% (up 94% in constant currency)
* Enterprise Services revenue decreased 1% (unchanged in constant currency) with declines in custom support agreements offset by growth in Premier Support Services and consulting

Revenue in More Personal Computing was $8.8 billion and decreased 7% (down 7% in constant currency) driven primarily by lower phone revenue, with the following business highlights:

* Windows OEM revenue increased 5% (up 5% in constant currency)
* Windows commercial products and cloud services revenue increased 6% (up 6% in constant currency)
* Surface revenue decreased 26% (down 25% in constant currency)
* Search advertising revenue excluding traffic acquisition costs increased 8% (up 9% in constant currency)
* Gaming revenue increased 4% (up 6% in constant currency)

**Business Outlook**

Microsoft will provide forward-looking guidance in connection with this quarterly earnings announcement on its earnings conference call and webcast.

**Webcast Details**

Satya Nadella, chief executive officer, Amy Hood, executive vice president and chief financial officer, Frank Brod, chief accounting officer, John Seethoff, deputy general counsel and corporate secretary, and Chris Suh, general manager of Investor Relations, will host a conference call and webcast at 2:30 p.m. Pacific time (5:30 p.m. Eastern time) today to discuss details of the company’s performance for the quarter and certain forward-looking information. The session may be accessed at <http://www.microsoft.com/en-us/investor>. The webcast will be available for replay through the close of business on April 27, 2018.

**“As Adjusted” Financial Results and non-GAAP Measures**

During the third quarter of fiscal years 2017 and 2016, GAAP revenue, operating income, net income, and diluted earnings per share include the net impact from Windows 10 revenue deferrals. This item is defined below. In addition to these financial results reported in accordance with GAAP, Microsoft has provided certain non-GAAP financial information to aid investors in better understanding the company’s performance. Presenting these non-GAAP measures gives additional insight into operational performance and helps clarify trends affecting the company’s business. For comparability of reporting, management considers this information in conjunction with GAAP amounts in evaluating business performance.

*Net Impact from Windows 10 Revenue Deferrals.* With respect to our non-GAAP measures related to Windows 10 revenue, we believe these measures bridge investor information and minimize potential confusion during the brief period between the time Windows 10 revenue recognition moved from upfront to ratable, and the adoption of the new revenue standard, when Windows 10 will again be recognized predominantly upfront. The net change in Windows 10 revenue from period to period is indicative of the net change in revenue we expect from adoption of the new revenue standard.

**Non-GAAP Definitions**

*Net Impact from Windows 10 Revenue Deferrals.* Microsoft recorded net revenue deferrals of $1.5 billion during the third quarter of fiscal year 2017 and net revenue deferrals of $1.6 billion during the third quarter of fiscal year 2016, related to Windows 10.

With the launch of Windows 10 in July 2015, Windows 10 customers receive future versions and updates at no additional charge. Under current revenue recognition accounting guidance, when standalone software is sold with future upgrade rights, revenue must be deferred over the life of the computing device on which it is installed. This is different from prior versions of Windows, which were sold without upgrade rights, where all revenue from original equipment manufacturer (“OEM”) customers was recognized at the time of billing, i.e., upfront.

When Microsoft adopts the new revenue standard, predominantly all Windows OEM revenue will be recognized at the time of billing, which is similar to the revenue recognition for prior versions of Windows. Additional information regarding the new revenue standard is provided in the “Recent Accounting Guidance Not Yet Adopted” section of Microsoft’s Form 10-Q for the quarter ended March 31, 2017 (Notes to Financial Statements). Microsoft reflects the recognition of Windows 10 revenue at the time of billing in “As Adjusted (non-GAAP)” revenue to provide comparability during the short period where Windows 10 will be recognized over the estimated life of a device, i.e., ratably, rather than at the time of billing.

**Constant Currency**

Microsoft presents constant currency information to provide a non-GAAP framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period non-GAAP results for entities reporting in currencies other than United States dollars are converted into United States dollars using the average exchange rates from the comparative period rather than the actual exchange rates in effect during the respective periods. The non-GAAP financial measures presented below should not be considered as a substitute for, or superior to, the measures of financial performance prepared in accordance with GAAP. All growth comparisons relate to the corresponding period in the last fiscal year.

**Financial Performance Constant Currency Reconciliation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Three Months Ended March 31,** | | | |
| ($ in millions, except per share amounts) | **Revenue** | **Operating Income** | **Net Income** | **Diluted Earnings per Share** |
| **2016 As Reported (GAAP)** | **$20,531** | **$5,283** | **$3,756** | **$0.47** |
| **2016 As Adjusted (non-GAAP)** | **$22,156** | **$6,908** | **$5,038** | **$0.63** |
| **2017 As Reported (GAAP)** | **$22,090** | **$5,594** | **$4,801** | **$0.61** |
| **2017 As Adjusted (non-GAAP)** | **$23,557** | **$7,061** | **$5,715** | **$0.73** |
| Percentage Change Y/Y (GAAP) | 8% | 6% | 28% | 30% |
| Percentage Change Y/Y (non-GAAP) | 6% | 2% | 13% | 16% |
| **Constant Currency Impact** | **$(222)** | **$(181)** | **$(153)** | **$(0.02)** |
| Percentage Change Y/Y (non-GAAP) Constant Currency | 7% | 5% | 16% | 19% |

**Segment Revenue Constant Currency Reconciliation**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Three Months Ended March 31,** | | |
| ($ in millions) | **Productivity and Business Processes** | **Intelligent Cloud** | **More Personal Computing** |
| **2016 As Reported (GAAP)** | **$6,521** | **$6,096** | **$9,539** |
| **2017 As Reported (GAAP)** | **$7,958** | **$6,763** | **$8,836** |
| Percentage Change Y/Y (GAAP) | 22% | 11% | (7)% |
| **Constant Currency Impact** | **$(82)** | **$(74)** | **$(67)** |
| Percentage Change Y/Y (non-GAAP) Constant Currency | 23% | 12% | (7)% |

**Selected Product and Service Revenue Constant Currency Reconciliation**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Three Months Ended March 31,** | | |
|  | **Percentage Change Y/Y (GAAP)** | **Constant Currency Impact** | **Percentage Change Y/Y (non-GAAP) Constant Currency** |
| **Office commercial products and cloud services** | **7%** | **1%** | **8%** |
| **Office 365 commercial** | **45%** | **0%** | **45%** |
| **Office consumer products and cloud services** | **15%** | **(1)%** | **14%** |
| **Dynamics products and cloud services** | **10%** | **1%** | **11%** |
| **Dynamics 365** | **81%** | **1%** | **82%** |
| **Server products and cloud services** | **15%** | **1%** | **16%** |
| **Azure** | **93%** | **1%** | **94%** |
| **Enterprise Services** | **(1)%** | **1%** | **0%** |
| **Windows OEM** | **5%** | **0%** | **5%** |
| **Windows commercial products and cloud services** | **6%** | **0%** | **6%** |
| **Surface** | **(26)%** | **1%** | **(25)%** |
| **Search advertising excluding traffic acquisition costs** | **8%** | **1%** | **9%** |
| **Gaming** | **4%** | **2%** | **6%** |

**Commercial Cloud Annualized Revenue Run Rate**

Commercial cloud annualized revenue run rate is calculated by taking revenue in the final month of the quarter multiplied by twelve for Office 365 commercial, Azure, Dynamics 365, and other cloud properties.

**About Microsoft**

Microsoft (Nasdaq “MSFT” @microsoft) is the leading platform and productivity company for the mobile-first, cloud-first world and its mission is to empower every person and every organization on the planet to achieve more.

**Forward-Looking Statements**

Statements in this release that are “forward-looking statements” are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially because of factors such as:

* intense competition in all of Microsoft’s markets;
* increasing focus on services presents execution and competitive risks;
* significant investments in new products and services that may not be profitable;
* acquisitions, joint ventures, and strategic alliances may have an adverse effect on our business;
* impairment of goodwill or amortizable intangible assets causing a significant charge to earnings;
* Microsoft’s continued ability to protect and earn revenues from its intellectual property rights;
* claims that Microsoft has infringed the intellectual property rights of others;
* the possibility of unauthorized disclosure of significant portions of Microsoft’s source code;
* cyber-attacks and security vulnerabilities in Microsoft products and services that could reduce revenue or lead to liability;
* disclosure of personal data that could cause liability and harm to Microsoft’s reputation;
* outages, data losses, and disruptions of our online services if we fail to maintain an adequate operations infrastructure;
* government litigation and regulation that may limit how Microsoft designs and markets its products;
* potential liability under trade protection and anti-corruption laws resulting from our international operations;
* laws and regulations relating to the handling of personal data may impede the adoption of our services or result in increased costs, legal claims, or fines against us;
* Microsoft’s ability to attract and retain talented employees;
* adverse results in legal disputes;
* unanticipated tax liabilities;
* Microsoft’s hardware and software products may experience quality or supply problems;
* exposure to increased economic and operational uncertainties from operating a global business, including the effects of foreign currency exchange;
* catastrophic events or geo-political conditions may disrupt our business; and
* adverse economic or market conditions may harm our business.

For more information about risks and uncertainties associated with Microsoft’s business, please refer to the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors” sections of Microsoft’s SEC filings, including, but not limited to, its annual report on Form 10-K and quarterly reports on Form 10-Q, copies of which may be obtained by contacting Microsoft’s Investor Relations department at (800) 285-7772 or at Microsoft’s Investor Relations website at <http://www.microsoft.com/en-us/investor>.

All information in this release is as of April 27, 2017. The company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the company’s expectations.

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Note to editors: For more information, news and perspectives from Microsoft, please visit the Microsoft News Center at <http://www.microsoft.com/news>. Web links, telephone numbers, and titles were correct at time of publication, but may since have changed. Shareholder and financial information, as well as today’s 2:30 p.m. Pacific time conference call with investors and analysts, is available at <http://www.microsoft.com/en-us/investor>.

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| **MICROSOFT CORPORATION** |  |  |  |  |  |  |  |
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| INCOME STATEMENTS | | | | | | | |
| (In millions, except per share amounts)(Unaudited) | | | | | | | |
|  |  |  |  |  |  |  |  |
|  | **Three Months Ended March 31,** | | |  | **Nine Months Ended March 31,** | | |
|  |  |
|  | **2017** |  | **2016** |  | **2017** |  | **2016** |
| Revenue: |  |  |  |  |  |  |  |
| Product | **$13,391** |  | $14,321 |  | **$43,421** |  | $47,514 |
| Service and other | **8,699** |  | 6,210 |  | **23,212** |  | 17,192 |
| Total revenue | **22,090** |  | 20,531 |  | **66,633** |  | 64,706 |
| Cost of revenue: |  |  |  |  |  |  |  |
| Product | **3,075** |  | 3,801 |  | **12,034** |  | 14,104 |
| Service and other | **4,985** |  | 3,921 |  | **13,771** |  | 10,697 |
| Total cost of revenue | **8,060** |  | 7,722 |  | **25,805** |  | 24,801 |
| Gross margin | **14,030** |  | 12,809 |  | **40,828** |  | 39,905 |
| Research and development | **3,355** |  | 2,980 |  | **9,523** |  | 8,842 |
| Sales and marketing | **3,879** |  | 3,406 |  | **11,183** |  | 10,699 |
| General and administrative | **1,202** |  | 1,140 |  | **3,126** |  | 3,262 |
| Operating income | **5,594** |  | 5,283 |  | **16,996** |  | 17,102 |
| Other income (expense), net | **322** |  | (247) |  | **608** |  | (698) |
| Income before income taxes | **5,916** |  | 5,036 |  | **17,604** |  | 16,404 |
| Provision for income taxes | **1,115** |  | 1,280 |  | **2,913** |  | 2,728 |
| Net income | **$4,801** |  | $3,756 |  | **$14,691** |  | $13,676 |
|  |  |  |  |  |  |  |  |
| Earnings per share: |  |  |  |  |  |  |  |
| Basic | **$0.62** |  | $0.48 |  | **$1.89** |  | $1.72 |
| Diluted | **$0.61** |  | $0.47 |  | **$1.87** |  | $1.70 |
| Weighted average shares outstanding: | |  |  |  |  |  |  |
| Basic | **7,725** |  | 7,895 |  | **7,756** |  | 7,952 |
| Diluted | **7,813** |  | 7,985 |  | **7,840** |  | 8,041 |
| Cash dividends declared per  common share | **$0.39** |  | $0.36 |  | **$1.17** |  | $1.08 |

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| **MICROSOFT CORPORATION** |  |  |  |  |  |  |  |
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| COMPREHENSIVE INCOME STATEMENTS | | | | | | | |
| (In millions)(Unaudited) | | | | | | | |
|  |  |  |  |  |  |  |  |
|  | **Three Months Ended March 31,** | | |  | **Nine Months Ended March 31,** | | |
|  |  |
|  | **2017** |  | **2016** |  | **2017** |  | **2016** |
| Net income | **$4,801** |  | $3,756 |  | **$14,691** |  | $13,676 |
| Other comprehensive income (loss): |  |  |  |  |  |  |  |
| Net unrealized gains (losses) on   derivatives (net of tax effects   of **$1**, $(30), **$(1)**, and $(2)) | **(225)** |  | (285) |  | **18** |  | (277) |
| Net unrealized gains (losses) on   investments (net of tax effects of   **$34**, $186, **$(457)**, and $(36)) | **65** |  | 345 |  | **(846)** |  | (66) |
| Translation adjustments and other   (net of tax effects of **$0**,   $3, **$7**, and $(18)) | **292** |  | 7 |  | **(65)** |  | (339) |
| Other comprehensive income (loss) | **132** |  | 67 |  | **(893)** |  | (682) |
| Comprehensive income | **$4,933** |  | $3,823 |  | **$13,798** |  | $12,994 |

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| **MICROSOFT CORPORATION** |  |  |  |
|  |  |  |  |
| BALANCE SHEETS | | | |
| (In millions)(Unaudited) | | | |
|  |  |  |  |
|  | **March 31, 2017** |  | **June 30, 2016** |
| **Assets** |  |  |  |
| Current assets: |  |  |  |
| Cash and cash equivalents | **$6,713** |  | $6,510 |
| Short-term investments (including securities  loaned of **$4,462** and $204) | **119,305** |  | 106,730 |
| Total cash, cash equivalents, and short-term   investments | **126,018** |  | 113,240 |
| Accounts receivable, net of allowance for doubtful  accounts of **$302** and $426 | **12,882** |  | 18,277 |
| Inventories | **1,979** |  | 2,251 |
| Other | **5,434** |  | 5,892 |
| Total current assets | **146,313** |  | 139,660 |
| Property and equipment, net of accumulated  depreciation of **$22,992** and $19,800 | **21,962** |  | 18,356 |
| Equity and other investments | **7,381** |  | 10,431 |
| Goodwill | **34,668** |  | 17,872 |
| Intangible assets, net | **10,547** |  | 3,733 |
| Other long-term assets | **4,146** |  | 3,416 |
| Total assets | **$225,017** |  | $193,468 |
|  |  |  |  |
| **Liabilities and stockholders' equity** |  |  |  |
| Current liabilities: |  |  |  |
| Accounts payable | **$6,217** |  | $6,898 |
| Short-term debt | **7,187** |  | 12,904 |
| Current portion of long-term debt | **599** |  | 0 |
| Accrued compensation | **4,604** |  | 5,264 |
| Income taxes | **654** |  | 580 |
| Short-term unearned revenue | **26,518** |  | 27,468 |
| Securities lending payable | **201** |  | 294 |
| Other | **6,025** |  | 5,949 |
| Total current liabilities | **52,005** |  | 59,357 |
| Long-term debt | **76,222** |  | 40,557 |
| Long-term unearned revenue | **9,215** |  | 6,441 |
| Deferred income taxes | **465** |  | 1,476 |
| Other long-term liabilities | **17,381** |  | 13,640 |
| Total liabilities | **155,288** |  | 121,471 |
| Commitments and contingencies |  |  |  |
| Stockholders' equity: |  |  |  |
| Common stock and paid-in capital - shares  authorized 24,000; outstanding **7,723** and 7,808 | **68,554** |  | 68,178 |
| Retained earnings | **531** |  | 2,282 |
| Accumulated other comprehensive income | **644** |  | 1,537 |
| Total stockholders' equity | **69,729** |  | 71,997 |
| Total liabilities and stockholders' equity | **$225,017** |  | $193,468 |

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| **MICROSOFT CORPORATION** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| CASH FLOWS STATEMENTS | | | | | | | |
| (In millions)(Unaudited) | | | | | | | |
|  |  |  |  |  |  |  |  |
|  | **Three Months Ended March 31,** | | |  | **Nine Months Ended March 31,** | | |
|  |  |
|  | **2017** |  | **2016** |  | **2017** |  | **2016** |
| **Operations** |  |  |  |  |  |  |  |
| Net income | **$4,801** |  | $3,756 |  | **$14,691** |  | $13,676 |
| Adjustments to reconcile net income   to net cash from operations: |  |  |  |  |  |  |  |
| Depreciation, amortization, and  other | **2,453** |  | 1,707 |  | **6,435** |  | 4,712 |
| Stock-based compensation  expense | **883** |  | 672 |  | **2,353** |  | 2,004 |
| Net recognized losses (gains)  on investments and derivatives | **(590)** |  | 65 |  | **(1,553)** |  | 216 |
| Deferred income taxes | **(777)** |  | 351 |  | **(1,349)** |  | 177 |
| Deferral of unearned revenue | **15,995** |  | 13,073 |  | **42,719** |  | 36,066 |
| Recognition of unearned revenue | **(14,941)** |  | (12,210) |  | **(41,490)** |  | (35,494) |
| Changes in operating assets and   liabilities: |  |  |  |  |  |  |  |
| Accounts receivable | **1,487** |  | 2,288 |  | **5,950** |  | 5,546 |
| Inventories | **(16)** |  | 241 |  | **249** |  | 408 |
| Other current assets | **(25)** |  | (420) |  | **318** |  | (1,914) |
| Other long-term assets | **(26)** |  | 7 |  | **(298)** |  | 58 |
| Accounts payable | **(425)** |  | (129) |  | **(769)** |  | 105 |
| Other current liabilities | **742** |  | 626 |  | **(1,148)** |  | (1,293) |
| Other long-term liabilities | **1,099** |  | 340 |  | **2,394** |  | 594 |
| Net cash from operations | **10,660** |  | 10,367 |  | **28,502** |  | 24,861 |
| **Financing** |  |  |  |  |  |  |  |
| Proceeds from issuance  (repayments) of short-term debt,  maturities of 90 days or less, net | **(1,302)** |  | 2,622 |  | **(8,447)** |  | 481 |
| Proceeds from issuance of debt | **547** |  | 25 |  | **42,593** |  | 13,274 |
| Repayments of debt | **(211)** |  | (900) |  | **(4,554)** |  | (2,771) |
| Common stock issued | **179** |  | 159 |  | **551** |  | 495 |
| Common stock repurchased | **(2,062)** |  | (3,857) |  | **(10,023)** |  | (12,292) |
| Common stock cash dividends paid | **(3,012)** |  | (2,842) |  | **(8,836)** |  | (8,185) |
| Other | **(375)** |  | (123) |  | **(175)** |  | (366) |
| Net cash from (used in)  financing | **(6,236)** |  | (4,916) |  | **11,109** |  | (9,364) |
| **Investing** |  |  |  |  |  |  |  |
| Additions to property and equipment | **(1,695)** |  | (2,308) |  | **(5,846)** |  | (5,688) |
| Acquisition of companies, net of  cash acquired, and purchases of  intangible and other assets | **(802)** |  | (559) |  | **(25,586)** |  | (1,330) |
| Purchases of investments | **(43,918)** |  | (27,341) |  | **(147,874)** |  | (99,661) |
| Maturities of investments | **4,860** |  | 5,192 |  | **22,234** |  | 16,229 |
| Sales of investments | **36,444** |  | 19,599 |  | **117,754** |  | 76,292 |
| Securities lending payable | **(1,080)** |  | (66) |  | **(94)** |  | 281 |
| Net cash used in investing | **(6,191)** |  | (5,483) |  | **(39,412)** |  | (13,877) |
| Effect of foreign exchange rates on   cash and cash equivalents | **12** |  | 17 |  | **4** |  | (45) |
| Net change in cash and cash  equivalents | **(1,755)** |  | (15) |  | **203** |  | 1,575 |
| Cash and cash equivalents,  beginning of period | **8,468** |  | 7,185 |  | **6,510** |  | 5,595 |
| Cash and cash equivalents, end of  period | **$6,713** |  | $7,170 |  | **$6,713** |  | $7,170 |

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| **MICROSOFT CORPORATION** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| SEGMENT REVENUE AND OPERATING INCOME (LOSS) | | | | | | | |
| (In millions)(Unaudited) | | | | | | | |
|  |  |  |  |  |  |  |  |
|  | **Three Months Ended March 31,** | | |  | **Nine Months Ended March 31,** | | |
|  |  |
|  | **2017** |  | **2016** |  | **2017** |  | **2016** |
| **Revenue** |  |  |  |  |  |  |  |
| Productivity and Business Processes | **$7,958** |  | $6,521 |  | **$21,998** |  | $19,517 |
| Intelligent Cloud | **6,763** |  | 6,096 |  | **20,006** |  | 18,331 |
| More Personal Computing | **8,836** |  | 9,539 |  | **29,953** |  | 31,474 |
| Corporate and Other | **(1,467)** |  | (1,625) |  | **(5,324)** |  | (4,616) |
| Total revenue | **$22,090** |  | $20,531 |  | **$66,633** |  | $64,706 |
|  |  |  |  |  |  |  |  |
| **Operating income (loss)** |  |  |  |  |  |  |  |
| Productivity and Business Processes | **$2,783** |  | $2,981 |  | **$9,159** |  | $9,429 |
| Intelligent Cloud | **2,181** |  | 2,176 |  | **6,637** |  | 7,135 |
| More Personal Computing | **2,097** |  | 1,751 |  | **6,524** |  | 5,154 |
| Corporate and Other | **(1,467)** |  | (1,625) |  | **(5,324)** |  | (4,616) |
| Total operating income | **$5,594** |  | $5,283 |  | **$16,996** |  | $17,102 |