

Surface Hits Microsoft's Q4

Written by Marco Attard
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The Surface RT hits Microsoft's fiscal Q4 2013 results-- the company takes a \$900 million "inventory adjustment" charge after it slashes the prices of the still unsuccessful tablet.



Microsoft recently cut Surface RT prices by as much as -30%, perhaps a sign of faltering sales for the ARM-powered Microsoft tablet.

Further affecting company results are \$540m worth of "previously deferred revenue related to the Windows Upgrade Offer" and \$733m in European Commission fine.

Microsoft Q4 revenues total \$19.9 billion with -24% Y-o-Y decline, down from analyst expectations of \$20.7bn. Operating income totals \$6.07bn, while net income amounts to \$4.97bn.

"While our Q4 results were impacted by the decline in the PC market, we continue to see strong demand for our enterprise and cloud offerings, resulting in a record unearned revenue balance this quarter," CEO Steve Ballmer comments. CFO Amy Hood is more direct, saying "I want to be very clear-- We know we have to do better, particularly on mobile devices."

As for fiscal 2013 Microsoft revenues total \$77.85bn while operating income reaches \$26.76bn. The Business division sees 9% Y-o-Y growth in Q4 and 3% in the full year, and Servers & Tools

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grows 9% in Q4 and 2013.

Windows revenue is up 6% in Q4 and 5% in the year, while Entertainment & Division sees 8% growth in Q4 and a 6% rise for 2013.

The results follow [a major reshuffle in Microsoft management](#), an attempt to make the lumbering (90000 employees!) conglomerate more agile. We will learn if Ballmer and company managed to do so come the next round of Microsoft results.

Go [Microsoft Reports Q4 and Full-Year Results](#)