



Microsoft

Microsoft: What's next?

Listening Questions 1:

1. When and where did Microsoft start?
2. What operating system did it release in 1981?
3. What did the early versions of Windows add to Microsoft's previous OS?
4. How many employees became millionaires after the IPO?

Listening Questions 2:

1. What percentage of the company revenue does Windows account for?
2. What are two of Microsoft's devices?
3. In FY2013, what was the company's operating profit?
4. What was the Windows market share of smartphone operating systems in early 2014?

Transcript 1:

Microsoft is certainly one of the most famous software companies in the world now, but it was founded in 1975 by two friends, Bill Gates and Paul Allen, in Albuquerque, New Mexico, USA. In 1979, the company moved to the Seattle area, where it has remained ever since.

The company grew as the personal computer market developed throughout the 80s and 90s. In 1981, Microsoft introduced its MS-DOS operating system on the IBM PC. The success of IBM PCs led to MS-DOS becoming the dominant operating system of the 80s. It was a command-line based OS, which meant that users had to remember specific commands in order to use it.

The evolution of MS-DOS was the early versions of Windows, which added a graphical user interface on top of MS-DOS. Windows went on to become the dominant PC operating system of the last two decades.

Microsoft had its IPO in 1986 and the subsequent increase in stock price created an estimated 12,000 millionaires among Microsoft employees.



Transcript 2:

Over the years, Microsoft has diversified its business well beyond operating systems.

Windows is certainly still a major part of the company's business as it accounts for 25% of total revenue, but both the Server and Tools Division and the Microsoft Business Division accounted for more revenue than Windows with 26% and 32%, respectively. However, the company's direction is moving towards devices and services. Its devices include the XBOX video game consoles and the Surface line of tablets.

In FY2013, the company reported nearly \$78 billion in revenue and just over \$26.7 billion in operating profit. The new focus on devices and services has yet to be reflected in the financial results as the Entertainment and Devices Division generated \$848 million in operating profit and the Online Services Division generated a loss of nearly \$1.3 billion.

In the smartphone OS market in early 2014, Windows was a distant 3rd to Android and iOS with only 3.9% share.