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Reaping profits
Microsoft

[Microsoft Xbox Division Reports Increased Income](#)

Lower sales

Microsoft has revealed the results of its Entertainment and Devices Division, which oversees the strategy for the Xbox 360 home gaming console, showing that sales have remained pretty much unchanged from one year ago, but that the operating income has gone up by a whopping 96%, reaching 312 million dollars. The results are for the fiscal quarter that ended on September 30 and, in addition to the Xbox 360, the division also handles operations for the Zune media player, a direct competitor of the iPod, PC games published by Microsoft, online titles and other entertainment products.

The increased income was a direct result of the reduced manufacturing costs for the [Xbox 360](#) and of the reduction in personnel that the unit saw over the year. The overall revenue was of 1.89 billion dollars, but the numbers of the Xbox 360 consoles that had been shipped registered a fall, going from 2.2 million to 2.1, as less people had the disposable income needed to get a gaming device.

Bill Koefoed, who is the general manager for investor relations at the EED division of Microsoft, stated in a conference call that, "Overall gaming revenue was up almost \$100 million," before mentioning that, "Halo 3: ODST was the number one selling console title in the U.S. last month, along with five other Xbox 360 games in the top ten."

There are almost 34 million [Xbox 360 devices](#) in the world at the moment and the platform has an attach rate of 8.7 titles for each console. The Xbox Live service has also generated 50% more revenue than last year, showing that players are interested in the content that is delivered exclusively digitally.

Overall, Microsoft has reported a lower operating income than last year, but it has managed a smaller fall than analysts projected, which has made its share value actually grow after the financial results were announced.