



Dr Kathleen Dermody  
Committee Secretary  
Senate Economics References Committee  
PO Box 6100  
CANBERRA ACT 2600

Dear Dr Dermody

Microsoft was pleased to provide evidence to the Senate Economics References Committee hearing on 8 April 2015. At the hearing Senator Canavan requested some follow up information.

Attached is information relating to the last 4 years financials including:

- Gross Revenues for Microsoft Entities
- Taxes paid by the group

Should there be any questions relating to the information provided, please don't hesitate to contact me.

Yours sincerely

Belinda Dennett  
Corporate Affairs Manager

## Attachment A

Microsoft Pty Limited Tax Consolidated Group Revenue, expenses and income tax paid					
Year	2010	2011	2012	2013	2014
<b>Revenue</b>	<b>460,197,837</b>	<b>470,049,731</b>	<b>498,160,809</b>	<b>494,865,162</b>	<b>553,189,678</b>
- Microsoft Australia Pty Limited	456,283,805	467,593,615	480,848,610	494,730,752	553,111,000
- Microsoft Institute Pty Limited	616,643	1,679,136	799,959	134,410	78,678
- FAST Pty Limited	2,839,608	776,980	16,512,240	0	0
- aQuantive Australia Pty Limited	229,452	0	0	0	0
- Amnesia Razorfish Pty Limited	228,329	0	0	0	0
<b>Expenses</b>	<b>(376,648,552)</b>	<b>(398,003,915)</b>	<b>(410,353,929)</b>	<b>(434,620,611)</b>	<b>(474,287,219)</b>
- Microsoft Australia Pty Limited	(368,828,000)	(387,658,000)	(408,903,000)	(434,598,000)	(474,270,000)
- Microsoft Institute Pty Limited	(196,324)	(1,379,496)	(615,868)	(22,611)	(17,219)
- FAST Pty Limited	(6,109,195)	(8,966,419)	(835,061)	0	0
- aQuantive Australia Pty Limited	(753,747)	0	0	0	0
- Amnesia Razorfish Pty Limited	(761,286)	0	0	0	0
<b>Operating Profit Before Tax</b>	<b>83,549,285</b>	<b>72,045,816</b>	<b>87,806,880</b>	<b>60,244,551</b>	<b>78,902,459</b>
<b>Income tax paid</b>	<b>27,680,188</b>	<b>21,459,215</b>	<b>27,161,320</b>	<b>27,818,434</b>	<b>30,919,743</b>
<b>Note 1:</b> aQuantive and Amnesia exited the tax consolidated group in the year ended 30 June 2010					
<b>Note 2:</b> FAST exited the tax consolidated group in the year ended 30 June 2012					
<b>Note 3:</b> the 30 June 2014 tax return has not been finalised. The above figures exclude the Nokia Australia Pty Limited which joined the group in 2014					

### Notes:

- Microsoft Australia Pty Ltd is the core Sales & Marketing entity operating in Australia
- The entities of FAST, aQuantive and Amnesia have since been dissolved
- FY14 Revenue dissection for Microsoft Pty Ltd:
  - In the Senate Hearing we represented that the total sales billed to customers in Australia was approximately \$100m. This accurately reflects the local billings to “Australian customers” for consulting services provided in Australia by Microsoft Pty Ltd.
  - Other Revenue amounts recognised in our audited Financial Statements for Microsoft Pty Ltd include; **Commission income** received from Microsoft Singapore for marketing and sales support services, **Interest Income** and **FX (gains/losses)**. An example of the FY14 breakdown is as follows:

#### Breakdown of FY14 Revenue:

Category	\$ Amount	% of Rev
Commission Income	\$421m	76%
Services Income	\$128m	23%
Interest Income	\$4.5m	1%
FX Gain	(\$0.2m)	0%
<b>Total</b>	<b>\$553m</b>	<b>100%</b>