

Fiscal year 2016 compared with fiscal year 2015

Sales and marketing expenses decreased \$1.0 billion or 6%, primarily due to a reduction in phone expenses, driven by the change in strategy for the phone business. Expenses included a favorable foreign currency impact of approximately 2%.

Fiscal year 2015 compared with fiscal year 2014

Sales and marketing expenses decreased \$98 million or 1%, primarily due to a decline in advertising and marketing programs costs and a reduction in headcount-related expenses, offset in part by an increase in phone expenses. Expenses included a favorable foreign currency impact of approximately 4%.

General and Administrative

(In millions, except percentages)	2016	2015	2014	Percentage Change 2016 Versus 2015	Percentage Change 2015 Versus 2014
General and administrative	\$ 4,563	\$ 4,611	\$ 4,677	(1)%	(1)%
As a percent of revenue	5%	5%	5%	0ppt	0ppt

General and administrative expenses include payroll, employee benefits, stock-based compensation expense, severance expense, and other headcount-related expenses associated with finance, legal, facilities, certain human resources and other administrative personnel, certain taxes, and legal and other administrative fees.

Fiscal year 2016 compared with fiscal year 2015

General and administrative expenses decreased \$48 million or 1%, primarily due to a reduction in employee-related expenses, offset in part by increased investments in infrastructure supporting our business transformation. Expenses included a favorable foreign currency impact of approximately 2%.

Fiscal year 2015 compared with fiscal year 2014

General and administrative expenses were comparable to the prior year.

IMPAIRMENT, INTEGRATION, AND RESTRUCTURING EXPENSES

Impairment, integration, and restructuring expenses include costs associated with the impairment of goodwill and intangible assets related to our phone business, employee severance expenses and costs associated with the consolidation of facilities and manufacturing operations related to restructuring activities, and systems consolidation and other business integration expenses associated with our acquisition of NDS.

Fiscal year 2016 compared with fiscal year 2015

Impairment, integration, and restructuring expenses were \$1.1 billion for fiscal year 2016, compared to \$10.0 billion for fiscal year 2015.

During fiscal year 2016, we recorded \$630 million of asset impairment charges related to our phone business. We also recorded \$480 million of restructuring charges, including employee severance expenses and contract termination costs, primarily related to our previously announced phone business restructuring plans.