

Indemnifications

We provide indemnifications of varying scope and size to certain customers against claims of intellectual property infringement made by third parties arising from the use of our products and certain other matters. Additionally, we have agreed to cover damages resulting from breaches of certain security and privacy commitments in our cloud business. We evaluate estimated losses for these indemnifications, and we consider such factors as the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of loss. To date, we have not encountered significant costs as a result of these obligations and have not accrued any liabilities related to these indemnifications on our consolidated financial statements.

NOTE 18 — STOCKHOLDERS' EQUITY

Shares Outstanding

Shares of common stock outstanding were as follows:

(In millions)

Year Ended June 30,	2016	2015	2014
Balance, beginning of year	8,027	8,239	8,328
Issued	75	83	86
Repurchased	(294)	(295)	(175)
Balance, end of year	<u>7,808</u>	<u>8,027</u>	<u>8,239</u>

Share Repurchases

On September 16, 2013, our Board of Directors approved a share repurchase program authorizing up to \$40.0 billion in share repurchases. The share repurchase program became effective on October 1, 2013, has no expiration date, and may be suspended or discontinued at any time without notice. This share repurchase program replaced the share repurchase program that was announced on September 22, 2008 and expired on September 30, 2013. As of June 30, 2016, \$7.1 billion remained of our \$40.0 billion share repurchase program. All repurchases were made using cash resources.

We repurchased the following shares of common stock under the above-described repurchase plans:

(In millions)	Shares	Amount	Shares	Amount	Shares	Amount
Year Ended June 30,	2016		2015		2014 ^(a)	
First quarter	89	\$ 4,000	43	\$ 2,000	47	\$ 1,500
Second quarter	66	3,600	43	2,000	53	2,000
Third quarter	69	3,600	116	5,000	47	1,791
Fourth quarter	70	3,600	93	4,209	28	1,118
Total	<u>294</u>	<u>\$ 14,800</u>	<u>295</u>	<u>\$ 13,209</u>	<u>175</u>	<u>\$ 6,409</u>

(a) Of the 175 million shares repurchased in fiscal year 2014, 128 million shares were repurchased for \$4.9 billion under the share repurchase program approved by our Board of Directors on September 16, 2013 and 47 million shares were repurchased for \$1.5 billion under the share repurchase program that was announced on September 22, 2008 and expired on September 30, 2013.

The above table excludes shares repurchased to settle statutory employee tax withholding related to the vesting of stock awards.