

NOTE 15 — UNEARNED REVENUE

Unearned revenue by segment was as follows:

(In millions)

June 30,	2016	2015
Productivity and Business Processes	\$ 12,482	\$ 11,643
Intelligent Cloud	11,472	10,346
More Personal Computing	3,246	3,246
Corporate and Other	6,709	83
Total	<u>\$ 33,909</u>	<u>\$ 25,318</u>

Revenue from Windows 10 is primarily recognized at the time of billing in the More Personal Computing segment, and the deferral and subsequent recognition of revenue is reflected in Corporate and Other in the table above. As of June 30, 2016, we deferred a net \$6.6 billion in revenue related to Windows 10.

NOTE 16 — COMMITMENTS

Construction and Operating Lease Commitments

We have committed \$2.0 billion for constructing new buildings, building improvements, and leasehold improvements as of June 30, 2016.

We have operating leases for most U.S. and international sales and support offices, research and development facilities, manufacturing facilities, retail stores, and certain equipment. Rental expense for facilities operating leases was \$1.0 billion, \$989 million, and \$874 million, in fiscal years 2016, 2015, and 2014, respectively. Future minimum rental commitments under non-cancellable facilities operating leases in place as of June 30, 2016 are as follows:

(In millions)

Year Ending June 30,	
2017	\$ 96
	1
2018	99
	6
2019	92
	2
2020	83
	3
2021	63
	4
Thereafter	2,11
	8
Total	<u>\$ 6,46</u>
	<u>4</u>

Other Commitments

On June 11, 2016, we entered into a definitive agreement to acquire LinkedIn Corporation ("LinkedIn") for \$196 per share in an all-cash transaction valued at \$26.2 billion, inclusive of LinkedIn's net cash (the "Merger Agreement"). We will finance the transaction primarily through the issuance of new indebtedness. The Merger Agreement has been unanimously approved by the Boards of Directors of both Microsoft and LinkedIn, and we expect the acquisition will close in the 2016 calendar year, subject to approval by LinkedIn's shareholders, satisfaction of certain regulatory approvals, and other customary closing conditions. The transaction is expected to accelerate the growth of LinkedIn, as well as Office 365 and Dynamics.