

NOTE 9 — BUSINESS COMBINATIONS

Mojang Synergies AB

On November 6, 2014, we acquired Mojang Synergies AB (“Mojang”), the Swedish video game developer of the Minecraft gaming franchise, for \$2.5 billion in cash, net of cash acquired. The addition of Minecraft and its community enhances our gaming portfolio across Windows, Xbox, and other ecosystems besides our own. The significant classes of assets and liabilities to which we allocated the purchase price were goodwill of \$1.8 billion and identifiable intangible assets of \$928 million, primarily marketing-related (trade names). The goodwill recognized in connection with the acquisition is primarily attributable to anticipated synergies from future growth, and is not expected to be deductible for tax purposes. We assigned the goodwill to More Personal Computing under our current segment structure. Identifiable intangible assets were assigned a total weighted-average amortization period of 6.3 years. Mojang has been included in our consolidated results of operations since the acquisition date.

Nokia’s Devices and Services Business

On April 25, 2014, we acquired substantially all of Nokia Corporation’s (“Nokia”) Devices and Services business (“NDS”) for a total purchase price of \$9.4 billion, including cash acquired of \$1.5 billion (the “Acquisition”). The purchase price consisted primarily of cash of \$7.1 billion and Nokia’s repurchase of convertible notes of \$2.1 billion, which was a non-cash transaction, and liabilities assumed of \$0.2 billion. The Acquisition was expected to accelerate the growth of our Devices business through faster innovation, synergies, and unified branding and marketing.

The allocation of the purchase price to goodwill was completed as of March 31, 2015. The major classes of assets and liabilities to which we allocated the purchase price were as follows:

(In millions)

Cash	\$ 1,506
Accounts receivable ^(a)	754
Inventories	544
Other current assets	936
Property and equipment	981
Intangible assets	4,509
Goodwill ^(b)	5,456
Other	221
Current liabilities	(4,575)
Long-term liabilities	(890)
Total purchase price	<u>\$ 9,442</u>

(a) Gross accounts receivable was \$901 million, of which \$147 million was expected to be uncollectible.

(b) Goodwill was assigned to More Personal Computing under our current segment structure. The goodwill was primarily attributed to increased synergies that were expected to be achieved from the integration of NDS.

Following are the details of the purchase price allocated to the intangible assets acquired:

(In millions)	Amount	Weighted Average Life
Technology-based	\$ 2,493	9 years
Contract-based	1,500	9 years
Customer-related	359	3 years
Marketing-related (trade names)	157	2 years
Fair value of intangible assets acquired	<u>\$ 4,509</u>	8 years