

## Fair Value Hedge Gains (Losses)

We recognized in other income (expense), net the following gains (losses) on contracts designated as fair value hedges and their related hedged items:

(In millions)

Year Ended June 30,	2017	2016	2015
<b>Foreign Exchange Contracts</b>			
Derivatives	\$ 441	\$ (797)	\$ 741
Hedged items	(386)	838	(725)
Total amount of ineffectiveness	\$ 55	\$ 41	\$ 16
<b>Equity Contracts</b>			
Derivatives	\$ (74)	\$ (76)	\$ (107)
Hedged items	74	76	107
Total amount of ineffectiveness	\$ 0	\$ 0	\$ 0
Amount of equity contracts excluded from effectiveness assessment	\$ (80)	\$ (10)	\$ 0

## Cash Flow Hedge Gains (Losses)

We recognized the following gains (losses) on foreign exchange contracts designated as cash flow hedges:

(In millions)

Year Ended June 30,	2017	2016	2015
<b>Effective Portion</b>			
Gains recognized in other comprehensive income (net of tax effects of \$4, \$24 and \$35)	\$ 328	\$ 351	\$ 1,152
Gains reclassified from accumulated other comprehensive income into revenue	555	625	608
<b>Amount Excluded from Effectiveness Assessment and Ineffective Portion</b>			
Losses recognized in other income (expense), net	(389)	(354)	(346)

We estimate that \$130 million of net derivative gains included in AOCI as of June 30, 2017 will be reclassified into earnings within the following 12 months. No significant amounts of gains (losses) were reclassified from AOCI into earnings as a result of forecasted transactions that failed to occur during fiscal year 2017.

## Non-Designated Derivative Gains (Losses)

Gains (losses) from changes in fair values of derivatives that are not designated as hedges are primarily recognized in other income (expense), net. These amounts are shown in the table below, with the exception of gains (losses) on derivatives presented in income statement line items other than other income (expense), net, which were immaterial for the periods presented. Other than those derivatives entered into for investment purposes, such as commodity contracts, the gains (losses) below are generally economically offset by unrealized gains (losses) in the underlying available-for-sale securities and gains (losses) from foreign exchange rate changes on certain balance sheet amounts.

(In millions)

Year Ended June 30,	2017	2016	2015
Foreign exchange contracts	\$ (117)	\$ (55)	\$ (483)
Equity contracts	(114)	(21)	(19)
Interest-rate contracts	14	10	23
Credit contracts	5	(1)	(1)
Commodity contracts	(22)	(87)	(223)
Total	\$ (234)	\$ (154)	\$ (703)