

During the fourth quarter of fiscal year 2016, we recorded \$630 million of intangible and fixed asset impairment charges, and during the fourth quarter of fiscal year 2015, we recorded \$7.5 billion of goodwill and asset impairment charges. The impairment charges for both periods related to our phone business. These costs are included in impairment, integration, and restructuring expenses on our consolidated income statement. See Note 10 – Goodwill and Note 11 – Intangible Assets for additional details.

In May 2016, we announced an agreement to sell our entry-level feature phone assets for \$350 million. The transaction is expected to close in the second half of calendar year 2016, subject to regulatory approvals and other closing conditions.

Our consolidated income statement for fiscal year 2014 included revenue and operating loss of \$2.0 billion and \$692 million, respectively, attributable to NDS since the Acquisition.

Following are the supplemental consolidated results of Microsoft Corporation on an unaudited pro forma basis, as if the Acquisition had been consummated on July 1, 2012:

(In millions, except per share amounts)

Year Ended June 30,	2014
Revenue	\$ 96,248
Net income	\$ 20,234
Diluted earnings per share	\$ 2.41

These pro forma results were based on estimates and assumptions, which we believe are reasonable. They are not the results that would have been realized had we been a combined company during the periods presented and are not necessarily indicative of our consolidated results of operations in future periods. The pro forma results include adjustments primarily related to purchase accounting adjustments and the elimination of related party transactions between Microsoft and NDS. Acquisition costs and other nonrecurring charges incurred are included in the earliest period presented.

During the fourth quarter of fiscal year 2014, we incurred \$21 million of acquisition costs associated with the purchase of NDS. Acquisition costs are primarily comprised of transaction fees and direct acquisition costs, including legal, finance, consulting, and other professional fees. These costs are included in impairment, integration, and restructuring expenses on our consolidated income statement for fiscal year 2014.

Certain concurrent transactions were recognized separately from the Acquisition. Prior to the Acquisition, we had joint strategic initiatives with Nokia; this contractual relationship was terminated in conjunction with the Acquisition. No gain or loss was recorded upon termination of this agreement, as it was determined to be at market value. In addition, we agreed to license Nokia's mapping services and will pay Nokia separately for the services provided under a four-year license as they are rendered.

Other

During fiscal year 2016, we completed 17 acquisitions for total cash consideration of \$1.4 billion. These entities have been included in our consolidated results of operations since their respective acquisition dates.

Pro forma results of operations for Mojang and our other acquisitions during the current period have not been presented because the effects of these business combinations, individually and in aggregate, were not material to our consolidated results of operations.