IMPAIRMENT AND RESTRUCTURING EXPENSES

Impairment and restructuring expenses include costs associated with the impairment of intangible assets related to our Phone business, and employee severance expenses and other costs associated with the consolidation of facilities and manufacturing operations related to restructuring activities.

Fiscal Year 2018 Compared with Fiscal Year 2017

During fiscal year 2017, we recorded $306 million of employee severance expenses primarily related to our sales and marketing restructuring plan.

Fiscal Year 2017 Compared with Fiscal Year 2016

Impairment and restructuring expenses were $306 million for fiscal year 2017, compared to $1.1 billion for fiscal year 2016.

During fiscal year 2016, we recorded $630 million of asset impairment charges related to our Phone business. We also recorded $480 million of restructuring charges, including employee severance expenses and contract termination costs, primarily related to our previously announced Phone business restructuring plans.

OTHER INCOME (EXPENSE), NET

The components of other income (expense), net were as follows:

(In millions)

Year Ended June 30,	**2018**	**2017**	**2016**
Dividends and interest income	**$ 2,214**	$ 1,387	$ 903
Interest expense	**(2,733)**	(2,222)	(1,243)
Net recognized gains on investments	**2,399**	2,583	668
Net losses on derivatives	**(187)**	(510)	(443)
Net losses on foreign currency remeasurements	**(218)**	(111)	(129)
Other, net	**(59)**	(251)	(195)
Total	**$ 1,416**	$ 876	$ (439)

We use derivative instruments to: manage risks related to foreign currencies, equity prices, interest rates, and credit; enhance investment returns; and facilitate portfolio diversification. Gains and losses from changes in fair values of derivatives that are not designated as hedges are primarily recognized in other income (expense), net.

Fiscal Year 2018 Compared with Fiscal Year 2017

Dividends and interest income increased primarily due to higher average portfolio balances and yields on fixed-income securities. Interest expense increased primarily due to higher average outstanding long-term debt and higher finance lease expense. Net recognized gains on investments decreased primarily due to higher losses on sales of fixed-income securities, offset in part by higher gains on sales of equity securities. Net losses on derivatives decreased primarily due to lower losses on equity, foreign exchange, and commodity derivatives, offset in part by losses on interest rate derivatives in the current period as compared to gains in the prior period.

Fiscal Year 2017 Compared with Fiscal Year 2016

Dividends and interest income increased primarily due to higher portfolio balances and yields on fixed-income securities. Interest expense increased primarily due to higher outstanding long-term debt. Net recognized gains on