

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,	2016	2015	2014
Foreign Exchange Contracts			
Derivatives	\$ (797)	\$ 741	\$ (14)
Hedged items	838	(725)	6
Total amount of ineffectiveness	<u>\$ 41</u>	<u>\$ 16</u>	<u>\$ (8)</u>
Equity Contracts			
Derivatives	\$ (76)	\$ (107)	\$ (110)
Hedged items	76	107	110
Total amount of ineffectiveness	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Amount of equity contracts excluded from effectiveness assessment	\$ (10)	\$ 0	\$ (9)

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,	2016	2015	2014
Effective Portion			
Gains recognized in OCI (net of tax effects of \$24, \$35 and \$2)	\$ 351	\$ 1,152	\$ 63
Gains reclassified from AOCI into revenue	\$ 625	\$ 608	\$ 104
Amount Excluded from Effectiveness Assessment and Ineffective Portion			
Losses recognized in other income (expense), net	\$ (354)	\$ (346)	\$ (239)

We estimate that \$319 million of net derivative gains included in AOCI as of June 30, 2016 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 2016.

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,	2016	2015	2014
Foreign exchange contracts	\$ (55)	\$ (483)	\$ (78)
Equity contracts	(21)	(19)	(64)
Interest-rate contracts	10	23	24
Credit contracts	(1)	(1)	13
Commodity contracts	(87)	(223)	71
Total	<u>\$ (154)</u>	<u>\$ (703)</u>	<u>\$ (34)</u>