BIOMARIN PHARMACEUTICAL INC
Form 10-Q
November 02, 2015
o

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2015

Or

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to .

Commission File Number: 000-26727

BioMarin Pharmaceutical Inc.

(Exact name of registrant as specified in its charter)

Delaware	68-0397820
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

770 Lindaro Street, San Rafael, California	94901
(Address of principal executive offices)	(Zip Code)

(415) 506-6700

(Registrant's telephone number including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	Accelerated filer	o
Non-accelerated filer	o (Do not check if a smaller reporting company)	Smaller reporting company	o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes o No x

Applicable only to issuers involved in bankruptcy proceedings during the preceding five years:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes o No o

Applicable only to corporate issuers:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 161,251,715 shares of common stock, par value $0.001, outstanding as of October 23, 2015.

BIOMARIN PHARMACEUTICAL INC.

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Kysdrisa™ is our trademark. BioMarin®, Vimizim®, Naglazyme®, Kuvan® and Firdapse® are our registered trademarks. Aldurazyme® is a registered trademark of BioMarin/Genzyme LLC. All other brand names and service marks, trademarks and other trade names appearing in this report are the property of their respective owners.

BIOMARIN PHARMACEUTICAL INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

September 30, 2015 and December 31, 2014

(In thousands of U.S. dollars, except share amounts)

	September 30, 2015	December 31, 2014[1]
ASSETS	(unaudited)	
Current assets:		
Cash and cash equivalents	$376,346	$875,486
Short-term investments	241,984	69,706
Accounts receivable, net (allowance for doubtful accounts: $80 and $490, at September 30, 2015 and December 31, 2014, respectively)	148,949	144,472
Inventory	262,100	199,452
Current deferred tax assets	30,880	31,203
Other current assets	115,330	111,835
Total current assets	1,175,589	1,432,154
Noncurrent assets:		
Long-term investments	514,381	97,856
Property, plant and equipment, net	604,513	523,516
Intangible assets, net	920,943	156,578
Goodwill	202,392	54,258
Long-term deferred tax assets	146,245	159,771
Other assets	60,790	66,320
Total assets	$3,624,853	$2,490,453
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$296,200	$231,844
Short-term contingent acquisition consideration payable	94,291	3,895
Total current liabilities	390,491	235,739
Noncurrent liabilities:		
Long-term convertible debt	667,793	657,976
Long-term contingent acquisition consideration payable	34,874	38,767
Long-term deferred tax liabilities	193,202	—
Other long-term liabilities	45,853	30,077
Total liabilities	1,332,213	962,559
Stockholders' equity:		
Common stock, $0.001 par value: 250,000,000 shares authorized at September 30, 2015 and December 31, 2014: 161,226,410 and 149,093,647 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively	162	149
Additional paid-in capital	3,371,377	2,359,744
Company common stock held by Nonqualified Deferred Compensation Plan	(13,897)	(9,695)

Accumulated other comprehensive income	25,184	27,466
Accumulated deficit	(1,090,186)	(849,770)
Total stockholders’ equity	2,292,640	1,527,894
Total liabilities and stockholders’ equity	$3,624,853	$2,490,453

(1) December 31, 2014 balances were derived from the audited Consolidated Financial Statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014, filed with the Securities and Exchange Commission (the SEC) on March 2, 2015.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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BIOMARIN PHARMACEUTICAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Three and Nine Months Ended September 30, 2015 and 2014

(In thousands of U.S. dollars, except per share amounts)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
REVENUES:				
Net product revenues	$207,767	$173,416	$658,102	$510,664
Collaborative agreement revenues	131	353	849	1,274
Royalty, license and other revenues	1,006	2,780	3,008	7,278
Total revenues	208,904	176,549	661,959	519,216
OPERATING EXPENSES:				
Cost of sales	36,719	29,920	109,410	83,946
Research and development	158,713	125,686	458,688	319,476
Selling, general and administrative	94,044	74,604	288,364	202,388
Intangible asset amortization and contingent consideration	1,301	2,636	17,518	15,041
Gain on sale of intangible asset	—	(67,500)	—	(67,500)
Total operating expenses	290,777	165,346	873,980	553,351
INCOME (LOSS) FROM OPERATIONS	(81,873)	11,203	(212,021)	(34,135)
Equity in the loss of BioMarin/Genzyme LLC	(186)	(225)	(539)	(1,102)
Interest income	1,344	1,435	3,050	4,293
Interest expense	(9,447)	(9,118)	(28,911)	(27,445)
Debt conversion expense	—	—	(163)	(674)
Other expense	(281)	(74)	(9,105)	(68)
INCOME (LOSS) BEFORE INCOME TAXES	(90,443)	3,221	(247,689)	(59,131)
Provision for (benefit from) income taxes	483	(4,224)	(7,273)	5,041
NET INCOME (LOSS)	$(90,926)	$7,445	$(240,416)	$(64,172)
NET INCOME (LOSS) PER SHARE, BASIC	$(0.57)	$0.05	$(1.51)	$(0.44)
NET INCOME (LOSS) PER SHARE, DILUTED	$(0.60)	$0.05	$(1.51)	$(0.44)
Weighted average common shares outstanding, basic	160,886	147,016	159,647	145,724
Weighted average common shares outstanding, diluted	161,134	159,304	159,647	145,724
COMPREHENSIVE INCOME (LOSS)	$(98,203)	$16,693	$(242,698)	$(50,001)

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

BIOMARIN PHARMACEUTICAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine Months Ended September 30, 2015 and 2014

(In thousands of U.S. dollars)

(Unaudited)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(240,416)	$(64,172)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	45,306	39,905
Non-cash interest expense	21,243	20,305
Accretion of discount on investments	1,616	5,748
Stock-based compensation	84,465	55,251
Gain on sale of intangible asset	—	(67,500)
Gain on termination of lease	—	(8,893)
Gain on sale of equity investment	(3,022)	—
Impairment of assets	12,802	—
Deferred income taxes	14,629	(12,373)
Excess tax benefit from stock option exercises	(463)	(205)
Unrealized foreign exchange (gain) loss on forward contracts	(16,491)	2,354
Non-cash changes in the fair value of contingent acquisition consideration payable	15,101	11,202
Other	1,059	2,136
Changes in operating assets and liabilities:		
Accounts receivable, net	146	(3,482)
Inventory	(61,980)	(41,114)
Other current assets	(27,970)	(9,783)
Other assets	(1,391)	(6,708)
Accounts payable and accrued liabilities	924	30,930
Other long-term liabilities	790	(116)
Net cash used in operating activities	(153,652)	(46,515)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(123,844)	(89,295)
Funds held in escrow for the purchase of real property	(12,500)	—
Maturities and sales of investments	261,786	207,476
Purchase of available-for-sale investments	(842,873)	(448,938)
Proceeds from sale of intangible asset	—	67,500
Purchase of promissory note	(3,326)	—
Business acquisitions, net of cash acquired	(538,392)	—
Other	—	(3,100)
Net cash used in investing activities	(1,259,149)	(266,357)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercises of stock options and Employee Stock Purchase Plan (the ESPP)	51,515	37,635
Taxes paid related to net share settlement of equity awards	(21,968)	(7,246)
Proceeds from public offering of common stock, net	888,257	117,464

Excess tax benefit from stock option exercises	463	205
Payment of contingent acquisition consideration payable	—	(4,691)
Other	(2,062)	(691)
Net cash provided by financing activities	916,205	142,676
Effect of exchange rate changes on cash	(2,544)	(580)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(499,140)	(170,776)
Cash and cash equivalents:		
Beginning of period	$875,486	$568,781
End of period	$376,346	$398,005
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Cash paid for interest, net of interest capitalized into fixed assets	4,979	4,759
Cash paid for income taxes	15,377	22,378
Stock-based compensation capitalized into inventory	8,271	5,663
Depreciation capitalized into inventory	11,005	7,989
SUPPLEMENTAL CASH FLOW DISCLOSURES FROM INVESTING AND FINANCING ACTIVITIES:		
Decrease in accounts payable and accrued liabilities related to fixed assets	(11,386)	(2,762)
Conversion of convertible debt	8,957	16,482
Release of escrow balance for purchase of San Rafael Corporate Center	—	116,500

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

BIOMARIN PHARMACEUTICAL INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of U.S. dollars, except per share amounts or as otherwise disclosed)

(1) NATURE OF OPERATIONS AND BUSINESS RISKS

BioMarin Pharmaceutical Inc. (the Company or BioMarin), a Delaware corporation, develops and commercializes innovative biopharmaceuticals for serious diseases and medical conditions. BioMarin selects product candidates for diseases and conditions that represent a significant unmet medical need, have well-understood biology and provide an opportunity to be first-to-market or offer a significant benefit over existing products. The Company's product portfolio is comprised of five approved products and multiple clinical and pre-clinical product candidates. The Company's approved products are Vimizim (elosulfase alfa), Naglazyme (galsulfase), Kuvan (sapropterin dihydrochloride), Aldurazyme (laronidase) and Firdapse (amifampridine phosphate).

The Company expects to continue to finance future cash needs that exceed its operating activities primarily through its current cash, cash equivalents, short-term and long-term investments, and to the extent necessary, through proceeds from equity or debt financings, loans and collaborative agreements with corporate partners. If the Company elects to increase its spending on development programs significantly above current long-term plans or enters into potential licenses and other acquisitions of complementary technologies, products or companies, the Company may need additional capital.

The Company is subject to a number of risks, including: the financial performance of Vimizim, Naglazyme, Kuvan, Aldurazyme and Firdapse; the potential need for additional financings; the Company's ability to successfully commercialize its approved product candidates; the uncertainty of the Company's research and development (R&D) efforts resulting in future successful commercial products; the Company's ability to successfully obtain regulatory approval for new products; significant competition from larger organizations; reliance on the proprietary technology of others; dependence on key personnel; uncertain patent protection; dependence on corporate partners and collaborators; and possible restrictions on reimbursement from governmental agencies and healthcare organizations, as well as other changes in the health care industry.

(2) BASIS OF PRESENTATION

The accompanying Condensed Consolidated Financial Statements have been prepared pursuant to the rules and regulations of the SEC for Quarterly Reports on Form 10-Q and do not include all of the information and note disclosures required by U.S. generally accepted accounting principles (U.S. GAAP) for complete financial statements, although the Company believes that the disclosures herein are adequate to ensure that the information presented is not misleading. The Condensed Consolidated Financial Statements should therefore be read in conjunction with the Consolidated Financial Statements and Notes thereto for the fiscal year ended December 31, 2014 included in the Company's Annual Report on Form 10-K.

The accompanying Condensed Consolidated Financial Statements have been prepared in accordance with U.S. GAAP, which requires management to make estimates and assumptions that affect amounts reported in the Condensed Consolidated Financial Statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future, actual results may be different from those estimates. The Condensed Consolidated Financial Statements reflect all adjustments of a normal, recurring nature that are, in the opinion of management, necessary for a fair presentation of results for these interim periods. The results of operations for the three and nine months ended September 30, 2015 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2015.

The Company has evaluated events and transactions subsequent to the balance sheet date. Based on this evaluation, the Company is not aware of any events or transactions that occurred subsequent to the balance sheet date but prior to filing this Quarterly Report on Form 10-Q that would require recognition or disclosure in the Condensed Consolidated Financial Statements, except for the transactions disclosed in Note 21.

(3) SIGNIFICANT ACCOUNTING POLICIES

There have been no material changes to the Company's significant accounting policies during the nine months ended September 30, 2015, as compared to the significant accounting policies disclosed in Note 3 of the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

Reclassifications

Certain items in the Company's prior year Condensed Consolidated Financial Statements have been reclassified to conform to the current presentation.

BIOMARIN PHARMACEUTICAL INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(In thousands of U.S. dollars, except per share amounts or as otherwise disclosed)

(4) RECENT ACCOUNTING PRONOUNCEMENTS

Except as described below, there have been no new accounting pronouncements or changes to accounting pronouncements during the nine months ended September 30, 2015, as compared to the recent accounting pronouncements described in Note 4 of the Company's Annual Report on Form 10-K for the year-ended December 31, 2014, that are of significance or potential significance to the Company.

In April 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. ASU 2015-03, Interest–Imputation of Interest (Subtopic 835-30), which changes the presentation of debt issuance costs in financial statements. ASU 2015-03 requires an entity to present such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs will continue to be reported as interest expense. It is effective for annual reporting periods beginning after December 15, 2016, which for the Company is January 1, 2017. Early adoption is permitted. The new guidance will be applied retrospectively to each prior period presented. The Company does not expect that the adoption of this standard will have a material impact on the Company's results of operations nor will it result in a reclassification of the balance of deferred offering costs at the time of adoption. If the standard were adopted as of September 30, 2015, the reclassification would approximate $12.6 million.

In July 2015, the FASB deferred the effective date for ASU No. 2014-09 (ASU 2014-09), Revenue from Contracts with Customers, by one year. ASU 2014-09 will supersede the revenue recognition requirements in Revenue Recognition (Topic 605) and requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period, which for the Company is January 1, 2018. Early adoption is not permitted. The new standard can be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the change recognized at the date of the initial application in retained earnings. The Company is currently evaluating the potential impact the adoption of ASU 2014-09 will have on its consolidated financial statements and has not yet selected a transition method.

In July 2015, the FASB issued ASU No. 2015-11, Inventory (ASU 2015-11), which requires an entity to measure inventory within the scope at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The effective date for the standard is for fiscal years beginning after December 15, 2016, which for the Company is January 1, 2017. Early adoption is permitted. The new standard is to be applied prospectively. The Company does not expect ASU 2015-11 to have a material impact on its consolidated financial statements.

In September 2015, the FASB issued ASU No. 2015-16, Simplifying the Accounting for Measurement-Period Adjustments (ASU 2015-16). The amended guidance requires that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The amendments are effective prospectively for the fiscal years, and the interim reporting periods within those years, beginning on or after December 15, 2015 and early adoption is permitted. The Company is currently evaluating the potential impact the adoption of ASU 2015-16 will have on its consolidated financial statements and has not elected to early adopt ASU 2015-16.

(In thousands of U.S. dollars, except per share amounts or as otherwise disclosed)

(5) ACQUISITIONS

Prosensa Holding N.V.

On January 29, 2015, the Company completed the acquisition of Prosensa Holding N.V. (Prosensa), a public limited liability company organized under the laws of the Netherlands, for a total purchase price of $751.5 million. In connection with the acquisition of Prosensa, the Company recognized transaction costs of $9.7 million, of which $2.7 million and $7.0 million, respectively, was recognized in the year ended December 31, 2014 and the nine months ended September 30, 2015.

Prosensa was an innovative biotechnology company engaged in the discovery and development of ribonucleic acid (RNA)-modulating therapeutics for the treatment of genetic disorders. Prosensa’s primary focus was on rare neuromuscular and neurodegenerative disorders with a large unmet medical need, including subsets of patients with Duchenne muscular dystrophy (DMD), myotonic dystrophy and Huntington’s disease. Prosensa’s clinical portfolio of RNA-based product candidates was focused on the treatment of DMD. Each of Prosensa’s DMD compounds has been granted orphan drug status in the United States (the U.S.) and the European Union (the EU). Prosensa’s lead product, Kyndrisa formerly referred to as drisapersen, is currently under review as part of a rolling new drug application (NDA) with the Food and Drug Administration (the FDA). On April 27, 2015, the Company announced the completion of the rolling submission of the NDA to the FDA. On June 8, 2015, the Company announced the submission of a marketing authorization application (MAA) for Kyndrisa with the European Medicines Agency (the EMA).

In connection with its acquisition of Prosensa, the Company made cash payments totaling $680.1 million, which were comprised of $620.7 million for approximately 96.8% of Prosensa’s ordinary shares (the Prosensa Shares), $38.6 million for the options that vested pursuant to the Company’s tender offer for the Prosensa Shares and $20.8 million to the remaining Prosensa shareholders that did not tender their shares under the tender offer. Additionally, for each Prosensa Share, the Company issued one non-transferable contingent value right (the CVR), which represents the contractual right to receive a cash payment of up to $4.14 per Prosensa Share, or an aggregate of approximately $160.0 million (undiscounted), upon the achievement of certain product approval milestones. The fair value of the CVRs and acquired in-process research and development (IPR&D) on the acquisition date was $71.4 million and $772.8 million, respectively. The acquisition date fair value of the CVRs and IPR&D was estimated by applying a probability-based income approach utilizing an appropriate discount rate. Key assumptions include a discount rate and various probability factors. See Note 15 to these Condensed Consolidated Financial Statements for additional discussion regarding fair value measurements of the CVRs, which is included in contingent acquisition consideration payable.

The following table presents the allocation of the purchase consideration for the Prosensa acquisition, including the CVRs, based on fair value.

Cash and cash equivalents	$ 141,669
Trade accounts receivable	3,086

Other current assets	1,537
Property, plant and equipment	2,683
Intangible assets	497
Other assets	104
Acquired IPR&D	772,808
Total identifiable assets acquired	922,384
Accounts payable and accrued expenses	(68,799)
Debt assumed	(57,053)
Deferred tax liability	(193,202)
Total liabilities assumed	(319,054)
Net identifiable assets acquired	603,330
Goodwill	148,134
Net assets acquired	$751,464

BIOMARIN PHARMACEUTICAL INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(In thousands of U.S. dollars, except per share amounts or as otherwise disclosed)

A substantial portion of the assets acquired consisted of IPR&D related to Prosensa's product candidates Kyndrisa and exons PRO 044 and PRO 045, which are considered to be indefinite-lived assets until completion or abandonment of the associated research and development (R&D) efforts. The Company determined that the estimated acquisition-date fair value of the intangible assets related to Kyndrisa and Prosensa's other primary product candidates, PRO 044 and PRO 045, was $731.8 million, $16.9 million and $24.1 million, respectively.

The deferred tax liability relates to the tax impact of future amortization or possible impairments associated with the identified intangible assets acquired, which are not deductible for tax purposes.

Prosensa's results of operations prior to and since the acquisition date are insignificant to the Company's Condensed Consolidated Financial Statements.

See Note 10 to these Condensed Consolidated Financial Statements for further discussion of the indefinite-lived intangible assets.

San Rafael Corporate Center

In March 2014, the Company completed the acquisition of the real estate commonly known as the San Rafael Corporate Center (SRCC), located in San Rafael, California. SRCC is a multi-building, commercial property where, prior to the acquisition, the Company was leasing a certain portion of the space for its headquarters and related operating activities. The purpose of this acquisition is to allow for future expansion of the Company's corporate headquarters to accommodate anticipated headcount growth. The acquisition of SRCC has been accounted for as a business combination because the building and the in-place leases met the definition of a business in Accounting Standards Codification 805 (ASC 805), Business Combinations. The fair value of the consideration paid for SRCC was $116.5 million, all of which was paid in cash.

The following table summarizes the estimated fair values of assets acquired as of the date of acquisition:

	Estimated Fair Value	Estimated Useful Lives
Building and improvements	$ 94,414	50 years
Land	14,565	
Land improvements	3,616	10 years
Lease intangible assets	3,905	Remaining lease terms
Total identifiable net assets	$ 116,500	

The fair values assigned to tangible and identifiable intangible assets acquired are based on management's estimates and assumptions using the information that was available as of the date of the acquisition. The Company believes that the information provides a reasonable basis for estimating the fair values of assets acquired.

The following table sets forth the fair value of the components of the identifiable lease intangible assets acquired by asset class as of the date of acquisition:

Above market leases	$351
In-place leases	3,554
Total lease intangible assets subject to amortization	$3,905

BIOMARIN PHARMACEUTICAL INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(In thousands of U.S. dollars, except per share amounts or as otherwise disclosed)

The value of any lease intangible assets (such as in-place and above-market leases) is estimated to be equal to the property owners' avoidance of costs necessary to release the property for a lease term equal to the remaining primary in-place lease term and the value of investment-grade tenancy, which is derived by estimating, based on a review of the market, the cost to be borne by a property owner to replicate a market lease for the remaining in-place term. These costs consist of: (i) rent lost during downtime (e.g., assumed periods of vacancy), (ii) estimated expenses that would be incurred by the property owner during periods of vacancy, (iii) rent concessions (e.g., free rent), (iv) leasing commissions and (v) tenant improvement allowances. The Company determined these values using management's estimates along with third-party appraisals. The Company will amortize the capitalized value of lease intangible assets over the remaining lives of the underlying leases. Lease intangible assets are amortized as a reduction in (addition to) third-party tenant revenue, which is included in Royalty, License and Other Revenues on the Company's Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2015 and 2014.

The amount of third-party tenant revenue included in the Company's Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2015 was $0.6 million and $2.1 million, respectively, compared to $1.3 million and $3.1 million for the three and nine months ended September 30, 2014, respectively. Amortization expense for each of the three and nine months ended September 30, 2015 and 2014 were $0.3 million and $1.0 million, respectively. The amount of net income/loss from third-party tenants for each of the three and nine months ended September 30, 2015 and 2014 was insignificant to the Company's Condensed Consolidated Statement of Comprehensive Income (Loss).

SRCC's results of operations prior to the acquisition were insignificant to the Company's Condensed Consolidated Financial Statements.

Included in Selling, General and Administrative (SG&A) expenses during the nine months ended September 30, 2014 are transaction costs incurred in connection with the acquisition of SRCC of $0.3 million. The Company recognized a gain of $8.8 million in the nine months ended September 30, 2014 due to the early termination of the Company's pre-existing lease and the realization of the remaining balance in deferred rent and the reversal of the related asset retirement obligation upon acquisition of SRCC. $2.7 million and $6.1 million of the gain were included in SG&A and R&D expenses, respectively, which is consistent with the Company's allocation practices for facility costs for this previously leased space.

(6) STOCKHOLDERS' EQUITY

In January 2015, the Company sold 9,775,000 shares of its common stock at a price of $93.25 per share in an underwritten public offering pursuant to an effective registration statement previously filed with the SEC. The Company received net proceeds of approximately $888.3 million from this public offering after underwriter's discount and offering costs.

(7) NET INCOME (LOSS) PER COMMON SHARE

Potentially issuable shares of common stock include shares issuable upon the exercise of outstanding employee stock option awards, common stock issuable under the Company's Amended and Restated 2006 Employee Stock Purchase Plan (the ESPP), unvested restricted stock units (RSUs), common stock held by the Company's Nonqualified Deferred Compensation Plan (the NQDC) and contingent issuances of common stock related to convertible debt.

BIOMARIN PHARMACEUTICAL INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(In thousands of U.S. dollars, except per share amounts or as otherwise disclosed)

The following table sets forth the computation of basic and diluted earnings per common share (in thousands of common shares):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Numerator:				
Net income (loss), basic	$(90,926)	$7,445	$(240,416)	$(64,172)
Interest expense related to the 2017 Notes	—	156	—	—
Gain on common stock held by the NQDC	(4,980)	—	—	—
Net income (loss), diluted	$(95,906)	$7,601	$(240,416)	$(64,172)
Denominator:				
Weighted-average common shares outstanding, basic	160,886	147,016	159,647	145,724
Effect of dilutive securities:				
Options to purchase common stock	—	9,275	—	—
Common stock issuable under the 2017 Notes	—	2,238	—	—
Unvested RSUs	—	642	—	—
Potentially issuable common stock of ESPP purchases	—	133	—	—
Common shares held by the NQDC	248	—	—	—
Weighted-average common shares outstanding, diluted	161,134	159,304	159,647	145,724
Net income (loss) per common share, basic	$(0.57)	$0.05	$(1.51)	$(0.44)
Net income (loss) per common share, diluted	$(0.60)	$0.05	$(1.51)	$(0.44)

In addition to the equity instruments included in the table above, the table below presents potential shares of common stock that were excluded from the computation as they were anti-dilutive using the treasury stock method (in thousands of common shares):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Options to purchase common stock	10,503	3,491	10,503	12,780
Common stock issuable under the 2017 Notes	1,553	—	1,553	2,238
Common stock issuable under the 2018 and 2020 Notes	7,966	7,966	7,966	7,966
Unvested restricted stock units	1,757	559	1,633	1,216
Potentially issuable common stock for ESPP purchases	229	—	220	135
Common stock held by the NQDC	—	224	248	224
Total number of potentially issuable shares	22,008	12,240	22,123	24,559

The effect of the Company's 0.75% senior subordinated convertible notes due in 2018 (the 2018 Notes) and the Company's 1.50% senior subordinated convertible notes due in 2020 (the 2020 Notes, and together with the 2018 Notes, the Notes) was excluded from the diluted net loss per common share since they may be settled in cash or shares at the Company's option and the Company's current intention is to settle up to the principal amount of the converted notes in cash and any excess conversion value (conversion spread) in shares of the Company's common stock. As a result, during the three and nine months ended September 30, 2014 the 2018 Notes and the 2020 Notes had no effect on diluted net loss per share as the Company's stock price did not exceed the conversion price of $94.15 per share for the Notes. Although the Company's stock price exceeded the conversion price at September 30, 2015, the potential shares issuable under the Notes were excluded from the calculation of diluted loss per share as they were anti-dilutive using the if-converted method.

BIOMARIN PHARMACEUTICAL INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(In thousands of U.S. dollars, except per share amounts or as otherwise disclosed)

(8) INVESTMENTS

All investments were classified as available-for-sale at September 30, 2015 and December 31, 2014. The amortized cost, gross unrealized holding gains or losses, and fair value of the Company's available-for-sale securities by major security type at September 30, 2015 and December 31, 2014 are summarized in the tables below:

	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Aggregate Fair Value at September 30, 2015
Certificates of deposit	$ 57,687	$ 1	$ —	$ 57,688
Corporate debt securities	413,955	216	(757)	413,414
Commercial paper	60,892	—	—	60,892
U.S. government agency securities	223,963	278	—	224,241
Greek government-issued bonds	50	80	—	130
Total	$ 756,547	$ 575	$ (757)	$ 756,365

	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Aggregate Fair Value at December 31, 2014
Certificates of deposit	$ 72,302	$ 1	$ —	$ 72,303
Corporate debt securities	95,478	—	(342)	95,136
Greek government-issued bonds	50	73	—	123
Total	$ 167,830	$ 74	$ (342)	$ 167,562

The Company has two investments in marketable equity securities measured using quoted prices in their respective active markets that are collectively considered strategic investments. As of September 30, 2015, the fair value of the Company's marketable equity securities was $21.4 million, which included an unrealized gain of $16.0 million. As of December 31, 2014, the fair value of the Company's marketable equity securities was $30.8 million, which included an unrealized gain of $18.3 million. These investments are recorded in Other Assets in the Company's Condensed Consolidated Balance Sheets.

The fair values of available-for-sale securities by contractual maturity were as follows:

	September 30, 2015	December 31, 2014
Maturing in one year or less	$ 241,984	$ 69,706
Maturing after one year through five years	514,381	97,856
Total	$ 756,365	$ 167,562

Impairment assessments are made at the individual security level each reporting period. When the fair value of an investment is less than its cost at the balance sheet date, a determination is made as to whether the impairment is other-than-temporary and, if it is other-than-temporary, an impairment loss is recognized in earnings equal to the difference between the investment's amortized cost and fair value at such date. As of September 30, 2015, some of the Company's investments were in an unrealized loss position. However, the Company has the ability and intent to hold all investments that have been in a continuous loss position until maturity or recovery, thus no other-than-temporary impairment is deemed to have occurred.

See Note 15 to these Condensed Consolidated Financial Statements for additional discussion regarding the fair value of the Company's available-for-sale securities.

(9) GOODWILL

Goodwill is tested for impairment on an annual basis and between annual tests if the Company becomes aware of any events occurring or changes in the circumstances that would indicate a reduction in the fair value of the goodwill below its carrying amount.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(In thousands of U.S. dollars, except per share amounts or as otherwise disclosed)

The following table represents the changes in goodwill for the nine months ended September 30, 2015:

Balance at December 31, 2014	$54,258
Addition of goodwill related to the acquisition of Prosensa	148,134
Balance at September 30, 2015	$202,392

(10) INTANGIBLE ASSETS

Intangible assets consisted of the following:

	September 30, 2015	December 31, 2014
Intangible assets:		
Finite-lived intangible assets	$123,732	$123,365
Indefinite-lived intangible assets	812,088	74,430
Indefinite-lived intangible assets held-for-sale	35,150	—
Gross intangible assets:	970,970	197,795
Less: Accumulated amortization	(50,027)	(41,217)
Net carrying value	$920,943	$156,578

Indefinite-Lived Intangible Assets

IPR&D assets are considered to be indefinite-lived until the completion or abandonment of the associated R&D efforts. During the period the assets are considered indefinite-lived, they will not be amortized but will be tested for impairment on an annual basis and between annual tests if the Company becomes aware of any events occurring or changes in circumstances that would indicate a reduction in the fair value of the IPR&D assets below their respective carrying amounts. If and when development is complete, which generally occurs if and when regulatory approval to market a product is obtained, the associated assets would be deemed finite-lived and would then be amortized based on their respective estimated useful lives at that point in time.

In August 2015, the Company announced it had entered into an asset purchase agreement under (the Asset Purchase Agreement) which Medivation Inc. (Medivation), would acquire worldwide rights to talazoparib. As of September 30, 2015, the carrying value of the talazoparib intangible assets were classified as held-for-sale and totaled $35.2 million, which was included in Intangible Assets, net on the Company's Condensed Consolidated Balance Sheet. The Company completed the sale of talazoparib to Medivation on October 6, 2015. See Note 21 to these Condensed Consolidated Financial Statements for additional discussion.

See Note 6 to the Consolidated Financial Statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014 for additional information related to the Company’s Intangible Assets.

BIOMARIN PHARMACEUTICAL INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(In thousands of U.S. dollars, except per share amounts or as otherwise disclosed)

(11) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consisted of the following:

	September 30, 2015	December 31, 2014
Leasehold improvements	$41,364	$39,297
Building and improvements	354,957	335,991
Manufacturing and laboratory equipment	136,432	124,564
Computer hardware and software	106,453	97,032
Furniture and equipment	16,465	13,717
Land improvements	4,557	4,106
Land	29,358	29,358
Construction-in-progress	180,220	108,340
	869,806	752,405
Less: Accumulated depreciation	(265,293)	(228,889)
Total property, plant and equipment, net	$604,513	$523,516

Construction in-process primarily includes costs related to the Company’s significant in-process projects at its campus in San Rafael, California and manufacturing plant in Shanbally, Ireland.

Depreciation expense for the three and nine months ended September 30, 2015 was $12.7 million and $36.4 million, respectively, of which $3.7 million and $11.0 million, respectively, was capitalized into inventory. Depreciation expense for the three and nine months ended September 30, 2014 was $11.2 million and $31.3 million, respectively, of which $2.6 million and $8.0 million, respectively, was capitalized into inventory.

Capitalized interest related to the Company’s property, plant and equipment purchases for each of the three and nine months ended September 30, 2015 and 2014 was insignificant.

(12) SUPPLEMENTAL BALANCE SHEET INFORMATION

Inventory consisted of the following:

	September 30,	December 31,

	2015	2014
Raw materials	$41,761	$22,488
Work-in-process	137,751	114,393
Finished goods	82,588	62,571
Total inventory	$262,100	$199,452

Other Current Assets consisted of the following:

	September 30, 2015	December 31, 2014
Prepaid expenses	$73,171	$35,390
Short-term forward currency exchange contract assets	16,396	10,513
Promissory notes receivable, net	—	46,946
Restricted investments	7,346	2,354
Convertible promissory note conversion option	—	2,386
Other receivables	12,606	9,733
Other	5,811	4,513
Total other current assets	$115,330	$111,835

BIOMARIN PHARMACEUTICAL INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(In thousands of U.S. dollars, except per share amounts or as otherwise disclosed)

Other Assets consisted of the following:

	September 30, 2015	December 31, 2014
Deposits	$ 19,957	$ 12,021
Deferred debt offering costs	9,259	11,763
Strategic investments	21,420	30,811
Long-term forward foreign currency exchange contract assets	3,642	5,387
Other	6,512	6,338
Total other assets	$ 60,790	$ 66,320

Accounts payable and accrued liabilities consisted of the following:

	September 30, 2015	December 31, 2014
Accounts payable and accrued operating expenses	$ 162,926	$ 139,513
Accrued compensation expense	62,674	45,479
Accrued vacation expense	15,450	12,540
Accrued rebates payable	27,357	14,859
Accrued royalties payable	9,886	9,050
Value added taxes payable	6,040	5,479
Other	11,867	4,924
Total accounts payable and accrued liabilities	$ 296,200	$ 231,844

(13) CONVERTIBLE DEBT

The following table summarizes information regarding the Company’s convertible debt:

	September 30, 2015	December 31, 2014
Convertible Notes due 2020, net of unamortized discount of	$ 306,561	$ 297,955

$68,432 and $77,045, at September 30, 2015 and December 31, 2014, respectively		
Convertible Notes due 2018, net of unamortized discount of $45,376 and $55,537, at September 30, 2015 and December 31, 2014, respectively	329,604	319,463
Convertible Notes due 2017	31,628	40,558
Total convertible debt, net of unamortized discount	$667,793	$657,976
Fair value of fixed rate convertible debt		
Convertible Notes due in 2020 (1)	$503,706	$456,360
Convertible Notes due in 2018 (1)	488,858	442,448
Convertible Notes due in 2017 (1)	163,806	180,984
Total	$1,156,370	$1,079,792

(1) The fair value of the Company's fixed rate convertible debt is based on open market trades and is classified as Level 1 in the fair value hierarchy.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(In thousands of U.S. dollars, except per share amounts or as otherwise disclosed)

Interest expense on the Company's convertible debt was comprised of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Coupon interest	$2,283	$2,278	$7,667	$7,140
Amortization of issuance costs	823	828	2,471	2,505
Accretion of debt discount	6,341	6,012	18,773	17,800
Total interest expense on convertible debt	$9,447	$9,118	$28,911	$27,445

During the nine months ended September 30, 2015, the Company entered into separate agreements with three existing holders of its senior subordinated convertible notes due in 2017 (the 2017 Notes), pursuant to which such holders converted $8.1 million in aggregate principal amount of the 2017 Notes into 399,469 shares of the Company's common stock. In addition to issuing the requisite number of shares of the Company's common stock, the Company also made varying cash payments to the holders totaling $0.2 million in the aggregate, of which $0.2 million was recognized in total as Debt Conversion Expense on the Condensed Consolidated Statements of Comprehensive Income (Loss) for the nine months ended September 30, 2015.

During the nine months ended September 30, 2014, the Company entered into two separate agreements with an existing holder of its 2017 Notes pursuant to which such holders converted $16.5 million in aggregate principal amount of the 2017 Notes into 809,351 shares of the Company's common stock. In addition to issuing the requisite number of shares of the Company's common stock, the Company also made varying cash payments to the holder totaling $0.7 million in the aggregate, of which $0.7 million was recognized in total as Debt Conversion Expense on the Company's Condensed Consolidated Statement of Comprehensive Income (Loss) for the nine months ended September 30, 2014.

See Note 13 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 for additional information related to the Company's Convertible Debt.

(14) DERIVATIVE INSTRUMENTS AND HEDGING STRATEGIES

The Company uses forward foreign currency exchange contracts to hedge certain operational exposures resulting from potential changes in foreign currency exchange rates. Such exposures result from portions of the Company's forecasted revenues and operating expenses being denominated in currencies other than the U.S. dollar, primarily the Euro, the British Pound and the Brazilian Real.

The Company designates certain of these forward foreign currency exchange contracts as hedging instruments and enters into some forward foreign currency exchange contracts that are considered to be economic hedges that are not designated as hedging instruments. Whether designated or undesignated, these forward foreign currency exchange contracts protect against the reduction in value of forecasted foreign currency cash flows resulting from product revenues, royalty revenues, operating expenses and asset or liability positions designated in currencies other than the U.S. dollar. The fair values of forward foreign currency exchange contracts are estimated using current exchange rates and interest rates, and take into consideration the current creditworthiness of the counterparties or the Company, as applicable. Information regarding the specific instruments used by the Company to hedge its exposure to foreign currency exchange rate fluctuations is provided below. See Note 15 to these Condensed Consolidated Financial Statements for additional discussion regarding the fair value of forward foreign currency exchange contracts.

At September 30, 2015, the Company had 215 forward foreign currency exchange contracts outstanding to sell a total of 296.4 million Euros, 160 forward foreign currency exchange contracts outstanding to purchase 155.1 million Euros and one forward foreign currency exchange contract to sell 70.0 million Reais with expiration dates ranging from October 2015 through September 2018. These hedges were entered into in order to protect against the fluctuations in revenue and operating expenses associated with Euro-denominated cash flows. The Company has formally designated these forward foreign currency exchange contracts as cash flow hedges and expects them to be highly effective in offsetting fluctuations in revenues and operating expenses denominated in Euros related to changes in foreign currency exchange rates.

BIOMARIN PHARMACEUTICAL INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(In thousands of U.S. dollars, except per share amounts or as otherwise disclosed)

The Company also enters into forward foreign currency exchange contracts that are not designated as hedges for accounting purposes. The changes in fair value of these forward foreign currency exchange contracts are included as a part of SG&A expense in the Company's Condensed Consolidated Statements of Comprehensive Income (Loss). At September 30, 2015, the Company had one outstanding forward foreign currency exchange contract to sell 58.0 million Euros, one outstanding forward foreign currency contract to purchase 7.0 million Euros and one outstanding forward foreign currency exchange contract to sell 7.1 million British Pounds, which were not designated as hedges for accounting purposes and matured on October 30, 2015.

The maximum length of time over which the Company is hedging its exposure to the reduction in value of forecasted foreign currency revenues through forward foreign currency exchange contracts is through September 2018. Over the next twelve months, the Company expects to reclassify $15.1 million from accumulated other comprehensive income to earnings as the forecasted revenue transactions occur.

The fair value carrying amounts of the Company's derivative instruments were as follows:

	Asset Derivatives September 30, 2015		Liability Derivatives September 30, 2015	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Forward foreign currency exchange contracts	Other current assets	$ 16,326	Accounts payable and accrued liabilities	$ 2,502
Forward foreign currency exchange contracts	Other assets	3,642	Other long- term liabilities	3,186
Total		19,968		5,688
Derivatives not designated as hedging instruments:				
Forward foreign currency exchange contracts	Other current assets	70	Accounts payable and accrued liabilities	131
	Other assets	—	Other long- term liabilities	—
Total		70		131
Total value of derivative contracts		$ 20,038		$ 5,819

	Asset Derivatives December 31, 2014		Liability Derivatives December 31, 2014	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				

Forward foreign currency exchange contracts	Other current assets	$ 10,206	Accounts payable and accrued liabilities	$ —
Forward foreign currency exchange contracts	Other assets	5,387	Other long- term liabilities	—
Total		15,593		—
Derivatives not designated as hedging instruments:				
Forward foreign currency exchange contracts	Other current assets	307	Accounts payable and accrued liabilities	12
Total		307		12
Total value of derivative contracts		$ 15,900		$ 12

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(In thousands of U.S. dollars, except per share amounts or as otherwise disclosed)

The effect of the Company's derivative instruments on the Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2015 and 2014 was as follows:

	Forward Foreign Currency Exchange Contracts			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Derivatives Designated as Hedging Instruments:				
Net gain recognized in Other Comprehensive Income (OCI) (1)	$ 3,126	$ 6,247	$ 14,191	$ 9,395
Net gain (loss) reclassified from accumulated OCI into earnings (2)	5,187	359	15,084	(662)
Net loss recognized in net income (loss) (3)	(264)	(179)	(404)	(499)
Derivatives Not Designated as Hedging Instruments:				
Net gain (loss) recognized in net income (loss)(4)	$ (514)	$ 4,365	$ 6,052	$ 4,861

(1) Net change in the fair value of the effective portion classified as OCI.
(2) Effective portion classified as net product revenue or SG&A expense.
(3) Ineffective portion and amount excluded from effectiveness testing classified as SG&A expense.
(4) Classified as SG&A expense.

At September 30, 2015 and December 31, 2014, accumulated other comprehensive income before taxes associated with forward foreign currency exchange contracts qualifying for hedge accounting treatment was a gain of $15.0 million and a gain of $15.9 million, respectively.

The Company is exposed to counterparty credit risk on all of its derivative financial instruments. The Company has established and maintains strict counterparty credit guidelines and enters into hedges only with financial institutions that are investment grade or better to minimize the Company's exposure to potential defaults. The Company does not require collateral to be pledged under these agreements.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(In thousands of U.S. dollars, except per share amounts or as otherwise disclosed)

(15) FAIR VALUE MEASUREMENTS

The Company measures certain financial assets and liabilities at fair value on a recurring basis, including available-for-sale fixed income securities and foreign currency derivatives. The tables below present the fair value of these financial assets and liabilities determined using the following input levels.

	Fair Value Measurements at September 30, 2015			
	Quoted Price in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Cash and cash equivalents:				
Overnight deposits	$277,738	$ —	$ —	$277,738
Money market instruments	—	98,608	—	98,608
Total cash and cash equivalents	277,738	98,608	—	376,346
Available-for-sale securities:				
Short-term:				
Certificates of deposit	—	50,138	—	50,138
Corporate debt securities	—	57,446	—	57,446
Commercial paper	—	60,892	—	60,892
U.S. government agency securities	—	73,508	—	73,508
Long-term:				
Certificates of deposit	—	7,550	—	7,550
Corporate debt securities	—	355,968	—	355,968
U.S. government agency securities	—	150,733	—	150,733
Greek government-issued bonds	—	130	—	130
Total available-for-sale securities	—	756,365	—	756,365
Other Current Assets:				
Nonqualified Deferred Compensation Plan assets	—	348	—	348
Forward foreign currency exchange contract(1)	—	16,396	—	16,396
Restricted investments (2)	—	7,346	—	7,346
Total other current assets	—	24,090	—	24,090
Other Assets:				

Nonqualified Deferred Compensation Plan assets	—	5,989	—	5,989
Forward foreign currency exchange contract[1]	—	3,642	—	3,642
Strategic investment [4]	21,420	—	—	21,420
Total other assets	21,420	9,631	—	31,051
Total assets	$299,158	$ 888,694	$ —	$1,187,852
Liabilities:				
Current Liabilities:				
Nonqualified Deferred Compensation Plan liability	$1,783	$ 348	$ —	$2,131
Forward foreign currency exchange contract [1]	—	2,633	—	2,633
Contingent acquisition consideration payable	—	—	94,291	94,291
Total current liabilities	1,783	2,981	94,291	99,055
Other long-term liabilities:				
Nonqualified Deferred Compensation Plan liability	24,341	5,989	—	30,330
Forward foreign currency exchange contract [1]	—	3,186	—	3,186
Contingent acquisition consideration payable	—	—	34,874	34,874
Total other long-term liabilities	24,341	9,175	34,874	68,390
Total liabilities	$26,124	$ 12,156	$ 129,165	$167,445

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(In thousands of U.S. dollars, except per share amounts or as otherwise disclosed)

	Fair Value Measurements at December 31, 2014 Quoted Price in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Cash and cash equivalents:				
Overnight deposits	$225,159	$ —	$ —	$225,159
Money market instruments	—	650,327	—	650,327
Total cash and cash equivalents	225,159	650,327	—	875,486
Available-for-sale securities:				
Short-term:				
Certificates of deposit	—	54,174	—	54,174
Corporate debt securities	—	15,532	—	15,532
Long-term:				
Certificates of deposit	—	18,129	—	18,129
Corporate debt securities	—	79,604	—	79,604
Greek government-issued bonds	—	123	—	123
Total available-for-sale securities	—	167,562	—	