

ALERE INC.
Form 10-Q
November 05, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2013

OR

☐ **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 001-16789

ALERE INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)
51 SAWYER ROAD, SUITE 200
WALTHAM, MASSACHUSETTS 02453
(Address of principal executive offices)(Zip code)
(781) 647-3900
(Registrant's telephone number, including area code)

04-3565120
(I.R.S. Employer
Identification No.)

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** ☒ **No** ☐

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** ☒ **No** ☐

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. (Check one):

Large accelerated filer ☒ Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes** ☐ **No** ☒

The number of shares outstanding of the registrant's common stock, par value of \$0.001 per share, as of October 31, 2013 was 81,881,428.

Table of Contents**ALERE INC.****REPORT ON FORM 10-Q****For the Quarterly Period Ended September 30, 2013**

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Readers can identify these statements by forward-looking words such as may, could, should, would, intend, will, expect, anticipate, believe, estimate, continue or similar words. A number of important factors could cause actual results of Alere Inc. and its subsidiaries to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to, the risk factors detailed in Part I, Item 1A, Risk Factors, of our Annual Report on Form 10-K, as amended, for the fiscal year ended December 31, 2012 and other risk factors identified herein or from time to time in our periodic filings with the Securities and Exchange Commission. Readers should carefully review these risk factors, and should not place undue reliance on our forward-looking statements. These forward-looking statements are based on information, plans and estimates at the date of this report. We undertake no obligation to update any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes.

Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to we, us and our refer to Alere Inc. and its subsidiaries.

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Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****ALERE INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS**

(unaudited)

(in thousands, except per share amounts)

	Three Months Ended September 30,		Three Months Ended September 30,	
	2013	2012	2013	2012
Net product sales	\$ 509,038	\$ 459,813	\$ 1,538,876	\$ 1,399,025
Services revenue	240,660	226,415	705,127	652,704
Net product sales and services revenue	749,698	686,228	2,244,003	2,051,729
License and royalty revenue	4,184	5,188	13,113	11,333
Net revenue	753,882	691,416	2,257,116	2,063,062
Cost of net product sales	258,234	223,612	764,501	671,664
Cost of services revenue	124,993	120,131	369,961	331,550
Cost of net product sales and services revenue	383,227	343,743	1,134,462	1,003,214
Cost of license and royalty revenue	2,009	1,898	5,264	5,394
Cost of net revenue	385,236	345,641	1,139,726	1,008,608
Gross profit	368,646	345,775	1,117,390	1,054,454
Operating expenses:				
Research and development	40,498	40,562	122,452	120,009
Sales and marketing	159,587	160,644	475,465	478,544
General and administrative	142,377	105,837	418,396	347,757
Loss on disposition	5,885		5,885	
Operating income	20,299	38,732	95,192	108,144
Interest expense, including amortization of original issue discounts and deferred financing costs	(53,420)	(54,861)	(203,272)	(161,119)
Other income (expense), net	(8,869)	(1,072)	(8,276)	14,570
Loss before benefit for income taxes	(41,990)	(17,201)	(116,356)	(38,405)
Benefit for income taxes	(17,148)	(10,677)	(36,152)	(12,621)

Loss before equity earnings of unconsolidated entities, net of tax	(24,842)	(6,524)	(80,204)	(25,784)
Equity earnings of unconsolidated entities, net of tax	5,753	3,007	13,238	10,417
Net loss	(19,089)	(3,517)	(66,966)	(15,367)
Less: Net income attributable to non-controlling interests	359	286	601	137
Net loss attributable to Alere Inc. and Subsidiaries	(19,448)	(3,803)	(67,567)	(15,504)
Preferred stock dividends	(5,367)	(5,352)	(15,926)	(15,940)
Net loss available to common stockholders	\$ (24,815)	\$ (9,155)	\$ (83,493)	\$ (31,444)
Basic and diluted net loss per common share attributable to Alere Inc. and Subsidiaries:	\$ (0.30)	\$ (0.11)	\$ (1.03)	\$ (0.39)
Weighted-average shares basic and diluted	81,735	80,792	81,417	80,492

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**ALERE INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

(unaudited)

(in thousands)

	Three Months Ended September 30,		Three Months Ended September 30,	
	2013	2012	2013	2012
Net loss	\$ (19,089)	\$ (3,517)	\$ (66,966)	\$ (15,367)
Other comprehensive income (loss), before tax:				
Changes in cumulative translation adjustment	67,268	39,695	(42,515)	38,857
Unrealized gains on available for sale securities		141		931
Unrealized gains on hedging instruments	20	10	31	465
Minimum pension liability adjustment	(369)	(98)	335	(218)
Other comprehensive income (loss), before tax	66,919	39,748	(42,149)	40,035
Income tax benefit related to items of other comprehensive income (loss)		360		360
Other comprehensive income (loss), net of tax	66,919	39,388	(42,149)	39,675
Comprehensive income (loss)	47,830	35,871	(109,115)	24,308
Less: Comprehensive income attributable to non-controlling interests	359	286	601	137
Comprehensive income (loss) attributable to Alere Inc. and Subsidiaries	\$ 47,471	\$ 35,585	\$ (109,716)	\$ 24,171

The accompanying notes are an integral part of these consolidated financial statements.

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ALERE INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(unaudited)

(in thousands, except par value)

	September 30, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 353,993	\$ 328,346
Restricted cash	7,905	3,076
Marketable securities	820	904
Accounts receivable, net of allowances of \$70,978 and \$36,396 at September 30, 2013 and December 31, 2012, respectively	568,873	524,332
Inventories, net	370,448	337,121
Deferred tax assets	58,177	67,722
Prepaid expenses and other current assets	114,601	145,236
Total current assets	1,474,817	1,406,737
Property, plant and equipment, net	544,271	534,469
Goodwill	3,103,495	3,048,405
Other intangible assets with indefinite lives	58,953	36,451
Finite-lived intangible assets, net	1,747,538	1,834,225
Restricted cash non-current	29,045	
Deferred financing costs, net, and other non-current assets	86,489	108,857
Investments in unconsolidated entities	101,822	90,491
Deferred tax assets	8,189	8,293
Total assets	\$ 7,154,619	\$ 7,067,928
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt	\$ 25	\$
Current portion of long-term debt	47,701	60,232
Current portion of capital lease obligations	6,533	6,684
Accounts payable	194,991	169,974
Accrued expenses and other current liabilities	447,228	411,919
Total current liabilities	696,478	648,809
Long-term liabilities:		
Long-term debt, net of current portion	3,790,532	3,628,675
Capital lease obligations, net of current portion	14,926	12,917
Deferred tax liabilities	352,859	428,188

Other long-term liabilities	209,683	166,635
Total long-term liabilities	4,368,000	4,236,415
Commitments and contingencies (Note 17)		
Stockholders equity:		
Series B preferred stock, \$0.001 par value (liquidation preference: \$709,763 at September 30, 2013 and December 31, 2012);		
Authorized: 2,300 shares; Issued: 2,065 shares at September 30, 2013 and December 31, 2012; Outstanding: 1,774 shares at September 30, 2013 and December 31, 2012		
	606,468	606,468
Common stock, \$0.001 par value; Authorized: 200,000 shares; Issued: 89,533 shares at September 30, 2013 and 88,576 shares at December 31, 2012; Outstanding: 81,854 shares at September 30, 2013 and 80,897 shares at December 31, 2012		
	90	89
Additional paid-in capital	3,314,698	3,299,935
Accumulated deficit	(1,632,540)	(1,564,973)
Treasury stock, at cost, 7,679 shares at September 30, 2013 and December 31, 2012		
	(184,971)	(184,971)
Accumulated other comprehensive income (loss)	(18,275)	23,874
Total stockholders equity	2,085,470	2,180,422
Non-controlling interests	4,671	2,282
Total equity	2,090,141	2,182,704
Total liabilities and equity	\$ 7,154,619	\$ 7,067,928

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**ALERE INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS**

(unaudited)

(in thousands)

	Nine Months Ended September 30,	
	2013	2012
Cash Flows from Operating Activities:		
Net loss	\$ (66,966)	\$ (15,367)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Non-cash interest expense, including amortization of original issue discounts and write-off of deferred financing costs	14,088	16,087
Depreciation and amortization	326,689	322,371
Non-cash charges for sale of inventories revalued at the date of acquisition	1,880	4,681
Non-cash stock-based compensation expense	14,462	11,868
Impairment of inventory	243	295
Impairment of long-lived assets	4,101	274
(Gain) loss on sale of fixed assets	1,849	(4,194)
Equity earnings of unconsolidated entities, net of tax	(13,238)	(10,417)
Deferred income taxes	(73,655)	(43,619)
Loss on extinguishment of debt	35,603	
Loss on disposition	5,885	
Bargain purchase gain	(5,707)	
Other non-cash items	6,674	5,736
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable, net	(57,310)	(8,261)
Inventories, net	(72,727)	(15,596)
Prepaid expenses and other current assets	(9,132)	4,171
Accounts payable	15,981	(16,743)
Accrued expenses and other current liabilities	37,242	24,116
Other non-current liabilities	(6,857)	(21,639)
Net cash provided by operating activities	159,105	253,763
Cash Flows from Investing Activities:		
(Increase) decrease in restricted cash	(33,881)	5,771
Purchases of property, plant and equipment	(90,908)	(97,309)
Proceeds from sale of property, plant and equipment	5,831	22,383
Cash received from disposition	32,000	
Cash paid for acquisitions, net of cash acquired	(166,196)	(384,780)
Cash received from sales of marketable securities		271
Cash received from (paid for) equity method investments	11,262	6,556
(Increase) decrease in other assets	19,244	(9,313)

Net cash used in investing activities	(222,648)	(456,421)
Cash Flows from Financing Activities:		
Cash paid for financing costs	(9,798)	(2,313)
Cash paid for contingent purchase price consideration	(27,496)	(16,248)
Proceeds from issuance of common stock, net of issuance costs	17,555	14,260
Proceeds from issuance of long-term debt	460,141	198,288
Payments on long-term debt	(455,157)	(42,553)
Net proceeds under revolving credit facilities	138,768	91,162
Borrowings from (payments on) short-term debt	25	(6,240)
Cash paid for dividends	(15,970)	(15,970)
Excess tax benefits on exercised stock options	434	277
Principal payments on capital lease obligations	(5,341)	(4,925)
Other	(18,953)	(2,811)
Net cash provided by financing activities	84,208	212,927
Foreign exchange effect on cash and cash equivalents	4,982	(7,188)
Net increase in cash and cash equivalents	25,647	3,081
Cash and cash equivalents, beginning of period	328,346	299,173
Cash and cash equivalents, end of period	\$ 353,993	\$ 302,254

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**ALERE INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(unaudited)

(1) Basis of Presentation of Financial Information

The accompanying consolidated financial statements of Alere Inc. are unaudited. In the opinion of management, the unaudited consolidated financial statements contain all adjustments considered normal and recurring and necessary for their fair statement. Interim results are not necessarily indicative of results to be expected for the year. These interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, these consolidated financial statements do not include all of the information and footnotes necessary for a complete presentation of financial position, results of operations, comprehensive income and cash flows. Our audited consolidated financial statements for the year ended December 31, 2012 included information and footnotes necessary for such presentation and were included in our Annual Report on Form 10-K, as amended, filed with the Securities and Exchange Commission, or SEC, on March 1, 2013. These unaudited consolidated financial statements should be read in conjunction with our audited consolidated financial statements and notes thereto for the year ended December 31, 2012.

Certain reclassifications of prior period amounts have been made to conform to current period presentation. These reclassifications had no effect on net income or equity.

Certain amounts presented may not recalculate directly, due to rounding.

(2) Cash and Cash Equivalents

We consider all highly-liquid cash investments with original maturities of three months or less at the date of acquisition to be cash equivalents. At September 30, 2013, our cash equivalents consisted of money market funds.

(3) Restricted Cash

As of September 30, 2013, we had a total of \$36.9 million in restricted cash, of which \$29.0 million was classified as non-current on our consolidated balance sheet. The \$29.0 million secures a foreign bank loan arrangement that we entered into during the three months ended September 30, 2013 and will remain on deposit for a two-year period under the current terms of the loan arrangement.

(4) Inventories

Inventories are stated at the lower of cost (first in, first out) or market and are comprised of the following (in thousands):

	September 30, 2013	December 31, 2012
Raw materials	\$ 115,441	\$ 99,498
Work-in-process	83,571	89,895

Finished goods	171,436	147,728
	\$ 370,448	\$ 337,121

(5) Stock-based Compensation

We recorded stock-based compensation expense in our consolidated statements of operations for the three and nine months ended September 30, 2013 and 2012, respectively, as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Cost of net revenue	\$ 287	\$ 269	\$ 797	\$ 801
Research and development	1,111	752	2,641	2,379
Sales and marketing	975	751	2,597	2,581
General and administrative	3,289	1,854	8,427	6,107
	5,662	3,626	14,462	11,868
Benefit for income taxes	(1,511)	(536)	(2,869)	(1,951)
	\$ 4,151	\$ 3,090	\$ 11,593	\$ 9,917

Table of Contents**(6) Net Loss per Common Share**

The following table sets forth the computation of basic and diluted net loss per common share for the periods presented (in thousands, except per share data):

	Three Months Ended September 30,		Three Months Ended September 30,	
	2013	2012	2013	2012
Numerator:				
Net loss	\$ (19,089)	\$ (3,517)	\$ (66,966)	\$ (15,367)
Preferred stock dividends	(5,367)	(5,352)	(15,926)	(15,940)
Less: Net income attributable to non-controlling interest	359	286	601	137
Net loss available to common stockholders	\$ (24,815)	\$ (9,155)	\$ (83,493)	\$ (31,444)
Denominator:				
Weighted-average common shares outstanding basic and diluted	81,735	80,792	81,417	80,492
Basic and diluted net loss per common share attributable to Alere Inc. and Subsidiaries	\$ (0.30)	\$ (0.11)	\$ (1.03)	\$ (0.39)

The following potential dilutive securities were not included in the calculation of diluted net loss per common share because the inclusion thereof would be antidilutive (in thousands):

	Three Months Ended September 30,		Three Months Ended September 30,	
	2013	2012	2013	2012
Denominator:				
Options to purchase shares of common stock	10,239	9,730	10,239	9,730
Warrants	4	4	4	4
Conversion shares related to 3% convertible senior subordinated notes	3,411	3,411	3,411	3,411
Conversion shares related to subordinated convertible promissory notes	27	27	27	27
Conversion shares related to Series B convertible preferred stock	10,239	10,239	10,239	10,239
Total number of antidilutive potentially issuable shares of common stock excluded from diluted common shares outstanding	23,920	23,411	23,920	23,411

(7) Stockholders Equity and Non-controlling Interests

(a) Preferred Stock

For the three and nine months ended September 30, 2013, Series B preferred stock dividends amounted to \$5.3 million and \$15.9 million, respectively, and for the three and nine months ended September 30, 2012, Series B preferred stock dividends amounted to \$5.4 million and \$15.9 million, respectively, which reduced earnings available to common stockholders for purposes of calculating net loss per common share for each of the respective periods. As of September 30, 2013, \$5.3 million of Series B preferred stock dividends was accrued. As of October 15, 2013, payments have been made covering all dividend periods through September 30, 2013.

The Series B preferred stock dividends for the three and nine months ended September 30, 2013 and 2012 were paid in cash.

Table of Contents*(b) Changes in Stockholders' Equity and Non-controlling Interests*

A summary of the changes in stockholders' equity and non-controlling interests comprising total equity for the nine months ended September 30, 2013 and 2012 is provided below (in thousands):

	Nine Months Ended September 30,					
	Total Stockholders Equity	2013 Non- controlling Interests	Total Equity	Total Stockholders Equity	2012 Non- controlling Interests	Total Equity
Equity, beginning of period	\$ 2,180,422	\$ 2,282	\$ 2,182,704	\$ 2,229,234	\$ 2,340	\$ 2,231,574
Exercise of common stock options, warrants and shares issued under employee stock purchase plan	17,555		17,555	14,261		14,261
Issuance of common stock for settlement of an acquisition-related contingent consideration obligation				1,243		1,243
Preferred stock dividends	(15,970)		(15,970)	(15,970)		(15,970)
Stock-based compensation related to grants of common stock options	14,462		14,462	11,868		11,868
Excess tax benefits on exercised stock options	(1,283)		(1,283)	(437)		(437)
Non-controlling interest from acquisition		1,788	1,788			
Purchase of subsidiary shares from non-controlling interests				(35,079)		(35,079)
Dividend relating to non-controlling interest					(236)	(236)
Net income (loss)	(67,567)	601	(66,966)	(15,504)	200	(15,304)
Total other comprehensive income (loss)	(42,149)		(42,149)	39,675		39,675
Equity, end of period	\$ 2,085,470	\$ 4,671	\$ 2,090,141	\$ 2,229,291	\$ 2,304	\$ 2,231,595

(8) Business Combinations

Acquisitions are accounted for using the acquisition method and the acquired companies' results have been included in the accompanying consolidated financial statements from their respective dates of acquisition. During the three and nine months ended September 30, 2013, we expensed acquisition-related costs of \$0.5 million and \$1.8 million, respectively, in general and administrative expense. During the three and nine months ended September 30, 2012, we expensed acquisition-related costs of \$0.8 million and \$6.1 million, respectively, in general and administrative expense.

Our business acquisitions have historically been made at prices above the fair value of the assets acquired and liabilities assumed, resulting in goodwill, based on our expectations of synergies and other benefits of combining the businesses. These synergies and benefits include elimination of redundant facilities, functions and staffing; use of our existing commercial infrastructure to expand sales of the products of the acquired businesses; and use of the commercial infrastructure of the acquired businesses to expand product sales in a cost-efficient manner.

Net assets acquired are recorded at their fair value and are subject to adjustment upon finalization of the fair value analysis. We are not aware of any information that indicates the final fair value analysis will differ materially from the preliminary estimates. The estimated useful lives of the individual categories of intangible assets were based on the nature of the applicable intangible asset and the expected future cash flows to be derived from the intangible asset. Amortization of intangible assets with finite lives is recognized over the shorter of the respective lives of the agreement or the period of time the intangible assets are expected to contribute to future cash flows. We amortize our finite-lived intangible assets based on patterns on which the respective economic benefits are expected to be realized.

(a) Acquisitions in 2013

(i) Epocal

On February 1, 2013, we acquired Epocal, Inc., or Epocal, located in Ottawa, Canada, a provider of technologies that support blood gas and electrolyte testing at the point of care. The preliminary aggregate purchase price was approximately \$248.5 million, which consisted of \$173.5 million in cash and a contingent consideration obligation with an aggregate acquisition date fair value of \$75.0 million. The operating results of Epocal are included in our professional diagnostics reporting unit and business segment. The amount allocated to goodwill from this acquisition is not deductible for tax purposes.

(ii) Other acquisitions in 2013

During the nine months ended September 30, 2013, we acquired the following businesses for a preliminary aggregate purchase price of \$47.7 million, which included cash payments totaling \$35.8 million, contingent consideration obligations with an aggregate acquisition date fair value of \$1.3 million, deferred purchase price consideration with an acquisition date fair value of \$0.6 million and an \$8.0 million bargain purchase gain.

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certain assets of PT Mega Medika Mandiri, or Mega Medika, located in South Jakarta, Indonesia, a distributor of infectious disease products to the Indonesian marketplace as well as materials for vaccines to a pharmaceutical customer (Acquired January 2013)

Discount Diabetic, LLC, or Discount Diabetic, located in Phoenix, Arizona, a provider of blood glucose monitoring products, including diabetes testing systems and test strips and other products (Acquired April 2013)

the Medicare fee-for-service assets of Liberty Medical, or the Liberty business, located in Port St. Lucie, Florida, a leading mail order provider of diabetes testing supplies serving the needs of both Type 1 and Type 2 diabetic patients (Acquired April 2013)

51% share in Cardio Selfcare B.V., subsequently renamed Alere Health Services B.V., or Alere Health Services, located in Ede, the Netherlands, a developer of innovative software for the healthcare industry that develops and licenses software and sells medical devices to enable patients to perform medical self-care, including thrombosis self-care (Acquired May 2013)

74.9% interest in Pantech Proprietary Limited, or Pantech, located in Durban, South Africa, a supplier of rapid diagnostic test kits, including HIV, malaria, syphilis, drugs of abuse, 10 parameter urine sticks, glucometers and glucose sticks (Acquired July 2013)

The operating results of Mega Medika, Discount Diabetic, the Liberty business, Alere Health Services, and Pantech are included in our professional diagnostics reporting unit and business segment.

Our consolidated statement of operations for the three and nine months ended September 30, 2013 included revenue totaling approximately \$26.6 million and \$59.5 million, respectively, related to these businesses. Goodwill has been recognized in the Mega Medika, Alere Health Services and Pantech acquisitions and amounted to approximately \$1.6 million. The goodwill related to the Mega Medika acquisition is deductible for tax purposes.

With respect to our acquisition of the Liberty business, the purchase price of the acquisition has been allocated to the net tangible and intangible assets acquired, with the excess of the fair value of assets acquired over the purchase price recorded as a bargain purchase gain. The \$8.0 million bargain purchase gain has been recorded in other income (expense), net in our consolidated statement of operations and is not recognized for tax purposes. The bargain purchase gain resulted from our operating cost structure which we believe will allow us to operate this business more cost effectively than the sellers.

A summary of the preliminary fair values of the net assets acquired for the acquisitions consummated in 2013 is as follows (in thousands):

	Epocal	Other	Total
Current assets ⁽¹⁾	\$ 12,089	\$ 12,968	\$ 25,057
Property, plant and equipment	1,267	1,669	2,936
Goodwill	99,449	1,629	101,078

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Intangible assets	164,400	42,920	207,320
Other non-current assets	17,610	29	17,639
Total assets acquired	294,815	59,215	354,030
Current liabilities	2,627	5,398	8,025
Non-current liabilities	43,727	6,202	49,929
Total liabilities assumed	46,354	11,600	57,954
Net assets acquired	248,461	47,615	296,076
Less:			
Contingent consideration	75,000	1,264	76,264
Non-controlling interest		1,774	1,774
Bargain purchase gain		8,023	8,023
Deferred purchase price consideration		768	768
Cash paid	\$ 173,461	\$ 35,786	\$ 209,247

(1) Includes approximately \$3.3 million of acquired cash.

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The following are the intangible assets acquired and their respective fair values and weighted-average useful lives (dollars in thousands):

	Epocal	Other	Total	Weighted-average Useful Life
Core technology and patents	\$ 119,700	\$	\$ 119,700	20.0 years
Software		804	804	10.0 years
Trademarks and trade names	20,500	10	20,510	19.2 years
Customer relationships		36,290	36,290	11.4 years
Other		5,816	5,816	3.0 years
In-process research and development	24,200		24,200	N/A
Total intangible assets	\$ 164,400	\$ 42,920	\$ 207,320	

(b) Acquisitions in 2012

During 2012, we acquired the following businesses for a preliminary aggregate purchase price of \$494.5 million, which included cash payments totaling \$418.9 million and contingent consideration obligations with aggregate acquisition date fair values of \$75.6 million.

Reatrol Comercializacao De Produtos De Saude, LDA, subsequently renamed Alere Lda, located in Vila Nova de Gaia, Portugal, a distributor of products for drugs of abuse testing (Acquired January 2012)

Kullgren Holding AB, or Kullgren, located in Gensta, Sweden, a company that manufactures and distributes high-quality intimacy and pharmaceutical products (Acquired February 2012)

Wellogix ME FZ-LLC, or Wellogix UAE, located in Dubai, United Arab Emirates, a company that provides development services to Alere Wellogix, LLC, which acquired the assets of Method Factory, Inc. (d/b/a Wellogix), or Wellogix, in December 2011 (Acquired February 2012)

certain assets, primarily including customer and patient lists, of AmMed Direct LLC, or AmMed, located near Nashville, Tennessee, a privately-owned mail-order provider of home-diabetes testing