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 March 31, 2015

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	**04-3565120**
(State or other jurisdiction of	**(I.R.S. Employer**
incorporation or organization)	**Identification No.)**

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)

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 ¨

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 ¨

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 ¨
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 x

The number of shares outstanding of the registrant s common stock, par value of $0.001 per share, as of May 22, 2015 was 85,130,311.

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ALERE INC.

REPORT ON FORM 10-Q

For the Quarterly Period Ended March 31, 2015

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/A for the fiscal year ended December 31, 2014 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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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 March 31, 2015	Three Months Ended March 31, 2014
Net product sales	$ 479,599	$ 491,319
Services revenue	123,856	128,708
Net product sales and services revenue	603,455	620,027
License and royalty revenue	4,698	5,212
Net revenue	608,153	625,239
Cost of net product sales	238,637	242,981
Cost of services revenue	75,581	70,361
Cost of net product sales and services revenue	314,218	313,342
Cost of license and royalty revenue	1,950	1,539
Cost of net revenue	316,168	314,881
Gross profit	291,985	310,358
Operating expenses:		
Research and development	28,016	38,699
Sales and marketing	109,079	133,044
General and administrative	92,691	103,619
Impairment and (gain) loss on dispositions, net	34,792	
Operating income	27,407	34,996
Interest expense, including amortization of original issue discounts and deferred financing costs	(46,431)	(51,910)
Other income (expense), net	(1,270)	7,032
Loss from continuing operations before benefit for income taxes	(20,294)	(9,882)
Benefit for income taxes	(8,786)	(1,680)

Loss from continuing operations before equity earnings of unconsolidated entities, net of tax		(11,508)		(8,202)
Equity earnings of unconsolidated entities, net of tax		3,959		5,352
Loss from continuing operations		(7,549)		(2,850)
Income (loss) from discontinued operations, net of tax		216,777		(2,596)
Net income (loss)		209,228		(5,446)
Less: Net income attributable to non-controlling interests		88		108
Net income (loss) attributable to Alere Inc. and Subsidiaries		209,140		(5,554)
Preferred stock dividends		(5,250)		(5,250)
Net income (loss) available to common stockholders	$	203,890	$	(10,804)
Basic and diluted net income (loss) per common share:				
Loss from continuing operations	$	(0.15)	$	(0.10)
Income (loss) from discontinued operations		2.57		(0.03)
Net income (loss) per common share	$	2.42	$	(0.13)
Weighted-average shares basic and diluted		84,338		82,387

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

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ALERE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(unaudited)

(in thousands)

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Net income (loss)	$ 209,228	$ (5,446)
Other comprehensive loss, before tax:		
Changes in cumulative translation adjustment	(80,342)	(11,340)
Unrealized losses on available for sale securities		(17)
Unrealized gains on hedging instruments		8
Minimum pension liability adjustment	(1,382)	74
Other comprehensive loss, before tax	(81,724)	(11,275)
Income tax benefit related to items of other comprehensive loss		
Other comprehensive loss, net of tax	(81,724)	(11,275)
Comprehensive income (loss)	127,504	(16,721)
Less: Comprehensive income attributable to non-controlling interests	88	108
Comprehensive income (loss) attributable to Alere Inc. and Subsidiaries	$ 127,416	$ (16,829)

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 amounts)

	March 31, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 414,495	$ 378,461
Restricted cash	37,406	37,571
Marketable securities	173	259
Accounts receivable, net of allowances of $80,667 and $76,163 at March 31, 2015 and December 31, 2014, respectively	471,663	466,106
Inventories, net	374,973	365,165
Deferred tax assets	22,614	112,573
Prepaid expenses and other current assets	117,924	132,413
Assets held for sale		315,515
Total current assets	1,439,248	1,808,063
Property, plant and equipment, net	446,705	453,570
Goodwill	2,880,164	2,926,666
Other intangible assets with indefinite lives	40,203	43,651
Finite-lived intangible assets, net	1,173,866	1,276,444
Deferred financing costs, net, and other non-current assets	61,477	67,832
Investments in unconsolidated entities	95,551	91,693
Deferred tax assets	8,612	8,569
Non-current income tax receivable	2,545	2,468
Total assets	$ 6,148,371	$ 6,678,956
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt and current portion of long-term debt	$ 95,299	$ 88,875
Current portion of capital lease obligations	5,072	4,241
Accounts payable	195,980	213,592
Accrued expenses and other current liabilities	364,892	375,494
Liabilities related to assets held for sale		78,843
Total current liabilities	661,243	761,045
Long-term liabilities:		
Long-term debt, net of current portion	3,023,847	3,621,385
Capital lease obligations, net of current portion	7,747	10,560

Deferred tax liabilities		245,863		214,639
Other long-term liabilities		138,090		161,582
Total long-term liabilities		3,415,547		4,008,166
Commitments and contingencies				
Stockholders equity:				
Series B preferred stock, $0.001 par value (liquidation preference: $709,763 at March 31, 2015 and December 31, 2014); Authorized: 2,300 shares; Issued: 2,065 shares at March 31, 2015 and December 31, 2014; Outstanding: 1,774 shares at March 31, 2015 and December 31, 2014		606,468		606,468
Common stock, $0.001 par value; Authorized: 200,000 shares; Issued: 92,561 shares at March 31, 2015 and 91,532 shares at December 31, 2014, respectively; Outstanding: 84,882 shares at March 31, 2015 and 83,853 shares at December 31, 2014, respectively		93		92
Additional paid-in capital		3,390,002		3,355,672
Accumulated deficit		(1,470,411)		(1,679,552)
Treasury stock, at cost, 7,679 shares at March 31, 2015 and December 31, 2014		(184,971)		(184,971)
Accumulated other comprehensive loss		(273,834)		(192,110)
Total stockholders equity		2,067,347		1,905,599
Non-controlling interests		4,234		4,146
Total equity		2,071,581		1,909,745
Total liabilities and equity	$	6,148,371	$	6,678,956

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

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ALERE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

(in thousands)

	Three Months Ended March 31, 2015	2014
Cash Flows from Operating Activities:		
Net income (loss)	$ 209,228	$ (5,446)
Income (loss) from discontinued operations, net of tax	216,777	(2,596)
Loss from continuing operations	(7,549)	(2,850)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Tax benefit related to discontinued operations		1,211
Non-cash interest expense, including amortization of original issue discounts and deferred financing costs	3,946	4,028
Depreciation and amortization	74,368	83,820
Non-cash stock-based compensation expense	5,149	5,704
Impairment of inventory	78	589
Impairment of long-lived assets	(69)	161
Loss on disposition of fixed assets	1,391	1,527
Equity earnings of unconsolidated entities, net of tax	(3,959)	(5,352)
Deferred income taxes	(20,349)	(19,099)
Loss related to impairment and net loss on dispositions	34,792	
Other non-cash items	5,923	(2,804)
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable, net	(16,881)	25,146
Inventories, net	(31,168)	(12,705)
Prepaid expenses and other current assets	18,980	2,678
Accounts payable	(18,648)	3,551
Accrued expenses and other current liabilities	6,827	6,826
Other non-current liabilities	(21,117)	10,391
Cash paid for contingent consideration	(3,654)	(3,475)
Net cash provided by continuing operations	28,060	99,347
Net cash provided by discontinued operations	318	6,550
Net cash provided by operating activities	28,378	105,897
Cash Flows from Investing Activities:		
Decrease in restricted cash	71	2,151
Purchases of property, plant and equipment	(25,647)	(24,831)

Proceeds from sale of property, plant and equipment		808		128
Cash received from disposition, net of cash divested		581,185		4,373
Cash received from sales of marketable securities		86		60
Cash paid for equity method investments				(507)
(Increase) decrease in other assets		913		(1,617)
Net cash provided by (used in) continuing operations		557,416		(20,243)
Net cash used in discontinued operations		(209)		(4,005)
Net cash provided by (used in) investing activities		557,207		(24,248)
Cash Flows from Financing Activities:				
Cash paid for financing costs		(59)		(7)
Cash paid for contingent purchase price consideration		(4,696)		(4,045)
Proceeds from issuance of common stock, net of issuance costs		34,632		14,698
Proceeds from issuance of long-term debt		15		
Payments on short-term debt		(321)		
Payments on long-term debt		(463,011)		(15,562)
Net (payments) proceeds under revolving credit facilities		(127,050)		233
Cash paid for dividends		(5,323)		(5,323)
Excess tax benefits on exercised stock options		649		292
Principal payments on capital lease obligations		(1,484)		(1,620)
Net cash used in continuing operations		(566,648)		(11,334)
Net cash provided by (used in) discontinued operations		(76)		308
Net cash used in financing activities		(566,724)		(11,026)
Foreign exchange effect on cash and cash equivalents		(6,127)		495
Net increase in cash and cash equivalents		12,734		71,118
Cash and cash equivalents, beginning of period continuing operations		378,461		355,431
Cash and cash equivalents, beginning of period discontinued operations		23,300		6,476
Cash and cash equivalents, end of period		414,495		433,025
Less: Cash and cash equivalents of discontinued operations, end of period				7,959
Cash and cash equivalents of continuing operations, end of period	$	414,495	$	425,066

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

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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, 2014 included information and footnotes necessary for such presentation and were included in our Annual Report on Form 10-K/A filed with the Securities and Exchange Commission, or SEC, on May 28, 2015. 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, 2014.

Certain reclassifications of prior period amounts have been made in order to apply the presentation requirements to retrospectively present 2015 discontinued operations. These reclassifications of financial information related to discontinued operations have no effect on net income or equity.

As a result of the sale of our health management business in January 2015, which was the largest component of our patient self-testing reporting segment, we no longer report our financial information in four operating segments. Our current reportable operating segments are professional diagnostics, consumer diagnostics and corporate and other. Financial information by segment for the three months ended March 31, 2014 has been retroactively adjusted to reflect this change in reporting segments.

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

(2) Revision of Previously Reported Amounts

During the financial closing process for the three months ended March 31, 2015, management determined that we had incorrectly accounted for income taxes related to discontinued operations during 2014, including in connection with the divestiture of our health management business completed in January 2015 and another divestiture completed in October 2014. As a result, we restated our financial statements for the three and nine months ended September 30, 2014 and for the year ended December 31, 2014. In connection with those restatements, we corrected additional errors in 2012, 2013 and 2014 that we concluded were not material individually, or in the aggregate, to our previously issued financial statements.

Although management has determined that the errors individually, and in the aggregate, are not material to prior periods, the financial statements for the three and nine months ended March 31, 2014, included herein, have been adjusted to correct for the impact of these items. The adjustments recorded in connection with the revisions primarily relate to a $4.6 million decrease in general and administrative expense related to a change in the fair value of our contingent consideration obligations and a $4.2 million adjustment to revise the benefit from certain foreign tax credits which increased the provision for income taxes. The impacts of these revisions are shown in the tables below:

Revised Consolidated Statement of Operations (in thousands)	**Three Months Ended March 31, 2014**		
	As Previously Reported, Giving Effect to the Impact of Discontinued Operations	**Adjustment**	**As Revised**
Cost of net product sales	$ 243,526	$ (545)	$ 242,981
Cost of service revenue	$ 68,897	$ 1,464	$ 70,361
Cost of net product sales and services revenue	$ 312,423	$ 919	$ 313,342
Cost of net revenue	$ 313,962	$ 919	$ 314,881
Gross profit	$ 311,277	$ (919)	$ 310,358
General and administrative	$ 109,415	$ (5,796)	$ 103,619
Operating income	$ 30,119	$ 4,877	$ 34,996
Other income (expense), net	$ 5,282	$ 1,750	$ 7,032
Loss from continuing operations before benefit for income taxes	$ (16,509)	$ 6,627	$ (9,882)
Benefit for income taxes	$ (5,158)	$ 3,478	$ (1,680)
Loss from continuing operations before equity earnings of unconsolidated entities, net of tax	$ (11,351)	$ 3,149	$ (8,202)
Loss from continuing operations	$ (5,999)	$ 3,149	$ (2,850)
Net loss	$ (8,595)	$ 3,149	$ (5,446)
Net loss attributable to Alere Inc. and Subsidiaries	$ (8,703)	$ 3,149	$ (5,554)
Net loss available to common stockholders	$ (13,953)	$ 3,149	$ (10,804)
Basic and diluted loss per common share: Loss from continuing operations	$ (0.14)	$ 0.04	$ (0.10)
Basic and diluted net loss per common share: Net loss per common share	$ (0.17)	$ 0.04	$ (0.13)

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Revised Consolidated Statement of Comprehensive Income (Loss) (in thousands)	Three Months Ended March 31, 2014 As Previously Reported, Giving Effect to the Impact of Discontinued Operations	Adjustment	As Revised
Net loss	$ (8,595)	$ 3,149	$ (5,446)
Comprehensive loss	$ (19,870)	$ 3,149	$ (16,721)
Comprehensive loss attributable to Alere Inc. and Subsidiaries	$ (19,978)	$ 3,149	$ (16,829)

Revised Consolidated Statement of Cash Flows (in thousands)	Three Months Ended March 31, 2014 As Previously Reported, Giving Effect to the Impact of Discontinued Operations	Adjustment	As Revised
Net loss	$ (8,595)	$ 3,149	$ (5,446)
Loss from continuing operations	$ (5,999)	$ 3,149	$ (2,850)
Deferred income taxes	$ (21,729)	$ 2,630	$ (19,099)
Prepaid expenses and other current assets	$ 4,428	$ (1,750)	$ 2,678
Accrued expenses and other current liabilities	$ 7,035	$ (209)	$ 6,826
Other non-current liabilities	$ 14,221	$ (3,830)	$ 10,391
Net cash provided by continuing operations	$ 99,358	$ (11)	$ 99,347
Net cash provided by operating activities	$ 105,908	$ (11)	$ 105,897
Purchases of property, plant and equipment	$ (24,842)	$ 11	$ (24,831)
Net cash used in continuing operations	$ (20,254)	$ 11	$ (20,243)
Net cash used in investing activities	$ (24,259)	$ 11	$ (24,248)

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The Company has reflected these revisions as applicable in its consolidated financial statements and also in the consolidating financial statements presented in Note 21.

(3) Discontinued Operations

On October 10, 2014, we completed the sale of our ACS subsidiary to ACS Acquisition, LLC (the Purchaser), pursuant to the terms of a Membership Interest Purchase Agreement with the Purchaser and Sumit Nagpal. In connection with the sale of ACS, we also agreed to sell our subsidiary Wellogic ME FZ LLC (Wellogic, together with ACS, the ACS Companies) to the Purchaser, subject to the satisfaction of routine requirements of Dubai law relating to the transfer of equity. The ACS Companies were included in our patient self-testing segment prior to the sale. The purchase price for the ACS Companies consisted of cash proceeds of $2.00 at closing and contingent consideration of up to an aggregate of $7.0 million, consisting of (i) payments based on the gross revenues of the ACS Companies, (ii) payments to be made in connection with financing transactions by the Purchaser or the ACS Companies and (iii) payments to be made in connection with a sale by the Purchaser of the ACS Companies. In connection with the sale, we agreed to reimburse the Purchaser for up to $750,000 of the Purchaser s and the ACS Companies transitional expenses. We accounted for our divestiture of the ACS Companies in accordance with ASC 205, *Presentation of Financial Statements.*

On January 9, 2015, we completed the sale of our health management business to OptumHealth Care Solutions for a purchase price of approximately $600.1 million, subject to a customary post-closing working capital adjustment. We used the net cash proceeds of the sale to repay $575.0 million in aggregate principal amount of outstanding indebtedness under our senior secured credit facility.

We accounted for our divestiture of the health management business in accordance with Accounting Standards Update, or ASU, No. 2014-08. The following assets and liabilities associated with the health management business have been segregated and classified as assets held for sale and liabilities related to assets held for sale, as appropriate, in the consolidated balance sheet as of December 31, 2014 (in thousands):

	December 31, 2014	
Assets		
Cash and cash equivalents	$	23,300
Restricted cash		361
Accounts receivable, net of allowances of $5,882 at December 31, 2014		50,902
Inventories, net		1,656
Deferred tax assets current		6,939
Prepaid expenses and other current assets		3,857
Property, plant and equipment, net		57,595
Goodwill		82,665
Finite-lived intangible assets, net		82,428
Deferred tax assets non-current		3,347
Other non-current assets		2,465
Total assets held for sale	$	315,515
Liabilities		

Current portion of capital lease obligations	$	799
Accounts payable		5,654
Accrued expenses and other current liabilities		32,822
Capital lease obligations, net of current portion		365
Deferred tax liabilities non-current		27,453
Other long-term liabilities		11,750
Total liabilities related to assets held for sale	$	78,843

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The following summarized financial information related to the businesses of the ACS Companies and the health management business, has been segregated from continuing operations and has been reported as discontinued operations in our consolidated statements of operations. The results of the health management business are included in both periods presented, given our January 9, 2015 divestiture of this business. The results of the ACS Companies are included in the three months ended March 31, 2014, given our October 31, 2014 divestiture of this business. The results are as follows (in thousands):

	Three Months Ended March 31, 2015	2014
Net revenue	$ 7,373	$ 91,383
Cost of net revenue	(4,413)	(51,420)
Sales and marketing	(996)	(14,020)
General and administrative	(5,001)	(30,120)
Interest expense	(9)	(136)
Other income (expense), net	160	(559)
Gain on disposal	366,191	
Income (loss) from discontinued operations before provision (benefit) for income taxes	363,305	(4,872)
Provision (benefit) for income taxes	146,528	(2,276)
Income (loss) from discontinued operations, net of tax	$ 216,777	$ (2,596)

(4) 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 March 31, 2015, our cash equivalents consisted of money market funds.

(5) Inventories

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

	March 31, 2015	December 31, 2014
Raw materials	$ 128,731	$ 122,886
Work-in-process	73,397	82,724
Finished goods	172,845	159,555
	$ 374,973	$ 365,165

(6) Stock-based Compensation

We recorded stock-based compensation expense in our consolidated statements of operations for the three months ended March 31, 2015 and 2014, respectively, as follows (in thousands):

	Three Months Ended March 31,	
	2015	**2014**
Cost of net revenue	$ 253	$ 287
Research and development	324	1,191
Sales and marketing	1,094	891
General and administrative	3,478	3,335
	5,149	5,704
Benefit for income taxes	(2,373)	(1,778)
Stock-based compensation, net of tax	$ 2,776	$ 3,926

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(7) Net Income (Loss) per Common Share

The following table sets forth the computation of basic and diluted net income (loss) per common share for the three months ended March 31, 2015 and 2014 (in thousands, except per share amounts):

	Three Months Ended March 31, 2015	2014
Basic and diluted net income (loss) per common share:		
Numerator:		
Loss from continuing operations	$ (7,549)	$ (2,850)
Preferred stock dividends	(5,250)	(5,250)
Loss from continuing operations attributable to common shares	(12,799)	(8,100)
Less: Net income attributable to non-controlling interest	88	108
Loss from continuing operations attributable to Alere Inc. and Subsidiaries	(12,887)	(8,208)
Income (loss) from discontinued operations	216,777	(2,596)
Net income (loss) available to common stockholders	$ 203,890	$ (10,804)
Denominator:		
Weighted-average common shares outstanding basic and diluted	84,338	82,387
Basic and diluted net income (loss) per common share:		
Loss from continuing operations attributable to Alere Inc. and Subsidiaries	$ (0.15)	$ (0.10)
Income (loss) from discontinued operations	2.57	(0.03)
Basic and diluted net income (loss) per common share	$ 2.42	$ (0.13)

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

	Three Months Ended March 31, 2015	2014
Denominator:		
Options to purchase shares of common stock	7,882	11,143
Warrants	4	4
Conversion shares related to 3% convertible senior subordinated notes	3,411	3,411

Conversion shares related to subordinated convertible promissory notes	27	27
Conversion shares related to Series B convertible preferred stock	10,239	10,239
Common stock equivalents related to the settlement of a contingent consideration obligation		358
Total number of antidilutive potentially issuable shares of common stock excluded from diluted common shares outstanding	21,563	25,182

(8) Stockholders Equity and Non-controlling Interests

(a) Preferred Stock

For both the three months ended March 31, 2015 and 2014, Series B preferred stock dividends amounted to $5.3 million, which reduced earnings available to common stockholders for purposes of calculating net income (loss) per common share for each of the periods. As of March 31, 2015, $5.3 million of Series B preferred stock dividends was accrued. As of April 15, 2015, payments have been made covering all dividend periods through March 31, 2015.

The Series B preferred stock dividends for the three months ended March 31, 2015 and 2014 were paid in cash.

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(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 three months ended March 31, 2015 and 2014 is provided below (in thousands):

	Three Months Ended March 31,					
	2015			2014		
	Total Stockholders Equity	Non-controlling Interests	Total Equity	Total Stockholders Equity	Non-controlling Interests	Total Equity
Equity, beginning of period	$ 1,905,599	$ 4,146	$ 1,909,745	$ 2,073,256	$ 4,882	$ 2,078,138
Issuance of common stock under employee compensation plans	34,632		34,632	14,698		14,698
Preferred stock dividends	(5,323)		(5,323)	(5,323)		(5,323)
Stock-based compensation expense	5,149		5,149	5,704		5,704
Excess tax benefits on exercised stock options	(126)		(126)	17		17
Net income (loss)	209,140	88	209,228	(5,554)	108	(5,446)
Total other comprehensive loss	(81,724)		(81,724)	(11,275)		(11,275)
Equity, end of period	$ 2,067,347	$ 4,234	$ 2,071,581	$ 2,071,523	$ 4,990	$ 2,076,513

(9) Restructuring

The following table sets forth aggregate restructuring charges recorded in our consolidated statements of operations for the three months ended March 31, 2015 and 2014 (in thousands):

	Three Months Ended March 31,	
Statement of Operations Caption	2015	2014
Cost of net revenue	$ 1,502	$ 833
Research and development	493	
Sales and marketing	1,383	1,550
General and administrative	892	2,015
Total operating expenses	4,270	4,398
Interest expense, including amortization of original issue discounts and deferred financing costs	7	12
Total charges	$ 4,277	$ 4,410

(a) 2014 Restructuring Plans

In 2014, management developed world-wide cost reduction plans to reduce costs and improve operational efficiencies within our professional diagnostics and corporate and other business segments, primarily impacting our global sales and marketing, information technology, and research and development groups, as well as closing certain business locations in Europe and Asia. The following table summarizes the restructuring activities related to our 2014 restructuring plans for the three months ended March 31, 2015 and 2014 and since inception of these restructuring plans (in thousands):

Professional Diagnostics	**Three Months Ended March 31, 2015**	**2014**	**Since Inception**
Severance-related costs	$ 2,800	$ 2,364	$ 30,606
Facility and transition costs	1,426	34	4,886
Cash charges	4,226	2,398	35,492
Fixed asset and inventory impairments	9	750	10,961
Total charges	$ 4,235	$ 3,148	$ 46,453

Corporate and Other	Three Months Ended March 31, 2015	2014	Since Inception
Severance-related costs	$ 42	$ 87	$ 2,943
Facility and transition costs	(7)	8	11,328
Total cash charges	$ 35	$ 95	$ 14,271

We anticipate incurring approximately $5.6 million in additional costs under our 2014 restructuring plans related to our professional diagnostics business segment, primarily related to the closure of our manufacturing facility in Israel. We do not anticipate incurring significant additional costs in our corporate and other business segment. As of March 31, 2015, $3.4 million in severance and facility exit costs arising under our 2014 restructuring plans remain unpaid.

(b) Restructuring Plans Prior to 2014

In 2013, management developed cost reduction plans within our professional diagnostics segment impacting businesses in our United States, Europe and Asia Pacific regions. In 2011, management developed plans to consolidate operating activities among certain of our United States, European and Asia Pacific subsidiaries, including transferring the manufacturing of our Panbio products from Australia to our Standard Diagnostics facility in South Korea and eliminating redundant costs among our newly-acquired Axis-Shield subsidiaries. Additionally, in 2008, management developed and initiated plans to transition the Cholestech business to our San Diego, California facility.

The following table summarizes the restructuring activities within our professional diagnostics business segment related to our active 2013, 2011 and 2008 restructuring plans for the three months ended March 31, 2015 and 2014 and since inception of these plans (in thousands):

Professional Diagnostics	Three Months Ended March 31, 2015	2014	Since Inception
Severance-related costs	$	$ 897	$ 26,926
Facility and transition costs		258	10,480
Other exit costs	7	12	805