MYLAN INC.
Form 10-Q
November 05, 2014

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
Form 10-Q

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

For the quarterly period ended September 30, 2014

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 1-9114

MYLAN INC.
(Exact name of registrant as specified in its charter)

Pennsylvania	25-1211621
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1000 Mylan Boulevard, Canonsburg, Pennsylvania 15317
(Address of principal executive offices)

(724) 514-1800
(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 þ 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 þ 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 þ	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 þ

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class of Common Stock	Outstanding at October 29, 2014
$0.50 par value	374,273,573

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For the Quarterly Period Ended
September 30, 2014

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PART I — FINANCIAL INFORMATION

MYLAN INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(Unaudited; in millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenues:				
Net sales	$2,069.4	$1,756.1	$5,588.8	$5,062.8
Other revenues	14.6	11.3	48.1	37.8
Total revenues	2,084.0	1,767.4	5,636.9	5,100.6
Cost of sales	1,071.6	958.9	3,077.9	2,856.2
Gross profit	1,012.4	808.5	2,559.0	2,244.4
Operating expenses:				
Research and development	158.2	114.0	431.6	351.9
Selling, general and administrative	418.3	349.8	1,200.1	1,028.5
Litigation settlements, net	20.9	(10.1)	47.2	(1.4)
Other operating (income) expense, net	(80.0)	15.0	(80.0)	3.1
Total operating expenses	517.4	468.7	1,598.9	1,382.1
Earnings from operations	495.0	339.8	960.1	862.3
Interest expense	83.9	73.9	251.2	233.7
Other (income) expense, net	(1.5)	70.6	6.8	74.4
Earnings before income taxes and noncontrolling interest	412.6	195.3	702.1	554.2
Income tax (benefit) provision	(86.8)	35.9	(40.5)	108.6
Net earnings	499.4	159.4	742.6	445.6
Net earnings attributable to the noncontrolling interest	(0.3)	(0.5)	(2.4)	(2.1)
Net earnings attributable to Mylan Inc. common shareholders	$499.1	$158.9	$740.2	$443.5
Earnings per common share attributable to Mylan Inc. common shareholders:				
Basic	$1.33	$0.42	$1.98	$1.15
Diluted	$1.26	$0.40	$1.86	$1.13
Weighted average common shares outstanding:				
Basic	374.1	382.1	373.4	385.5
Diluted	397.3	395.5	397.1	393.9

See Notes to Condensed Consolidated Financial Statements

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MYLAN INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Earnings
(Unaudited; in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net earnings	$499.4	$159.4	$742.6	$445.6
Other comprehensive (loss) earnings, before tax:				
Foreign currency translation adjustment	(453.8)	113.6	(317.2)	(248.4)
Change in unrecognized gain (loss) and prior service cost related to defined benefit plans	1.4	0.2	(3.7)	4.7
Net unrecognized (loss) gain on derivatives	(23.1)	(20.2)	(98.3)	128.3
Net unrealized (loss) gain on marketable securities	(0.1)	0.1	—	(0.9)
Other comprehensive (loss) earnings, before tax	(475.6)	93.7	(419.2)	(116.3)
Income tax (benefit) provision	(8.0)	(10.1)	(39.0)	48.1
Other comprehensive (loss) earnings, net of tax	(467.6)	103.8	(380.2)	(164.4)
Comprehensive earnings	31.8	263.2	362.4	281.2
Comprehensive earnings attributable to the noncontrolling interest	(0.3)	(0.5)	(2.4)	(2.1)
Comprehensive earnings attributable to Mylan Inc. common shareholders	$31.5	$262.7	$360.0	$279.1

See Notes to Condensed Consolidated Financial Statements

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MYLAN INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Unaudited; in millions, except share and per share amounts)

	September 30, 2014	December 31, 2013
ASSETS		
Assets		
Current assets:		
Cash and cash equivalents	$ 199.6	$ 291.3
Accounts receivable, net	1,733.3	1,820.0
Inventories	1,707.5	1,656.9
Deferred income tax benefit	283.1	250.1
Prepaid expenses and other current assets	1,894.3	452.9
Total current assets	5,817.8	4,471.2
Property, plant and equipment, net	1,738.3	1,665.5
Intangible assets, net	2,541.1	2,517.9
Goodwill	4,188.5	4,340.5
Deferred income tax benefit	110.3	77.8
Other assets	778.1	2,221.9
Total assets	$ 15,174.1	$ 15,294.8
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities:		
Trade accounts payable	$ 857.9	$ 1,072.8
Short-term borrowings	364.7	439.8
Income taxes payable	84.1	49.7
Current portion of long-term debt and other long-term obligations	1,992.6	3.6
Deferred income tax liability	0.3	1.5
Other current liabilities	1,174.3	1,396.6
Total current liabilities	4,473.9	2,964.0
Long-term debt	5,723.5	7,586.5
Other long-term obligations	1,274.3	1,269.1
Deferred income tax liability	296.1	515.3
Total liabilities	11,767.8	12,334.9
Equity		
Mylan Inc. shareholders' equity		
Common stock — par value $0.50 per share		
Shares authorized: 1,500,000,000		
Shares issued: 545,732,255 and 543,978,030 as of September 30, 2014 and December 31, 2013	272.9	272.0
Additional paid-in capital	4,170.3	4,103.6
Retained earnings	3,425.3	2,685.1
Accumulated other comprehensive loss	(620.3)	(240.1)
	7,248.2	6,820.6
Noncontrolling interest	18.8	18.1
Less: Treasury stock — at cost		
Shares: 171,571,414 and 172,373,900 as of September 30, 2014 and December 31, 2013	3,860.7	3,878.8
Total equity	3,406.3	2,959.9

Total liabilities and equity	$ 15,174.1	$ 15,294.8

See Notes to Condensed Consolidated Financial Statements

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MYLAN INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited; in millions)

	Nine Months Ended September 30, 2014	2013
Cash flows from operating activities:		
Net earnings	$742.6	$445.6
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	398.1	373.9
Stock-based compensation expense	48.0	36.0
Change in estimated sales allowances	462.0	164.8
Deferred income tax benefit	(250.5)	(31.9)
Loss from equity method investments	65.5	13.1
Other non-cash items	120.3	90.8
Litigation settlements, net	47.2	(1.4)
Changes in operating assets and liabilities:		
Accounts receivable	(339.2)	(302.7)
Inventories	(163.4)	(177.3)
Trade accounts payable	(126.8)	129.3
Income taxes	30.4	(8.4)
Other operating assets and liabilities, net	(146.0)	(43.1)
Net cash provided by operating activities	888.2	688.7
Cash flows from investing activities:		
Capital expenditures	(220.3)	(238.5)
Change in restricted cash	(76.4)	(49.0)
Cash paid for acquisitions, net	(50.0)	(50.9)
Proceeds from sale of property, plant and equipment	8.8	—
Purchase of marketable securities	(17.6)	(13.8)
Proceeds from sale of marketable securities	16.4	8.1
Payments for product rights and other, net	(377.8)	(19.1)
Net cash used in investing activities	(716.9)	(363.2)
Cash flows from financing activities:		
Payment of financing fees	(2.4)	(20.3)
Purchase of common stock	—	(500.0)
Change in short-term borrowings, net	(75.1)	236.1
Proceeds from issuance of long-term debt	635.0	2,358.3
Payment of long-term debt	(695.0)	(2,457.3)
Proceeds from exercise of stock options	34.2	56.7
Taxes paid related to net share settlement of equity awards	(22.8)	—
Payments for contingent consideration	(150.0)	—
Other items, net	22.4	10.5
Net cash used in financing activities	(253.7)	(316.0)
Effect on cash of changes in exchange rates	(9.3)	5.4
Net (decrease) increase in cash and cash equivalents	(91.7)	14.9
Cash and cash equivalents — beginning of period	291.3	350.0
Cash and cash equivalents — end of period	$199.6	$364.9

See Notes to Condensed Consolidated Financial Statements

1. General

The accompanying unaudited Condensed Consolidated Financial Statements ("interim financial statements") of Mylan Inc. and subsidiaries ("Mylan" or the "Company") were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC") for reporting on Form 10-Q; therefore, as permitted under these rules, certain footnotes and other financial information included in audited financial statements were condensed or omitted. The interim financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the interim results of operations, comprehensive earnings, financial position and cash flows for the periods presented. These interim financial statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2013, as updated by the Company's Current Report on Form 8-K filed on August 6, 2014. The December 31, 2013 Condensed Consolidated Balance Sheet, as updated, was derived from audited financial statements.

The interim results of operations, comprehensive earnings and cash flows for the nine months ended September 30, 2014 are not necessarily indicative of the results to be expected for the full fiscal year or any other future period. Certain prior period amounts have been reclassified from selling, general and administrative ("SG&A") expense to other operating (income) expense, net to conform to the presentation for the current period. The reclassifications had no impact on the previously reported net earnings attributable to Mylan Inc. common shareholders.

2. Revenue Recognition and Accounts Receivable

Mylan recognizes net sales when title and risk of loss pass to its customers and when provisions for estimates, including discounts, sales allowances, price adjustments, returns, chargebacks and other promotional programs are reasonably determinable. Accounts receivable are presented net of allowances relating to these provisions. No revisions were made to the methodology used in determining these provisions during the nine months ended September 30, 2014. Such allowances were $1.62 billion and $1.24 billion at September 30, 2014 and December 31, 2013, respectively. Other current liabilities include $349.3 million and $281.1 million at September 30, 2014 and December 31, 2013, respectively, for certain sales allowances and other adjustments that are paid to indirect customers.

Through its wholly owned subsidiary Mylan Pharmaceuticals Inc. ("MPI"), the Company has access to a $400 million accounts receivable securitization facility (the "Receivables Facility"). The receivables underlying any borrowings are included in accounts receivable, net, in the Condensed Consolidated Balance Sheets. As of September 30, 2014 and December 31, 2013, there were $544.5 million and $723.1 million of securitized accounts receivable.

3. Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued revised accounting guidance on revenue recognition that will supersede nearly all existing revenue recognition guidance under U.S. GAAP. The core principal of this guidance is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. This guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. This guidance is effective for fiscal years beginning after December 15, 2016, and for interim periods within those fiscal years and can be applied using a full retrospective or modified retrospective approach. The Company is currently assessing the impact of the adoption of this guidance on its financial position, results of operations and cash flows.

4. Acquisitions and Other Transactions

Abbott Branded Generics Business

On July 13, 2014, the Company entered into a definitive agreement with Abbott Laboratories ("Abbott") to acquire Abbott's non-U.S. developed markets specialty and branded generics business (the "Business") in an all-stock transaction, in which Abbott will carve out the Business and transfer it to a new public company ("New Mylan") organized in the

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Netherlands. Immediately following the transfer of the Business, the Company will merge with a wholly owned subsidiary of New Mylan (the "Merger" and, together with the transfer of the Business, the "Transaction"), and New Mylan will become the parent company of Mylan. The new public company will be called Mylan N.V. and will be led by the current Mylan leadership team and headquartered in Pittsburgh, Pennsylvania.

On October 21, 2014, the Company and Abbott entered into an amendment in connection with pre-closing actions required to be taken pursuant to the definitive agreement implementing the Transaction, and on November 4, 2014, the Company and Abbott entered into an amended and restated definitive agreement implementing the Transaction (the "Transaction Agreement"). On November 5, 2014, New Mylan filed a Registration Statement on Form S-4 (the "Registration Statement"), which includes a proxy statement of Mylan as a prospectus.

Pursuant to the Transaction Agreement, Abbott will receive 110 million shares of New Mylan in exchange for the transfer of the Business, and in the Merger, each issued and outstanding share of Mylan common stock will be converted into the right to receive one New Mylan ordinary share. As a result of the Transaction, Mylan shareholders will own approximately 78% of New Mylan and Abbott's affiliates will own approximately 22% of New Mylan. New Mylan and Abbott will enter into a shareholder agreement in connection with the Transaction.

The consummation of the Transaction is subject to the satisfaction of certain customary closing conditions, including regulatory approvals and the approval of the Transaction Agreement by Mylan's shareholders. Abbott will not require shareholder approval in connection with the Transaction. The Transaction Agreement contains certain customary termination rights, including the right of either party to terminate the agreement if the Transaction is not completed by October 13, 2015, subject to extension for a period of 90 days in the event conditions relating to regulatory approvals have not been satisfied as of that date. If the Transaction Agreement is terminated in certain circumstances, including in the event that certain regulatory approvals are not obtained, approval of Mylan's shareholders is not obtained or Mylan's Board of Directors withdraws its recommendation of the Transaction or approves or recommends an alternative acquisition proposal for Mylan, Mylan will be required, at Abbott's option, to reimburse Abbott's costs and expenses incurred in connection with the Transaction (including certain restructuring related taxes), provided that Mylan will not be required to reimburse Abbott for an amount in excess of $100 million.
The Business, which is being acquired on a debt-free basis, includes more than 100 specialty and branded generic pharmaceutical products in five major therapeutic areas and includes several patent protected, novel and/or hard-to-manufacture products. As a result of the acquisition, the Company will significantly expand and strengthen its product portfolio in Europe, Japan, Canada, Australia and New Zealand. The transaction is expected to close in the first quarter of 2015.

Agila Specialties
On February 27, 2013, the Company announced that it had signed definitive agreements to acquire the Agila Specialties businesses ("Agila"), a developer, manufacturer and marketer of high-quality generic injectable products, from Strides Arcolab Limited ("Strides Arcolab"). The transaction closed on December 4, 2013, and the total purchase price was approximately $1.43 billion (net of cash acquired of $3.4 million), which included estimated contingent consideration of $250 million. During the three months ended September 30, 2014, the Company entered into an agreement with Strides Arcolab to settle a portion of the contingent consideration for $150 million, for which the Company accrued $230 million at the acquisition date. As a result of this agreement, the Company recognized a gain of $80 million during the three months ended September 30, 2014, which is included in other operating (income) expense, net in the Condensed Consolidated Statements of Operations. The remaining contingent consideration, which could total a maximum of $211 million, is primarily related to the satisfaction of certain regulatory conditions, including potential regulatory remediation costs and the resolution of certain pre-acquisition contingencies. The

acquisition of Agila significantly expanded and strengthened Mylan's injectables platform and portfolio, and also provided Mylan entry into certain new geographic markets.

In accordance with U.S. GAAP, the Company used the purchase method of accounting to account for this transaction. Under the purchase method of accounting, the assets acquired and liabilities assumed in the transaction were recorded at their respective estimated fair values at the acquisition date. During the six months ended June 30, 2014, adjustments were made to the preliminary amounts recorded at December 31, 2013 primarily related to working capital and deferred taxes. These adjustments are reflected in the values presented below and in the updated December 31, 2013 consolidated balance sheet. The allocation of the $1.43 billion purchase price to the assets acquired and liabilities assumed for Agila is as follows:

(In millions)	
Current assets (excluding inventories)	$45.5
Inventories	37.3
Property, plant and equipment	146.2
Identified intangible assets	280.0
In-process research and development	436.0
Goodwill	936.6
Other assets (including equity method investment)	152.8
Total assets acquired	2,034.4
Current liabilities	(242.0)
Deferred tax liabilities	(235.1)
Other non-current liabilities	(123.6)
Net assets acquired	$1,433.7

The amount allocated to in-process research and development ("IPR&D") represents an estimate of the fair value of purchased in-process technology for research projects that, as of the closing date of the acquisition, had not reached technological feasibility and had no alternative future use. The fair value of the IPR&D was based on the excess earnings method, which utilizes forecasts of expected cash inflows (including estimates for ongoing costs) and other contributory charges. A discount rate of 13.0% was utilized to discount net cash inflows to present values. IPR&D is accounted for as an indefinite-lived intangible asset and will be subject to impairment testing until completion or abandonment of the projects. Upon successful completion and launch of each product, the Company will make a determination of the estimated useful life of the individual IPR&D asset. The acquired IPR&D projects are in various stages of completion and the estimated costs to complete these projects total approximately $50 million which is expected to be incurred from 2014 through 2016. There are risks and uncertainties associated with the timely and successful completion of the projects included in IPR&D, and no assurances can be given that the underlying assumptions used to estimate the fair value of IPR&D will not change or the timely completion of each project to commercial success will occur.

The identified intangible assets of $280 million are comprised of $221 million of product rights and licenses that have a weighted average useful life of eight years and $59 million of customer relationships that have a weighted average useful life of five years. The equity method investment of $125 million represents the fair value of Agila's 50% interest in Sagent Agila LLC ("Sagent Agila"). Payments for product rights and other, net on the Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2014, includes payments totaling $120 million to acquire certain commercialization rights in the U.S. and other countries. The goodwill of $937 million arising from the acquisition consisted largely of the value of the employee workforce and the value of products to be developed in the future. All of the goodwill was assigned to Mylan's Generics segment. At the date of the acquisition, the Company estimated that none of the goodwill recognized would be deductible for income tax purposes. As a result of a legal merger of the Indian subsidiaries of Agila with Mylan Laboratories Limited, which was approved by the relevant Indian regulatory authorities during the three months ended September 30, 2014, approximately $739 million of goodwill related to the acquisition of Agila will be deductible for tax purposes, refer to Note 14 Income Taxes for additional information.

Significant assumptions utilized in the valuation of identified intangible assets, the equity method investment and IPR&D were based on company specific information and projections which are not observable in the market and are thus considered Level 3 measurements as defined by U.S. GAAP.

Pro Forma Financial Results

The following table presents supplemental unaudited pro forma information as if the acquisition of Agila had occurred on January 1, 2012. The unaudited pro forma results reflect certain adjustments related to past operating performance and acquisition accounting adjustments, such as increased amortization expense based on the fair valuation of assets acquired, the impact of acquisition financing, and the related income tax effects. The unaudited pro forma results do not include any anticipated synergies which may be achievable subsequent to the acquisition date. Accordingly, the unaudited pro forma results are not necessarily indicative of the results that actually would have occurred had the acquisition been completed on January 1, 2012, nor are they indicative of the future operating results of the combined company.

(In millions, except per share amounts)	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2013
Total revenues	$ 1,797.7	$ 5,243.5
Net earnings attributable to Mylan Inc. common shareholders	$ 120.7	$ 350.4
Earnings per common share attributable to Mylan Inc. common shareholders:		
Basic	$ 0.32	$ 0.91
Diluted	$ 0.31	$ 0.89
Weighted average common shares outstanding:		
Basic	382.1	385.5
Diluted	395.5	393.9

Other Transactions

On September 10, 2014, the Company entered into an agreement with Aspen Global Incorporated to acquire the U.S. commercialization, marketing and intellectual property rights related to Arixtra® Injection (“Arixtra”) and the authorized generic rights of Arixtra. The purchase price for this intangible asset was $300 million, of which $225 million was paid at the closing of the transaction on September 25, 2014, and is included in payments for product rights and other, net on the Condensed Consolidated Statements of Cash Flows with an additional $75 million held in escrow that will be released upon satisfaction of certain conditions. The asset will be amortized over an estimated useful life of 10 years.

On June 30, 2014, the Company acquired certain product rights and other intangible assets in, or for, Australia, New Zealand and Brazil. In accordance with U.S. GAAP, the Company used the purchase method of accounting to account for this transaction. The purchase price for these assets was $50.0 million. The preliminary purchase price allocation resulted in $36.7 million of intangible assets which was included in product rights and licenses, and goodwill of approximately $13.3 million which was assigned to Mylan’s Generics segment. Significant assumptions utilized in the valuation of identified intangible assets were based on company specific information and projections which are not observable in the market and are thus considered Level 3 measurements as defined by U.S. GAAP. The acquisition did not have a material impact on the Company’s results of operations since the acquisition date.

5. Stock-Based Incentive Plan

Mylan’s shareholders have approved the 2003 Long-Term Incentive Plan (as amended, the “2003 Plan”). Under the 2003 Plan, 55,300,000 shares of common stock are reserved for issuance to key employees, consultants, independent contractors and non-employee directors of Mylan through a variety of incentive awards, including: stock options, stock appreciation rights (“SAR”), restricted shares and units, performance awards (“PSU”), other stock-based awards and short-term cash awards. Stock option awards are granted at the fair value of the shares underlying the options at the date of the grant, generally become exercisable over periods ranging from three to four years, and generally expire in ten years. Upon approval of the 2003 Plan, no further grants of stock options have been made under any other previous plans.

In February 2014, Mylan’s Compensation Committee and the independent members of the Board of Directors adopted the One-Time Special Performance-Based Five-Year Realizable Value Incentive Program (the “2014 Program”) under the 2003 Plan. Under the 2014 Program, certain key employees received a one-time, performance-based incentive award (the “Awards”) either in the form of a grant of SAR or PSU. The Awards were granted in February 2014 and contain a five-year cliff-vesting feature based on the achievement of various performance targets, external market conditions and the employee’s continued services.

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The following table summarizes stock option and SAR ("stock awards") activity:

	Number of Shares Under Stock Awards	Weighted Average Exercise Price per Share
Outstanding at December 31, 2013	13,563,881	$22.05
Granted	5,995,732	52.37
Exercised	(1,780,406)	19.67
Forfeited	(778,004)	38.14
Outstanding at September 30, 2014	17,001,203	$32.31
Vested and expected to vest at September 30, 2014	16,279,361	$32.17
Exercisable at September 30, 2014	8,417,594	$20.32

As of September 30, 2014, stock awards outstanding, stock awards vested and expected to vest and stock awards exercisable had average remaining contractual terms of 7.1 years, 7.0 years and 5.2 years, respectively. Also, at September 30, 2014, stock awards outstanding, stock awards vested and expected to vest and stock awards exercisable had aggregate intrinsic values of $263.7 million, $255.1 million and $212.0 million respectively.

A summary of the status of the Company's nonvested restricted stock and restricted stock unit awards, including PSUs, ("restricted stock awards") as of September 30, 2014 and the changes during the nine months ended September 30, 2014 are presented below:

	Number of Restricted Stock Awards	Weighted Average Grant-Date Fair Value per Share
Nonvested at December 31, 2013	3,321,836	$27.13
Granted	2,091,396	40.32
Released	(1,160,689)	25.58
Forfeited	(385,327)	31.75
Nonvested at September 30, 2014	3,867,216	$34.32

As of September 30, 2014, the Company had $146.0 million of total unrecognized compensation expense, net of estimated forfeitures, related to all of its stock-based awards, which will be recognized over the remaining weighted average vesting period of 3.0 years. The total intrinsic value of stock-based awards exercised and restricted stock units converted during the nine months ended September 30, 2014 and 2013 was