WEST PHARMACEUTICAL SERVICES INC
Form 10-Q
August 06, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2012

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 1-8036

WEST PHARMACEUTICAL SERVICES, INC.
(Exact name of registrant as specified in its charter)

Pennsylvania (State or other jurisdiction of incorporation or organization)	23-1210010 (I.R.S. Employer Identification Number)
101 Gordon Drive, PO Box 645, Lionville, PA (Address of principal executive offices)	19341-0645 (Zip Code)

Registrant’s telephone number, including area code: 610-594-2900

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 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes þ 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	þ		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 þ

As of July 31, 2012, there were 34,034,189 shares of the Registrant's common stock outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
West Pharmaceutical Services, Inc. and Subsidiaries
(In millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net sales	$ 324.8	$ 307.9	$ 641.1	$ 603.3
Cost of goods and services sold	226.1	223.3	441.3	430.7
Gross profit	98.7	84.6	199.8	172.6
Research and development	8.2	7.3	16.5	14.2
Selling, general and administrative expenses	54.4	46.4	105.7	97.1
Restructuring and other items (Note 2)	0.5	3.1	0.3	4.8
Operating profit	35.6	27.8	77.3	56.5
Loss on debt extinguishment	11.6	-	11.6	-
Interest expense	4.6	4.6	8.8	9.3
Interest income	0.6	0.3	1.0	0.5
Income before income taxes	20.0	23.5	57.9	47.7
Income tax expense	6.5	5.3	16.4	11.3
Equity in net income of affiliated companies	2.1	1.9	3.3	3.3
Net income	$ 15.6	$ 20.1	$ 44.8	$ 39.7
Net income per share:				
Basic	$ 0.46	$ 0.60	$ 1.32	$ 1.18
Diluted	$ 0.45	$ 0.57	$ 1.27	$ 1.13
Weighted average shares outstanding:				
Basic	34.0	33.6	33.9	33.5
Diluted	36.6	37.0	36.9	36.9
Dividends declared per share	$ 0.18	$ 0.17	$ 0.36	$ 0.34

See accompanying notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (UNAUDITED)
West Pharmaceutical Services, Inc. and Subsidiaries
(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net income	$ 15.6	$ 20.1	$ 44.8	$ 39.7
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustments	(29.4)	10.2	(17.2)	31.5
Defined benefit pension and other postretirement plan adjustments, net of tax of $0.8, $0.3, $1.4 and $0.4, respectively	1.5	0.6	2.3	0.5
Net losses on derivatives, net of tax of $(1.5), $(0.4), $(1.5) and $(0.6), respectively	(2.4)	(0.5)	(2.4)	(1.3)
Other comprehensive (loss) income, net of tax	(30.3)	10.3	(17.3)	30.7
Comprehensive (loss) income	$ (14.7)	$ 30.4	$ 27.5	$ 70.4

See accompanying notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
West Pharmaceutical Services, Inc. and Subsidiaries
(In millions)

	June 30, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash, including cash equivalents	$ 107.0	$ 91.8
Short-term investments	25.5	26.5
Accounts receivable, net	185.0	147.2
Inventories	159.2	151.8
Deferred income taxes	7.4	7.9
Other current assets	32.9	46.8
Total current assets	517.0	472.0
Property, plant and equipment	1,185.4	1,136.8
Less accumulated depreciation and amortization	565.1	543.2
Property, plant and equipment, net	620.3	593.6
Investments in affiliated companies	57.5	56.2
Goodwill	110.0	111.5
Deferred income taxes	84.0	85.1
Intangible assets, net	49.5	52.0
Other noncurrent assets	24.5	28.7
Total Assets	$ 1,462.8	$ 1,399.1
LIABILITIES AND EQUITY		
Current liabilities:		
Notes payable and other current debt	$ 89.1	$ 50.1
Accounts payable	85.6	89.8
Pension and other postretirement benefits	2.3	2.3
Accrued salaries, wages and benefits	48.3	45.0
Income taxes payable	14.8	7.8
Taxes other than income	8.5	9.5
Other current liabilities	71.6	38.7
Total current liabilities	320.2	243.2
Long-term debt	296.4	299.3
Deferred income taxes	19.3	21.6
Pension and other postretirement benefits	112.3	126.0
Other long-term liabilities	35.1	54.1
Total Liabilities	783.3	744.2
Commitments and contingencies (Note 12)		
Total Equity	679.5	654.9
Total Liabilities and Equity	$ 1,462.8	$ 1,399.1

See accompanying notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF EQUITY (UNAUDITED)
West Pharmaceutical Services, Inc. and Subsidiaries
(In millions)

	Common Shares Issued	Common Stock	Capital in Excess of Par Value	Number of Treasury Shares	Treasury Stock	Retained earnings	Accumulated other comprehensive loss	Total
Balance, December 31, 2011	34.3	$ 8.6	$ 76.3	(0.6)	$ (23.0)	$ 664.5	$ (71.5)	$ 654.9
Net income						44.8		44.8
Stock-based compensation			4.8					4.8
Shares issued under stock plans			(7.6)	0.3	12.2			4.6
Shares repurchased for employee tax withholdings					(2.2)			(2.2)
Excess tax benefit from employee stock plans			2.1					2.1
Dividends declared						(12.2)		(12.2)
Other comprehensive loss, net of tax							(17.3)	(17.3)
Balance, June 30, 2012	34.3	$ 8.6	$ 75.6	(0.3)	$ (13.0)	$ 697.1	$ (88.8)	$ 679.5

See accompanying notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
West Pharmaceutical Services, Inc. and Subsidiaries
(In millions)

	Six Months Ended June 30, 2012	2011
Cash flows from operating activities:		
Net income	$ 44.8	$ 39.7
Depreciation	35.2	36.5
Amortization	2.2	2.3
Loss on debt extinguishment	11.6	-
Asset impairment charges	3.8	0.7
Other non-cash items, net	4.7	2.7
Changes in assets and liabilities	(36.3)	(32.7)
Net cash provided by operating activities	66.0	49.2
Cash flows from investing activities:		
Capital expenditures	(69.4)	(37.8)
Acquisition of patents and other long-term assets	(0.1)	(0.4)
Sales (purchases) of short-term investments, net	1.3	(14.6)
Other, net	0.4	0.6
Net cash used in investing activities	(67.8)	(52.2)
Cash flows from financing activities:		
Borrowings under revolving credit agreements, net	198.6	6.0
Payment of long-term debt	(165.6)	-
Debt issuance costs	(6.2)	(0.3)
Changes in other debt	(0.1)	(0.5)
Dividend payments	(12.2)	(11.4)
Excess tax benefit from employee stock plans	2.1	3.1
Shares repurchased for employee tax withholdings	(2.2)	(3.5)
Issuance of common stock from treasury	4.0	3.9
Net cash provided by (used in) financing activities	18.4	(2.7)
Effect of exchange rates on cash	(1.4)	5.9
Net increase in cash and cash equivalents	15.2	0.2
Cash, including cash equivalents at beginning of period	91.8	110.2
Cash, including cash equivalents at end of period	$ 107.0	$ 110.4

See accompanying notes to condensed consolidated financial statements.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 1: Summary of Significant Accounting Policies

Basis of Presentation: The condensed consolidated financial statements included in this report are unaudited and have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial reporting and Securities and Exchange Commission ("SEC") regulations. The year-end condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. In the opinion of management, these financial statements include all adjustments, which are of a normal recurring nature, necessary for a fair statement of the financial position, results of operations, cash flows and the change in equity for the periods presented. The condensed consolidated financial statements for the three and six month periods ended June 30, 2012 should be read in conjunction with the consolidated financial statements and notes thereto of West Pharmaceutical Services, Inc. (which may be referred to as "West", "the Company", "we", "us" or "our"), appearing in our Annual Report on Form 10-K for the year ended December 31, 2011 ("2011 Annual Report"). The results of operations for any interim period are not necessarily indicative of results for the full year.

Reclassifications: Certain reclassifications were made to prior period financial statements to conform to the current year presentation.

Note 2: Restructuring and Other Items

Restructuring and other items consisted of:

	Three Months Ended June 30,		Six Months Ended June 30,	
($ in millions)	2012	2011	2012	2011
Restructuring and related charges:				
Severance and post-employment benefits	$ (0.2)	$ 0.3	$ (0.2)	$ 1.7
Impairments and asset write-offs	0.3	0.4	0.4	0.7
Other restructuring charges	0.2	0.6	0.5	0.8
Total restructuring and related charges	0.3	1.3	0.7	3.2
Impairment charge	3.4	-	3.4	-
Development income	(3.8)	-	(3.8)	-
Acquisition-related contingencies	0.2	(0.7)	0.4	(0.7)
Special separation benefits	-	2.1	-	2.1
Foreign exchange and other	0.4	0.4	(0.4)	0.2
Total restructuring and other items	$ 0.5	$ 3.1	$ 0.3	$ 4.8

Restructuring and Related Charges

Total restructuring and related charges incurred during the three and six months ended June 30, 2012 and 2011 were associated with the restructuring plan announced in December 2010. These charges consist of costs associated with the 2011 closure of a plant in the United States and a reduction of operations at a manufacturing facility in England. We currently expect to incur additional charges related to the 2010 plan of approximately $1.2 million during the remainder of 2012, the majority of which represents cash expenditures for severance and other costs to complete the planned actions.

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The following table presents activity related to our restructuring obligations during the six months ended June 30, 2012:

($ in millions)	Severance and benefits	Other Costs	Total
Balance, December 31, 2011	$ 6.2	$ 0.6	$ 6.8
Charges	(0.2)	0.9	0.7
Cash payments	(1.7)	(0.8)	(2.5)
Non-cash adjustment	-	(0.4)	(0.4)
Balance, June 30, 2012	$ 4.3	$ 0.3	$ 4.6

Other Items

During the second quarter of 2012, as a result of continuing delays and lower-than-expected demand, we updated the sales projections related to one of our product lines in our Pharmaceutical Delivery Systems segment (“Delivery Systems”). The revised projections triggered an impairment review of the associated assets. Our review concluded that the estimated fair value of the product no longer exceeded the carrying value of the related assembly equipment and intangible asset and, therefore, an impairment charge of $3.4 million was recorded during the second quarter of 2012. We estimated the fair value of the asset group using an income approach based on discounted cash flows.

Development income recorded in the second quarter of 2012 was attributable to services provided to, and the reimbursement of certain costs from, a Delivery Systems’ customer.

The liability for contingent consideration related to our 2010 acquisition of technology used in our SmartDose™ electronic patch injector system (“SmartDose contingent consideration”) increased by $0.2 million and $0.4 million during the three and six months ended June 30, 2012, respectively, due to accretion expense.

During the second quarter of 2011, we reduced the contingent consideration liability related to the July 2009 acquisition of the eris™ safety syringe system (“eris contingent consideration”) by $0.8 million, bringing the liability to zero at June 30, 2011. Partially offsetting this reduction was accretion expense related to our SmartDose contingent consideration.

In addition, during the second quarter of 2011, we incurred $2.1 million in special separation benefits related to the retirement of our former President and Chief Operating Officer. These costs consisted primarily of stock-based compensation expense. The respective equity compensation arrangements were amended to allow certain of his awards to continue to vest over the original vesting period instead of being forfeited upon separation, resulting in a revaluation of the awards and acceleration of expense.

Note 3: Income Taxes

The tax provision for interim periods is determined using the estimated annual effective consolidated tax rate, based on the current estimate of full-year earnings before taxes, adjusted for the impact of discrete quarterly items. For the three and six months ended June 30, 2012, our effective tax rate was 32.7% and 28.4% respectively, compared with 22.5% and 23.7% for the same periods in 2011. The increase in the effective tax rate for both periods presented primarily reflects changes in our geographic mix of earnings and the nondeductibility of the purchase premium paid related to the extinguishment of our convertible debt. In addition, during the first quarter of 2012, we recorded a discrete tax charge of $0.3 million due to the reduction of deferred tax assets associated with the legal restructuring of the ownership of our Puerto Rico operations. During the six months ended June 30, 2011, we recorded a discrete tax charge of $0.2 million, resulting from the impact of changes in tax laws in certain foreign tax jurisdictions on our deferred tax balances.

Because we are a global organization, we and our subsidiaries file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. During 2011, the statute of limitations for the 2007 U.S. federal tax year lapsed, leaving tax years 2008 through 2011 open to examination. For U.S. state and local jurisdictions, tax years 2007 through 2011 are open to examination. We are also subject to examination in various foreign jurisdictions for tax years 2005 through 2011.

It is reasonably possible that, due to the expiration of statutes and the closing of tax audits, the liability for unrecognized tax benefits may be reduced by approximately $0.3 million during the next twelve months, which would favorably impact our effective tax rate. Accrued interest and penalties related to unrecognized tax benefits was $0.5 million and $0.4 million at June 30, 2012 and December 31, 2011, respectively.

Note 4: Derivative Financial Instruments

Our ongoing business operations expose us to various risks such as fluctuating interest rates, foreign exchange rates and increasing commodity prices. To manage these market risks, we periodically enter into derivative financial instruments such as interest rate swaps, options and foreign exchange contracts for periods consistent with and for notional amounts equal to or less than the related underlying exposures. We do not purchase or hold any derivative financial instruments for speculation or trading purposes. All derivatives are recorded on the balance sheet at fair value.

Interest Rate Risk

During the second quarter of 2012, we entered into two forward treasury lock agreements for a total notional amount of $160.0 million, to protect against changes in the benchmark 10-year Treasury rate during the 30-60 day period leading up to the issuance date of 10-year fixed-rate debt. We designated these treasury locks as cash flow hedges. On June 19, 2012, the pricing for our private placement debt (refer to Note 14, Subsequent Events) was finalized and accordingly, we terminated both treasury lock agreements, resulting in a $4.6 million settlement payment made by us. The amounts which are reflected in accumulated other comprehensive income will be expensed over the life of the fixed-rate debt.

In February 2011, we exercised an option to purchase our new corporate office and research building. In connection with this, we expect that, during the first quarter of 2013, we will borrow $43.0 million pursuant to a five-year term loan with a variable interest rate. In anticipation of this debt, we entered into a forward-start interest rate swap with the same notional amount in order to hedge the variability in cash flows due to changes in the applicable interest rate over the five-year period beginning January 2013. Under this swap, we will receive variable interest rate payments based on one-month London Interbank Offering Rates (“LIBOR”) plus a margin in return for making monthly fixed interest payments at 5.41%. We designated the forward-start interest rate swap as a cash flow hedge.

In addition, we have two interest rate swap agreements outstanding as of June 30, 2012, that are designated as cash flow hedges to protect against volatility in the interest rates payable on our $50.0 million note that matured on July 28, 2012 (“Series A Note”) and our $25.0 million note maturing on July 28, 2015 (“Series B Note”). Under both of these swaps, we receive variable interest rate payments based on three-month LIBOR in return for making quarterly fixed rate payments. Including the applicable margin, the interest rate swap agreements effectively fix the interest rates payable on the Series A and B notes at 5.32% and 5.51%, respectively.

Foreign Exchange Rate Risk

As described in more detail below, during the first six months of 2012, we entered into several foreign currency hedge contracts that were designated as cash flow hedges of forecasted transactions denominated in foreign currencies.

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We entered into a series of foreign currency contracts intended to hedge the currency risk associated with a portion of our forecasted Japanese Yen (“JPY”) denominated purchases of inventory from Daikyo Seiko Ltd. (“Daikyo”) made by West in the United States. As of June 30, 2012, there were six monthly contracts outstanding at ¥110.6 million ($1.4 million) each, for an aggregate notional amount of ¥663.6 million ($8.4 million).

We also entered into a series of foreign currency contracts to hedge the currency risk associated with a portion of our forecasted U.S. dollar (“USD”) denominated inventory purchases made by certain European subsidiaries. As of June 30, 2012, there were six monthly contracts outstanding at approximately $1.0 million each, for an aggregate notional amount of $6.2 million.

In addition we entered into a series of foreign currency contracts to hedge the currency risk associated with a portion of our forecasted JPY denominated inventory purchases made by certain European subsidiaries. As of June 30, 2012, there were six monthly contracts outstanding at ¥52.7 million each (approximately $0.7 million), for an aggregate notional amount of ¥316.5 million ($4.0 million).

A portion of our debt consists of borrowings denominated in currencies other than the U.S. dollar. We designated our €81.5 million Euro-denominated notes as a hedge of our net investment in certain European subsidiaries. A cumulative foreign currency translation loss of $1.5 million pre-tax ($0.9 million after tax) on this debt was recorded within accumulated other comprehensive loss as of June 30, 2012. We have also designated our ¥500.0 million Yen-denominated note payable as a hedge of our net investment in a Japanese affiliate. At June 30, 2012, there was a cumulative foreign currency translation loss on this Yen-denominated debt of $0.9 million pre-tax ($0.5 million after tax) which was also included within accumulated other comprehensive loss.

Commodity Price Risk

Many of our Packaging Systems products are made from synthetic elastomers, which are derived from the petroleum refining process. We purchase the majority of our elastomers via long-term supply contracts, some of which contain clauses that provide for surcharges related to fluctuations in crude oil prices. The following economic hedges did not qualify for hedge accounting treatment since they did not meet the highly effective requirement at inception.

In May 2012, we purchased a series of call options for a total of 45,100 barrels of crude oil, intended to mitigate our exposure to such oil-based surcharges and protect operating cash flows with regard to a portion of our forecasted elastomer purchases during the months of July through October 2012. With these contracts we may benefit from a decline in crude oil prices, as there is no downward exposure other than the $0.1 million premium that we paid to purchase the contracts.

During the three and six month periods ended June 30, 2012, a loss of $0.1 million was recorded in cost of goods and services sold related to these outstanding call options. During the three and six month periods ended June 30, 2011, a loss of $0.2 million and a gain of $0.7 million, respectively, was recorded in cost of goods and services sold relating to 2011 crude-oil options.

Effects of Derivative Instruments on Financial Position and Results of Operations

Refer to Note 5, Fair Value Measurements, for the balance sheet location and fair values of our derivative instruments as of June 30, 2012 and December 31, 2011.

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The following tables summarize the effects of derivative instruments designated as hedges on other comprehensive income (“OCI”) and earnings:

($ in millions)	Amount of Gain (Loss) Recognized in OCI for Three Months Ended June 30, 2012	2011	Amount of (Gain) Loss Reclassified from Accumulated OCI into Income for Three Months Ended June 30, 2012	2011	Location of Gain (Loss) Reclassified from Accumulated OCI into Income
Cash Flow Hedges:					
Foreign currency hedge contracts	$ -	$ (0.2)	$ -	$ 0.2	Net sales
Foreign currency hedge contracts	0.6	0.2	-	-	Cost of goods and services sold
Interest rate swap contracts	(1.0)	(1.5)	0.8	0.8	Interest expense
Forward treasury lock	(2.8)	-	-	-	Interest expense
Total	$ (3.2)	$ (1.5)	$ 0.8	$ 1.0	
Net Investment Hedges:					
Foreign currency-denominated debt	$ 4.1	$ (1.6)	$ -	$ -	Foreign exchange and other
Total	$ 4.1	$ (1.6)	$ -	$ -	

($ in millions)	Amount of Gain (Loss) Recognized in OCI for Six Months Ended June 30, 2012	2011	Amount of (Gain) Loss Reclassified from Accumulated OCI into Income for Six Months Ended June 30, 2012	2011	Location of Gain (Loss) Reclassified from Accumulated OCI into Income
Cash Flow Hedges:					
Foreign currency hedge contracts	$ -	$ (0.5)	$ -	$ 0.2	Net sales
Foreign currency hedge contracts	0.3	(0.6)	-	-	Cost of goods and services sold
Interest rate swap contracts	(1.4)	(2.0)	1.5	1.6	Interest expense
Forward treasury lock	(2.8)	-	-	-	Interest expense
Total	$ (3.9)	$ (3.1)	$ 1.5	$ 1.8	
Net Investment Hedges:					
Foreign currency-denominated debt	$ 2.4	$ (5.8)	$ -	$ -	Foreign exchange and other
Total	$ 2.4	$ (5.8)	$ -	$ -	

For the three and six month periods ended June 30, 2012 and 2011, there was no ineffectiveness related to our cash flow and net investment hedges.

Note 5: Fair Value Measurements

We define fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The following fair value hierarchy classifies the inputs to valuation techniques used to measure fair value into one of three levels:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

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- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

The following tables present, by level within the fair value hierarchy, certain of our financial assets and liabilities:

($ in millions)	Balance at June 30, 2012	Basis of Fair Value Measurements Level 1	Level 2	Level 3
Assets:				
Short-term investments	$25.5	$25.5	$-	$-
Deferred compensation assets	3.6	3.6	-	-
Foreign currency contracts	0.5	-	0.5	-
	$29.6	$29.1	$0.5	$-
Liabilities:				
Contingent consideration	$2.5	$-	$-	$2.5
Deferred compensation liabilities	6.0	6.0	-	-
Interest rate swap contracts	8.6	-	8.6	-
Long-term debt	299.3	-	299.3	-
	$316.4	$6.0	$307.9	$2.5

($ in millions)	Balance at December 31, 2011	Basis of Fair Value Measurements Level 1	Level 2	Level 3
Assets:				
Short-term investments	$26.5	$26.5	$-	$-
Deferred compensation assets	3.3	3.3	-	-
	$29.8	$29.8	$-	$-
Liabilities:				
Contingent consideration				