RAMBUS INC
Form 10-Q
April 30, 2012

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, 2012

OR

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

For the transition period from to

Commission File Number: 000-22339

RAMBUS INC.

(Exact name of registrant as specified in its charter)

Delaware	**94-3112828**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1050 Enterprise Way, Suite 700, Sunnyvale, CA 94089

(Address of principal executive offices) (zip code)

Registrant s telephone number, including area code: **(408) 462-8000**

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

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

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

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

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

The number of shares outstanding of the registrant s Common Stock, par value $.001 per share, was 110,409,906 as of March 31, 2012.

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NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (Quarterly Report) contains forward-looking statements. These forward-looking statements include, without limitation, predictions regarding the following aspects of our future:

- Success in the markets of our or our licensees products;
- Sources of competition;
- Research and development costs and improvements in technology;
- Sources, amounts and concentration of revenue, including royalties;
- Success in renewing license agreements;
- Technology product development;
- Outcome and effect of current and potential future intellectual property litigation and other significant litigation;
- Acquisitions, mergers or strategic transactions and our related integration efforts;
- Pricing policies of our licensees;
- Deterioration of financial health of commercial counterparties and their ability to meet their obligations to us;

- Engineering, marketing and general and administration expenses;
- Contract revenue;
- Operating results;
- International licenses and operations;
- Effects of changes in the economy and credit market on our industry and business;
- Ability to identify, attract, motivate and retain qualified personnel;
- Growth in our business;
- Methods, estimates and judgments in accounting policies;
- Adoption of new accounting pronouncements;
- Effective tax rates;
- Realization of deferred tax assets/release of deferred tax valuation allowance;
- Trading price of our Common Stock;
- Internal control environment;
- Corporate governance;

- The level and terms of our outstanding debt;

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- Resolution of the governmental agency matters involving us;
- Litigation expenses;
- Protection of intellectual property;
- Terms of our licenses and amounts owed under licensing agreements;
- Indemnification and technical support obligations;
- Issuances of our securities, which could involve restrictive covenants or be dilutive to our existing stockholders; and
- Likelihood of paying dividends or repurchasing securities.

You can identify these and other forward-looking statements by the use of words such as may, future, shall, should, expects, plans, antic believes, estimates, predicts, intends, potential, continue, projecting or the negative of such terms, or other comparable terminology. Forward-looking statements also include the assumptions underlying or relating to any of the foregoing statements.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under Item 1A, Risk Factors. All forward-looking statements included in this document are based on our assessment of information available to us at this time. We assume no obligation to update any forward-looking statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

		March 31, 2012		December 31, 2011
		(In thousands, except shares and per share amounts)		
ASSETS				
Current assets:				
Cash and cash equivalents	$	188,548	$	162,244
Marketable securities		43,970		127,212
Accounts receivable		728		1,026
Prepaids and other current assets		7,010		8,096
Deferred taxes		2,798		2,798
Total current assets		243,054		301,376
Intangible assets, net		194,895		181,955
Goodwill		138,669		115,148
Property, plant and equipment, net		81,928		81,105
Deferred taxes, long term		7,531		7,531
Other assets		7,609		6,539
Total assets	$	673,686	$	693,654
LIABILITIES & STOCKHOLDERS EQUITY				
Current liabilities:				
Accounts payable	$	6,615	$	16,567
Accrued salaries and benefits		26,830		31,763
Accrued litigation expenses		10,808		10,502
Other accrued liabilities		15,173		6,479
Total current liabilities		59,426		65,311
Convertible notes, long-term		136,845		133,493
Long-term imputed financing obligation		44,285		43,793
Long-term income taxes payable		9,343		9,946
Other long-term liabilities		15,374		11,317
Total liabilities		265,273		263,860
Commitments and contingencies (Notes 7 and 13)				
Stockholders equity:				
Convertible preferred stock, $.001 par value:				
Authorized: 5,000,000 shares; Issued and outstanding: no shares at March 31, 2012 and December 31, 2011				
Common Stock, $.001 par value:				
Authorized: 500,000,000 shares; Issued and outstanding: 110,409,906 shares at March 31, 2012 and 110,267,145 shares at December 31, 2011		110		110
Additional paid in capital		1,056,131		1,049,716
Accumulated deficit		(647,533)		(619,643)
Accumulated other comprehensive loss		(295)		(389)
Total stockholders equity		408,413		429,794
Total liabilities and stockholders equity	$	673,686	$	693,654

See Notes to Unaudited Condensed Consolidated Financial Statements

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RAMBUS INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
	(In thousands, except per share amounts)	
Revenue:		
Royalties	$ 62,043	$ 59,235
Contract revenue	820	3,292
Total revenue	62,863	62,527
Operating costs and expenses:		
Cost of revenue*	7,163	3,149
Research and development*	38,394	23,317
Marketing, general and administrative*	34,834	32,732
Costs of restatement and related legal activities	30	1,159
Gain from settlement		(6,200)
Total operating costs and expenses	80,421	54,157
Operating income (loss)	(17,558)	8,370
Interest income and other income (expense), net	98	164
Interest expense	(6,580)	(5,988)
Interest and other income (expense), net	(6,482)	(5,824)
Income (loss) before income taxes	(24,040)	2,546
Provision for income taxes	3,850	6,776
Net loss	$ (27,890)	$ (4,230)
Net loss per share:		
Basic	$ (0.25)	$ (0.04)
Diluted	$ (0.25)	$ (0.04)
Weighted average shares used in per share calculation:		
Basic	110,358	107,613
Diluted	110,358	107,613

* Includes stock-based compensation:		
Cost of revenue	$ 10	$ 123
Research and development	$ 2,720	$ 2,512
Marketing, general and administrative	$ 3,996	$ 4,655

See Notes to Unaudited Condensed Consolidated Financial Statements

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RAMBUS INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
	(In thousands)	
Net loss	$ (27,890)	$ (4,230)
Other comprehensive income (loss):		
Unrealized gain (loss) on marketable securities, net of tax	94	(1)
Total comprehensive loss	$ (27,796)	$ (4,231)

See Notes to Unaudited Condensed Consolidated Financial Statements

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RAMBUS INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Three Months Ended March 31, 2012		Three Months Ended March 31, 2011	
	(In thousands)			
Cash flows from operating activities:				
Net loss	$	(27,890)	$	(4,230)
Adjustments to reconcile net loss to net cash used in operating activities:				
Stock-based compensation		6,726		7,290
Depreciation		3,099		2,803
Amortization of intangible assets		7,616		1,979
Non-cash interest expense and amortization of convertible debt issuance costs		3,510		3,016
Deferred tax benefit				(46)
Change in assets and liabilities, net of effects of acquisition:				
Accounts receivable		298		2,211
Prepaids and other assets		4,200		(343)
Accounts payable		(9,565)		4,091
Accrued salaries and benefits and other accrued liabilities		1,502		(24,502)
Accrued litigation expenses		306		684
Income taxes payable		(794)		2,502
Net cash used in operating activities		(10,992)		(4,545)
Cash flows from investing activities:				
Acquisition of businesses, net of cash acquired		(42,397)		
Purchases of property, plant and equipment		(3,043)		(6,478)
Acquisition of intangible assets		(250)		
Purchases of marketable securities				(94,160)
Maturities of marketable securities		82,926		62,820
Net cash provided by (used in) investing activities		37,236		(37,818)
Cash flows from financing activities:				
Proceeds received from issuance of common stock under employee stock plans		63		3,263
Principal payments against lease financing obligation		(3)		(417)
Proceeds from landlord for tenant improvements				6,739
Payments under installment payment arrangement				(250)
Net cash provided by financing activities		60		9,335
Net (decrease) increase in cash and cash equivalents		26,304		(33,028)
Cash and cash equivalents at beginning of period		162,244		215,262
Cash and cash equivalents at end of period	$	188,548	$	182,234
Non-cash investing activities and financing activities:				
Property, plant and equipment received and accrued in accounts payable and other accrued liabilities	$	3,893	$	2,362
Non-cash obligation for property, plant and equipment	$	495	$	
Intangible assets acquired under installment payment arrangement	$	1,050	$	
Remaining purchase consideration for acquisition of business	$	3,881	$	

See Notes to Unaudited Condensed Consolidated Financial Statements

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RAMBUS INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Rambus Inc. (Rambus or the Company) and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in the accompanying unaudited condensed consolidated financial statements. Investments in entities with less than 20% ownership or in which the Company does not have the ability to significantly influence the operations of the investee are being accounted for using the cost method and are included in other assets.

In the opinion of management, the unaudited condensed consolidated financial statements include all adjustments (consisting only of normal recurring items) necessary to state fairly the financial position and results of operations for each interim period presented. Interim results are not necessarily indicative of results for a full year.

The unaudited condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the SEC) applicable to interim financial information. Certain information and Note disclosures included in the financial statements prepared in accordance with generally accepted accounting principles have been omitted in these interim statements pursuant to such SEC rules and regulations. The information included in this Form 10-Q should be read in conjunction with the consolidated financial statements and notes thereto in Form 10-K for the year ended December 31, 2011.

Reclassifications

Certain prior year balances were reclassified to conform to the current year s presentation. None of these reclassifications had an impact on reported net income (loss) for any of the periods presented.

2. Recent Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-11, Disclosures about Offsetting Assets and Liabilities. ASU 2011-11 will require the Company to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The new guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The disclosures are to be applied retrospectively for all comparative periods presented. The Company does not expect that this guidance will have an impact on its financial position, results of operations or cash flows as it is disclosure-only in nature.

In September 2011, the FASB amended its guidance to simplify how an entity tests goodwill for impairment. The amendment will allow an entity to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. An entity no longer will be required to calculate the fair value of a reporting unit unless the entity determines, based on a qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. The amendment became effective for the Company s interim period ended March 31, 2012. The Company will apply this guidance in its fourth quarter of fiscal 2012 at the time it performs its annual goodwill test and does not expect that this guidance will materially impact the Company s financial position or results of operations.

In May 2011, the FASB amended its guidance to converge fair value measurement and disclosure guidance about fair value measurement under U.S. Generally Accepted Accounting Principles (GAAP) with International Financial Reporting Standards (IFRS). IFRS is a comprehensive series of accounting standards published by the International Accounting Standards Board. The amendment changes the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. For many of the requirements, the FASB does not intend for the amendment to result in a change in the application of the requirements in the current authoritative guidance. The amendment became effective prospectively for the Company s interim period ended March 31, 2012. The Company adopted this guidance and the adoption did not have a material impact on the Company s financial position, results of operations or cash flows.

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3. Settlement Agreement with Samsung

On January 19, 2010, the Company, Samsung and certain related entities of Samsung entered into a Settlement Agreement (the Settlement Agreement) to release all claims against each other with respect to all outstanding litigation between them and certain other potential claims. Pursuant to the Settlement Agreement, the Company and Samsung entered into a Semiconductor Patent License Agreement on January 19, 2010 (the License Agreement), under which Samsung licenses from the Company non-exclusive rights to certain Rambus patents and has agreed to pay the Company cash amounts equal to approximately $25.0 million per quarter, subject to certain adjustments and conditions related to their DRAM revenue. These payments commenced in the first quarter of 2010 and will conclude in the last quarter of 2014.

The settlement with Samsung is a multiple element arrangement for accounting purposes. For a multiple element arrangement, the Company is required to determine the fair value of the elements. The Company considered several factors in determining the accounting fair value of the elements of the settlement with Samsung which included a third party valuation using an income approach, the Black-Scholes-Merton option pricing model and a residual approach (collectively the Fair Value). The total gain from settlement related to the settlement with Samsung of $133.0 million was recognized as of the end of the first quarter of 2011, of which $6.2 million was recognized in the first quarter of 2011. The gain from settlement represents the Fair Value of the cash consideration allocated to the resolution of the antitrust litigation settlement and the residual value of other elements.

4. Acquisitions

Unity Semiconductor Corporation

On February 3, 2012, the Company completed its acquisition of a privately-held company, Unity Semiconductor Corporation (Unity), by acquiring all issued and outstanding shares of capital stock of Unity. Pursuant to the merger agreement on February 3, 2012, a wholly-owned subsidiary of the Company merged with and into Unity, with Unity as the surviving corporation. Under the terms of the merger agreement, the purchase price is $35.0 million subject to certain adjustments, of which the Company has paid approximately $31.3 million in cash and will pay the balance in the second quarter of 2012. Of the purchase price, approximately $5.5 million in cash was deposited into an escrow account until August 3, 2013, subject to any claims, to fund any indemnification obligations to the Company following the consummation of the merger. The Company acquired Unity s technology and a portfolio of non-volatile solid state memory patents. The solid state memory technology is intended to replace NAND in the growing non-volatile memory market. This memory technology has been designed to accelerate the commercialization of the Terabit generation of non-volatile memories. Devices using this technology are expected to achieve higher density, faster performance, lower manufacturing costs and greater data reliability than NAND Flash. Unity is part of the Semiconductor Business Group (SBG) reportable segment. The Company incurred approximately $0.6 million in direct acquisition costs in connection with the acquisition which were expensed as incurred.

In addition to the purchase consideration, the Company agreed to pay an aggregate of $5.0 million in retention bonuses to certain Unity employees over the next three years. The retention bonus payouts are subject to the condition of employment, and therefore, will be treated as compensation and expensed as incurred on a graded attribution basis.

The purchase price allocation for the business acquired is based on management s estimate of the fair value for purchase accounting purposes at the date of acquisition. The fair value of the assets acquired has been determined primarily by using valuation methods that discount the expected future cash flows to present value using estimates and assumptions determined by management, which is a level three fair value measurement. The Company performed a valuation of the net assets acquired as of the February 3, 2012 closing date. The purchase price from the business combination was allocated as follows:

		Total (in thousands)
Cash	$	182
Property and equipment		51
Other tangible assets		36
Identified intangible assets		19,280
Goodwill		15,451
Total	$	35,000

The goodwill arising from the acquisition is primarily attributed to synergies related to the combination of new and complementary technologies of the Company and the assembled workforce of Unity. This goodwill is not expected to be deductible for tax purposes.

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The identified intangible assets assumed in the acquisition of Unity were recognized as existing technology based upon their fair values as of the acquisition date. The purchased intangible assets have an estimated average useful life of 10 years from the date of acquisition.

Other Acquisition Activities

In the first quarter of 2012, the Company entered into one additional business combination and a patent acquisition for $12.8 million, which resulted in approximately $8.1 million of goodwill, $3.7 million of intangible assets (weighted average useful life of 6 years) and $1.0 million of other assets and has an additional payment of $1.0 million due in the second quarter of 2012. These acquisitions are part of the All Other reportable segment.

The condensed consolidated financial statements include the operating results of these businesses from the date of acquisition. The acquired assets did not generate any revenue during the reported periods. Pro forma results of operations for these business combinations have not been presented because their effects were not significant to the Company s financial results.

5. Equity Incentive Plans and Stock-Based Compensation

Stock Option Plans

As of March 31, 2012, 359,315 shares of the 14,900,000 shares approved under the 2006 Equity Incentive Plan (the 2006 Plan) remain available for grant. The 2006 Plan is now the Company s only plan for providing stock-based incentive awards to eligible employees, executive officers, non-employee directors and consultants; however, the 1997 Stock Option Plan (the 1997 Plan) and the 1999 Non-statutory Stock Option Plan (the 1999 Plan) will continue to govern awards previously granted under those plans.

A summary of shares available for grant under the Company s plans is as follows:

	Shares Available for Grant
Shares available as of December 31, 2011	2,812,876
Stock options granted	(1,937,002)
Stock options forfeited	136,993
Stock options expired under former plans	(21,837)
Nonvested equity stock and stock units granted (1)	(635,057)
Nonvested equity stock and stock units forfeited (1)	3,342
Total available for grant as of March 31, 2012	359,315

(1) For purposes of determining the number of shares available for grant under the 2006 Plan against the maximum number of shares authorized, each restricted stock granted reduces the number of shares available for grant by 1.5 shares and each restricted stock forfeited increases shares available for grant by 1.5 shares.

General Stock Option Information

The following table summarizes stock option activity under the 1997 Plan, 1999 Plan and 2006 Plan for the three months ended March 31, 2012 and information regarding stock options outstanding, exercisable, and vested and expected to vest as of March 31, 2012.

	Options Outstanding			
	Number of Shares	**Weighted Average Exercise Price Per Share**	**Weighted Average Remaining Contractual Term (years)**	**Aggregate Intrinsic Value**
	(Dollars in thousands, except per share amounts)			
Outstanding as of December 31, 2011	14,587,596	$ 19.73		
Options granted	1,937,002	7.30		
Options exercised	(11,467)	4.67		
Options forfeited	(136,993)	17.86		
Outstanding as of March 31, 2012	16,376,138	18.28	5.77	$ 497
Vested or expected to vest at March 31, 2012	15,699,805	18.46	5.63	497
Options exercisable at March 31, 2012	10,806,897	20.18	4.23	497

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The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value for in-the-money options at March 31, 2012, based on the $6.45 closing stock price of Rambus Common Stock on March 30, 2012 on the NASDAQ Global Select Market, which would have been received by the option holders had all option holders exercised their options as of that date. The total number of in-the-money options outstanding and exercisable as of March 31, 2012 was 250,967 and 250,967, respectively.

Employee Stock Purchase Plan

No purchases were made under the 2006 Employee Stock Purchase Plans (ESPP) during the three months ended March 31, 2012 and 2011 respectively. As of March 31, 2012, 313,964 shares under the ESPP remain available for issuance.

Stock-Based Compensation

For the three months ended March 31, 2012 and 2011, the Company maintained stock plans covering a broad range of potential equity grants including stock options, nonvested equity stock and equity stock units and performance based instruments. In addition, the Company sponsors an ESPP, whereby eligible employees are entitled to purchase Common Stock semi-annually, by means of limited payroll deductions, at a 15% discount from the fair market value of the Common Stock as of specific dates.

Stock Options

During the three months ended March 31, 2012 and 2011, Rambus granted 1,937,002 and 1,633,701 stock options, respectively, with an estimated total grant-date fair value of $7.5 million and $17.7 million, respectively. During the three months ended March 31, 2012 and 2011, Rambus recorded stock-based compensation related to stock options of $4.3 million and $5.2 million, respectively.

As of March 31, 2012, there was $38.1 million of total unrecognized compensation cost, net of expected forfeitures, related to unvested stock-based compensation arrangements granted under the stock option plans. That cost is expected to be recognized over a weighted-average period of 3.4 years. The total fair value of shares vested as of March 31, 2012 was $148.8 million.

The total intrinsic value of options exercised was $39 thousand and $2.1 million for the three months ended March 31, 2012 and 2011, respectively. Intrinsic value is the total value of exercised shares based on the price of the Company s common stock at the time of exercise less the cash received from the employees to exercise the options.

During the three months ended March 31, 2012, net proceeds from employee stock option exercises totaled approximately $54 thousand.

Employee Stock Purchase Plan

For the three months ended March 31, 2012 and 2011, the Company recorded compensation expense related to the ESPP of $0.7 million and $0.4 million, respectively. As of March 31, 2012 there was $0.2 million of total unrecognized compensation cost related to share-based compensation arrangements granted under the ESPP. This cost is expected to be recognized over one month.

There were no tax benefits realized as a result of employee stock option exercises, stock purchase plan purchases, and vesting of equity stock and stock units for the three months ended March 31, 2012 and 2011 calculated in accordance with accounting for share-based payments.

Valuation Assumptions

The fair value of stock awards is estimated as of the grant date using the Black-Scholes-Merton (BSM) option-pricing model assuming a dividend yield of 0% and the additional weighted-average assumptions as listed in the following tables:

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
Stock Option Plans		
Expected stock price volatility	60%	52%
Risk free interest rate	0.7%	2.8%
Expected term (in years)	5.6	6.0
Weighted-average fair value of stock options granted	$ 3.88	$ 10.81

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No grants were made under the ESPP during the three months ended March 31, 2012 and 2011.

Nonvested Equity Stock and Stock Units

The Company grants nonvested equity stock units to officers, employees and directors. During the three months ended March 31, 2012, the Company granted nonvested equity stock units totaling 423,371 shares under the 2006 Plan. These awards have a service condition, generally a service period of four years, except in the case of grants to directors, for which the service period is one year. The nonvested equity stock units were valued at the date of grant giving them a fair value of approximately $3.1 million. The Company occasionally grants nonvested equity stock units to its employees with vesting subject to the achievement of certain performance conditions. During the three months ended March 31, 2012 and 2011, the achievement of certain performance conditions for certain performance equity stock units was considered probable, and as a result, the Company recognized stock-based compensation expense related to these performance stock units for both periods; the aggregate amounts were not significant.

For the three months ended March 31, 2012 and 2011, the Company recorded stock-based compensation expense of approximately $1.8 million and $1.7 million, respectively, related to all outstanding nonvested equity stock grants. Unrecognized stock-based compensation related to all nonvested equity stock grants, net of estimated forfeitures, was approximately $9.5 million at March 31, 2012. This is expected to be recognized over a weighted average of 2.5 years.

The following table reflects the activity related to nonvested equity stock and stock units for the three months ended March 31, 2012:

Nonvested Equity Stock and Stock Units	**Shares**		**Weighted-Average Grant-Date Fair Value**
Nonvested at December 31, 2011	763,510	$	18.02
Granted	423,371		7.28
Vested	(181,099)		18.75
Forfeited	(2,228)		7.31
Nonvested at March 31, 2012	1,003,554		13.38

6. Marketable Securities

Rambus invests its excess cash and cash equivalents primarily in U.S. government sponsored obligations, commercial paper, corporate notes and bonds, money market funds and municipal notes and bonds that mature within three years. As of March 31, 2012, all of the Company s cash equivalents and marketable securities had a remaining maturity of less than one year.

All cash equivalents and marketable securities are classified as available-for-sale. Total cash, cash equivalents and marketable securities are summarized as follows:

	March 31, 2012				
(Dollars in thousands)	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Weighted Rate of Return
Money market funds	$ 172,588	$ 172,588	$	$	0.01%
Corporate notes, bonds and commercial paper	43,970	43,976	1	(7)	0.13%
Total cash equivalents and marketable securities	216,558	216,564	1	(7)	
Cash	15,960	15,960			
Total cash, cash equivalents and marketable securities	$ 232,518	$ 232,524	$ 1	$ (7)	

	As of December 31, 2011			
	Amortized	Gross Unrealized	Gross Unrealized	Weighted