TELE NORTE CELULAR PARTICIPACOES SA
Form SC TO-T/A
November 19, 2008

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE TO

TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)

OF THE SECURITIES EXCHANGE ACT OF 1934

(Amendment No. 4)

TELE NORTE CELULAR PARTICIPAÇÕES S.A.

(Name of subject company (Issuer))

TELEMAR NORTE LESTE S.A.

(Name of Filing Person (Offeror))

Preferred Shares, no par value, and American

Depository Shares, each representing one

Preferred Share
(Title of classes of securities)

87924Y105
(CUSIP number of American Depositary Shares)

Roberto Terziani

Investor Relations Director

Rua Humberto de Campos, 425

7º andar

Leblon, Rio de Janeiro, RJ, Brazil 22430-190

Tel: +55 21 3131-1208

(Name, address, and telephone number of person authorized to receive notices and communications on behalf of Filing Persons)

Copies to:

Mark O. Bagnall

White & Case LLP

Wachovia Financial Center, Suite 4900

200 South Biscayne Boulevard

Miami, FL 33131

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CALCULATION OF FILING FEE

Transaction Valuation(1)	Amount of Filing Fee(2)
US$86,977,439.83	US$3,418.21

(1) Estimated for purposes of calculating the filing fee pursuant to Rule 0-11(d) under the Securities Exchange Act of 1934, as amended (the Exchange Act), only. The Transaction Valuation was calculated assuming the purchase of all outstanding preferred shares, no par value (including preferred shares represented by American Depositary Shares), other than preferred shares owned directly or indirectly by the Filing Person, at a purchase price of R$33.00 in cash per preferred share or American Depositary Share. As of July 16, 2008, there were 4,209,206 preferred shares outstanding (including preferred shares represented by American Depositary Shares), of which 3,715 preferred shares are owned directly or indirectly by the Filing Person. As a result, this calculation assumes the purchase of 4,205,491 outstanding preferred shares. The Transaction Value was calculated in Brazilian *reais* (R$) and converted into U.S. dollars at the average of the bid and ask exchange rates published by the Brazilian Central Bank at the close of business on July 16, 2008 of US$1.00 = R$1.5956.

(2) The filing fee, calculated in accordance with Rule 0-11 of the Exchange Act and Fee Rate Advisory No. 6 for fiscal year 2008, is US$39.30 per US$1 million (prorated for amounts less than US$1 million) of the aggregate Transaction Value. Accordingly, the filing fee is calculated by multiplying the aggregate Transaction Valuation by 0.00003930.

x Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

Amount Previously Paid:	3,418.21	Filing Party:	Telemar Norte Leste S.A.
Form of Registration No.:	Schedule TO-T	Date Filed:	July 18, 2008

¨ Check the box if the filing relates solely to preliminary communications made before the commencement of the tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

x third party tender offer subject to Rule 14d-1

¨ issuer tender offer subject to Rule 13e-4

x going private transaction subject to Rule 13e-3

¨ amendment to Schedule 13D under Rule 13d-2

Check the following box if the filing is a final amendment reporting the results of the tender offer: x

This Amendment No. 4 amends and supplements the Tender Offer Statement on combined Schedule TO and Schedule 13E 3 (the Combined Schedule TO) filed with the Securities and Exchange Commission, or the SEC, on July 18, 2008, as amended by Amendment No. 1 to the Combined Schedule TO filed with the SEC on August 13, 2008, as amended by Amendment No. 2 to the Combined Schedule TO filed with the SEC on August 20, 2008, as amended by Amendment No. 3 to the Combined Schedule TO filed with the SEC on August 25, 2008, by Telemar Norte Leste S.A., a *sociedade anônima* organized under the laws of the Federative Republic of Brazil, or Telemar. The Combined Schedule TO relates to the offer by Telemar to purchase any and all outstanding preferred shares, no par value, including any and all preferred shares represented by American Depositary Shares, or ADSs, of Tele Norte Celular Participações S.A., a *sociedade anônima* organized under the laws of the Federative Republic of Brazil, or TNCP, at a price of R$33.00 per preferred share (for reference, equivalent to approximately US$20.68 per preferred share or ADS based on the average of the buy and sell U.S. dollar-Brazilian *real* exchange rates indicated under transaction PTAX 800, option 5 published by the Central Bank of Brazil, or the Central Bank, through the SISBACEN system at 7:00 p.m., Brasília time (6:00 p.m., New York City time) on July 16, 2008, which was US$1.00=R$1.5956) in cash, net of stock exchange and settlement fees described in the offer to purchase dated July 18, 2008 (the Offer to Purchase), any applicable brokerage fees or commissions and applicable withholding taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase and in the related letter of transmittal (the Letter of Transmittal), copies of which are annexed to and filed with the Schedule TO as Exhibits (a)(1)(A) and (a)(1)(B), respectively. The information set forth in the Offer to Purchase, including, without limitation, all schedules thereto, and the related Letter of Transmittal is incorporated herein by reference with respect to Items 1 through 11 and 13 of this Combined Schedule TO.

Item 12 Exhibits.

Item 12 of the Combined Schedule TO is hereby amended and supplemented as described below.

The following exhibit is hereby added to Item 12 of the Combined Schedule TO:

Exhibit No.	**Description**
(a)(5)(F)	Communication to the Market issued by Telemar Norte Leste S.A. on November 19, 2008.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: November 19, 2008

Telemar Norte Leste S.A.

By: /s/ Luiz Eduardo Falco Pires Correa
Name: Luiz Eduardo Falco Pires Correa
Title: Chief Executive Officer

By: /s/ José Luís Magalhães Salazar
Name: José Luís Magalhães Salazar
Title: Chief Financial Officer

-family:inherit;font-size:10pt;">(628
)

(1,916
)

397

Total other (expense) income, net
(1,288
)

(1,165
)

(4,474
)

(1,258
)
Income (loss) before income taxes
12,318

7,429

28,181

(6,586
)
Provision (benefit) for income taxes
4,742

11,555

10,114

(7,256
)
Net income (loss)
$
7,576

$
(4,126
)

$
18,067

$
670

Earnings per share:

Basic
$
0.16

$
(0.08
)

$
0.36

$
0.01

Diluted

$
0.15

$
(0.08
)

$
0.36

$
0.01

Weighted average shares outstanding:

Basic
48,611

50,120

49,765

50,377

Diluted
49,135

50,120

50,310

51,117

See notes to unaudited condensed consolidated financial statements.

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Condensed Consolidated Statements of Comprehensive Income (Loss)

(In thousands)	Three Months Ended		Nine Months Ended	
	August 31, 2016	August 31, 2015	August 31, 2016	August 31, 2015
Net income (loss)	$7,576	$(4,126)	$18,067	$670
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(1,332)	(257)	485	(8,411)
Reclassification adjustment for losses included in net income, net of tax of $0 for the third quarter and first nine months of 2016	—	—	256	—
Unrealized gains (losses) on investments, net of tax of $16 for the third quarter and first nine months of 2016 and $0 for the third quarter and first nine months of 2015	30	(17)	27	(52)
Total other comprehensive income (loss), net of tax	(1,302)	(274)	768	(8,463)
Comprehensive income (loss)	$6,274	$(4,400)	$18,835	$(7,793)

See notes to unaudited condensed consolidated financial statements.

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Condensed Consolidated Statements of Cash Flows

(In thousands)	Nine Months Ended August 31, 2016	August 31, 2015
Cash flows from operating activities:		
Net income	$ 18,067	$ 670
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	6,480	7,209
Amortization of intangibles and other	23,316	24,420
Stock-based compensation	19,009	18,812
Loss on disposal of property	364	—
Asset impairment	5,051	3,999
Deferred income taxes	(996)	(23,067)
Excess tax benefit from stock plans	(305)	(1,107)
Allowances for accounts receivable	(334)	356
Changes in operating assets and liabilities:		
Accounts receivable	11,209	11,160
Other assets	(3,866)	(508)
Accounts payable and accrued liabilities	(14,920)	(3,378)
Income taxes payable	2,025	7,367
Deferred revenue	3,810	31,255
Net cash flows from operating activities	68,910	77,188
Cash flows used in investing activities:		
Purchases of investments	(33,861)	(20,068)
Sales and maturities of investments	17,275	10,436
Purchases of property and equipment	(3,747)	(6,079)
Capitalized software development costs	—	(1,661)
Payments for acquisitions, net of cash	—	(246,275)

acquired						
Proceeds from divestitures, net	—			4,500		
Net cash flows used in investing activities	(20,333		)	(259,147		)
Cash flows (used in) from financing activities:						
Proceeds from stock-based compensation plans	8,166			10,459		
Purchases of stock related to withholding taxes from the issuance of restricted stock units	(2,751		)	(2,850		)
Repurchases of common stock	(71,507		)	(32,868		)
Excess tax benefit from stock plans	305			1,107		
Payment of contingent consideration	—			(209		)
Proceeds from the issuance of debt	—			150,000		
Payment of long-term debt	(7,500		)	(5,625		)
Payment of issuance costs for long-term debt	—			(1,787		)
Net cash flows (used in) from financing activities	(73,287		)	118,227		
Effect of exchange rate changes on cash	415			(10,237		)
Net decrease in cash and cash equivalents	(24,295		)	(73,969		)
Cash and cash equivalents, beginning of period	212,379			263,082		
Cash and cash equivalents, end of period	$	188,084		$	189,113	

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Condensed Consolidated Statements of Cash Flows, continued

	Nine Months Ended	
	August 31, 2016	August 31, 2015
Supplemental disclosure:		
Cash paid for income taxes, net of refunds of $781 in 2016 and $1,887 in 2015	$11,918	$ 7,329
Cash paid for interest	$2,348	$ 2,150
Non-cash financing activities:		
Total fair value of restricted stock awards, restricted stock units and deferred stock units on date vested	$12,137	$ 9,963

See notes to unaudited condensed consolidated financial statements.

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Notes to Condensed Consolidated Financial Statements

Note 1: Basis of Presentation

Company Overview - We are a global leader in application development, empowering the digital transformation organizations need to create and sustain engaging user experiences in today's evolving marketplace. With offerings spanning web, mobile and data for on-premise and cloud environments, we power startups and industry titans worldwide. Our solutions are used across a variety of industries.

Our products are generally sold as perpetual licenses, but certain products also use term licensing models and our cloud-based offerings use a subscription based model. More than half of our worldwide license revenue is realized through relationships with indirect channel partners, principally application partners and original equipment manufacturers (OEMs). Application partners are independent software vendors (ISVs) that develop and market applications using our technology and resell our products in conjunction with sales of their own products that incorporate our technology. OEMs are companies that embed our products into their own software products or devices.

We operate in North America and Latin America (the Americas); Europe, the Middle East and Africa (EMEA); and the Asia Pacific region, through local subsidiaries as well as independent distributors.

Basis of Presentation and Significant Accounting Policies - We prepared the accompanying unaudited condensed consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) regarding interim financial reporting. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America (GAAP) for complete financial statements and these unaudited financial statements should be read in conjunction with the audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended November 30, 2015.

We made no significant changes in the application of our significant accounting policies that were disclosed in our Annual Report on Form 10-K for the fiscal year ended November 30, 2015. We have prepared the accompanying unaudited condensed consolidated financial statements on the same basis as the audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended November 30, 2015, and these financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results of the interim periods presented. The operating results for the interim periods presented are not necessarily indicative of the results expected for the full fiscal year.

Recent Accounting Pronouncements - In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-15, Classification of Certain Cash Receipts and Cash Payments (ASU 2016-15). ASU 2016-15 is intended to add or clarify guidance on the classification of certain cash receipts and payments in the statement of cash flows and to eliminate the diversity in practice related to such classifications. The guidance in ASU 2016-15 is required for annual reporting periods beginning after December 15, 2017, with early adoption permitted. We are currently evaluating the effect that implementation of this update will have upon adoption on our consolidated statement of cash flows.

In March 2016, the FASB issued Accounting Standards Update No. 2016-09, Improvements to Employee Share-Based Payment Accounting (ASU 2016-09). ASU 2016-09 is intended to simplify various aspects of the accounting for employee share-based payment transactions, including accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. The guidance in ASU 2016-09 is required for annual reporting periods beginning after December 15, 2016, with early adoption permitted. We are currently evaluating the effect that implementation of this update will have upon adoption on our consolidated financial position and results of operations.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, Leases (ASU 2016-02), which requires lessees to record most leases on their balance sheets, recognizing a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term. The guidance in ASU 2016-02 is required for annual reporting periods beginning after December 15, 2018, with early adoption permitted. We currently expect that most of our operating lease commitments will be subject to the update and recognized as operating lease liabilities and right-of-use assets upon adoption. However, we are currently evaluating the effect that implementation of this update will have upon adoption on our consolidated financial position and results of operations.

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In April 2015, the FASB issued Accounting Standards Update No. 2015-03, Interest - Imputation of Interest (Subtopic 835-30) Simplifying the Presentation of Debt Issuance Costs (ASU 2015-03). ASU 2015-03 requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. The guidance in ASU 2015-03 is required for annual reporting periods beginning after December 15, 2015, including interim periods within the reporting period. Early adoption is permitted for financial statements that have not been previously issued. We estimate that the impact on our consolidated balance sheets will be a reclassification of up to $1.1 million from other assets to long-term debt as of December 1, 2016.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606) (ASU 2014-09). ASU 2014-09 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. This new guidance is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2016. Early adoption is not permitted. Entities have the option of using either a full retrospective or a modified approach to adopt the guidance. In July 2015, the FASB voted to defer the effective date of this ASU by one year for reporting periods beginning after December 15, 2017, with early adoption permitted as of the original effective date. As a result, the new effective date for the Company will be December 1, 2018. This update will impact the timing and amounts of revenue recognized. Management is currently assessing the impact the adoption of this ASU will have on the Company's consolidated financial statements.

Note 2: Cash, Cash Equivalents and Investments

A summary of our cash, cash equivalents and available-for-sale investments at August 31, 2016 is as follows (in thousands):

	Amortized Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value
Cash	$ 179,548	$ —		$ 179,548
Money market funds	8,536	—		8,536
State and municipal bond obligations	34,489	43		34,532
U.S. treasury bonds	6,534	—		6,534
U.S. government agency bonds	525	1	(4)	522
Corporate bonds	3,006	6		3,012
Total	$ 232,638	$ 50	$ (4)	$ 232,684

A summary of our cash, cash equivalents and available-for-sale investments at November 30, 2015 is as follows (in thousands):

	Amortized Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value
Cash	$ 186,241	$ —	$ —	$ 186,241
Money market funds	26,138	—	—	26,138
State and municipal bond obligations	20,387	30	—	20,417
U.S. treasury bonds	3,109	—	(15)	3,094
U.S. government agency bonds	1,645	—	(4)	1,641
Corporate bonds	3,756	—	(8)	3,748
Total	$ 241,276	$ 30	$ (27)	$ 241,279

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Such amounts are classified on our condensed consolidated balance sheets as follows (in thousands):

	August 31, 2016		November 30, 2015	
	Cash and Equivalents	Short-Term Investments	Cash and Equivalents	Short-Term Investments
Cash	$179,548	$ —	$186,241	$ —
Money market funds	8,536	—	26,138	—
State and municipal bond obligations	—	34,532	—	20,417
U.S. treasury bonds	—	6,534	—	3,094
U.S. government agency bonds	—	522	—	1,641
Corporate bonds	—	3,012	—	3,748
Total	$188,084	$ 44,600	$212,379	$ 28,900

The fair value of debt securities by contractual maturity is as follows (in thousands):

	August 31, 2016	November 30, 2015
Due in one year or less	$ 23,474	$ 15,945
Due after one year [(1)]	21,126	12,955
Total	$ 44,600	$ 28,900

(1) Includes state and municipal bond obligations and corporate bonds, which are securities representing investments available for current operations and are classified as current in the consolidated balance sheets.

We did not hold any investments with continuous unrealized losses as of August 31, 2016 and as of November 30, 2015.

Note 3: Derivative Instruments

We generally use forward contracts that are not designated as hedging instruments to hedge economically the impact of the variability in exchange rates on intercompany accounts receivable and loans receivable denominated in certain foreign currencies. We generally do not hedge the net assets of our international subsidiaries. All forward contracts are recorded at fair value in other current assets or other accrued liabilities on the consolidated balance sheets at the end of each reporting period and expire from 30 days to one year. In the three and nine months ended August 31, 2016, realized and unrealized gains of $2.2 million and $1.4 million, respectively, from our forward contracts were recognized in foreign currency (loss) gain, net, in the condensed consolidated statements of operations. In the three and nine months ended August 31, 2015, realized and unrealized gains of $0.6 million and realized and unrealized losses of $1.9 million, respectively, from our forward contracts were recognized in foreign currency gain (loss), net, in the condensed consolidated statements of operations. The gains and losses were substantially offset by realized and unrealized losses and gains on the offsetting positions.

The table below details outstanding foreign currency forward contracts where the notional amount is determined using contract exchange rates (in thousands):

	August 31, 2016		November 30, 2015	
	Notional	Fair Value	Notional	Fair Value
Forward contracts to sell U.S. dollars	$83,992	$ (5,170)	$76,748	$ (4,026)
Forward contracts to purchase U.S. dollars	2,209	4	2,077	5
Total	$86,201	$ (5,166)	$78,825	$ (4,021)

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Note 4: Fair Value Measurements

Recurring Fair Value Measurements

The following table details the fair value measurements within the fair value hierarchy of our financial assets and liabilities at August 31, 2016 (in thousands):

		Fair Value Measurements Using		
	Total Fair Value	Level 1	Level 2	Level 3
Assets				
Money market funds	$ 8,536	$ 8,536	$—	$ —
State and municipal bond obligations	34,532	—	34,532	—
U.S. treasury bonds	6,534	—	6,534	—
U.S. government agency bonds	522	—	522	—
Corporate bonds	3,012	—	3,012	—
Liabilities				
Foreign exchange derivatives	$ (5,166)	$—	$ (5,166)	$ —

The following table details the fair value measurements within the fair value hierarchy of our financial assets and liabilities at November 30, 2015 (in thousands):

		Fair Value Measurements Using		
	Total Fair Value	Level 1	Level 2	Level 3
Assets				
Money market funds	$ 26,138	$ 26,138	$—	$ —
State and municipal bond obligations	20,417	—	20,417	—
U.S. treasury bonds	3,094	—	3,094	—
U.S. government agency bonds	1,641	—	1,641	—
Corporate bonds	3,748	—	3,748	—
Liabilities				
Foreign exchange derivatives	$ (4,021)	$—	$ (4,021)	$ —

When developing fair value estimates, we maximize the use of observable inputs and minimize the use of unobservable inputs. When available, we use quoted market prices to measure fair value. The valuation technique used to measure fair value for our Level 1 and Level 2 assets is a market approach, using prices and other relevant information generated by market transactions involving identical or comparable assets. If market prices are not available, the fair value measurement is based on models that use primarily market based parameters including yield curves, volatilities, credit ratings and currency rates. In certain cases where market rate assumptions are not available, we are required to make judgments about assumptions market participants would use to estimate the fair value of a financial instrument.

The following table reflects the activity for our liabilities measured at fair value using Level 3 inputs, which relate to a contingent consideration obligation in connection with a prior acquisition, for each period presented (in thousands):

	Three Months Ended August 31, 2016	Three Months Ended August 31, 2015	Nine Months Ended August 31, 2016	Nine Months Ended August 31, 2015
Balance, beginning of period	$—	$295	$—	$1,717
Changes in fair value of contingent consideration obligation	—	(295)	—	(1,508)
Transfer to Level 2 fair value measurement	—	—	—	(209)
Balance, end of period	$—	$—	$—	$—

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We recorded credits of approximately $0.3 million and $1.5 million during the three and nine months ended August 31, 2015, respectively, due to the change in fair value of a contingent consideration obligation in connection with a prior acquisition, which is included in acquisition-related expenses in our condensed consolidated statement of operations. The contingent consideration obligation was reduced to $0 during the fiscal year ended November 30, 2015.

Nonrecurring Fair Value Measurements

During the third quarter of fiscal year 2016, certain assets have been measured at fair value on a nonrecurring basis using significant unobservable inputs (Level 3). Based on the fair value measurement, we recorded a $5.1 million asset impairment charge as of August 31, 2016, which was applicable to the intangible assets obtained in connection with our acquisition of Modulus during the second quarter of fiscal year 2014 (Note 5).

The following table presents nonrecurring fair value measurements as of August 31, 2016 (in thousands):

	Total Fair Value	Total Losses
Intangible assets	$ —	$ 5,051

The fair value measurement was determined using an income-based valuation methodology, which incorporates unobservable inputs, including expected cash flows over the remaining estimated useful life of the technology, thereby classifying the fair value as a Level 3 measurement within the fair value hierarchy. The expected cash flows include subscription fees to be collected from existing customers using the platform, offset by hosting fees and compensation related costs to be incurred over the remaining estimated useful life.

Note 5: Intangible Assets and Goodwill

Intangible Assets

Intangible assets are comprised of the following significant classes (in thousands):

	August 31, 2016			November 30, 2015		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Purchased technology	$109,880	$ (64,438)	$45,442	$117,151	$ (54,963)	$62,188
Customer-related	67,602	(33,257)	34,345	67,602	(25,493)	42,109
Trademarks and trade names	15,140	(7,243)	7,897	15,330	(5,514)	9,816
Total	$192,622	$ (104,938)	$87,684	$200,083	$ (85,970)	$114,113

During the third quarter of fiscal year 2016, we evaluated the ongoing value of the intangible assets associated with the technology obtained in connection with the acquisition of Modulus. As a result of our decision to abandon the related assets due to a change in our expected ability to use the technology internally, we determined that the intangible assets were fully impaired. As a result, we incurred an impairment charge of $5.1 million in the third quarter of fiscal year 2016.

In the three and nine months ended August 31, 2016, amortization expense related to intangible assets was $7.1 million and $21.4 million, respectively. In the three and nine months ended August 31, 2015, amortization expense related to intangible assets was $7.3 million and $22.4 million, respectively.

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Future amortization expense for intangible assets as of August 31, 2016, is as follows (in thousands):

Remainder of 2016	$6,852
2017	27,426
2018	26,613
2019	25,489
2020	714
Thereafter	590
Total	$87,684

Goodwill

Changes in the carrying amount of goodwill in the nine months ended August 31, 2016 are as follows (in thousands):

Balance, November 30, 2015	$369,985
Translation adjustments	112
Balance, August 31, 2016	$370,097

Changes in the goodwill balances by reportable segment in the nine months ended August 31, 2016 are as follows (in thousands):

	November 30, 2015	Translation Adjustments	August 31, 2016
OpenEdge	$211,980	$ 112	$212,092
Data Connectivity and Integration	19,040	—	19,040
Application Development and Deployment	138,965	—	138,965
Total goodwill	$369,985	$ 112	$370,097

During the fourth quarter of fiscal year 2015, we completed our annual testing for impairment of goodwill and, based on those tests, concluded that no impairment of goodwill existed as of October 31, 2015. During the quarter ending August 31, 2016, no triggering events have occurred that would indicate that it is more likely than not that the carrying values of any of our reporting units exceeded their fair values.

Note 6: Business Combinations

Telerik Acquisition

On December 2, 2014, we completed the acquisition of all of the outstanding securities of Telerik AD (Telerik), a leading provider of application development tools based in Sofia, Bulgaria, for total consideration of $262.5 million. Approximately $10.5 million of the total consideration was paid to Telerik's founders and certain other key employees in restricted stock units, subject to a vesting schedule and continued employment. Under the Securities Purchase Agreement, 10% of the total consideration was deposited into an escrow account to secure certain indemnification and other obligations of the sellers to Progress. In accordance with the agreement, the full amount of the escrow was released to the former equity holders in June 2016.

Through this acquisition, we now provide comprehensive cloud and on-premise platform offerings that enable developers to rapidly create applications, driven by data for any web, desktop or mobile platform. We funded the acquisition through a combination of existing cash resources and a