TRIMBLE NAVIGATION LTD /CA/
Form DEF 14A
March 16, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant ¨ Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material under Rule 14a-12

Trimble Navigation Limited

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

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TRIMBLE NAVIGATION LIMITED

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

MAY 1, 2012

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (***Annual Meeting***) of Trimble Navigation Limited (the ***Company***) will be held at 945 Stewart Drive, Sunnyvale, California 94085 in the Orion Conference Room, on Tuesday, May 1, 2012, at 5:30 p.m. local time, for the following purposes:

1. To elect directors to serve for the ensuing year and until their successors are elected.

2. To approve an amendment to the Company s Amended and Restated 2002 Stock Plan to increase the number of shares authorized for issuance from 20,000,000 to 28,900,000.

3. To approve an amendment to the Company s Amended and Restated Employee Stock Purchase Plan to increase the number of shares authorized for issuance from 15,500,000 to 19,500,000.

4. To hold an advisory vote on compensation for our Named Executive Officers.

5. To ratify the appointment of Ernst & Young LLP as the independent auditor of the Company for the current fiscal year ending December 28, 2012.

The foregoing items of business are more fully described in the Proxy Statement accompanying this notice. Only shareholders of record at the close of business on March 2, 2012, will be entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

All shareholders are cordially invited to attend the Annual Meeting in person. However, to ensure your representation at the meeting, you are urged to vote via the Internet or by telephone or, if you requested to receive printed proxy materials, by mailing a proxy, in accordance with the detailed instructions on your proxy card. Any shareholder attending the meeting may vote in person even if such shareholder previously voted via the Internet, by telephone or by returning a proxy.

We have decided to use the U.S. Securities and Exchange Commission s notice and access rules that allow companies to furnish proxy materials to their shareholders primarily over the Internet. This means most of our shareholders will receive only a notice containing instructions on how to access the proxy materials over the Internet and vote online. We believe that this process should expedite shareholders receipt of proxy materials, lower the costs of our Annual Meeting, and help reduce the environmental impact of our Annual Meeting.

On approximately March 16, 2012, we mailed to our shareholders (other than those who previously requested electronic or paper delivery) a notice of internet availability of proxy materials (***Notice***) containing instructions on how to access our proxy materials, including our proxy statement and our annual report. The Notice also included instructions on how to receive a paper copy of our Annual Meeting materials, including the notice of Annual

Meeting, proxy statement and proxy card. If you received your Annual Meeting materials by mail, the notice of Annual Meeting, proxy statement, and proxy card from our Board of Directors were enclosed. If you received your Annual Meeting materials via e-mail, the e-mail contained voting instructions and links to the annual report and the proxy statement on the Internet, which are both available at [http://investor.trimble.com/annuals.cfm].

For the Board of Directors,

Sunnyvale, California

Ulf J. Johansson

March 16, 2012

Chairman of the Board

TRIMBLE NAVIGATION LIMITED

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS

May 1, 2012

The enclosed proxy is solicited on behalf of the board of directors (***Board of Directors***) of Trimble Navigation Limited, a California corporation (the ***Company***), for use at the Company s annual meeting of shareholders (***Annual Meeting***), to be held at 945 Stewart Drive, Sunnyvale, California 94085 in the Orion Conference Room, on Tuesday, May 1, 2012, at 5:30 p.m. local time, and at any adjournment(s) or postponement(s) thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting.

The Company s principal executive offices are located at 935 Stewart Drive, Sunnyvale, California, 94085. The telephone number at that address is (408) 481-8000.

A copy of the Company s annual report on Form 10-K may be obtained by sending a written request to the Company s Investor Relations Department at 935 Stewart Drive, Sunnyvale, California, 94085. Full copies of the Company s annual report on Form 10-K for the 2011 fiscal year, and proxy statement, each as filed with the Securities and Exchange Commission (***SEC***) are available via the Internet at the Company s web site at http://investor.trimble.com/annuals.cfm.

Shareholders may obtain directions to attend the Annual Meeting by contacting the Company by phone at 1-408-481-8000.

General directions to the Annual Meeting are as follows:

From San Francisco:

Take U.S. Route 101 South toward San Jose; take exit 394 for Lawrence Expressway south. Turn right on east Duane Ave. Turn left at the traffic signal onto Stewart Drive and proceed to 945 Stewart Drive.

From San Jose:

Take U.S. Route 101 North to Lawrence Expressway. Take exit 394 for Lawrence Expressway south. Turn right on east Duane Ave. Turn left at the traffic signal onto Stewart Drive and proceed to 945 Stewart Drive.

INTERNET AVAILABILITY OF PROXY MATERIALS

Under the notice and access rules adopted by the SEC, we are furnishing proxy materials to our shareholders primarily via the Internet, instead of mailing printed copies of those materials to each shareholder. As a result, on or about March 16, 2012, we mailed our shareholders a notice of internet availability of proxy materials (***Notice***) containing instructions on how to access our proxy materials, including our proxy statement and our annual report. The Notice also instructs you on how to access your proxy card to vote through the Internet or by telephone. The Notice is not a proxy card and cannot be used to vote your shares.

This process is designed to expedite shareholders receipt of proxy materials, lower the cost of the annual meeting, and help minimize the environmental impact of the annual meeting. However, if you would prefer to receive printed proxy materials, please follow the instructions included in the Notice. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail unless you elect otherwise.

INFORMATION CONCERNING SOLICITATION AND VOTING

Record Date and Shares Outstanding

Shareholders of record at the close of business on March 2, 2012 (the ***Record Date***) are entitled to notice of, and to vote at, the Annual Meeting. At the Record Date, the Company had issued and outstanding 124,738,365 shares of common stock, without par value (***Common Stock***).

Revocability of Proxies

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its use by delivering to the Company (Attention: Corporate Secretary) a written notice of revocation or a duly executed proxy bearing a later date (including a proxy by telephone or over the Internet) or by attending the meeting and voting in person. Attendance at the meeting will not, by itself, revoke a proxy.

Voting

Each share of Common Stock outstanding on the Record Date is entitled to one vote on all matters, and shareholders may cumulate such votes in the election of directors, as described below. An automated system administered by the Company s agent tabulates the votes.

Abstentions and broker non-votes are each included in the determination of the number of shares present and voting at the Annual Meeting and the presence or absence of a quorum. The required quorum is a majority of the shares outstanding on the Record Date. Abstentions and broker non-votes have no effect on Item I (Election of Directors). In the case of each of the other items, abstentions and broker non-votes have no effect on determining whether the affirmative vote constitutes a majority of the shares present and voting at the Annual Meeting in person or by proxy. Approval of these other items also requires the affirmative vote of a majority of the shares necessary to constitute a quorum, however, and therefore abstentions and broker non-votes could prevent the approval of these other items because they do not count as affirmative votes.

A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular item because the nominee does not have discretionary voting power with respect to that item and has not received instructions with respect to that item from the beneficial owner, despite voting on at least one other item for which it does have discretionary authority or for which it has received instructions. If your shares are held by your broker, bank or other agent as your nominee (that is, in street name), you will need to obtain a proxy form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker, bank or other agent to vote your shares. If you do not give instructions, under the rules that govern brokers who are record owners of shares that are held in street name for the beneficial owners of the shares, brokers who do not receive voting instructions from their clients have the discretion to vote uninstructed shares on routine matters but have no discretion to vote them on non-routine matters. Items I, II, III and IV are non-routine matters. Item V is a routine matter.

Voting via the Internet or by Telephone

Shareholders may vote by submitting proxies electronically either via the Internet or by telephone or, if they request paper copies of the proxy materials, they may complete and submit a paper version of the proxy card. Please note that there are separate arrangements for voting via the Internet and by telephone depending on whether shares are registered in the Company s stock records directly in a shareholder s name or whether shares are held in the name of a brokerage firm or bank. Detailed electronic voting instructions can be found on the Notice mailed to each shareholder.

In order to allow individual shareholders to vote their shares and to confirm that their instructions have been properly recorded, the Internet and telephone voting procedures have been designed to authenticate each shareholder s identity. Shareholders voting via the Internet should be aware that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies that will be borne solely by the individual shareholder.

Voting in Person

Registered Shareholders

If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Co., Inc., you are considered to be the registered shareholder with respect to those shares. A Notice for registered shareholders was mailed directly to you by our mailing agent, Broadridge Investor Communications, Inc. Registered shareholders have the right to vote in person at the meeting.

Beneficial Shareholders

If your shares are held in a brokerage account or by another nominee, you are considered to be a beneficial shareholder of those shares. A Notice for beneficial shareholders was forwarded to you together with voting instructions. In order to vote in person at the annual meeting, beneficial shareholders must obtain a legal proxy from the broker, trustee or nominee that holds their shares. Without a legal proxy, beneficial owners will not be allowed to vote in person at the Annual Meeting.

Solicitation of Proxies

The entire cost of this proxy solicitation will be borne by the Company. The Company has retained the services of Morrow & Co. to solicit proxies, for which services the Company has agreed to pay approximately $6,500. In addition, the Company will also reimburse certain out-of-pocket expenses in connection with such proxy solicitation. The Company may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding soliciting materials to such beneficial owners. Proxies may also be solicited by certain of the Company s directors, officers, and regular employees, without additional compensation, personally or by telephone, or facsimile.

Deadline for Receipt of Shareholder Proposals for 2013 Annual Meeting

Shareholders are entitled to present proposals for action at future shareholder meetings of the Company if they comply with the requirements of the appropriate proxy rules and regulations promulgated by the SEC.

Proposals of shareholders which are intended to be considered for inclusion in the Company s proxy statement and form of proxy related to the Company s 2013 Annual Meeting of Shareholders must be received by the Company at its principal executive offices (Attn: Corporate Secretary - Shareholder Proposals, Trimble Navigation Limited at 935 Stewart Drive, Sunnyvale, California 94085) no later than November 16, 2012. Shareholders interested in submitting such a proposal are advised to retain knowledgeable legal counsel with regard to the detailed requirements of the applicable securities laws. The timely submission of a shareholder proposal to the Company does not guarantee that it will be included in the Company s applicable proxy statement.

If the Company is not notified at its principal executive offices of a shareholder proposal at least 45 days prior to the one year anniversary of the mailing of the Notice, which is January 30, 2013, then such proposal shall be deemed untimely and, therefore, the proxy holders for the Company s

2013 Annual Meeting of Shareholders will have the discretionary authority to vote against any such shareholder proposal if it is properly raised at such annual meeting, even though such shareholder proposal is not discussed in the Company s proxy statement related to that shareholder meeting.

The proxy card attached or enclosed with this proxy statement, to be used in connection with the 2012 Annual Meeting, grants the proxy holder discretionary authority to vote on any matter otherwise properly raised at such Annual Meeting. The Company presently intends to use a similar form of proxy card for next year s Annual Meeting of Shareholders.

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ITEM I

ELECTION OF DIRECTORS

Nominees

A board of nine directors is to be elected at the Annual Meeting. The Board of Directors of the Company has authorized the nomination at the Annual Meeting of the persons named below as candidates. All nominees currently serve on the Board of Directors. The Board of Directors waived the recommended retirement age for re-election as a Director with respect to Dr. Parkinson because of his unique qualifications, the value of his experience with the Company, and his ability to continue to serve the Company. Each of the directors, except for Mr. Berglund, are independent directors as defined by Rule 5605(a)(2) of the Nasdaq Stock Market (***Nasdaq***) Marketplace Rules. Each of the director nominees listed below, except for Mr. Nersesian, who joined the Board effective November 9, 2011, was elected to be a director at the Company s 2011 Annual Meeting. Mr. Nersesian was initially identified as a potential nominee by a third-party search firm and, following a process by the Nominating Committee, was recommended for appointment to the Board of Directors.

The names of the nominees and certain information about them, as of the Record Date, are set forth below:

Name of Nominee	Age	Principal Occupation	Director Since
Steven W. Berglund	60	President and Chief Executive Officer of the Company	1999
John B. Goodrich (1) (3) (4)	70	Business Consultant	1981
William Hart (1) (2) (3)	71	Venture Capital Investor and Business Consultant	1984
Merit E. Janow (4)	53	Professor, Columbia University	2008
Ulf J. Johansson (3)	66	Business Consultant	1999
Ronald S. Nersesian	52	Executive Vice President and Chief Operating Officer, Agilent Technologies, Inc.	2011
Bradford W. Parkinson (2)(3)	77	Executive Consultant, and Professor (Emeritus), Stanford University	1984
Mark S. Peek (2)	54	Co-President and Chief Financial Officer, VMware, Inc.	2010
Nickolas W. Vande Steeg (1) (2)	69	Venture Capital Investor and Business Consultant	2003

(1) Member of the Compensation Committee
(2) Member of the Audit Committee
(3) Member of the Nominating Committee
(4) Member of the Governance Committee

Steven W. Berglund has served as president and chief executive officer of Trimble since March 1999. Prior to joining Trimble, Mr. Berglund was president of Spectra Precision, a group within Spectra Physics AB. Mr. Berglund s business experience includes a variety of senior leadership positions with Spectra Physics, and manufacturing and planning roles at Varian Associates. Mr. Berglund began his career as a process engineer at Eastman Kodak. He attended the University of

Oslo and the University of Minnesota where he received a B.S. in chemical engineering. Mr. Berglund received his M.B.A. from the University of Rochester. Mr. Berglund is a member of the board of directors of the Silicon Valley Leadership Group and a member of the board of trustees of World Educational Services.

Mr. Berglund is qualified to serve as director of the Company because of his intimate knowledge and understanding of the Company s business and operations, resulting from his service as director and president and chief executive officer of the Company since 1999. In addition, Mr. Berglund brings to the Board of Directors extensive industry experience.

John B. Goodrich has served as a director of the Company since January 1981. Since 2002, Mr. Goodrich has served as a business consultant. From 2004 to 2009, Mr. Goodrich also served as the chief executive officer of MaxSP Corporation, an information technology services company. Mr. Goodrich retired from the law firm of Wilson Sonsini Goodrich & Rosati, where he practiced corporate, federal tax, securities and intellectual property law from 1970 until 2002. Mr. Goodrich currently serves on the board of directors of Tessera Technologies, Inc., a developer of semiconductor packaging technology and advanced optical and imaging technology, as well as the Fogarty Institute for Innovation. Mr. Goodrich owns and operates the Tonini Farm and Cattle Company in San Luis Obispo and has advised beef marketing companies in the Northwest. Mr. Goodrich has a variety of business and legal experience working with technology-based companies. Mr. Goodrich received a B.A. degree from Stanford University in 1963, a J.D. from the University of Southern California in 1966, and an L.L.M. in Taxation from New York University in 1970.

Mr. Goodrich is qualified to serve as director of the Company because he brings over four decades of experience as a business and legal advisor to high technology companies in Silicon Valley, as well as experience as an executive officer and director of several companies in the high technology industry. In addition, Mr. Goodrich has extensive knowledge and understanding of the Company s business and operations, resulting from his 30 years of service as director of the Company.

William Hart has served as a director of the Company since December 1984. Mr. Hart is an advisor to early-stage technology and financial services companies. Mr. Hart retired from Technology Partners, a Silicon Valley venture capital firm, in 2001. As the founder and managing partner of Technology Partners, he led the firm for 21 years. Mr. Hart was previously a senior officer and director of Cresap, McCormick and Paget, management consultants, and held positions in field marketing and manufacturing planning with IBM Corporation. Mr. Hart has served on the boards of directors of numerous public and privately held technology companies. In addition, Mr. Hart has served as the chief financial officer of a venture capital investment company, and as acting chief financial officer of several early-stage venture companies. Mr. Hart received a Bachelor of Management Engineering degree from Rensselaer Polytechnic Institute in 1965 and an M.B.A. from the Amos Tuck School of Business at Dartmouth College in 1967.

Mr. Hart is qualified to serve as director of the Company because of his considerable strategic and financial expertise drawn from over two decades of experience as managing partner at a venture capital firm as well as his experience as acting chief financial officer at several venture companies. Mr. Hart also has extensive knowledge of the Company s business and operations, having served as a director of the Company since 1984.

Merit E. Janow was appointed to the Board of Directors in 2008. Professor Janow has been a professor at Columbia University s School of International and Public Affairs (SIPA) since 1994.

Professor Janow teaches advanced courses in international trade, World Trade Organization (WTO) law, and comparative antitrust at Columbia Law School, and international economic policy at SIPA. Ms. Janow is also director of the program in International Finance & Economic Policy. Ms. Janow has published numerous articles and several books on international trade and economic matters. Professor Janow has had several periods of public service: she served as one of seven members of the WTO s Appellate Body from 2003-2007, she served as the Executive Director of an international antitrust advisory committee to the attorney general from 1997-2000, and Deputy Assistant U.S. Trade Representative for Japan and China from 1990-1993. In May 2005, Professor Janow was elected to the board of directors of the Nasdaq Stock Market, Inc. She now serves on the board of directors of the Nasdaq Exchange LLC and the Boston and Philadelphia Exchanges of the Nasdaq OMX Group. In 2006, she joined the board of Rockefeller Financial Co., an investment management firm. Since 2001, Professor Janow has served on the board of directors of a cluster of the American Funds family comprising the Capital Income Builder (CIB) Fund and the World Growth and Income (WGI) Fund and New Economy Fund (NEF). In 2007, she joined the board of another fund cluster of the American Funds family, the American Funds Insurance Series (AFIS), the American Fund Target Date Retirement Fund (AFTD) and Fixed Income (FI) Fund. Professor Janow holds a B.A. in Asian Studies from the University of Michigan and a J.D. from Columbia Law School.

Professor Janow is qualified to serve as director of the Company based on her extensive knowledge and experience in international trade and economics, which provide valuable insight to the Company given the global nature of its business. Professor Janow also brings to the Board of Directors significant investment management expertise through her experience serving on the boards of several mutual funds.

Ulf J. Johansson was appointed chairman of the board in 2007, and has served as a director of the Company since December 1999. Dr. Johansson is a Swedish national with a distinguished career in communications technology. Dr. Johansson currently serves on the board of directors of Telefon AB LM Ericsson, a telecommunications company, and as chairman of Acando AB, a management and IT consultancy company. From 1990 to 2005, Dr. Johansson served as chairman of Europolitan Vodafone AB, a GSM mobile telephone operator in Sweden. From 1998 to 2005, Dr. Johansson served on the board of directors of Novo Nordisk A/S, a Danish pharmaceutical/life science company, and in 2005 he became chairman of its majority owners, the Novo Nordisk Foundation and Novo A/S. Dr. Johansson also currently serves on the boards of directors of several privately held companies. During 1998-2003 Dr. Johansson served as chairman of the University Board of Royal Institute of Technology in Stockholm and formerly also served as president and chief executive officer of Spectra-Physics AB, and executive vice president at Ericsson Radio Systems AB. Dr. Johansson received a Master of Science in Electrical Engineering, and a Doctor of Technology (Communication Theory) from the Royal Institute of Technology in Sweden.

Dr. Johansson is qualified to serve as director of the Company because of his significant industry knowledge and experience resulting from his service on the boards of several telecommunications companies. In addition, Dr. Johansson has considerable knowledge of the Company s business and operations, having served as a member of the Board of Directors since 1999.

Ronald S. Nersesian was appointed to the Board of Directors in November 2011. Mr. Nersesian has served as executive vice president and chief operating officer of Agilent Technologies since November 2011. From March 2009 to November 2011, Mr. Nersesian served as president of Agilent s Electronic Measurement group (EMG), and from February 2005 to March 2009, he served as the Vice President and General Manager of the Wireless Business Unit of the Electronics Measurement Group. Mr. Nersesian began his career in 1982 with Computer Sciences Corporation as a systems engineer for satellite communications systems. In 1984, he joined Hewlett-Packard s New Jersey Division, and from 1987 through 1996 served in various management roles in the division, including marketing manager. In 1996, Nersesian joined LeCroy Corporation as vice president of worldwide marketing and corporate officer. He subsequently took on other senior management roles, including senior vice president and general manager of the company s digital storage oscilloscope business. Mr. Nersesian rejoined Agilent in 2002 as vice president and general manager of the company s Design Validation Division. Mr. Nersesian holds a bachelor s degree in electrical engineering from Lehigh University and an MBA from New York University, Stern School of Business.

Mr. Nersesian is qualified to serve as director of the Company because of his strong business operational experience with technology companies and management expertise developed over three decades. This breadth of experience includes his current position as executive vice president and chief operating officer of Agilent Technologies. Mr. Nersesian has extensive experience in managing and growing international technology enterprises, which is directly relevant and valuable to the Company.

Bradford W. Parkinson has served as a director of the Company since 1984. Currently, Dr. Parkinson is the Edward C. Wells Endowed Chair professor (emeritus) at Stanford University and has been a Professor of Aeronautics and Astronautics at Stanford University since 1984. He was the original program director (1972) and chief architect of the global positioning system (***GPS***). He personally led the advocacy, definition, development, launch, and test of GPS from 1972 to 1978, and remains involved with providing guidance for the future development and direction of GPS in the United States. While on a leave of absence from Stanford University, Dr. Parkinson served as the Company s president and chief executive officer from August 1998 through March 1999, while the Company searched for a chief executive officer. From 1980 to 1984 he was group vice president and general manager for Intermetrics, Inc. where he directed five divisions. In 2003, he was awarded the Draper Prize by the National Academy of Engineering (***NAE***) for the development of GPS. He is a member of the National Council of the NAE, and serves on a number of National advisory committees for the GPS System. Dr. Parkinson received a B.S. degree from the U.S. Naval Academy in 1957, an M.S. degree in Aeronautics/Astronautics Engineering from Massachusetts Institute of Technology in 1961 and a Ph.D. in Astronautics Engineering from Stanford University in 1966.

Dr. Parkinson is qualified to serve as director of the Company because of his extensive technical background and industry experience in GPS technology as its chief architect. In addition to his board service and executive management experience, Dr. Parkinson brings considerable industry insight to the Board of Directors as a current member of several national advisory committees on GPS technology. The Board of Directors also values Dr. Parkinson s extensive knowledge of the Company s business and operations because of his service as director of the Company since 1984.

Mark S. Peek was appointed to the Board of Directors on March 9, 2010. In January 2011, Mr. Peek was named co-president and chief financial officer of VMware, Inc., a provider of business infrastructure virtualization solutions. From 2007 to January 2011, Mr. Peek served as chief financial officer of VMware, Inc. From 2000 to 2007, Mr. Peek was senior vice president and chief accounting officer at Amazon.com. Prior to joining Amazon.com, Mr. Peek spent 19 years at Deloitte, the last ten years as a partner. Mr. Peek currently serves on the board of directors of Workday, Inc., a privately held enterprise business services company. Mr. Peek received a B.S. in accounting and international finance from Minnesota State University.

Mr. Peek is qualified to serve as director of the Company because of his strong background and years of experience in accounting and financial management, including his current position as chief financial officer at VMware, Inc., and his past service as chief accounting officer at Amazon.com. In addition, Mr. Peek brings key financial expertise gained through his 19 years of experience at Deloitte.

Nickolas W. Vande Steeg was appointed vice chairman in 2007, and has served as a director of the Company since 2003. In 2010, Mr. Vande Steeg became a partner in McAdams Advisory Partners, a firm specializing in corporate restructuring. Mr. Vande Steeg served as president and chief operating officer of Parker Hannifin Corporation until March 2007, where he began his career in 1971. Mr. Vande Steeg currently serves on the boards of directors of Wabtec Corporation, a supplier of products and services to the rail transportation industry, and Azusa Pacific University. Mr. Vande Steeg began his career at Deere & Company serving as an industrial engineer and industrial relations manager from 1965 to 1970. Mr. Vande Steeg received his B.S. in Industrial Technology from the University of California, Irvine in 1968 and an M.B.A. from Pepperdine University in Malibu, California in 1985.

Mr. Vande Steeg is qualified to serve as director of the Company because he brings valuable operational and strategic expertise through his experience serving as president and chief operating officer of Parker Hannifin Corporation. In addition, Mr. Vande Steeg has considerable knowledge of the Company s business and operations, resulting from his service as a director of the Company since 2003.

Vote Required

The nine nominees receiving the highest number of affirmative votes of the shares entitled to be voted shall be elected as directors. Every shareholder voting for the election of directors may cumulate such shareholder s votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of shares held by the shareholder as of the Record Date, or distribute such shareholder s votes on the same principle among as many candidates as the shareholder may select, provided that votes cannot be cast for more than the number of directors to be elected. However, no shareholder shall be entitled to cumulate votes unless the candidate s name has been placed in nomination prior to the voting and the shareholder, or any other shareholder, has given notice at the meeting prior to the voting of the intention to cumulate the shareholder s votes. Abstentions and broker non-votes will be counted only for purposes of determining whether a quorum is present, but they will not be taken into account in determining the outcome of the election of directors.

Unless otherwise directed, the proxy holders will vote the proxies received by them for the nine nominees named above. In the event that any such nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee who shall be designated by the present Board of Directors to fill the vacancy. In the event that additional persons are nominated for election as directors, the proxy holders intend to vote all proxies received by them in such a manner as will ensure the election of as many of the nominees listed above as possible. In such event, the specific nominees to be voted for will be determined by the proxy holders. As of the date of this proxy statement, the Board of Directors has no reason to believe that any nominee will be unable or will decline to serve as a director. The directors elected will hold office until the next Annual Meeting of Shareholders and until their successors are duly elected and qualified.

Recommendation of the Board of Directors

The Board of Directors recommends that shareholders vote FOR the election of the above-named persons to the Board of Directors of the Company.

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ITEM II

APPROVAL OF AMENDMENTS

TO THE AMENDED AND RESTATED 2002 STOCK PLAN

The Board of Directors is seeking shareholder approval of amendments to the Amended and Restated 2002 Stock Plan (***2002 Stock Plan***) that will increase the number of shares of Common Stock available for issuance thereunder by 8,900,000 shares, for an aggregate of 28,900,000 shares.

The 2002 Stock Plan was originally adopted by the Board of Directors in March 2002 and approved by the shareholders in May 2002. In May 2004, the shareholders approved an increase in the number of shares of Common Stock reserved for issuance under the 2002 Stock Plan to 4,500,000 shares plus any shares reserved but unissued under the Company s 1993 Stock Option Plan (the ***1993 Plan***) together with any shares subsequently returned to the 1993 Plan as the result of the termination of any options originally granted under the 1993 Plan. In May 2005, the shareholders approved an amendment to the 2002 Stock Plan to allow the granting of stock awards, in addition to the grant of stock options previously permitted to be granted under the plan. In May 2006, the shareholders approved an amendment to the 2002 Stock Plan that increased the number of shares available for issuance under the plan up to an aggregate of 12,000,000 shares.

In May 2009, the shareholders approved an amendment to the 2002 Stock Plan to increase the number of shares of Common Stock available for issuance up to an aggregate of 20,000,000 shares and approve the material terms of stock awards intended to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the ***Code***).

As of January 1, 2012, options to purchase an aggregate of 9,673,018 shares, having an average exercise price of $27.67 per share and expiring from June 21, 2012 to March 25, 2020, were outstanding; 1,123,730 shares were outstanding under restricted stock unit awards; and 3,124,101 shares remained available for future grant of options and awards under the 2002 Stock Plan.

Given the number of shares currently available for grant under the 2002 Stock Plan and the Company s anticipated executive, managerial and technical hiring needs and expectations, the Board of Directors believes that the increase in the number of shares under the 2002 Stock Plan is necessary in order for the Company to be competitive in the marketplace.

The Board of Directors approved an amendment to the 2002 Stock Plan in January 2012, subject to shareholder approval, to increase the number of shares available for grant of stock options and stock awards under the plan by 8,900,000 shares, for an aggregate of 28,900,000 shares. The use of stock options and stock awards as equity incentives in hiring, retaining and motivating the most talented people within the available human resource pool has been critical to the Company s past overall growth and success by encouraging and motivating high levels of performance from its employees and consultants.

The proposed amendment to the 2002 Stock Plan reflects the Company s philosophy that stock incentives are an important and meaningful component of employee compensation, which enables the Company to attract the best available candidates and to ensure that its experienced and qualified employees, the Company s most significant asset, are appropriately recognized, rewarded, and are encouraged to stay with the Company and help it grow, thereby increasing shareholder value.

The Board of Directors believes that the proposed amendment is in the best interests of the Company, its shareholders, and its employees and at the Annual Meeting, the shareholders are being asked to approve the proposed amendment to increase the number of shares of common stock available for issuance under the 2002 Stock Plan by 8,900,000 shares, for an aggregate of 28,900,000 shares. In the event that such shareholder approval is not obtained, then the 2002 Stock Plan will remain in place as in effect prior to the proposed amendment.

The essential features of the 2002 Stock Plan are summarized below. This summary does not purport to be a complete description of all the provisions of the 2002 Stock Plan, and is subject to and qualified in its entirety by reference to the complete text of the 2002 Stock Plan, a copy of which is attached to this Proxy Statement as Appendix B.

General

The purpose of the 2002 Stock Plan is to help the Company attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to the Company s employees, directors and consultants and the employees and consultants of the Company s parent and subsidiary companies and to promote the success of the Company s business. Options granted under the 2002 Stock Plan may be either incentive stock options or nonstatutory stock options. In addition, the 2002 Stock Plan also allows the granting of stock awards, performance-based awards, dividend equivalents, restricted stock units, or stock appreciation rights, either in connection with an option grant or as stand-alone awards.

Administration

The 2002 Stock Plan may generally be administered by the Board of Directors or a designated committee (the ***Administrator***). A designated committee may be comprised entirely of individuals who meet the qualification referred to in Section 162(m) of the Code or Rule 16b-3 under the Securities Exchange Act of 1934. Consistent with the terms of the 2002 Stock Plan, the Administrator may make any determinations deemed necessary or advisable for the 2002 Stock Plan. The Administrator s decisions will be final and binding on all participants under the 2002 Stock Plan.

Eligibility

Nonstatutory stock options and stock awards may be granted to the Company s employees, directors and consultants and to employees and consultants of any of the Company s parent or subsidiary companies. Incentive stock options may be granted only to the Company s employees and to employees of any of the Company s parent or subsidiary companies. The Administrator, in its discretion, but subject to the terms of the 2002 Stock Plan, selects which of the Company s employees, directors and consultants to whom options or awards may be granted, the time or times at which such options or awards shall be granted, and the exercise or purchase price, number of shares and other terms and conditions subject to each such grant.

Shares Subject to Awards

Subject to adjustment upon the occurrence of certain changes in capitalization, the maximum aggregate number of shares that may be awarded or optioned and delivered under the 2002 Stock Plan is 20,000,000 shares. The Board of Directors has amended the 2002 Stock Plan, subject to shareholder approval, to increase the maximum aggregate number of shares that may be issued under the 2002 Stock Plan to 28,900,000, plus (a) any shares which were reserved but not issued under the 1993 Plan, and (b) any shares returned to the 1993 Plan as a result of termination of options granted under the 1993 Plan; provided, however, that the maximum aggregate number of shares that may be issued pursuant to the exercise of incentive stock options shall in no event exceed 28,900,000 shares.

Any shares that are subject to options or stock appreciation rights shall be counted against this limit as one (1) share for every one (1) share granted. Any shares that are subject to any Awards other than options or stock appreciation rights or other awards for which awardees pay full value (as determined on the date of the grant) shall be counted against this limit as 1.69 shares for every one (1) share granted.

The shares may be authorized, but unissued, or reacquired Common Stock, all of which shares may be granted as stock options restricted stock awards, restricted stock units, or stock appreciation rights. The closing price of one share of Common Stock as of March 2, 2012 was $49.47.

Terms of Options and Awards

Each option or award under the 2002 Stock Plan is evidenced by an agreement between the Company and the optionee or awardee, as applicable, and is subject to the following terms and conditions, but other specific terms may vary:

(a) *Exercise Price of Options*. The Administrator determines the exercise price of options at the time the options are granted. The exercise price of options may not be less than 100% of the fair market value of Common Stock on the date such option is granted. However, the exercise price of an incentive stock option granted to a holder of holder of more than ten percent (10%) of the total combined voting power of all classes of the Company s shares may not be less than 110% of the fair market value on the date such option is granted. The fair market value of Common Stock is generally determined with reference to the closing sale price for the Common Stock (or the closing bid if no sales were reported) on the date the option is granted.

(b) *Exercise of Options; Form of Consideration*. The Administrator determines when options become vested and exercisable, and may, in its discretion, accelerate the vesting or exercisability of any outstanding option. The means of payment for shares issued upon exercise of an option is specified in each option agreement. The 2002 Stock Plan permits payment to be made by cash, check, promissory note, other shares of Common Stock (with some restrictions), cashless exercises, reduction in any Company liability the Company may owe to an optionee, any other form of consideration permitted by applicable law, or any combination thereof.

(c) *Term of Option*. The term of an option under the 2002 Stock Plan may be no more than ten (10) years from the date of grant. However, in the case of an incentive stock option granted to a holder of more than ten percent (10%) of the total combined voting power of all classes of the Company s shares, the term of the option may be no more than five (5) years from the date of grant. No option may be exercised after the expiration of its term.

(d) *Restricted Stock Awards.* The Administrator may grant restricted stock awards under the 2002 Stock Plan. The Administrator will determine the vesting conditions, the exercise price, if any, and any other restrictions on transferability of the shares subject to restricted stock awards.

(e) *Restricted Stock Units.* The administrator may grant restricted stock units under the 2002 Stock Plan. The Administrator will determines the time or times at which restricted stock units vest, and any other conditions on which vesting will occur. Awardees are entitled to receive restricted stock units without payment of any consideration to the Company, unless otherwise required by applicable law. Unless otherwise provided in the award agreement, awardees will have full voting rights and be entitled to regular cash dividends with respect to the shares subject to an award upon the vesting of such awards. At the Company s option, a restricted stock unit may be settled in shares, cash, or a combination thereof.

(f) *Performance-Based Awards*. Stock awards, other than stock options and stock appreciation rights, which are granted under the 2002 Stock Plan, may be made subject to performance conditions as well as time-vesting conditions. Such performance conditions may be established and administered in accordance with the requirements of Section 162(m) of the Code for awards intended to qualify as performance-based compensation thereunder. To the extent that performance conditions under the 2002 Stock Plan are applied to awards intended to qualify as performance-based compensation under Section 162(m) of the Code for a given performance period, such performance conditions will utilize one or more objective measurable performance goals as determined by a committee of the Board of Directors at the time of grant. The performance criteria that may be used to establish such performance goals include the following: earnings or net earnings (either before or after interest, taxes, depreciation and amortization), economic value-added, sales or revenue, income, net income (either before or after taxes), operating earnings, cash flow (including, but not limited to, operating cash flow and free cash flow), cash flow return on capital, return on assets or net assets, return on stockholders equity, return on capital, stockholder returns, return on sales, gross or net profit margin, productivity, expense, margins, operating efficiency, customer satisfaction, working capital, earnings per share, price per share, market share, new products, customer penetration, technology and risk management, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group.

(g) *Stock Appreciation Rights.* The Administrator may determine the amounts and terms for grants of stock appreciation rights under the 2002 Stock Plan. A stock appreciation right gives an awardee the right to receive a payment, equal to the excess of the fair market value of a specified number of shares on the date the Stock Appreciation Right is exercised, over the grant price of the shares. Awardees may exercise all or a specified portion of the stock appreciation right, to the extent then exercisable pursuant to its terms, and to receive from the Company an amount equal to the product of (i) the excess of (A) the fair market value of the shares on the exercise date over (B) the grant price of the stock appreciation right and (ii) the number of shares with respect to which the stock appreciation right is exercised, subject to any limitations the Administrator may impose.

(i) *Exercise Price*. The per-share exercise price of a stock appreciation right shall be determined by the Administrator and set forth in the award agreement; provided that, the per share exercise price for any stock appreciation right shall not be less than 100% of the fair market value of a share on the date of grant.

(ii) *Payment and Limitations on Exercise*. Payment of the exercise price for stock appreciation rights shall be in cash, in shares (based on its fair market value as of the date the stock appreciation right is exercised) or a combination of both, as determined by the Administrator.

(iii) *Term*. The term of stock appreciation rights shall be no longer than ten (10) years from the date of grant.

(h) *Termination of Service*. If an optionee s service relationship with the Company terminates for any reason (excluding death or disability), then, unless the administrator provides otherwise, the optionee may generally exercise the option within three (3) months of such termination to the extent that the option is vested on the date of termination, (but in no event later than the expiration of the term of such option as set forth in the option agreement). If an optionee s service relationship with the Company terminates due to the optionee s death or disability, then, unless the administrator provides otherwise, the optionee or the optionee s personal representative, estate, or the person who acquires the right to exercise the option by bequest or inheritance, as the case may be, generally may exercise the option, to the extent the option was vested on the date of termination, within twelve (12) months from the date of such termination. If an awardee s service relationship with the Company is terminated for any reason, all unvested shares covered by the award are forfeited.

(i) *Other Awards*. The Administrator is authorized under the 2002 Stock Plan to make any other award to an eligible individual that is not inconsistent with the terms of the 2002 Stock Plan and that may involve the issuance of shares or the granting of rights with the value thereof derived from the value of shares.

(j) *Non-transferability*. Unless otherwise determined by the administrator, options and awards granted under the 2002 Stock Plan are not transferable other than by will or the laws of descent and distribution, and options may be exercised during the optionee s lifetime only by the optionee.

(k) *Term*. The term of awards and options will not exceed ten (10) years from the date of grant.

(l) *Other Provisions*. The stock option or award agreement may contain other terms, provisions and conditions not inconsistent with the 2002 Stock Plan as may be determined by the Administrator.

Limitations

The 2002 Stock Plan provides that no service provider may be granted, in any Company fiscal year, an aggregate amount of options or awards that cover more than 600,000 shares of Common Stock. Notwithstanding this limit, however, in connection with such individual s initial service with the Company, he or she may be granted an aggregate amount of options or awards that cover up to an additional 900,000 shares of Common Stock. These limits are subject to appropriate adjustments in the case of stock splits, reverse stock splits and the like.

Adjustment Upon Changes in Capitalization

In the event that any dividend or other distribution (whether in the form of cash, common stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Stock or other of the Company s securities, or other change in the Company s corporate structure affecting the Company s Common Stock occurs, the administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the 2002 Stock Plan, may (in its sole discretion) adjust the number and class of shares that may be delivered under the 2002 Stock Plan and/or the number, class, and price of shares covered by each outstanding option or award.

In the event of a liquidation or dissolution, any unexercised options and unvested awards will terminate. The administrator may, in its sole discretion, provide that each optionee shall have the right to exercise all or any part of an option, including shares as to which the option would not otherwise be exercisable. The administrator may provide that the vesting of an award will accelerate at any time prior to such transaction.

In connection with the merger of the Company with or into another corporation or the Company s change in control, as defined in the 2002 Stock Plan, each outstanding award or option shall be assumed or an equivalent award or option substituted by the successor corporation.

If the successor corporation refuses to assume the options or awards or to substitute substantially equivalent options or awards, the optionee shall have the right to exercise the option as to all the optioned stock, including shares not otherwise vested or exercisable, and in the case of an award, the administrator shall provide for the acceleration of the award. In such event, with respect to options, the administrator shall notify the optionee that the option is fully exercisable for fifteen (15) days from the date of such notice and that the option terminates upon expiration of such period. If, in such a merger or change in control, an award or option is assumed or an equivalent award or option is substituted by such successor corporation, and if during a one-year period after the effective date of such merger or change in control, the optionee s or awardee s status as a service provider is terminated for any reason other than the optionee s or awardee s voluntary termination of such relationship, then (i) in the case of an option, the optionee shall have the right within three (3) months thereafter to exercise the option as to all of the optioned stock, including shares as to which the option would not otherwise be exercisable, effective as of the date of such termination and (ii) in the case of an award, the award shall be fully vested as of the date of such termination.

Amendment and Termination of the 2002 Stock Plan

The Board of Directors may amend, alter, suspend or terminate the 2002 Stock Plan, or any part thereof, at any time and for any reason. However, the Company will obtain shareholder approval for any amendment to the 2002 Stock Plan to the extent necessary and desirable to comply with applicable laws. Additionally, unless the Company obtains prior shareholder approval, the Administrator will not amend any option to reduce its exercise price or agree to grant options in exchange for optionees agreeing to cancel outstanding options where the economic effect would be the same as reducing the exercise price of the cancelled option. No such action by the Board of Directors or shareholders may alter or impair any option or award previously granted under the 2002 Stock Plan without the written consent of the optionee or awardee.

The amendment to the 2002 Stock Plan will be effective as of the date of shareholder approval. No Incentive Stock Options may be granted under the Plan after the earlier of the tenth (10^{th}) anniversary of (a) the date the Plan is approved by the Board or (b) the date of shareholder approval.

Certain U.S. Federal Income Tax Information

The following is only a summary of the effect of federal income taxation upon the Company and optionees or awardees with respect to the grant and exercise of options or the grant or vesting of awards under the 2002 Stock Plan. It does not purport to be complete, and does not discuss the tax consequences of the employee s, director s or consultant s death or the provisions of the income tax laws of any municipality, state or foreign country in which the employee, director or consultant may reside.

A recipient of a stock option or stock appreciation right will not have taxable income upon the grant of the stock option or stock appreciation right. For nonstatutory stock options and stock appreciation rights, the recipient will recognize ordinary income upon exercise in an amount equal to the difference between the fair market value of the shares and the exercise price on the date of exercise. Any gain or loss recognized upon any later disposition of the shares generally will be a capital gain or loss.

The acquisition of shares upon exercise of an incentive stock option will not result in any taxable income to the recipient, except, possibly, for purposes of the alternative minimum tax. The gain or loss recognized by the participant on a later sale or other disposition of such shares will either be long-term capital gain or loss or ordinary income, depending upon whether the participant holds the shares for the legally-required period (which is two years from the date of grant and one year from the date of exercise). If the shares are not held for the legally-required period, the recipient will recognize ordinary income equal to the lesser of (i) the difference between the fair market value of the shares on the date of exercise and the exercise price, or (ii) the difference between the sales price and the exercise price. Unless limited by Section 162(m) of the Code, the Company is entitled to a deduction in the same amount as the ordinary income recognized by an optionee.

For restricted stock units, unless vested or the recipient elects to be taxed at the time of grant, the recipient will not have taxable income upon the grant, but upon vesting will recognize ordinary income equal to the fair market value of the shares at the time of vesting less the amount paid for such shares (if any). Any gain or loss recognized upon any later disposition of the shares generally will be a capital gain or loss.

A recipient of a restricted stock unit is not deemed to receive any taxable income at the time an award of restricted stock units is granted. When vested restricted stock units (and dividend equivalents, if any) are settled and distributed, the recipient will recognize ordinary income equal to the amount of cash and/or the fair market value of shares received less the amount paid for such stock units (if any). Unless limited by Section 162(m) of the Code, the Company will be entitled to a deduction for federal income tax purposes equal to the amount of ordinary income that the recipient is required to recognize.

New Plan Benefits

Upon their re-election at the Annual Meeting, pursuant to the terms of the Board of Director s Compensation Policy dated May 3, 2011, each non-executive officer director may receive a grant of nonstatutory stock options to purchase 15,000 shares (120,000 shares, as a group) of Common Stock at a purchase price equal to the fair market value on the date of grant. These options have a seven-year term, and become exercisable in installments cumulatively with respect to 1/12 of the shares for each complete calendar month after the date of grant.

Additional future benefits under the 2002 Stock Plan are not determinable, as grants of stock options and stock awards are at the discretion of the Board of Directors and are dependent upon the price of Common Stock in the future.

The table shown below summarizes the number of stock options and stock awards granted under the 2002 Stock Plan during the fiscal year ended December 30, 2011 to (i) the persons named in the Summary Compensation Table, (ii) all current executive officers as a group, (iii) all current directors who are not executive officers as a group and (iv) all employees (excluding executive officers) as a group.

Name and Principal Position	Number of Options Granted	Weighted Average Exercise Price Per Share	Number of Restricted Stock Units Granted
Steven W. Berglund Chief Executive Officer	300,000	$ 41.87	2,000
Rajat Bahri, Chief Financial Officer	65,000	$ 41.96	1,600
Bryn Fosburgh, Vice President	65,000	$ 41.96	1,600
Christopher Gibson, Vice President	65,000	$ 41.96	1,600
Mark Harrington, Vice President	65,000	$ 41.96	1,600
All Executive Officers, as a group	661,000	$ 41.94	16,700
Non-Executive Directors, as a group	120,000	$ 42.83	-
All employees, as a group, including officers who are not executive officers	1,257,592	$ 41.86	92,307

All employees (including officers), directors and consultants of the Company are eligible to participate in the 2002 Stock Plan. This table includes only stock award and stock option grant information for the 2002 Stock Plan. Stock options granted prior to adoption of the 2002 Stock Plan, such as grants from the 1993 Plan, to the individuals and groups listed are not included herein.

Vote Required

The approval of the proposed amendment to the 2002 Stock Plan to increase the amount of shares of Common Stock available for grant of stock options and stock awards requires the affirmative vote of the holders of a majority of the shares present at the Annual Meeting in person or by proxy and entitled to vote as of the Record Date.

Recommendation of the Board of Directors

The Board of Directors recommends a vote FOR the proposed amendment to the 2002 Stock Plan to increase the number of shares of Common Stock available for grant of stock options and stock awards thereunder by 8,900,000.

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ITEM III

APPROVAL OF AMENDMENT

TO THE AMENDED AND RESTATED TRIMBLE NAVIGATION

EMPLOYEE STOCK PURCHASE PLAN

The Board of Directors is seeking shareholder approval of an amendment to the Amended and Restated Employee Stock Purchase Plan (***Purchase Plan***) that will increase the number of shares of Common Stock available for purchase thereunder by 4,000,000 shares, for an aggregate of 19,500,000 shares available for purchase under the Purchase Plan.

The Purchase Plan was adopted by the Board of Directors in September 1988 and approved by the shareholders in April 1989, initially reserving 400,000 shares for purchase thereunder by eligible employees. Since then, through both adjustments resulting from stock splits and other amendments approved by the Board of Directors and the shareholders of the Company, the number of shares available for purchase under the Purchase Plan has increased to an aggregate of 15,550,000 shares of Common Stock.

As of January 1, 2012, eligible employees have purchased an aggregate of 12,589,158 shares of Common Stock under the Purchase Plan and 2,960,686 shares remained available for future purchase under the Purchase Plan. During the fiscal year ended December 30, 2011, eligible employees of the Company purchased an aggregate of 397,126 shares at an average price of $27.77 per share under the Purchase Plan and, during the prior fiscal year ended December 31, 2010, eligible employees purchased an aggregate of 450,774 shares at an average price of $22.11 per share under the Purchase Plan.

In January 2012, the Board of Directors approved an amendment, subject to shareholder approval, that increased the number of shares eligible for purchase under the Purchase Plan from 15,550,000 shares to 19,500,000 shares. The Company believes that maintaining a competitive employee stock purchase program is an important element in both recruiting and retaining employees in its current employment environment. The Purchase Plan is designed to more closely align the interests of the Company s employees and shareholders by encouraging employees to invest their own money in the Company s equity securities. By allowing eligible employees to purchase shares of Common Stock at a discount, as described below under Purchase Price, the Purchase Plan is intended to encourage employees to become shareholders of the Company, thereby providing them with a direct incentive to contribute to the long-term growth and overall success of the Company. In the event that such shareholder approval is not obtained, then the Purchase Plan will remain in place as in effect prior to the proposed amendment.

The Company believes that an amendment that increases the number of shares eligible for purchase under the Purchase Plan will enable the Company to continue its policy of encouraging employee stock ownership as a means of motivating high levels of employee performance and encouraging employees to stay with the Company and help it grow, thereby increasing shareholder value. The Board of Directors believes that the proposed amendment is in the best interests of the Company, its shareholders, and its employees. At the Annual Meeting, the shareholders are being asked to approve the amendment to the Purchase Plan to increase the number of shares eligible for purchase under the Purchase Plan by 4,000,000 shares.

The essential features of the Purchase Plan, including this proposed amendment, which is subject to shareholder approval, are summarized below. This summary does not purport to be a complete description of all the provisions of the Purchase Plan, and is subject to and qualified in its entirety to the complete text of the Purchase Plan. A copy of the Purchase Plan is attached to this proxy statement as Appendix C.

Purpose

The purpose of the Purchase Plan is to provide employees with an opportunity to purchase Common Stock of the Company through accumulated payroll deductions in a manner that qualifies under Section 423 of the Code. The Purchase Plan also authorizes the grant of options under a non-423(b) Plan component, which do not qualify under Section 423(b) of the Code, pursuant to rules, procedures or sub-plans adopted by the Board of Directors, or a committee authorized by the Board, designed to achieve tax, securities law compliance or other Company objectives.

Administration

The Purchase Plan is administered by the Board of Directors or a designated Committee of the Board of Directors, referred to as an administrator.

Eligibility

Employees, including officers of the Company, who are employed by the Company or its designated subsidiaries at the time that a subscription agreement is required to be submitted for a given offering period are eligible to participate in the Purchase Plan for that offering period. The Board of Directors may, at its discretion, set a minimum waiting period for employees to become eligible to participate in an offering period, provided that period is not more than two (2) years after employment with the Company or a designated subsidiary begins. The Board of Directors, (or a committee authorized by the Board) may limit offerings under the Purchase Plan to employees of the Company or a designated subsidiary whose customary employment with the Company or a designated subsidiary is at least twenty (20) hours per week by the Company or one of its designated subsidiary and more than five (5) months in any calendar year provided that these eligibility requirements are applied uniformly to employees.

No employee may be granted an option to purchase shares under the Purchase Plan if: (i) immediately after the grant of the option, the employee would own five percent or more of the total combined voting power or value of the stock of the Company or any of its subsidiaries; or (ii) an employee s right to purchase stock under all employee stock purchase plans of the Company and its subsidiaries accrues at a rate which exceeds $25,000 worth of stock (determined with reference to the fair market value of the Common Stock at the time of grant) in a calendar year in which such option is outstanding (or such other limit, as imposed under Section 423 of the Code or final regulations issued thereunder). Subject to these eligibility criteria, the Purchase Plan permits eligible employees to purchase Common Stock through payroll deductions subject to certain limitations described below. See Payment of Purchase Price; Payroll Deductions; Use of Funds.

Shares Subject to Awards

The maximum number of shares of Common Stock which are available for sale under the Purchase Plan is 15,550,000 shares, subject to adjustment for changes in capitalization of the Company. The Board of Directors has amended the Purchase Plan, subject to shareholder approval, to increase the maximum number of shares that may be issued under the Purchase Plan to 19,500,000 shares. If on a given exercise date, the number of shares with respect to which options are to be exercised exceeds the number of shares then available under the Purchase Plan, the company will make a pro rata allocation of the shares available for purchase in as uniform a manner as will be practicable and equitable. Participants will have no interest or voting rights in shares covered by their options until such options have been exercised.

Offering Periods

The Purchase Plan provides for offering periods lasting six months with a new offering period commencing every six months, on or about March 1st and September 1st of each year. The Board may determine different offering periods, provided that no offering period exceeds twenty-seven months. Normally, a participant s payroll deductions are accumulated throughout an offering period and, at the end of the offering period, shares of Common Stock are purchased with the accumulated payroll deductions. In no event may a participant be permitted to purchase more than 12,500 shares of common stock on any purchase date.

Purchase Price

The purchase price per share at which shares will be sold in an offering under the Purchase Plan is the lower of (i) 85% of the fair market value of a share of Common Stock on the first day of an offering period and (ii) 85% of the fair market value of a share of Common Stock on the last day of each offering period, unless the Board sets a purchase price higher than this amount. The fair market value of the Common Stock on a given date is generally the closing sale price of the Common Stock as reported on the Nasdaq Global Market system for such date.

Payment of Purchase Price; Payroll Deductions; Use of Funds

The purchase price of the shares is accumulated by payroll deductions over the offering period. No interest accrues on such payroll deductions, except as may be required by applicable law. The Purchase Plan provides that the aggregate of such payroll deductions during the offering period shall not exceed 10% of the participant s compensation during any offering period, nor $21,250 for all offering periods that end in the same calendar year. During an offering period, a participant may discontinue his or her participation in the Purchase Plan, and may decrease, but not increase, the rate of payroll deductions in an offering period within limits set by the administrator.

All payroll deductions made for a participant are credited to the participant s account under the Purchase Plan, are withheld in whole percentages only and are included with the general funds of the Company. The Board may allow employees to participate in the Purchase Plan via cash contributions instead of payroll deductions if payroll deductions are not permitted under applicable local law, provided that the employees are participating in the component of the Purchase Plan that does not qualify under Section 423(b) of the Code.

Funds received by the Company pursuant to exercises under the Purchase Plan are used for general corporate and working capital purposes. The Company has no obligation to segregate such funds. A participant may not make any additional payments into his or her account.

Delivery

Shares will not be issued with respect to a purchase option unless the exercise of such option and the issuance and delivery of the shares will comply with all applicable laws. With respect to all or part of the shares credited to a participant s brokerage account, the participant may elect to have such shares be sold at the participant s expense and cash paid to the participant.

Withdrawal

A participant may terminate his or her participation in the Purchase Plan at any time by giving the Company a written notice of withdrawal. In such event, all of the payroll deductions credited to the participant s account will be returned, without interest, to such participant. Payroll deductions will not resume unless a new subscription agreement is delivered in connection with a subsequent offering period.

Termination of Employment

Termination of a participant s employment for any reason, including retirement or death, cancels his or her participation in the Purchase Plan immediately. In such event, the payroll deductions credited to the participant s account but not used to purchase shares will be returned without interest to such participant, his or her designated beneficiaries or the executors or administrators of his or her estate. Nothing in the Purchase Plan interferes with the right of the Company to terminate any employee s employment at any time.

Adjustments Upon Changes in Capitalization

In the event of any changes in the capitalization of the Company effected without receipt of consideration by the Company, such as a stock split, stock dividend, combination or reclassification of the Common Stock, resulting in an increase or decrease in the number of shares of Common Stock, proportionate adjustments will be made by the Board of Directors in the shares subject to purchase, to the extent applicable, and in the price per share under the Purchase Plan. In the event of liquidation or dissolution of the Company, the offering periods then in progress will terminate immediately prior to the consummation of such event unless otherwise provided by the Board of Directors.

In the event of a sale of all or substantially all of the assets of the Company, or the merger of the Company with or into another corporation, any offering periods then in progress shall be shortened by the setting of a new exercise date to be held before the Company s proposed sale or merger. At least ten days before the new exercise date, the Board of Directors will notify each participant that the exercise date has been changed and that the participant s option will be automatically exercised on the new exercise date, unless the participant withdraws from the Purchase Plan.

Amendment and Termination

The Board of Directors may at any time and for any reason amend or terminate the Purchase Plan, except that (i) no such termination shall affect options previously granted unless the Board of Directors determines that terminating an offering period is in the best interests of the Company and (ii) no amendment shall make any change to an option granted prior thereto that adversely affects the rights of any participant.

Certain Federal Income Tax Information

The following information is a brief summary of the effect of U.S. federal income taxation upon the Company and participants with respect to the purchase of shares of the Company s Common Stock under the Purchase Plan. It does not purport to be complete, and does not discuss the tax consequences of the participant s death or the provisions of the income tax laws of any municipality, state or foreign country in which the participant may reside.

The Purchase Plan, and the right of participants to make purchases thereunder, is intended to qualify under the provisions of Sections 421 and 423 of the Code. However, the Purchase Plan may have sub-plans which do not qualify under Section 423(b) of the Code, and to which the tax treatment described herein does not apply.

Under Sections 421 and 423 of the Code, no income will be taxable to a participant until the shares purchased under the Purchase Plan are sold or otherwise disposed. Upon sale or other disposition of the shares, the participant will generally be subject to tax in an amount that depends upon the holding period.

If the shares are sold or otherwise disposed of more than two years from the beginning of the offering period in which they are purchased and more than one year from the date of the applicable purchase, the participant will recognize ordinary income measured as the lesser of (a) the excess of the fair market value of the shares at the time of such sale or disposition over the purchase price, and (b) an amount equal to 15% of the fair market value of the shares as of the beginning of the offering period in which they are purchased. Any additional gain will be treated as long-term capital gain.

If the shares are sold or otherwise disposed of before the expiration of these holding periods, the participant will recognize ordinary income generally measured as the excess of the fair market value of the shares on the date the shares are purchased over the purchase price. Any additional gain or loss on such sale or disposition will be long-term or short-term capital gain or loss, depending on the holding period.

The Company generally is not entitled to a deduction for amounts taxed as ordinary income or capital gain to a participant except to the extent of ordinary income recognized by participants upon a sale or disposition of shares prior to the expiration of the holding periods described above.

New Plan Benefits

Participation in the Purchase Plan is at the discretion of each employee. Therefore, benefits under the Purchase Plan are not determinable. However, the table below sets forth the benefits received during the fiscal year ended December 30, 2011 for: (i) each executive officer named in the Summary Compensation table; (ii) all executive officers, as a group; (iii) all non-executive directors, as a group; and (iv) all employees, as a group.

Name and Position (1)	Aggregate Dollar Value (2)	Aggregate Number of Units
Steven W. Berglund, Chief Executive Officer	-	-
Rajat Bahri, Chief Financial Officer	$30,728	688
Bryn Fosburgh, Vice President	$30,728	688
Christopher Gibson, Vice President	$28,463	627
Mark Harrington, Vice President	$10,006	229
All Executive Officers, as a group	$138,582	3,115
All Non-Executive Directors, as a group (1)	-	-
All employees, as a group, including officers who are not executive officers	$17,230,755	394,011

(1) Other than the chief executive officer, members of the Company s Board of Directors are not eligible to participate in the Purchase Plan.

(2) The amounts shown in this column represent the market price of the shares purchased (as of the purchase dates) multiplied by the number of shares purchased under the Purchase Plan in the 2011 fiscal year. The total dollar values for each of the individuals and groups in the table are aggregated numbers for the two purchase periods that occurred in the 2011 fiscal year.

Vote Required

Approval of the amendment to the Purchase Plan requires the affirmative vote of the holders of a majority of the shares present at the Annual Meeting in person or by proxy and entitled to vote as of the Record Date.

Recommendation of the Board of Directors

The Company s Board of Directors recommends a vote FOR approval of the amendment to the Purchase Plan to increase the number of shares of Common Stock to be reserved for issuance thereunder by 4,000,000 shares.

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ITEM IV

ADVISORY VOTE ON COMPENSATION FOR

OUR NAMED EXECUTIVE OFFICERS

Recent legislation requires that the Company provide our shareholders with the opportunity to cast an advisory vote on the compensation of the Company s Named Executive Officers, as disclosed in this proxy statement. This proposal, commonly known as a Say on Pay proposal, gives the Company s shareholders the opportunity to approve, reject, or abstain from voting, with respect to our executive compensation programs and policies and the compensation paid to the Named Executive Officers.

The Say on Pay vote is a non-binding advisory vote on the compensation of the Company s Named Executive Officers, as described in the Compensation Discussion and Analysis section, the tabular disclosure regarding such compensation, and the accompanying narrative disclosure. The Say on Pay vote on executive compensation is not a vote on the Company s general compensation policies, compensation of the Company s Board of Directors, or the Company s compensation policies as they relate to risk management.

The Say on Pay vote allows our shareholders to express their opinions regarding the decisions of the Compensation Committee with respect to the 2011 compensation of the Named Executive Officers. Because the Say on Pay vote is advisory in nature, it will not affect any compensation already paid or awarded to any Named Executive Officer, nor modify any terms of our existing compensation plans or awards. In addition, the Say on Pay vote will not be binding on or overrule any decisions by the Board of Directors; it will not create or imply any additional fiduciary duty on the part of the Board of Directors.

Previously, the Company had planned to provide its shareholders with the opportunity to cast advisory votes on a Say on Pay proposal every three years. At the 2011 annual meeting of shareholders, more than 92% of the votes cast on the Say on Pay proposal were in favor of our executive compensation program. In addition, more than 67% of the Company s shareholders favored an annual Say on Pay vote. As a result, the Company is providing its shareholders with the opportunity to cast an advisory Say on Pay vote every year, until the next advisory vote on the frequency of such votes.

Your advisory vote will serve as an additional tool to guide the Board of Directors and the Compensation Committee in continuing to improve the alignment of the Company s executive compensation programs with the interests of the Company and its shareholders. The Compensation Committee and the Board of Directors may take into account the outcome of the vote when considering future compensation arrangements for our Named Executive Officers.

The Company and the Board of Directors believe that our compensation policies and practices for our Named Executive Officers are aligned with the long term interests of our shareholders because our policies emphasize pay for performance, and our mix of short and long term incentives provide a balance between the Company s short-term goals and long term performance. As such, the Board of Directors recommends a vote For the advisory approval of our compensation policies and practices as disclosed in this proxy statement.

Vote Required

Advisory approval of the compensation of our Named Executive Officers requires the affirmative vote of the holders of a majority of the shares present at the Annual Meeting in person or by proxy and entitled to vote as of the Record Date.

Recommendation of the Board of Directors

The Company s Board of Directors recommends a vote FOR the approval of the compensation of our Named Executive Officers, as disclosed in this proxy statement.

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ITEM V

RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Board of Directors intends to appoint Ernst & Young LLP (***Ernst & Young***) as the Company s independent auditors, to audit the financial statements of the Company for the current fiscal year ending December 28, 2012. Ernst & Young has been the Company s independent auditor since 1986. The Company anticipates that a representative of Ernst & Young will be present at the Annual Meeting, will have the opportunity to make a statement if he or she desires to do so, and will be available to answer any appropriate questions.

Principal Accounting Fees and Services

Audit Fees and Non-Audit Fees:

The following table presents fees billed by Ernst & Young for professional audit services rendered for the audit of the Company s annual financial statements for the years ended December 30, 2011 and December 31, 2010, and fees billed by Ernst & Young for other services rendered during those periods.

Category	Fiscal Year Ended December 30, 2011	Fiscal Year Ended December 31, 2010
Audit Fees	$ 3,228,376	$ 2,723,974
Audit-Related Fees	$ 134,853(1)	$ 16,580(1)
Tax Fees (3)		
Tax Compliance	$ 404,541	$ 301,581
Tax Planning & Tax Advice	$ 368,561	$ 347,780
Total Tax Fees	$ 773,102	$ 649,361
All Other Fees	$ -	$ 45,796(2)

(1) Represents accounting consultation and advisory services performed by the Company s auditors.
(2) Represents research and advisory services for the Company s Deferred Compensation Plan.
(3) Represents various tax compliance and filing services with respect to U.S. and international tax matters, as well as tax planning advise related to acquisitions, integration activities and general matters.

Audit Committee Pre-Approval of Policies and Procedures

The Audit Committee is responsible for appointing, setting compensation, and overseeing the work of the independent auditor. The Audit Committee has established a pre-approval procedure for all audit and permissible non-audit services to be performed by Ernst & Young. The pre-approval policy requires that requests for services by the independent auditor be submitted to the Company s chief financial officer (***CFO***) for review and approval. Any requests that are approved by the CFO are then aggregated and submitted to the Audit Committee for approval of services at a meeting of the Audit Committee. Requests may be made with respect to either specific services or a type of service for predictable or recurring services. All permissible non-audit services performed by Ernst & Young were approved by the Audit Committee.

The Audit Committee has concluded that the provision of the non-audit services listed above is compatible with maintaining Ernst & Young s independence.

Vote Required

Ratification of the appointment of Ernst & Young as the Company s independent auditor for the current fiscal year ending December 28, 2012, will require the affirmative vote of the holders of a majority of the shares present and voting at the Annual Meeting either in person or by proxy. In the event that such ratification by the shareholders is not obtained, the Audit Committee and the Board of Directors will reconsider such selection.

Recommendation of the Board of Directors

The Company s Board of Directors recommends a vote FOR the ratification of the appointment of Ernst & Young LLP as the independent auditors for the Company for the current fiscal year ending December 28, 2012.

BOARD MEETINGS AND COMMITTEES; DIRECTOR INDEPENDENCE

The Board of Directors held eight meetings during the fiscal year ended December 30, 2011. No director attended fewer than 75% of the aggregate of all the meetings of the Board of Directors and the meetings of the committees, if any, upon which such director also served during the fiscal year ended December 30, 2011. It is the Company s policy to encourage directors to attend the Annual Meeting. All of the members of the Board of Directors attended the 2011 Annual Meeting. Each of the directors, except for Mr. Berglund, are independent directors as defined by Rule 5605(a)(2) of the Nasdaq Marketplace Rules.

Shareholder Communications with Directors

The Board of Directors has established a process to receive communications from shareholders. Shareholders of the Company may communicate with one or more of the Company s directors (including any board committee or group of directors) by mail in care of Board of Directors, Trimble Navigation Limited, 935 Stewart Drive, Sunnyvale, California 94085. Such communications should specify the intended recipient or recipients.

Board Leadership Structure; Oversight and Risk Management

The Company currently separates the positions of chief executive officer and chairman of the board. Our chairman of the board is responsible for setting the agenda for each Board meeting, in consultation with the chief executive officer, and presiding at executive sessions. The chairman of the board is also responsible for recommending committee assignments to the Nominating Committee. Our chief executive officer is responsible for the day-to-day operations of the Company.

The Board of Directors has overall responsibility for the oversight of risk management for the Company, and it exercises this oversight through committees and regular engagement with the Company s senior management. The Audit Committee has oversight of the Company s financial matters, internal controls, financial reporting and internal investigations relating to financial misconduct. The Compensation Committee has oversight of our compensation policies and practices, our Nominating Committee is responsible for the independence and qualification of the board members, and our Governance Committee is responsible for the Company s corporate governance principles. The committees report their activities back to the Board of Directors. In addition, members of the Company s senior management attend meetings of the Board of Directors to discuss strategic planning and risks and opportunities for the Company s business areas, in addition to answering any questions that the Board of Directors may raise.

Audit Committee

The Board of Directors has a separately-designated, standing Audit Committee, established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The Audit Committee is governed by a charter, a current copy of which is available on our corporate website at www.trimble.com, and is provided as Appendix A.

The current members of the Audit Committee are directors Hart, Parkinson, Peek, and Vande Steeg, and director Hart currently serves as the committee chairman. The Audit Committee held eight meetings during the 2011 fiscal year. The purpose of the Audit Committee is to make such examinations as are necessary to monitor the corporate financial reporting and the internal and external audits of the Company, to provide to the Board of Directors the results of its examinations and recommendations derived therefrom, to outline to the Board of Directors improvements made, or to be made, in internal accounting controls, to nominate independent auditors, and to provide such additional information as the committee may deem necessary to make the Board of Directors aware of significant financial matters which require the Board s attention.

All Audit Committee members are independent directors as defined by applicable Nasdaq Marketplace Rules and listing standards.

All members of the Audit Committee are financially sophisticated and are able to read and understand fundamental financial statements, including a balance sheet, income statement and cash flow statement. The Board of Directors has determined that director Hart is a financial expert as that term is defined in the rules promulgated by the SEC. In addition to serving as CEO and CFO of a venture capital firm, director Hart has reviewed and analyzed numerous companies financial statements in managing venture capital investment funds for more than 20 years. During his career, he has served on the board of directors of numerous public and privately held companies.

Compensation Committee

The Board of Directors has a standing Compensation Committee, comprised of directors Goodrich, Hart and Vande Steeg. Director Vande Steeg currently serves as the committee chairman. All Compensation Committee members are independent as defined by applicable Nasdaq Marketplace Rules and listing standards. The Compensation Committee is governed by a charter, a current copy of which is available on our corporate website at www.trimble.com. The Compensation Committee held four meetings during the 2011 fiscal year. The purpose of the Compensation Committee is to review and make recommendations to the full Board of Directors with respect to all forms of compensation to be paid or provided to the Company s executive officers. See Compensation Discussion and Analysis.

Governance Committee

As of January 2011, the Board of Directors established a standing Governance Committee (***Governance Committee***). The current members of the Governance Committee are directors Goodrich and Janow. Director Goodrich serves as committee chairman. The Governance Committee is governed by a charter that is posted on the Company s website at www.trimble.com. The purpose of the Governance Committee is to develop and recommend to the Board a set of corporate governance principles applicable to the Company; and to oversee the implementation of these principles. The Governance Committee met once during the 2011 fiscal year.

Nominating Committee

As of January 2011, the Board of Directors established a standing Nominating Committee (***Nominating Committee***). The current members of the Nominating Committee are directors Johansson, Goodrich, Hart and Parkinson. Director Johansson serves as committee chairman. The Nominating Committee is governed by a charter that is posted on the Company s website at www.trimble.com. The purpose of the Nominating Committee is to recommend to the Board of Directors individuals qualified to serve as directors of the Company, and on committees, and to advise the Board of Directors with respect to composition, procedures and committees. The Nominating Committee met once during the 2011 fiscal year.

The Nominating Committee will consider director candidates recommended by shareholders. In considering candidates submitted by shareholders, the Nominating Committee will take into consideration the needs of the Board of Directors and the qualifications of the candidate. To have a candidate be considered by the Nominating Committee, a shareholder must submit the recommendation in writing and the recommendation must include the following information:

- The name of the shareholder and evidence of the shareholder s ownership of Company shares, including the number of shares owned and the length of time of ownership; and

- The name of the candidate, the candidate s resume or a listing of his or her qualifications to be a director of the Company and the candidate s consent to be named as a director if selected by the Nominating Committee and nominated by the Board of Directors.

The shareholder recommendation and information described above must be sent to the Committee Chairman in care of the Corporate Secretary at Trimble Navigation Limited, 935 Stewart Drive, Sunnyvale, California 94085 and must be received by the Corporate Secretary not less than 120 days prior to the anniversary date of the Company s most recent proxy statement issued in connection with the Annual Meeting of Shareholders.

The Nominating Committee believes that the minimum qualifications for serving as a director of the Company are that a nominee demonstrate, possession of such knowledge, experience, skills, expertise, international background, personal and professional integrity, character, business judgment, time availability in light of other commitments, dedication, potential conflicts of interest and diversity so as to enhance the Board of Directors ability to manage and direct the affairs and business of the Company, including, when applicable, to enhance the ability of committees of the Board of Directors to fulfill their duties and/or to satisfy any independence requirements imposed by law, regulation or Nasdaq listing requirement.

The Nominating Committee identifies potential nominees by asking current directors and executive officers to notify the Nominating Committee if they become aware of persons, meeting the criteria described above, who have had a change in circumstances that might make them available to serve on the Board of Directors. The Nominating Committee also, from time to time, may engage firms that specialize in identifying director candidates and pay any corresponding fees for such services. As described above, the Nominating Committee will also consider candidates recommended by shareholders.

Once a person has been identified by the Nominating Committee as a potential candidate, the Nominating Committee may collect and review publicly available information regarding the candidate to assess whether the candidate should be considered further. If the Nominating Committee determines that the candidate warrants further consideration, the chairman or another member of the Nominating Committee contacts the candidate. Generally, if the person expresses a willingness to be considered and to serve on the Board of Directors, the Nominating Committee requests information from the candidate, reviews the candidate s accomplishments and qualifications, including in light of any other candidates that the Nominating Committee might be considering, and conducts one or more interviews with the candidate. In certain instances, Nominating Committee members may contact one or more references provided by the candidate or may contact other members of the business community or other persons that may have greater first-hand knowledge of the candidate s accomplishments. The Committee s evaluation process does not vary based on whether or not a candidate is recommended by a shareholder.

NON-EMPLOYEE DIRECTOR COMPENSATION

Non-employee directors received compensation according to the terms of the Board of Directors Compensation Policy (***Board Compensation Policy***). The description of the Board Compensation Policy below is qualified in its entirety by the text of the Board Compensation Policy, which was filed as exhibit 10.4 to the Company s Quarterly Report on Form 10-Q for the quarter ending July 1, 2011.

Under the Board Compensation Policy, each non-employee director receives an annual cash retainer of $44,000, payable on a quarterly basis, for the period starting July 1 and ending June 30 of each year. The current Board Compensation Policy was adopted on May 3, 2011, and the amount of the cash retainer was effective commencing in the Company s third fiscal quarter of 2011.

Non-employee directors also receive a cash fee of $2,000 for each board meeting attended in person and $500 for each board or committee meeting attended via telephone conference. Members of designated committees of the Board of Directors also receive a cash fee of $1,000 for each committee meeting that is not held within a day of a meeting of the full Board of Directors.

Non-employee directors are reimbursed for local travel expenses or paid a fixed travel allowance based on the distance to the meeting, and reimbursed for other necessary business expenses incurred in the performance of their services as directors of the Company. In addition, directors are eligible to participate in the Company s Non-Qualified Deferred Compensation Plan.

The Board Compensation Policy provides for the grant of nonstatutory stock options to each non-employee director of the Company (the ***Outside Directors***). Pursuant to the terms of the Board Compensation Policy, each Outside Director is granted an option to purchase 15,000 shares of Common Stock upon his or her initial appointment to the Board of Directors. Thereafter, each year, each Outside Director receives an additional option grant to purchase 15,000 shares, upon re-election at the Annual Meeting. Outside Director options have an exercise price equal to the closing price of Common Stock on the date of grant, vest monthly over a period of one year, and have a seven-year term.

Non-Employee Director Compensation Table

Except as noted below, the table below shows the compensation earned by each of the persons serving on the Board of Directors in the fiscal year ending December 30, 2011.

Director Compensation for the 2011 Fiscal Year (1)

Name	Fees Earned in Cash (2)	Stock Option Grants (3)(4)	Total
John B. Goodrich	$ 57,500	$ 228,600	$ 286,100
William Hart	$ 60,500	$ 228,600	$ 289,100
Merit E. Janow	$ 54,000	$ 228,600	$ 282,600
Ulf J. Johansson	$ 57,000	$ 228,600	$ 285,600
Ronald S. Nersesian	$ 9,500	$ 219,450	$ 228,950
Bradford W. Parkinson	$ 59,500	$ 228,600	$ 288,100
Mark S. Peek	$ 58,500	$ 228,600	$ 287,100
Nickolas W. Vande Steeg	$ 60,000	$ 228,600	$ 288,600

(1) Steven W. Berglund, the Company s president & chief executive officer, receives no additional compensation for his service on the Board of Directors. Mr. Berglund s compensation for service as president & chief executive officer is reported in the Summary Compensation Table and described in the Compensation Discussion and Analysis.

(2) For each director, the fees shown in this column include a cash retainer, paid quarterly, plus fees for each meeting of the Board of Directors and also fees for meetings of the committees on which each director serves, provided that such committee meetings do not occur within one day as a regularly scheduled meeting of the Board of Directors. Mr. Nersesian joined the Board of Directors in November 2011.

(3) Represents the aggregate grant date fair value of the stock options, calculated pursuant to FASB ASC Topic 718. Except for Director Nersesian, who was appointed to the Board of Directors in November 2011, each director in the table was granted an option to purchase 15,000 shares of the Company s common stock in connection with such director s re-election at the 2011 Annual Meeting of Shareholders, in accordance with the Company s Board Compensation Policy. Mr. Nersesian was granted an option to purchase 15,000 shares of the Company s common stock in connection with his initial appointment to the Board of Directors.

(4) As of December 30, 2011, the directors held options to purchase shares of the Company s Common Stock as follows: Mr. Goodrich, 110,000 options; Mr. Hart, 125,000 options; Ms. Janow, 60,000 options; Mr. Johansson, 140,000 options; Mr. Nersesian, 15,000 options; Mr. Parkinson, 46,667 options; Mr. Peek, 30,000 options; Mr. Vande Steeg, 95,000 options.

EXECUTIVE COMPENSATION

The executive compensation section of the proxy statement contains information about the Company s compensation policies and practices, and the application of those policies and practices with respect to our Named Executive Officers. Under the SEC rules, the Company s ***Named Executive Officers*** are the Company s chief executive officer, chief financial officer, and the three other officers who received the highest amounts of compensation during the 2011 fiscal year. The following is a brief description of each part of our Executive Compensation section:

Compensation Committee Report. This section contains a report of the Compensation Committee of our Board of Directors regarding the Compensation Discussion and Analysis section of the proxy statement.

Compensation Committee Interlocks and Insider Participation. This section contains information concerning certain types of relationships involving our Compensation Committee members.

Compensation Discussion and Analysis. This section describes the elements of the Company s compensation policies and the application of those policies to our Named Executive Officers.

Executive Compensation Tables. This section describes the amounts or values and types of compensation earned by our Named Executive Officers.

Post-Employment Compensation. This section describes certain benefits and payments that our Named Executive Officers would be eligible for in the event of a change in control event, or, in the case of our Non-Qualified Deferred Compensation Plan, payments that a Named Executive Officer may receive following termination of employment.

Tax and Accounting Treatment; Other Information. This section describes the tax treatment of certain elements of compensation, and a description of certain information about the Company s equity plans.

Compensation Committee Report

The information contained in this Compensation Committee Report shall not be deemed to be soliciting material or filed or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, except to the extent that it is specifically incorporated by reference into a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934.

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with the Company s management, and has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company s proxy statement.

Submitted by the Compensation Committee of the Company s Board of Directors,

John B. Goodrich, *Member* Compensation Committee	William Hart, *Member* Compensation Committee	Nickolas W. Vande Steeg, *Chairman* Compensation Committee

Also submitted by the Company s Board of Directors other than with respect to the Tax and Accounting Treatment section of the Compensation Discussion and Analysis,

Steven W. Berglund Merit E. Janow Ulf J. Johansson Ronald S. Nersesian Bradford W. Parkinson Mark S. Peek

Compensation Committee Interlocks and Insider Participation

John B. Goodrich, William Hart and Nickolas Vande Steeg are the current members of the Company s Compensation Committee, and were members of such committee during the 2011 fiscal year. Since 1998, Mr. Goodrich has served as the Company s corporate secretary; however, he is not, and has never been an employee of the Company. None of our executive officers serves on the board of directors or compensation committee of a company that has an executive officer that serves on our Board of Directors or the Compensation Committee.

Compensation Discussion and Analysis

This section of the proxy statement describes the Company s compensation practices and policies with respect to its Named Executive Officers.

Roles and Responsibilities

The Compensation Committee of the Board of Directors (the ***Compensation Committee***) reviews and recommends the general compensation practices of the Company, including the compensation plans and specific compensation levels for executive officers of the Company. The Compensation Committee engaged Compensia, Inc. (***Compensia***) as its independent compensation consultant to advise it on matters related to executive compensation. Compensia provides independent expertise in executive compensation issues including competitive market pay analysis for executives, advice on executive pay practices as well as peer group selection.

The scope of Compensia s engagement includes the review and analysis of the Company s compensation for the Named Executive Officers, and the review of the Company s compensation peer group. The terms of Compensia s engagement include reporting directly to the Compensation Committee and to the Compensation Committee chairman. Compensia also coordinates with the Company s management for data collection and job matching for the Named Executive Officers. Compensia does not provide any other services to the Company.

Compensia provided compensation benchmark data directly to the Compensation Committee as well as to members of the Company s management team. The chief executive officer utilized the benchmark data provided by Compensia to assist in the determination of compensation recommendations for the Named Executive Officers, excluding himself, to the Compensation Committee and the Board of Directors.

The Compensation Committee believes that it is important to involve the full Board of Directors in the analysis and approval of compensation for executive officers, and may consult with members of management and other members of the Board of Directors. The Compensation Committee also engages in discussion of compensation matters during board meetings.

Compensation Program Objectives

The guiding principles of the Company s compensation program objectives are to:

- Establish compensation that is competitive, rewards performance and maintains internal equity;
- Attract, motivate and retain highly talented executive officers by providing compensation opportunities that are competitive and reward for performance; and
- Align interests of executives with shareholders by creating long-term shareholder value

The main elements of the Company s compensation policies for its Named Executive Officers, and the purposes for each element, are summarized in the table below.

Element	**Form of Compensation**	**Purpose**	
June 30, 2015	December 31, 2014		
Leasehold improvements	$	38,867	$39,132
Machinery and equipment		83,024	90,657
Computers and software		8,847	8,946
Furniture and office equipment		2,383	2,445
Buildings		5,411	6,321
Vehicles		289	353
Construction in progress		36,815	38,815
		175,636	186,669
Less: accumulated depreciation and amortization		(71,653)	(67,689)
Property, plant and equipment, net	$	103,983	$118,980

The Company's first, purpose-built, large-scale Biofene production plant in southeastern Brazil commenced operations in December 2012. This plant is located at Brotas in the state of São Paulo, Brazil and is adjacent to an existing sugar and ethanol mill, Tonon Bioenergia S.A. (or “Tonon”) (formerly Paraíso Bioenergia). The Company's construction in progress consists primarily of the upfront plant design and the initial construction of a second large-scale production plant in Brazil, located at the São Martinho sugar and ethanol mill (also in the state of São Paulo, Brazil). Refer to Note 7 “Joint Ventures and Noncontrolling interest” for details of the status of the construction in progress.

Property, plant and equipment, net includes $1.0 million and $4.1 million of machinery and equipment under capital leases as of June 30, 2015 and December 31, 2014, respectively. Accumulated amortization of assets under capital leases totaled $0.1 million and $2.3 million as of June 30, 2015 and December 31, 2014, respectively.

Depreciation and amortization expense, including amortization of assets under capital leases was $3.4 million and $3.7 million for the three months ended June 30, 2015 and 2014, respectively, and was $6.8 million and $7.5 million for the six months ended June 30, 2015 and 2014, respectively.

Other Assets (non-current)

Other assets are comprised of the following (in thousands):

	June 30, 2015	December 31, 2014
Deposits on property and equipment, including taxes	$1,059	$1,738
Recoverable taxes from Brazilian government entities	8,411	9,747
Debt issuance costs	914	851
Other	1,342	1,299
Total other assets	$11,726	$13,635

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Accrued and Other Current Liabilities

Accrued and other current liabilities are comprised of the following (in thousands):

	June 30, 2015	December 31, 2014
Professional services	$4,446	$ 2,015
Accrued vacation	2,238	2,213
Payroll and related expenses	3,403	5,393
Tax-related liabilities	729	277
Deferred rent, current portion	1,111	1,111
Accrued interest	1,213	1,308
Contractual obligations to contract manufacturers	137	310
Commitment loan fee	750	—
Other	761	938
Total accrued and other current liabilities	$ 14,788	$ 13,565

Derivative Liabilities

Derivative liabilities are comprised of the following (in thousands):

	June 30, 2015	December 31, 2014
Fair market value of swap obligation	$4,385	$ 3,710
Fair value of compound embedded derivative liabilities[(1)]	43,428	56,026
Total derivative liabilities	$47,813	$ 59,736

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(1) The compound embedded derivative liabilities represent the fair value of the bifurcated conversion options included in the outstanding Total Notes, Tranche I Notes, Tranche II Notes and the Rule 144A Convertible Note Offering (see Note 3, "Fair value of financial instruments" and Note 5, "Debt").

5. Debt

Debt is comprised of the following (in thousands):

	June 30, 2015	December 31, 2014
FINEP credit facility	$1,219	$1,614
BNDES credit facility	3,078	4,314
Hercules loan facility	27,318	29,779
Total credit facilities	31,615	35,707
Convertible notes	63,331	60,418
Related party convertible notes	172,393	115,239
Loans payable	16,642	21,097
Total debt	283,981	232,461
Less: current portion	(21,394)	(17,100)
Long-term debt	$262,587	$215,361

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FINEP Credit Facility

In November 2010, the Company entered into a credit facility with Financiadora de Estudos e Projetos (or the "FINEP Credit Facility"). The FINEP Credit Facility was extended to partially fund expenses related to the Company's research and development project on sugarcane-based biodiesel (or the "FINEP Project") and provided for loans of up to an aggregate principal amount of R$6.4 million (approximately US$2.1 million based on the exchange rate as of June 30, 2015), which is secured by a chattel mortgage on certain equipment of Amyris Brasil as well as by bank letters of guarantee. All available credit under this facility is fully drawn.

Interest on loans drawn under the FINEP Credit Facility is fixed at 5% per annum. In case of default under or non-compliance with the terms of the agreement, the interest on loans will be dependent on the long-term interest rate as published by the Central Bank of Brazil (such rate, the "TJLP"). If the TJLP at the time of default is greater than 6%, then the interest will be 5% plus a TJLP adjustment factor, otherwise the interest will be 11% per annum. In addition, a fine of up to 10% shall apply to the amount of any obligation in default. Interest on late balances will be 1% per month, levied on the overdue amount. Payment of the outstanding loan balance is being made in 81 monthly installments, which commenced in July 2012 and extends through March 2019. Interest on loans drawn and other charges are paid on a monthly basis and commenced in March 2011. As of June 30, 2015 and December 31, 2014, the total outstanding loan balance under the FINEP Credit Facility was R$3.8 million (approximately US$1.2 million based on the exchange rate as of June 30, 2015) and R$4.3 million (approximately US$1.6 million based on exchange rate as of December 31, 2014), respectively.

The FINEP Credit Facility contains the following significant terms and conditions:

- the Company was required to share with FINEP the costs associated with the FINEP Project. At a minimum, the Company was required to contribute from its own funds approximately R$14.5 million (approximately US$4.7 million based on the exchange rate as of June 30, 2015) of which R$11.1 million was contributed prior to the release of the second disbursement. All four disbursements were completed and the Company has fulfilled all of its cost sharing obligations;
- after the release of the first disbursement, prior to any subsequent drawdown from the FINEP Credit Facility, the Company was required to provide bank letters of guarantee of up to R$3.3 million in aggregate (approximately US$1.1 million based on the exchange rate as of June 30, 2015). On December 17, 2012 and prior to release of the second disbursement on December 26, 2012, the Company obtained the required bank letter of guarantees from Banco ABC Brasil S.A. (or "ABC"); and
- amounts disbursed under the FINEP Credit Facility were required to be used towards the FINEP Project within 30 months after the contract execution.

BNDES Credit Facility

In December 2011, the Company entered into a credit facility with the Brazilian Development Bank (or "BNDES" and such credit facility is the "BNDES Credit Facility") in the amount of R$22.4 million (approximately US$7.2 million based on the exchange rate as of June 30, 2015). This BNDES Credit Facility was extended as project financing for a production site in Brazil. The credit line is divided into an initial tranche of up to approximately R$19.1 million and an additional tranche of approximately R$3.3 million that becomes available upon delivery of additional guarantees. The credit line was available for 12 months from the date of the BNDES Credit Facility, subject to extension by the lender. The credit line was cancelled in 2013.

The principal of the loans under the BNDES Credit Facility is required to be repaid in 60 monthly installments, with the first installment paid in January 2013 and the last due in December 2017. Interest was due initially on a quarterly basis with the first installment due in March 2012. From and after January 2013, interest payments are due on a monthly basis together with principal payments. The loaned amounts carry interest of 7% per annum. Additionally, there is a credit reserve charge of 0.1% on the unused balance from each credit installment from the day immediately after it is made available through its date of use, when it is paid.

The BNDES Credit Facility is collateralized by a first priority security interest in certain of the Company's equipment and other tangible assets totaling R$24.9 million (approximately $8.0 million based on the exchange rate as of June 30, 2015). The Company is a parent guarantor for the payment of the outstanding balance under the BNDES Credit Facility. Additionally, the Company was required to provide a bank guarantee equal to 10% of the total approved amount (R$22.4 million in total debt) available under the BNDES Credit Facility. For advances of the second tranche (above R$19.1 million), the Company is required to provide additional bank guarantees equal to 90% of each such advance, plus additional Company guarantees equal to at least 130% of such advance. The BNDES Credit Facility contains customary events of default, including payment failures, failure to satisfy other obligations under this credit facility or related documents, defaults in respect of other indebtedness, bankruptcy, insolvency and inability to pay debts when due, material judgments, and changes in control of Amyris Brasil. If any event of default occurs, BNDES may terminate its commitments and declare immediately due all borrowings under the facility. As of June 30, 2015 and December 31, 2014, the Company had R$9.6 million (approximately US$3.1 million based on the exchange rate as of June 30, 2015) and R$11.5 million (approximately US$4.3 million based on the exchange rate as of December 31, 2014), respectively, in outstanding advances under the BNDES Credit Facility.

Hercules Loan Facility

In March 2014, the Company entered into a Loan and Security Agreement with Hercules Technology Growth Capital, Inc. (or "Hercules") to make available to Amyris a loan in the aggregate principal amount of up to $25.0 million (or the "Hercules Loan Facility"). The original Hercules Loan Facility accrues interest at a rate per annum equal to the greater of either the prime rate reported in the Wall Street Journal plus 6.25% or 9.50%. The Company may repay the loaned amounts before the maturity date (generally February 1, 2017) if it pays an additional fee of 3% of the outstanding loans (1% if after the initial twelve-month period of the loan). The Company was also required to pay a 1% facility charge at the closing of the transaction, and is required to pay a 10% end of term charge. In connection with the original Hercules Loan Facility, Amyris agreed to certain customary representations and warranties and covenants, as well as certain covenants that were subsequently amended (as described below). The total available credit of $25.0 million under this facility was fully drawn down by the Company.

In June 2014, the Company and Hercules entered into a first amendment (or the "First Hercules Amendment") of Hercules Loan Facility. Pursuant to the First Hercules Amendment, the parties agreed to adjust the term loan maturity date from May 31, 2015 to February 1, 2017 and remove (i) a requirement for the Company to pay a forbearance fee of $10.0 million in the event certain covenants were not satisfied, (ii) a covenant that the Company maintain positive cash flow commencing with the fiscal quarter beginning October 1, 2014, (iii) a covenant that, beginning with the fiscal quarter beginning July 1, 2014, the Company and its subsidiaries achieve certain projected cash product revenues and projected cash product gross profits, and (iv) an obligation for the Company to file a registration statement on Form S-3 with the SEC by no later than June 30, 2014 and complete an equity financing of more than $50.0 million by no later than September 30, 2014. The Company further agreed to include a new covenant requiring the Company to maintain unrestricted, unencumbered cash in an amount equal to at least 50% of the principal amount then outstanding under the Hercules Loan Facility and borrow an additional $5.0 million. The additional $5.0 million borrowing was completed in June 2014, and accrues interest at a rate per annum equal to the greater of either the prime rate reported in the Wall Street Journal plus 5.25% or 8.5%. The Hercules Loan Facility is secured by liens on the Company's assets, including on certain Company intellectual property. The Hercules Loan Facility includes customary events of default, including failure to pay amounts due, breaches of covenants and warranties, material adverse effect events, certain cross defaults and judgments, and insolvency. If an event of default occurs, Hercules may require immediate repayment of all amounts due.

In March 2015, the Company and Hercules entered into a second amendment (or the "Second Hercules Amendment") of the Hercules Loan Facility. Pursuant to the Second Hercules Amendment, the parties agreed to, among other things, establish an additional credit facility in the principal amount of up to $15.0 million, which would be available to be drawn by the Company at its sole election (in increments of $5.0 million) through the earlier of March 31, 2016 or such time as the Company raises an aggregate of at least $20.0 million through the sale of new equity securities, subject to certain conditions, including the receipt of third party consents and a requirement to first make certain draw-downs under an equity line of credit that the Company previously secured (to the extent the Company is permitted to do so under the terms thereof). Commencing with the quarter in which the Company borrows any amounts under this additional facility, the Company becomes subject to a covenant to achieve certain amounts of product revenues. Under the terms of the Second Hercules Amendment, the Company agreed to pay Hercules a 3.0% facility availability fee on April 1, 2015. If the facility is not canceled, and any outstanding borrowings are not repaid, before June 30, 2015, an additional 5.0% facility fee becomes payable on June 30, 2015. The Company has the ability to cancel the additional facility at any time prior to June 30, 2015 at its own option, and the additional facility would terminate upon the Company securing a new equity financing of at least $20.0 million. Any amounts drawn under the Second Hercules Amendment would accrue interest at a rate per annum equal to the greater of either the prime rate reported in the Wall Street Journal plus 6.25% or 9.5% and would be payable on a monthly basis. Additionally, the Company would be required to pay an end of term charge of 10.0% of any amounts drawn under the facility. Any amounts drawn under the Second Hercules Amendment would be secured by the same liens provided for in the original Hercules Agreement and the First Hercules Amendment, including a lien on certain Company intellectual property.

As of June 30, 2015, $27.3 million was outstanding under the Hercules Loan Facility, net of discount of $0.2 million. The Company's loan facility with Hercules requires the Company to maintain unrestricted, unencumbered cash in an amount equal to at least 50% of the principal amount outstanding under such facility, and to pay $0.8 million if the Company had not canceled or repaid any amounts drawn on the additional credit line issued under the facility or raised at least $20 million of new equity financing by June 30, 2015. The Company received a waiver from Hercules with respect to non-compliance with such covenants. As of the date of issuance of this report, the Company is in compliance with all its debt agreements.

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Convertible Notes

Fidelity

In February 2012, the Company completed the sale of senior unsecured convertible promissory notes in an aggregate principal amount of $25.0 million pursuant to a securities purchase agreement, between the Company and certain investment funds affiliated with FMR LLC (or the "Fidelity Securities Purchase Agreement"). The offering consisted of the sale of 3% senior unsecured convertible promissory notes with a March 1, 2017 maturity date and an initial conversion price equal to $7.0682 per share of the Company's common stock, subject to proportional adjustment for adjustments to outstanding common stock and anti-dilution provisions in case of dividends and distributions (or the "Fidelity Notes"). As of June 30, 2015, the Fidelity Notes were convertible into an aggregate of up to 3,536,968 shares of the Company's common stock. Such note holders have a right to require repayment of 101% of the principal amount of the Fidelity Notes in an acquisition of the Company, and the notes provide for payment of unpaid interest on conversion following such an acquisition if the note holders do not require such repayment. The Fidelity Securities Purchase Agreement and Fidelity Notes include covenants regarding payment of interest, maintaining the Company's listing status, limitations on debt, maintenance of corporate existence, and filing of SEC reports. The Fidelity Notes include standard events of default resulting in acceleration of indebtedness, including failure to pay, bankruptcy and insolvency, cross-defaults, material adverse effect clauses and breaches of the covenants in the Fidelity Securities Purchase Agreement and Fidelity Notes, with default interest rates and associated cure periods applicable to the covenant regarding SEC reporting. Furthermore, the Fidelity Notes include restrictions on the amount of debt the Company is permitted to incur. With exceptions for certain existing debt, refinancing of such debt and certain other exclusions and waivers, the Fidelity Notes provide that the Company's total outstanding debt at any time cannot exceed the greater of $200.0 million or 50% of its consolidated total assets and its secured debt cannot exceed the greater of $125.0 million or 30% of its consolidated total assets. In connection with the Company's closing of a short-term bridge loan for $35.0 million in October 2013, holders of the Fidelity Notes waived compliance with the debt limitations outlined above as to the $35.0 million bridge loan (or the "Temasek Bridge Note") and the August 2013 Financing (defined below). In consideration for such waiver, the Company granted to holders of the Fidelity Notes or their affiliates, the right to purchase up to an aggregate of $7.6 million worth of convertible promissory notes in the first tranche of the August 2013 Financing.

Pursuant to a Securities Purchase Agreement among the Company, Maxwell (Mauritius) Pte Ltd (or "Temasek") and Total, dated as of August 8, 2013 (or the "August 2013 SPA"), as amended in October 2013 to include certain entities affiliated with FMR LLC (or the "Fidelity Entities") the Company sold and issued certain senior convertible promissory notes (or the "Tranche I Notes") pursuant to a financing (or the "August 2013 Financing") exempt from registration under the Securities Act of 1933, as amended, (the "Securities Act") with an aggregate principal amount of $7.6 million of Tranche I Notes sold to the Fidelity Entities. See "Related Party Convertible Notes" in Note 5, "Debt."

Rule 144A Convertible Note Offering

In May 2014, the Company entered into a Purchase Agreement with Morgan Stanley & Co. LLC, as the initial purchaser (or the “Initial Purchaser”), relating to the sale of $75.0 million aggregate in principal amount of its 6.50% Convertible Senior Notes due 2019 (or the "144A Notes") to the Initial Purchaser in a private placement, and for initial resale by the Initial Purchaser to certain qualified institutional buyers (or the "Rule 144A Convertible Note Offering"). In addition, the Company granted the Initial Purchaser an option to purchase up to an additional $15.0 million aggregate principal amount of 144A Notes, which option expired according to its terms. Under the terms of the purchase agreement for the 144A Notes, the Company agreed to customary indemnification of the Initial Purchaser against certain liabilities. The Notes were issued pursuant to an Indenture, dated as of May 29, 2014 (or the “Indenture”), between the Company and Wells Fargo Bank, National Association, as trustee. The net proceeds from the offering of the 144A Notes were approximately $72.0 million after payment of the Initial Purchaser’s discounts and offering expenses. In addition, in connection with obtaining a waiver from Total of its preexisting contractual right to exchange certain senior secured convertible notes previously issued by the Company for new notes issued in the offering, the Company used approximately $9.7 million of the net proceeds to repay previously issued notes (representing the amount of 144A Notes purchased by Total from the Initial Purchaser). Certain of the Company's affiliated entities purchased $24.7 million in aggregate principal amount of 144A Notes from the Initial Purchaser (described further below under "Related Party Convertible Notes"). The 144A Notes will bear interest at a rate of 6.50% per year, payable semiannually in arrears on May 15 and November 15 of each year, beginning November 15, 2014. The 144A Notes will mature on May 15, 2019 unless earlier converted or repurchased. The 144A Notes are convertible into shares of the Company's common stock at any time prior to the close of business day on May 15, 2019. The 144A Notes have an initial conversion rate of 267.0370 shares of Common Stock per $1,000 principal amount of 144A Notes (subject to adjustment in certain circumstances). This represents an initial effective conversion price of approximately $3.74 per share of common stock. For any conversion on or after May 15, 2015, in the event that the last reported sale price of the Company’s common stock for 20 or more trading days (whether or not consecutive) in a period of 30 consecutive trading days ending within five trading days immediately prior to the date the Company receives a notice of conversion exceeds the conversion price of $3.74 per share on each such trading day, the holders, in addition to the shares deliverable upon conversion, will be entitled to receive a cash payment equal to the present value of the remaining scheduled payments of interest that would have been made on the 144A Notes being converted from the conversion date to the earlier of the date that is three years after the date the Company receives such notice of conversion and maturity (May 15, 2019). In the event of a fundamental change, as defined in the Indenture, holders of the 144A Notes may require the Company to purchase all or a portion of the 144A Notes at a price equal to 100% of the principal amount of the 144A Notes, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date. Holders of the 144A Notes who convert their 144A Notes in connection with a make-whole fundamental change will receive additional shares representing the present value of the remaining interest payments which will be computed using a discount rate of 0.75%. If a holder of 144A Notes elects to convert their 144A Notes prior to the effective date of any make-whole fundamental change, such holder will not be entitled to an increased conversion rate in connection with such conversion.

As of June 30, 2015, the convertible 144A Notes outstanding were $32.1 million, net of discount of $18.2 million. See Note 18, “Subsequent Events,” for information regarding changes since June 30, 2015 to the maturity treatment of certain of the 144A Notes held by Total and Temasek.

Related Party Convertible Notes

Total R&D Convertible Notes

In July 2012, the Company entered into an agreement with Total that expanded Total's investment in its Biofene collaboration with the Company, provided new structure for a joint venture (or the "Fuels JV") to commercialize the products encompassed by the diesel and jet fuel research and development program (or the "Program"), and established a convertible debt structure for the collaboration funding from Total (or the "July 2012 Agreements").

The purchase agreement for the notes related to the funding from Total (or the “Total Purchase Agreement”) provided for the sale of the Total Notes consisting of an aggregate of $105.0 million in 1.5% Senior Unsecured Convertible Note due March 2017 as follows:

- As part of an initial closing under the Total Purchase Agreement (which was completed in two installments), (i) on July 30, 2012, the Company sold a Total Note with a principal amount of $38.3 million, including $15.0 million in new funds and $23.3 million in previously-provided diesel research and development funding by Total, and (ii) on September 14, 2012, the Company sold another Total Note for $15.0 million in new funds from Total.
- At a second closing under the Total Purchase Agreement (also completed in two installments) the Company sold additional Total Notes for an aggregate of $30.0 million in new funds from Total ($10.0 million in June 2013 and $20.0 million in July 2013).
- At a third closing under the Total Purchase Agreement (also completed in two installments) the Company sold additional Total Notes for an aggregate of $21.7 million in new funds from Total ($10.85 million in July 2014 and $10.85 million in January 2015) (or the “Third Closing Notes”).

The Total Notes have a maturity date of March 1, 2017, an initial conversion price equal to $7.0682 per share for the Total Notes issued under the initial closing, an initial conversion price equal to $3.08 per share for the Total Notes issued under the second closing and an initial conversion price equal to $4.11 per share for the Third Closing Notes. The Total Notes bear interest of 1.5% per annum (with a default rate of 2.5%), accruing from the date of funding and payable at maturity or on conversion or a change of control where Total exercises the right to require the Company to repay the notes. Accrued interest is partially or fully cancelled if the Total Notes are cancelled based on a final decision by Total to go forward with the fuels collaboration (either partially with respect to jet fuel or fully with respect to jet fuel and diesel (a “Go” decision) (see Note 8, "Significant Agreements"). The agreements contemplate that the research and development efforts under the Program may extend through 2016, with a series of “Go/No Go” decisions (see Note 8, "Significant Agreements") by Total through such date tied to funding by Total.

The Total Notes become convertible into the Company's common stock (i) within 10 trading days prior to maturity (if they are not cancelled as described above prior to their maturity date), (ii) on a change of control of the Company, (iii) if Total is no longer the largest stockholder of the Company following a “No-Go” decision (subject to a six-month lock-up with respect to any shares of common stock issued upon conversion), and (iv) on a default by the Company. If Total makes a final “Go” decision with respect to the full fuels collaboration, then the Total Notes will be exchanged by Total for equity interests in the Fuels JV, after which the Total Notes will not be convertible and any obligation to pay principal or interest on the Total Notes will be extinguished. In case of a “Go” decision only with respect to jet fuel, the parties would form an operational joint venture only for jet fuel (and the rights associated with diesel would terminate), 70% of the outstanding Total Notes would remain outstanding and become payable by the Company, and 30% of the outstanding Total Notes would be cancelled. If Total makes a “No-Go” decision, outstanding Total Notes will remain outstanding and become payable at maturity.

In connection with the December 2012 private placement of the Company’s common stock involving certain existing stockholders of the Company (see Note 10, "Stockholders' Equity"), Total elected to participate in the private placement by exchanging approximately $5.0 million of its $53.3 million in Total Notes issued in the initial closing into 1,677,852 of the Company's common stock at a price of $2.98 per share. As such, $5.0 million of Total's outstanding $53.3 million in Total Notes issued in the initial closing was cancelled. The cancellation of the debt was treated as an extinguishment of debt in accordance with the guidance outlined in ASC 470-50. As a result of the exchange and cancellation of the $5.0 million debt the Company recorded a loss from extinguishment of debt of $0.9 million in the year ended December 31, 2012.

In March 2013, the Company entered into a letter agreement with Total (or the “March 2013 Letter Agreement”) under which Total agreed to waive its right to cease its participation in the parties' fuels collaboration at the July 2013 decision point and committed to proceed with the second closing under the Total Purchase Agreement (subject to the Company's satisfaction of the relevant closing conditions for such funding in the Total Purchase Agreement). As consideration for this waiver and commitment, the Company agreed to:

- reduce the conversion price for the $30.0 million in principal amount of Total Notes to be issued in connection with the second closing of the Total Notes (as described above) from $7.0682 per share to a price per share equal to the greater of (i) the consolidated closing bid price of the Company's common stock on the date of the March 2013 Letter Agreement, plus $0.01, and (ii) $3.08 per share, provided that the conversion price would not be reduced by more than the maximum possible amount permitted under the rules of The NASDAQ Stock Market (or “NASDAQ”) such that the new conversion price would require the Company to obtain stockholder consent; and
- grant Total a senior security interest in the Company's intellectual property, subject to certain exclusions and subject to release by Total when the Company and Total enter into final documentation regarding the establishment of the Fuels JV.

In addition to the waiver by Total described above, Total also agreed that, at the Company's request and contingent upon the Company meeting its obligations described above, it would pay advance installments of the amounts otherwise payable at the second closing.

In June 2013, the Company sold and issued $10.0 million in principal amount of Total Notes to Total pursuant to the second closing of the Total Notes as discussed above. In accordance with the March 2013 Letter Agreement, this Total Note has an initial conversion price equal to $3.08 per share of the Company's common stock.

In July 2013, the Company sold and issued $20.0 million in principal amount of Total Notes to Total pursuant to the second closing of the Total Notes as discussed above. This purchase and sale completed Total's commitment to purchase $30.0 million of the Total Notes in the second closing by July 2013. In accordance with the March 2013 Letter Agreement, this Total Note has an initial conversion price equal to $3.08 per share of the Company's common stock.

The conversion prices of the Total Notes are subject to adjustment for proportional adjustments to outstanding common stock and under anti-dilution provisions in case of certain dividends and distributions. Total has a right to require repayment of 101% of the principal amount of the Total Notes in the event of a change of control of the Company and the Total Notes provide for payment of unpaid interest on conversion following such a change of control if Total does not require such repayment. The Total Purchase Agreement and Total Notes include covenants regarding payment of interest, maintenance of the Company's listing status, limitations on debt, maintenance of corporate existence, and filing of SEC reports. The Total Notes include standard events of default resulting in acceleration of indebtedness, including failure to pay, bankruptcy and insolvency, cross-defaults, and breaches of the covenants in the Total Purchase Agreement and Total Notes, with added default interest rates and associated cure periods applicable to the covenant regarding SEC reporting. Furthermore, the Total Notes include restrictions on the amount of debt the Company is permitted to incur. With exceptions for certain existing debt, refinancing of such debt and certain other exclusions and waivers, the Total Notes provide that the Company's total outstanding debt at any time cannot exceed the greater of $200.0 million or 50% of its consolidated total assets and its secured debt cannot exceed the greater of $125.0 million or 30% of its consolidated total assets. In connection with the Company’s closing of the Temasek Bridge Note for $35.0 million and the August 2013 Financing and in connection with the Rule 144A Convertible Note Offering in May 2014, Total waived compliance with the debt limitations outlined above as to the Temasek Bridge Note, the August 2013 Financing and the Rule 144A Convertible Note Offering.

In December 2013, in connection with the Company's entry into a Shareholders Agreement dated December 2, 3013 and License Agreement dated December 2, 2013 (or, collectively, the “JV Documents”) with Total and Total Amyris BioSolutions B.V. (or “JVCO”) relating to the establishment of JVCO (see Note 7, "Joint Ventures and Noncontrolling Interest"), the Company (i) exchanged the $69.0 million of the then-outstanding Total Notes issued pursuant to the Total Purchase Agreement for replacement 1.5% senior secured convertible notes, in principal amounts equal to the principal amount of each cancelled note (or the “Replacement Notes”) or, when referencing Replacement Notes outstanding as of June 30, 2015 sometimes referred to the Total Notes), ii) granted to Total a security interest in and lien on all Amyris’ rights, title and interest in and to Company’s shares in the capital of JVCO and (iii) agreed that any securities to be purchased and sold at the third closing under the Total Purchase Agreement by Total shall be Replacement Notes instead of Total Notes. As a consequence of executing the JV Documents and forming JVCO, the security interest in all of the Company's intellectual property, granted by the Company in favor of Total, Temasek, and certain Fidelity Entities pursuant to the Restated Intellectual Property Security Agreement dated as of October 16, 2013, were automatically terminated effective as of December 2, 2013 upon Total’s and the Company’s joint written notice to Temasek and the Fidelity Entities.

In April 2014, the Company and Total entered into a letter agreement dated as of March 29, 2014 (or the “March 2014 Total Letter Agreement”) to amend the Amended and Restated Master Framework Agreement entered into as of December 2, 2013 (included as part of JV Documents) and the Total Purchase Agreement. Under the March 2014 Total Letter Agreement, the Company agreed to, (i) amend the conversion price of the Replacement Notes to be issued in the third closing under the Total Purchase Agreement from $7.0682 per share to $4.11 per share subject to stockholder approval at the Company's 2014 annual meeting (which was obtained in May 2014), (ii) extend the period during which Total may exchange for other Company securities Replacement Notes issued under the July 2012 Agreements from June 30, 2014 to the later of December 31, 2014 and the date on which the Company shall have raised $75.0 million of equity and/or convertible debt financing (excluding any convertible promissory notes issued pursuant to the Total Purchase Agreement), (iii) eliminate the Company’s ability to qualify, in a disclosure letter to Total, certain of the representations and warranties that the Company must make at the closing of any third closing sale, and (iv) beginning on March 31, 2014, provide Total with monthly reporting on the Company’s cash, cash equivalents and short-term investments. In consideration of these agreements, Total agreed to waive its right not to consummate the closing of the issuance of the Third Closing Notes if it had decided not to proceed with the collaboration and had made a "No-Go" decision with respect thereto.

In July 2014, the Company sold and issued a Replacement Note to Total with a principal amount of $10.85 million with a March 1, 2017 maturity date pursuant to the Total Purchase Agreement. This purchase and sale constituted the initial installment of the $21.7 million third closing described above. In accordance with the March 2014 Total Letter Agreement, this convertible note has an initial conversion price equal to $4.11 per share of the Company's common stock.

In January 2015, the Company sold and issued a Replacement Note to Total with a principal amount of $10.85 million with a March 1, 2017 maturity date pursuant to the Total Purchase Agreement. This purchase and sale constituted the final installment of the $21.7 million third closing described above. In accordance with the March 2014 Total Letter Agreement, this convertible note has an initial conversion price equal to $4.11 per share of the Company's common stock.

As of June 30, 2015 and December 31, 2014, $74.0 million and $51.0 million, respectively, of Replacement Notes were outstanding, net of debt discount of $1.0 million and $13.1 million, respectively.

See Note 18, “Subsequent Events,” for information regarding changes since June 30, 2015 to the Total Notes.

August 2013 Financing Convertible Notes and 2013 Bridge Note

In connection with the August 2013 Financing, the Company entered into the August 2013 SPA with Total and Temasek to sell up to $73.0 million in convertible promissory notes in private placements, with such notes to be sold and issued over a period of up to 24 months from the date of signing. The August 2013 SPA provided for the August 2013 Financing to be divided into two tranches (the first tranche for $42.6 million and the second tranche for $30.4 million), each with differing closing conditions. Of the total possible purchase price in the financing, $60.0 million was paid in the form of cash by Temasek ($35.0 million in the first tranche and up to $25.0 million in the second tranche) and $13.0 million was paid by the exchange and cancellation of outstanding convertible promissory notes held by Total in connection with its exercise of pro rata rights ($7.6 million in the first tranche and $5.4 million in the second tranche). The August 2013 SPA included requirements that the Company meet certain production milestones before the second tranche would become available, obtain stockholder approval prior to completing any closing of the transaction, and issue a warrant to Temasek to purchase 1,000,000 shares of the Company's common stock at an exercise price of $0.01 per share, exercisable only if Total converts notes previously issued to Total in the second closing under the Total Purchase Agreement. In September 2013, prior to the initial closing of the August 2013 Financing, the Company's stockholders approved the issuance in the private placement of up to $110.0 million aggregate principal amount of senior convertible promissory notes, the issuance of a warrant to purchase 1,000,000 shares of the Company's common stock and the issuance of the common stock issuable upon conversion or exercise of such notes and warrant, which approval included the transactions contemplated by the August 2013 Financing.

In October 2013, the Company sold and issued the Temasek Bridge Note in exchange for a bridge loan of $35.0 million. The Temasek Bridge Note was due on February 2, 2014 and accrued interest at a rate of 5.5% quarterly from the October 4, 2013 date of issuance. The Temasek Bridge Note was cancelled on October 16, 2013 as payment for Temasek's purchase of Tranche I Notes in the first tranche of the August 2013 Financing as further described below.

In October 2013, the Company amended the August 2013 SPA to include certain Fidelity Entities in the first tranche of the August 2013 Financing with an investment amount of $7.6 million, and to proportionally increase the amount acquired by exchange and cancellation of outstanding Total Notes in connection with its exercise of pro rata rights up to $14.6 million ($9.2 million in the first tranche and up to $5.4 million in the second tranche). Also in October 2013, the Company completed the closing of the first tranche of the August 2013 Financing, issuing a total of $51.8 million in Tranche I Notes for cash proceeds of $7.6 million and cancellation of outstanding convertible promissory notes of $44.2 million, of which $35.0 million resulted from cancellation of the Temasek Bridge Note and the remaining $9.2 million from the exchange and cancellation of an outstanding Total Note. As a result of the exchange and cancellation of the $35.0 million Temasek Bridge Note and the $9.2 million Total Note for the Tranche I Notes, the Company recorded a loss from extinguishment of debt of $19.9 million. The Tranche I Notes are due sixty months from the date of issuance and will be convertible into the Company's common stock at a conversion price equal to $2.44, which represents a 15% discount to a trailing 60-day weighted-average closing price of the common stock on NASDAQ through August 7, 2013, subject to adjustment as described below. The Tranche I Notes are convertible at the option of the holder: (i) at any time after 18 months from the date of the August 2013 SPA, (ii) on a change of control of the Company and (iii) upon the occurrence of an event of default. The conversion price of the Tranche I Notes will be reduced to $2.15 if (a) (i) a specified Company manufacturing plant failed to achieve a total production of 1.0 million liters within a run period of 45 days prior to June 30, 2014, or (ii) the Company fails to achieve gross margins from product sales of at least 5% prior to June 30, 2014, or (b) the Company reduces the conversion price of certain existing promissory notes held by Total prior to the repayment or conversion of the Tranche I Notes. In 2013, the Company achieved a total production of 1.0 million liters within a run period of 45 days in satisfaction of clause (a) (i) of the preceding sentence and the Company achieved clause (a)(ii) by achieving greater than 5% gross margins from product sales prior to June 30, 2014. Each Tranche I Note accrues interest from the date of issuance until the earlier of the date that such Tranche I Note is converted into the Company's common stock or is repaid in full. Interest accrues at a rate of 5% per six months, compounded semiannually (with graduated interest rates of 6.5% applicable to the first 180 days and 8% applicable thereafter as the sole remedy should the Company fail to maintain NASDAQ listing status or at 6.5% for all other defaults). Interest for the first 30 months is payable in kind and added to the principal every six-months and thereafter, the Company may continue to pay interest in kind by adding to the principal every six-months or may elect to pay interest in cash. The Tranche I Notes may be prepaid by the Company after 30 months from the issuance date and initial interest payment; thereafter the Company has the option to prepay the Tranche I Notes every six months at the date of payment of the semi-annual coupon.

In January 2014, the Company sold and issued, for face value, approximately $34.0 million of convertible promissory notes in the second tranche of the August 2013 Financing (or the "Tranche II Notes"). At the closing, Temasek purchased $25.0 million of the Tranche II Notes and Wolverine Asset Management, LLC (or "Wolverine") purchased $3.0 million of the Tranche II Notes, each for cash. Total purchased approximately $6.0 million of the Tranche II Notes through cancellation of the same amount of principal of previously outstanding Replacement Notes held by Total. As a result of the exchange and cancellation of the $6.0 million Total Note for the Tranche II Notes, the Company recorded a loss from extinguishment of debt of $9.4 million. The Tranche II Notes will be due sixty months from the date of issuance and will be convertible into shares of common stock at a conversion price equal to $2.87 per share, which represents a trailing 60-day weighted-average closing price of the common stock on NASDAQ through August 7, 2013, subject to adjustment as described below. Specifically, the Tranche II Notes are convertible at the option of the holder (i) at any time 12 months after issuance, (ii) on a change of control of the Company, and (iii) upon the occurrence of an event of default. Each Tranche II Note will accrue interest from the date of issuance until the earlier of the date that such Tranche II Note is converted into common stock or repaid in full. Interest will accrue at a rate per annum equal to 10%, compounded annually (with graduated interest rates of 13% applicable to the first 180 days and 16% applicable thereafter as the sole remedy should the Company fail to maintain NASDAQ listing status or at 12% for all other defaults). Interest for the first 36 months shall be payable in kind and added to principal every year following the issue date and thereafter, the Company may continue to pay interest in kind by adding to principal on every year anniversary of the issue date or may elect to pay interest in cash.

In addition to the conversion price adjustments set forth above, the conversion prices of the Tranche I Notes and Tranche II Notes are subject to further adjustment (i) according to proportional adjustments to outstanding common stock of the Company in case of certain dividends and distributions, (ii) according to anti-dilution provisions, and (iii) with respect to notes held by any purchaser other than Total, in the event that Total exchanges existing convertible notes for new securities of the Company in connection with future financing transactions in excess of its pro rata amount. Notwithstanding the foregoing, holders of a majority of the principal amount of the notes outstanding at the time of conversion may waive any anti-dilution adjustments to the conversion price. The purchasers have a right to require repayment of 101% of the principal amount of the notes in the event of a change of control of the Company and the notes provide for payment of unpaid interest on conversion following such a change of control if the purchasers do not require such repayment. The August 2013 SPA, Tranche I Notes and Tranche II Notes include covenants regarding payment of interest, maintenance of the Company’s listing status, limitations on debt and on certain liens, maintenance of corporate existence, and filing of SEC reports. The notes include standard events of default resulting in acceleration of indebtedness, including failure to pay, bankruptcy and insolvency, cross-defaults, and breaches of the covenants in the August 2013 SPA, Tranche I Notes and Tranche II Notes, with default interest rates and associated cure periods applicable to the covenant.

As of June 30, 2015 and December 31, 2014, the related party convertible notes outstanding under the Tranche I Notes and Tranche II Notes were $82.6 million and $49.2 million, respectively, net of debt discount of $3.1 million and $30.7 million, respectively. The debt discount is the result of the bifurcation of the conversion options that contain "make-whole" provisions or down round conversion price adjustment provisions associated with the outstanding debt.

See Note 18, “Subsequent Events,” for information regarding changes since June 30, 2015 to the Tranche I and II Notes.

Rule 144A Convertible Notes Sold to Related Parties

As discussed above under “Rule 144A Convertible Note Offering”, the Company sold and issued $75.0 million aggregate principal amount of 144A Notes pursuant to Rule 144A of the Securities Act. In connection with obtaining a waiver from one of its existing investors, Total, of its preexisting contractual right to exchange certain senior secured convertible notes previously issued by Amyris pursuant to the Total Purchase Agreement for 144A Notes issued in the transaction, Amyris used approximately $9.7 million of the net proceeds to repay such amount of previously issued Replacement Notes held by Total, which represented the amount of 144A Notes purchased by Total from the Initial Purchaser under the Rule 144A Convertible Note Offering. As a result of the settlement of the $9.7 million of Replacement Notes, the Company recorded a loss from extinguishment of $1.1 million in the year ended December 31, 2014.

Additionally, Foris Ventures, LLC and Temasek each participated in the Rule 144A Convertible Note Offering and purchased $5.0 million and $10.0 million, respectively, of the convertible promissory notes sold thereunder.

As of June 30, 2015 the related party convertible notes outstanding under the Rule 144A Convertible Note Offering were $15.8 million, net of discount of $8.9 million.

As of June 30, 2015 and December 31, 2014, the total related party convertible notes outstanding were $172.4 million and $115.2 million, respectively, net of discount of $13.1 million and $53.8 million, respectively. The Company recorded a loss from extinguishment of debt from the exchange and cancellation of related party convertible notes of zero and $1.1 million for the three months ended June 30, 2015 and 2014, respectively, and zero and $10.5 million for the six months ended June 30, 2015 and 2014, respectively.

See Note 18, “Subsequent Events,” for information regarding changes since June 30, 2015 to the maturity treatment of certain of the related party convertible notes.

Loans Payable

In July 2012, the Company entered into a Note of Bank Credit and a Fiduciary Conveyance of Movable Goods Agreement (together, the "July 2012 Bank Agreements") with each of Nossa Caixa Desenvolvimento (or “Nossa Caixa”) and Banco Pine S.A. (or “Banco Pine”). Under the July 2012 Bank Agreements, the Company pledged certain farnesene production assets as collateral for the loans of R$52.0 million. The Company's total acquisition cost for such pledged assets was approximately R$68.0 million (approximately US$21.9 million based on the exchange rate as of June 30, 2015). The Company is also a parent guarantor for the payment of the outstanding balance under these loan agreements. Under the July 2012 Bank Agreements, the Company could borrow an aggregate of R$52.0 million (approximately US$16.8 million based on the exchange rate as of June 30, 2015) as financing for capital expenditures relating to the Company's manufacturing facility located in Brotas, Brazil. Specifically, Banco Pine, agreed to lend R$22.0 million and Nossa Caixa agreed to lend R$30.0 million. The funds for the loans are provided by BNDES, but are guaranteed by the lenders. The loans have a final maturity date of July 15, 2022 and bear a fixed interest rate of 5.5% per year. The loans are also subject to early maturity and delinquency charges upon occurrence of certain events including interruption of manufacturing activities at the Company's manufacturing facility in Brotas, Brazil for more than 30 days, except during the sugarcane off-season. For the first two years that the loans are outstanding, the Company is required to pay interest only on a quarterly basis. Since August 15, 2014, the Company has been required to pay equal monthly installments of both principal and interest for the remainder of the term of the loans. As of June 30, 2015 and December 31, 2014, a principal amount of $14.8 million and $18.6 million, respectively, was outstanding under these loan agreements.

In March 2013, the Company entered into an export financing agreement with Banco ABC Brasil S.A. (or “ABC”) for approximately $2.5 million to fund exports through March 2014. This loan was collateralized by future exports from the Company's subsidiary in Brazil. In March 2014, the Company entered into an additional export financing agreement with ABC for approximately $2.2 million to fund exports through March 2015. This loan is collateralized by future exports from the Company's subsidiary in Brazil. As of June 30, 2015, the principal amount outstanding under this agreement was zero. The Company is also a parent guarantor for the payment of the outstanding balance under these loan agreements.

In October 2013, the Company entered into a financing arrangement with a third party for the monthly payments of its insurance premiums of $0.6 million payable in nine monthly installments of principal and interest. Interest accrues at a rate of 3.24% per annum. The installment payments were concluded in 2014. In October 2014, the Company agreed to a new installment plan amounting to $0.6 million to pay for the current insurance premiums under the same terms. As of June 30, 2015 and December 31, 2014, the outstanding unpaid installment payments were zero and $0.3 million, respectively.

Letters of Credit

In June 2012, the Company entered into a letter of credit agreement for $1.0 million under which it provided a letter of credit to the landlord of its headquarters in Emeryville, California, in order to cover the security deposit on the lease. This letter of credit is secured by a certificate of deposit. Accordingly, the Company has $1.0 million as restricted cash as of June 30, 2015 and December 31, 2014.

Future minimum payments under the debt agreements as of June 30, 2015 are as follows (in thousands):

Years ending December 31:	Related Party Convertible Debt	Convertible Debt	Loans Payable	Credit Facility	Total
2015 (remaining six months)	$ 807	$ 2,019	$ 1,684	$ 9,835	$ 14,345
2016	1,606	4,020	4,425	19,595	29,646
2017	81,321	28,715	2,678	7,178	119,892
2018	74,486	15,685	2,564	335	93,070
2019	75,825	56,798	2,450	90	135,163
Thereafter	—	—	5,805	—	5,805
Total future minimum payments	234,04	107,237	19,606	37,033	397,921
Less: amount representing interest[(1)]	(61,652)	(43,906)	(2,964)	(5,418)	(113,940)
Present value of minimum debt payments	172,393	63,331	16,642	31,615	283,981
Less: current portion	—	—	(3,898)	(17,496)	(21,394)
Noncurrent portion of debt	$ 172,393	$ 63,331	$ 12,744	$ 14,119	$ 262,587

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(1) Including debt discount of $37.3 million related to the embedded derivatives associated with the related party and non-related party convertible debt which will be accreted to interest expense under the effective interest method over the term of the convertible debt.

6. Commitments and Contingencies

Lease Obligations

The Company leases certain facilities and finances certain equipment under operating and capital leases, respectively. Operating leases include leased facilities and capital leases include leased equipment (see Note 4, "Balance Sheet Components"). The Company recognizes rent expense on a straight-line basis over the non-cancellable lease term and records the difference between rent payments and the recognition of rent expense as a deferred rent liability. Where leases contain escalation clauses, rent abatements, and/or concessions, such as rent holidays and landlord or tenant incentives or allowances, the Company applies them as a straight-line rent expense over the lease term. The Company has non-cancellable operating lease agreements for office, research and development, and manufacturing space that expire at various dates, with the latest expiration in February 2031. Rent expense under operating leases was $1.3 million for the three months ended June 30, 2015 and 2014, respectively, and was $2.6 million and $2.7 million for the six months ended June 30, 2015 and 2014, respectively.

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Future minimum payments under the Company's lease obligations as of June 30, 2015, are as follows (in thousands):

Years ending December 31:	Capital Leases	Operating Leases	Total Lease Obligations
2015 (remaining six months)	$249	$3,524	$ 3,773
2016	400	6,690	7,090
2017	94	6,695	6,789
2018	—	6,745	6,745
2019	—	6,772	6,772
Thereafter	—	25,200	25,200
Total future minimum lease payments	743	$55,626	$ 56,369
Less: amount representing interest	(58)		
Present value of minimum lease payments	685		
Less: current portion	(431)		
Long-term portion	$254		

Guarantor Arrangements

The Company has agreements whereby it indemnifies its officers and directors for certain events or occurrences while the officer or directors are serving in their official capacities. The indemnification period remains enforceable for the officer's or director's lifetime. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company has a director and officer insurance policy that limits its exposure and enables the Company to recover a portion of any future payments. As a result of its insurance policy coverage, the Company believes the estimated fair value of these indemnification agreements is minimal. Accordingly, the Company had no liabilities recorded for these agreements as of June 30, 2015 and December 31, 2014.

The Company entered into the FINEP Credit Facility to finance a research and development project on sugarcane-based biodiesel (see Note 5, "Debt"). The FINEP Credit Facility is guaranteed by a chattel mortgage on certain equipment of the Company. The Company's total acquisition cost for the equipment under this guarantee is approximately R$6.0 million (approximately US$1.9 million based on the exchange rate as of June 30, 2015).

The Company entered into the BNDES Credit Facility to finance a production site in Brazil (see Note 5, "Debt").The BNDES Credit Facility is collateralized by a first priority security interest in certain of the Company's equipment and other tangible assets with a total acquisition cost of R$24.9 million (approximately US$8.0 million based on the exchange rate as of June 30, 2015). The Company is a parent guarantor for the payment of the outstanding balance under the BNDES Credit Facility. Additionally, the Company is required to provide certain bank guarantees under the BNDES Credit Facility. Accordingly, the Company has zero and $0.6 million as restricted cash as of June 30, 2015 and December 31, 2014, respectively.

The Company entered into loan agreements and security agreements whereby the Company pledged certain farnesene production assets as collateral (the fiduciary conveyance of movable goods) with each of Nossa Caixa and Banco Pine (see Note 5, "Debt"). The Company's total acquisition cost for the farnesene production assets pledged as collateral under these agreements is approximately R$68.0 million (approximately US$21.9 million based on the exchange rate as of June 30, 2015). The Company is also a parent guarantor for the payment of the outstanding balance under these loan agreements.

The Company had an export financing agreement with ABC for approximately $2.5 million for a one year term to fund exports through March 2014. As of June 30, 2015, the loan was fully repaid. On April 8, 2015, the Company entered into another export financing agreement with the same bank for approximately $1.6 million for a one year term to fund exports through March 2016. This loan is collateralized by future exports from Amyris Brasil. The Company is also a parent guarantor for the payment of the outstanding balance under these loan agreements.

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In October 2013, the Company entered into a letter agreement with Total relating to the Temasek Bridge Note and to the closing of the August 2013 Financing (or the "Amendment Agreement") (see Note 5, "Debt"). In the August 2013 Financing, the Company was required to provide the purchasers under the August 2013 SPA with a security interest in the Company’s intellectual property if Total still held such security interest as of the initial closing of the August 2013 Financing. Under the terms of a previous Intellectual Property Security Agreement by and between the Company and Total (or the "Security Agreement"), the Company had previously granted a security interest in favor of Total to secure the obligations of the Company under the Total Notes issued and issuable to Total under the Total Purchase Agreement. The Security Agreement provided that such security interest would terminate if Total and the Company entered into certain agreements relating to the formation of the Fuels JV. In connection with Total’s agreement to (i) permit the Company to grant the security interest under the Temasek Bridge Note and the August 2013 Financing and (ii) waive a secured debt limitation contained in the outstanding Total Notes issued pursuant to the Total Purchase Agreement and held by Total, the Company entered into the Amendment Agreement. Under the Amendment Agreement, the Company agreed to reduce, effective December 2, 2013, the conversion price for the Total Notes issued in 2012 (approximately $48.3 million of which are outstanding as of the date hereof) from $7.0682 per share to $2.20, the market price per share of the Company’s common stock as of the signing of the Amendment Agreement, as determined in accordance with applicable NASDAQ rules, unless the Company and Total entered into the JV Documents on or prior to December 2, 2013. The Company and Total entered into the JV agreements on December 2, 2013 and the Amendment Agreement and all security interests thereunder were automatically terminated and the conversion price of such Total Notes remained at $7.0682 per share.

In December 2013, in connection with the execution of JV Documents entered into by and among Amyris, Total and JVCO relating to the establishment of the JVCO (see Note 5, "Debt" and Note 7, "Joint Venture and Noncontrolling Interest"), the Company agreed to exchange the $69.0 million outstanding Total Notes issued pursuant to the Total Purchase Agreement and issue replacement 1.5% senior secured convertible notes, in principal amounts equal to the principal amount of each Total Note and grant a security interest to Total in and lien on all the Company’s rights, title and interest in and to the Company’s shares in the capital of the JVCO. Following execution of the JV Documents, all Total Notes that have been issued became Replacement Notes. Further, the $10.85 million in principal amount of such notes issued in the initial tranche of the third closing under the Total Purchase Agreement in July 2014 and the $10.85 million in principal amount of such notes issued in the second tranche of the third closing are secured Replacement Notes instead of unsecured Total Notes.

The Hercules Loan Facility (see Note 5, "Debt") is collateralized by liens on the Company's assets, including certain Company intellectual property.

Purchase Obligations

As of June 30, 2015, the Company had $2.4 million in purchase obligations which included $1.4 million in non-cancellable contractual obligations and construction commitments, of which zero have been accrued as loss on purchase commitments.

Other Matters

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but will only be recorded when one or more future events occur or fail to occur. The Company's management assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against and by the Company or unasserted claims that may result in such proceedings, the Company's management evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material would be disclosed. Loss contingencies considered to be remote by management are generally not disclosed unless they involve guarantees, in which case the guarantee would be disclosed.

In May 2013, a securities class action complaint was filed against the Company and its CEO, John G. Melo, in the U.S. District Court for the Northern District of California. In October 2013, the lead plaintiffs filed a consolidated amended complaint. The complaint, as amended, sought unspecified damages on behalf of a purported class that would comprise all individuals who acquired the Company's common stock between April 29, 2011 and February 8, 2012. The complaint alleged securities law violations based on the Company's commercial projections during that period. In December 2013, the Company filed a motion to dismiss the complaint. In March 2014, the court issued an order granting the Company's motion to dismiss with leave to amend the complaint. The plaintiffs declined to amend their complaint further and, on June 12, 2014, the court issued an order (based on stipulation of the parties) dismissing the action with prejudice.

In August 2013, a complaint entitled Steve Shannon, derivatively on behalf of Amyris, Inc. v. John G. Melo et al and Amyris, Inc., was filed against the Company as nominal defendant in the United States District Court for the Northern District of California. The lawsuit sought unspecified damages on behalf of the Company from certain of its current and former officers, directors and employees and alleges these defendants breached their fiduciary duties to the Company and unjustly enriched themselves by making allegedly false and misleading statements and omitting certain material facts in the Company's securities filings. Because this purported stockholder derivative action is based on substantially the same facts as the securities class action described above, the two actions were related and were heard by the same judge. On June 23, 2014, following the dismissal of the related class action (discussed above), the court issued an order (based on stipulation of the parties) dismissing the action with prejudice.

The Company is subject to disputes and claims that arise or have arisen in the ordinary course of business and that have not resulted in legal proceedings or have not been fully adjudicated. Such matters that may arise in the ordinary course of business are subject to many uncertainties and outcomes are not predictable with assurance. Therefore, if one or more of these legal disputes or claims resulted in settlements or legal proceedings that were resolved against the Company for amounts in excess of management’s expectations, the Company’s consolidated financial statements for the relevant reporting period could be materially adversely affected.

7. Joint Ventures and Noncontrolling Interest

Novvi LLC

In September 2011, the Company and Cosan US, Inc. (or “Cosan U.S.”) formed Novvi LLC (or “Novvi”), a U.S. entity that is jointly owned by the Company and Cosan U.S.. In March 2013, the Company and Cosan U.S. entered into agreements to (i) expand their base oils joint venture to also include additives and lubricants and (ii) operate their joint venture exclusively through Novvi. Specifically, the parties entered into an Amended and Restated Operating Agreement for Novvi (or the “Operating Agreement”), which sets forth the governance procedures for Novvi and the parties' initial contribution. The Company also entered into an IP License Agreement with Novvi (or the IP License Agreement) under which the Company granted Novvi (i) an exclusive (subject to certain limited exceptions for the Company), worldwide, royalty-free license to develop, produce and commercialize base oils, additives, and lubricants derived from Biofene for use in automotive and industrial lubricants markets and (ii) a non-exclusive, royalty free license, subject to certain conditions, to manufacture Biofene solely for its own products. In addition, both the Company and Cosan U.S. granted Novvi certain rights of first refusal with respect to alternative base oil and additive technologies that may be acquired by the Company or Cosan U.S. during the term of the IP License Agreement. Under these agreements, the Company and Cosan U.S. each own 50% of Novvi and each party shares equally in any costs and any profits ultimately realized by the joint venture. Novvi is governed by a six member Board of Managers (or the “Board of Managers”), with three managers represented by each investor. The Board of Managers appoints the officers of Novvi, who are responsible for carrying out the daily operating activities of Novvi as directed by the Board of Managers. The IP License Agreement has an initial term of 20 years from the date of the agreement, subject to standard early termination provisions such as uncured material breach or a party's insolvency. Under the terms of the Operating Agreement, Cosan U.S. was obligated to fund its 50% ownership share of Novvi in cash in the amount of \$10.0 million and the Company was obligated to fund its 50% ownership share of Novvi through the granting of an IP License to develop, produce and commercialize base oils, additives, and lubricants derived from Biofene for use in the automotive, commercial and industrial lubricants markets, which Cosan U.S. and Amyris agreed was valued at $10.0 million. In March 2013, the Company measured its initial contribution of intellectual property to Novvi at the Company's carrying value of the licenses granted under the IP License Agreement, which was zero. Additional funding requirements to finance the ongoing operations of Novvi are expected to happen through revolving credit or other loan facilities provided by unrelated parties (i.e. such as financial institutions); cash advances or other credit or loan facilities provided by the Company and Cosan U.S. or their affiliates; or additional capital contributions by the Company and Cosan U.S.

In April 2014, the Company purchased additional membership units of Novvi for an aggregate purchase price of $0.2 million. Also in April 2014, the Company contributed $2.1 million in cash in exchange for receiving additional membership units in Novvi. Each member owns 50% of Novvi's issued and outstanding membership units.

In September 2014, the Company and Cosan U.S. entered into a member senior loan agreement to grant Novvi a loan amounting to approximately $3.7 million. The loan is due on September 1, 2017 and bears interest at a rate of 0.36% per annum. Interest accrues daily and will be due and payable in arrears on September 1, 2017. The Company and Cosan U.S. each agreed to provide 50% of the loan. The Company's share of approximately $1.8 million was disbursed in two installments. The first installment of $1.2 million was made in September 2014 and the second installment of $0.6 million was made in October 2014. In November 2014, the Company and Cosan U.S. entered into a second member senior loan agreement to grant Novvi a loan of approximately $1.9 million on the same terms as the loan issued in September 2014. The Company and Cosan U.S. each agreed to provide 50% of the loan. The Company disbursed its share of approximately $1.0 million in November 2014. In May 2015, the Company and Cosan U.S. entered into a third member senior loan agreement to grant Novvi a loan of approximately $1.1 million on the same terms as the loan issued in September 2014, except that the due date is May 14, 2018. As of June 30, 2015 and December 31, 2014 total loans to Novvi were $2.4 million and $1.7 million, net of imputation of interest of $1.4 million and $1.0 million as result of the below market interest rate on the loan to affiliate, respectively.

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The following table is a reconciliation of our equity and loans in Novvi:

	June 30,	
(In thousands)	2015	2014
Balance at January 1	$2,192	$—
Loan to affiliate	670	—
Adjustment on imputation of interest	401	—
Capital contribution (cash)	—	2,075
Capital contribution (non – cash)	—	237
Share in net loss offset to equity investment	(848)	(210)
Share in net loss offset to loans to affiliate	(581)	—
Accretion of imputed interest	287	—
Balance at June 30	$2,121	$2,102

The Company has identified Novvi as a VIE and determined that the power to direct activities, which most significantly impact the economic success of the joint venture (i.e. continuing research and development, marketing, sales, distribution and manufacturing of Novvi products), is equally shared between the Company and Cosan U.S. Accordingly, the Company is not the primary beneficiary and therefore accounts for its investment in Novvi under the equity method of accounting. The Company will continue to reassess its primary beneficiary analysis of Novvi if there are changes in events and circumstances impacting the power to direct activities that most significantly affect Novvi's economic success. Under the equity method, the Company's share of profits and losses are included in “Loss from investments in affiliates” in the condensed consolidated statements of operations. The Company recorded $0.6 million and $0.2 million for its share of Novvi's net loss for the three months ended June 30, 2015 and 2014, respectively, and $1.4 million and $0.2 million for the six months ended June 30, 2015 and 2014, respectively. The carrying amount of the Company's equity investment in Novvi was zero and $2.1 million as of June 30, 2015 and 2014, respectively.

Total Amyris BioSolutions B.V.

In November 2013, the Company and Total formed JVCO. The common equity of JVCO is jointly owned (50%/50%) by the Company and Total, and the preferred equity of JVCO is 100% owned by the Company. The Parties have agreed that JVCO’s purpose is limited to executing the License Agreement and maintaining such licenses under it, unless and until either (i) Total elects to go forward with either the full (diesel and jet fuel) JVCO commercialization program or the jet fuel component of the JVCO commercialization program (or a “Go Decision”), (ii) Total elects to not continue its participation in the R&D Program and JVCO (or a “No-Go Decision”), or (iii) Total exercises any of its rights to buy out the Company’s interest in JVCO. Following a Go Decision, the articles and shareholders’ agreement of JVCO would be amended and restated to be consistent with the shareholders’ agreement contemplated by the July 2012 Agreements (see Note 5, "Debt" and Note 8, "Significant Agreements").

The JVCO has an initial capitalization of €0.1 million (approximately US$0.1 million based on the exchange rate as of June 30, 2015). The Company has identified JVCO as a VIE and determined that the Company is not the primary beneficiary and therefore accounts for its investment in JVCO under the equity method of accounting. Following a

"Go" decision, no later than six months prior to July 31, 2016, the Company and Total are required to amend the July 2012 Agreements to reflect the corporate structure of JVCO, amend and restate the articles of association of JVCO, finalize and agree on a five-year plan and an initial budget, maximize economic viability and value of JVCO and enter into the Total license agreement. The Company will reevaluate its assessment in 2016 based on the specific terms of the final shareholders' agreement. Please see Note 18, "Subsequent Events," for information regarding changes (and planned changes) since June 30, 2015 to JVCO.

On July 26, 2015, the Company entered into a Letter Agreement with Total (the "*JVCO Letter Agreement*") regarding the restructuring of ownership and rights of Total Amyris BioSolutions B.V., the jointly owned entity incorporated on November 29, 2013 to house the JV ("*TAB*"), pursuant to which the parties agreed to enter into an Amended and Restated Shareholders' Agreement among the Company, Total and TAB, a Deed of Amendment of Articles of Association of TAB, an Amended & Restated Jet Fuel License Agreement among the Company and TAB, and a License Agreement regarding Diesel Fuel in the EU between the Company and Total, all in order to reflect certain changes to the structure of TAB and license grants and related rights pertaining to TAB (together, with the Pilot Plant Agreement Amendment described below, collectively, the "*Commercial Agreements*"). The parties agreed to enter into the Commercial Agreements relating to TAB in a closing to occur on or before September 18, 2015, and the Pilot Plant Agreement Amendment was entered into on July 26, 2015.

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Under the Commercial Agreements relating to TAB, the Company will grant exclusive (excluding its Brazil jet fuels business), world-wide, royalty-free rights to TAB for commercialization of farnesene- or farnesane-based jet fuel, and the parties agreed that, if TAB wishes to purchase farnesene- or farnesane for such business, they would negotiate a supply agreement on a "most-favored" pricing basis. TAB would also have an option until March 1, 2018 to purchase the assets of the jet portion of the Company's Brazil fuel business at a price based on the fair value of the commercial assets and the Company's investment in other related assets. TAB will no longer have any licenses or rights with regards to farnesene- or farnesane-based diesel fuel.

In addition, the Company will grant Total an exclusive, royalty-free license for the rights to offer for sale and sell in the European Union ("*EU*") farnesene- or farnesane-based diesel fuel, and the parties agreed that, if Total wishes to purchase farnesene- or farnesane for such business, they would negotiate a supply agreement on a "most-favored" pricing basis. For a to-be-negotiated, commercially reasonable, "most-favored" basis royalty to be paid to Amyris, Total will also have the right to make farnesene- or farnesane anywhere in the world solely for Total to offer for sale and sell it for diesel fuel in the EU.

Further, in accordance with the Commercial Agreements and pursuant to the JVCO Letter Agreement, Total will cancel R&D Notes in an aggregate principal amount of $5 million, plus all PIK and accrued interest under all outstanding R&D Notes and a note in the principal amount of Euro 50,000, plus accrued interest, issued by Amyris by Total in connection with the existing TAB capitalization, in exchange for an additional 25% of TAB (giving Total an aggregate ownership stake of 75% of TAB and giving the Company an aggregate ownership stake of 25% of TAB).

Additionally, in connection with the restructuring of the terms of TAB and the other Commercial Agreements, Total and the Company entered into Amendment #1 (the "Pilot Plant Agreement Amendment") to that certain Pilot Plant Services Agreement dated as of April 4, 2014 (as amended, the "*Pilot Plant Agreement*") whereby the Company and Total agreed to restructure the payment obligations of Total under the Pilot Plant Agreement. Under the original Pilot Plant Agreement, for a five year period, the Company is providing certain fermentation and downstream separations scale-up services and training to Total and receives an aggregate annual fee payable by Total for all services in the amount of up to approximately $900,000 per annum. Such annual fee is due in three equal installments payable on March 1, July 1 and November 1 each year during the term of the Pilot Plant Agreement. Under the Pilot Plant Agreement Amendment, in connection with the restructuring of TAB discussed above, Amyris agreed to waive a portion of these fees up to approximately $2.0 million, over the term of the Pilot Plant Agreement.

SMA Indústria Química S.A.

In April 2010, the Company established SMA Indústria Química (or "SMA"), a joint venture with São Martinho S.A. (or "São Martinho"), to build a production facility in Brazil. SMA is located at the São Martinho mill in Pradópolis, São Paulo state. The joint venture agreements establishing SMA have a 20 year initial term.

SMA is managed by a three member executive committee, of which the Company appoints two members, one of whom is the plant manager who is the most senior executive responsible for managing the construction and operation of the facility. SMA is governed by a four member board of directors, of which the Company and São Martinho each appoint two members. The board of directors has certain protective rights which include final approval of the engineering designs and project work plan developed and recommended by the executive committee.

The joint venture agreements require the Company to fund the construction costs of the new facility and São Martinho would reimburse the Company up to R$61.8 million (approximately US$19.9 million based on the exchange rate as of June 30, 2015) of the construction costs after SMA commences production. After commercialization, the Company would market and distribute Amyris renewable products produced by SMA and São Martinho would sell feedstock and provide certain other services to SMA. The cost of the feedstock to SMA would be a price that is based on the average return that São Martinho could receive from the production of its current products, sugar and ethanol. The Company would be required to purchase the output of SMA for the first four years at a price that guarantees the return of São Martinho's investment plus a fixed interest rate. After this four year period, the price would be set to guarantee a break-even price to SMA plus an agreed upon return.

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Under the terms of the joint venture agreements, if the Company becomes controlled, directly or indirectly, by a competitor of São Martinho, then São Martinho has the right to acquire the Company’s interest in SMA. If São Martinho becomes controlled, directly or indirectly, by a competitor of the Company, then the Company has the right to sell its interest in SMA to São Martinho. In either case, the purchase price shall be determined in accordance with the joint venture agreements, and the Company would continue to have the obligation to acquire products produced by SMA for the remainder of the term of the supply agreement then in effect even though the Company would no longer be involved in SMA’s management.

The Company has a 50% ownership interest in SMA. The Company has identified SMA as a VIE pursuant to the accounting guidance for consolidating VIEs because the amount of total equity investment at risk is not sufficient to permit SMA to finance its activities without additional subordinated financial support, as well as because the related commercialization agreement provides a substantive minimum price guarantee. Under the terms of the joint venture agreement, the Company directs the design and construction activities, as well as production and distribution. In addition, the Company has the obligation to fund the design and construction activities until commercialization is achieved. Subsequent to the construction phase, both parties equally fund SMA for the term of the joint venture. Based on those factors, the Company was determined to have the power to direct the activities that most significantly impact SMA’s economic performance and the obligation to absorb losses and the right to receive benefits. Accordingly, the financial results of SMA are included in the Company’s consolidated financial statements and amounts pertaining to São Martinho’s interest in SMA are reported as noncontrolling interests in subsidiaries.

The Company completed a significant portion of the construction of the new facility in 2012. The Company suspended construction of the facility in 2013 in order to focus on completing and operating the Company's smaller production facility in Brotas, Brazil. In February 2014, the Company entered into an amendment to the joint venture agreement with São Martinho which updated and documented certain preexisting business plan requirements related to the recommencement of construction at the joint venture operated plant and sets forth, among other things, (i) the extension of the deadline for the commencement of operations at the joint venture operated plant to no later than 18 months following the construction of the plant no later than March 31, 2017, and (ii) the extension of an option held by São Martinho to build a second large-scale farnesene production facility to no later than December 31, 2018 with the commencement of operations at such second facility to occur no later than April 1, 2019. On July 1, 2015 SMSA filed a material fact document with CVM (Securities Exchange Commission of Brazil) that announced that certain contractual targets undertaken by the Company have not been achieved, which affects the feasibility of the project. Therefore, SMSA decided not to approve continuing construction of the plant for the joint venture with Amyris Inc and its Brazilian subsidiary Amyris Brasil Ltda. The Company may provide new information to São Martinho related to the feasibility of the project aiming to discuss a potential new agreement. However, the joint venture and other agreements between the parties would be automatically terminated on August 31, 2015, if by said date a new agreement, at the discretion of São Martinho, is not executed. If the Company and SMSA are unable to reach an agreement, this may trigger a non-cash impairment charge of up to approximately $38 million.

Glycotech

In January 2011, the Company entered into a production service agreement (or the "Glycotech Agreement") with Glycotech, Inc. (or "Glycotech"), under which Glycotech provides process development and production services for the manufacturing of various Company products at its leased facility in Leland, North Carolina. The Company products manufactured by Glycotech are owned and distributed by the Company. Pursuant to the terms of the Glycotech Agreement, the Company is required to pay the manufacturing and operating costs of the Glycotech facility, which is dedicated solely to the manufacture of Amyris products. The initial term of the Glycotech Agreement was for a two year period commencing on February 1, 2011 and the Glycotech Agreement renews automatically for successive one-year terms, unless terminated by the Company. Concurrent with the Glycotech Agreement, the Company also entered into a Right of First Refusal Agreement with the lessor of the facility and site leased by Glycotech (or the "ROFR Agreement"). Per conditions of the ROFR Agreement, the lessor agreed not to sell the facility and site leased by Glycotech during the term of the Glycotech Agreement. In the event that the lessor is presented with an offer to sell or decides to sell an adjacent parcel, the Company has the right of first refusal to acquire it.

The Company has determined that the arrangement with Glycotech qualifies as a VIE. The Company determined that it is the primary beneficiary of this arrangement since it has the power through the management committee over which it has majority control to direct the activities that most significantly impact Glycotech's economic performance. In addition, the Company is required to fund 100% of Glycotech's actual operating costs for providing services each month while the facility is in operation under the Glycotech Agreement. Accordingly, the Company consolidates the financial results of Glycotech. As of June 30, 2015, the carrying amounts of Glycotech's assets and liabilities were not material to the Company's condensed consolidated financial statements.

The table below reflects the carrying amount of the assets and liabilities of the two consolidated VIEs for which the Company is the primary beneficiary. As of June 30, 2015, the assets include $16.8 million in property, plant and equipment, $2.6 million in other assets and $0.5 million in current assets. The liabilities include $0.4 million in accounts payable and accrued current liabilities and $0.2 million in loan obligations by Glycotech to its shareholders that are non-recourse to the Company. The creditors of each consolidated VIE have recourse only to the assets of that VIE.

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(In thousands)	June 30, 2015	December 31, 2014
Assets	$19,853	$22,812
Liabilities	566	290

The change in noncontrolling interest for the six months ended June 30, 2015 and 2014, is summarized below (in thousands):

	2015	2014
Balance at January 1	$611	$584
Foreign currency translation adjustment	(248)	42
Income attributable to noncontrolling interest	54	60
Balance at June 30	$417	$686

8. Significant Agreements

Research and Development Activities

Total Collaboration Arrangement

In June 2010, the Company entered into a technology license, development, research and collaboration agreement (or the "Collaboration Agreement") with Total Gas & Power USA Biotech, Inc., an affiliate of Total. This agreement provided for joint collaboration on the development of products through the use of the Company's synthetic biology platform. In November 2011, the Company entered into an amendment of the Collaboration Agreement with respect to development and commercialization of Biofene for fuels. This represented an expansion of the initial collaboration with Total, and established a global, exclusive collaboration for the development of Biofene for fuels and a framework for the creation of a joint venture to manufacture and commercialize Biofene for diesel. In addition, a limited number of other potential products were subject to development by the joint venture on a non-exclusive basis.

In November 2011, the Company and Total entered into an amendment of the Collaboration Agreement (or the "Amendment"). The Amendment provided for an exclusive strategic collaboration for the development of renewable diesel products and contemplated that the parties would establish a joint venture (or the "JV") for the production and commercialization of such renewable diesel products on an exclusive, worldwide basis. In addition, the Amendment contemplated providing the JV with the right to produce and commercialize certain other chemical products on a non-exclusive basis. The amendment further provided that definitive agreements to form the JV had to be in place by March 31, 2012 or such other date as agreed to by the parties or the renewable diesel program, including any further collaboration payments by Total related to the renewable diesel program, would terminate. In the second quarter of

2012, the parties extended the deadline to June 30, 2012, and, through June 30, 2012 the parties were engaged in discussions regarding the structure of future payments related to the program, until the amendment was superseded by a further amendment in July 2012 (as further described below).

Pursuant to the Amendment, Total agreed to fund the following amounts: (i) the first $30.0 million in research and development costs related to the renewable diesel program incurred since August 1, 2011, which amount would be in addition to the $50.0 million in research and development funding contemplated by the Collaboration Agreement, and (ii) for any research and development costs incurred following the JV formation date that were not covered by the initial $30.0 million, an additional $10.0 million in 2012 and up to an additional $10.0 million in 2013, which amounts would be considered part of the $50.0 million contemplated by the Collaboration Agreement. In addition to these payments, Total further agreed to fund 50% of all remaining research and development costs for the renewable diesel program under the Amendment.

In July 2012, the Company entered into a further amendment of the Collaboration Agreement that expanded Total’s investment in the Biofene collaboration, incorporated the development of certain JV products for use in diesel and jet fuel into the scope of the collaboration, and changed the structure of the funding from Total for the collaboration by establishing a convertible debt structure for the collaboration funding (see Note 5, “Debt”). In connection with such additional amendment Total and the Company also executed certain other related agreements. Under these agreements, (collectively referred to as the “July 2012 Agreements”), the parties would grant exclusive manufacturing and commercial licenses to the JV for the JV products (diesel and jet fuel from Biofene) when the JV was formed. The licenses to the JV were to be consistent with the principle that development, production and commercialization of the JV products in Brazil would remain with Amyris unless Total elected, after formation of the operational JV, to have such business contributed to the joint venture (see below for additional detail). Further, as part of the July 2012 Agreements, Total's royalty option contingency related to diesel was removed and the jet fuel collaboration was combined with the expanded Biofene collaboration. As a result, $46.5 million of payments previously received from Total that had been recorded as an advance from Total were no longer contingently repayable. Of this amount, $23.3 million was treated as a repayment by the Company and included as part of the senior unsecured convertible promissory note issued to Total in July 2012 and the remaining $23.2 million was recorded as a contract to perform research and development services, which was offset by the reduction of the capitalized deferred charge asset of $14.4 million resulting in the Company recording revenue from a related party of $8.9 million in 2012.

With respect to funding from Total for the collaboration, the July 2012 Agreements established a funding framework tied to a series of “Go/No-Go” decisions by Total with respect to the fuels collaboration. In conjunction with funding decisions in July 2013 and July 2014, Total had the right to determine whether or not to proceed and continue funding the fuels collaboration. Then, thirty days following the earlier of the completion of the research and development program and December 31, 2016, Total would have a final opportunity to decide whether or not to proceed with the fuels collaboration — a decision point referred to as a “Final Go/No-Go Decision.” The funding history and structure of the program is described in more detail below; however, the July 2012 Agreements provided for funding by Total of up to an aggregate of $105.0 million, all of which has since been funded. Such funding was paid in installments over a period from July 2012 through January 2015, with Amyris convertible promissory notes issued to Total in each closing.

At either of the initial decision points referenced above (in July 2013 or July 2014), if Total had decided not to continue to fund the program, the outstanding convertible promissory notes issued under this funding structure would have remained outstanding and become payable by the Company at the maturity date in March 2017, the research and development program and associated agreements would have terminated, and all rights granted to Total and the JV related to Biofene-based diesel and jet fuel would have reverted to the Company. Total did, however, decide to proceed with funding the program at each of the initial decision points as described in more detail below.

In the Final Go/No-Go Decision, Total can elect to: (a) proceed with both diesel and jet fuel, (b) proceed with only the jet fuel component of the program, or (c) elect to cease Total’s participation in the program entirely. In case of a full go decision, the parties would cause the existing JVCO to become an operational diesel and jet fuel JV and the outstanding notes would be canceled. In case of a go decision only with respect to jet fuel, the parties would cause the existing JV entity to become an operational JV only for jet fuel (and the rights associated with diesel would terminate), 70% of the outstanding notes would remain outstanding and become payable by the Company, and 30% of the outstanding notes would be canceled. In case of a No-Go decision, the outstanding notes would remain outstanding and become payable by the Company at the maturity date in March 2017.

In case of a final Go Decision, if the parties are unable to reach final agreement on the terms (including business plans and budgets) of the operational JV, Total would have the right to buy the Company’s interest in the operational JV. Also, if the operational JV is formed, Total would have an option to require the Company to contribute its Brazil-based fuels business to the operational JV at a price based on the Company’s historical investment in the Brazil business).

Under the July 2012 Agreements, the Company issued Total Notes to Total for an aggregate of $30.0 million in new cash and to document $23.3 million in previous funding from Total in the third quarter of 2012 and an additional $30.0 million in new cash in 2013. The Company issued additional Total Notes in July 2014 and January 2015 for aggregate cash proceeds of $21.7 million (in two installments of $10.85 million). The conversion price of the notes issued in July 2014 and January 2015 were adjusted from $7.0682 per share to $4.11 pursuant to a March 2014 letter agreement between the Company and Total, which was approved by the Company’s stockholders at its 2014 Annual Meeting of stockholders.

Should Total decide not to pursue commercialization, the Company is obligated to repay the Total Notes, or Total may elect to convert the principal amount of the Total Notes into common stock (at an initial conversion price of $7.0682 per share for those notes issued in 2012, an initial conversion price of $3.08 per share for those notes issued in 2013, and an initial conversion price of $4.11 per share for those notes issued in July 2014 and January 2015).

Under the July 2012 Agreements, Total was granted a right to participate in certain future equity or convertible debt financings to preserve its pro rata ownership. The purchase price for the first $30.0 million of purchases under this pro rata right could, at Total's option, be paid by cancellation of outstanding Total Notes held by Total. Total has since, in financings that closed in December 2012, October 2013, December 2013, January 2014 and May 2014 used and extinguished that right.

In December 2012, Total elected to participate in a private placement of the Company's common stock by exchanging approximately $5.0 million of its $53.3 million in senior unsecured convertible promissory notes then outstanding for 1,677,852 of the Company's common stock at a price of $2.98 per share. As such, $5.0 million of the outstanding $53.3 million in senior unsecured convertible promissory notes was cancelled. Total then purchased approximately $9.3 million of Tranche I Notes (see "Related Party Convertible Notes" in Note 5, "Debt") through cancellation of same amount of principal of previously outstanding Total Notes held by Total. Total also later purchased approximately $6.0 million of Tranche II Notes (see Note 5, "Debt") through cancellation of the same amount of principal of previously outstanding Total Notes held by Total. Finally, in connection with the Rule 144A Convertible Note Offering (see "Related Party Convertible Notes" in Note 5, "Debt"), the Company used approximately $9.7 million of the net proceeds of the Rule144A Convertible Note Offering to repay Total such amount of previously issued Total Notes (representing the amount of notes purchased by Total from Morgan Stanley & Co. (as the initial purchaser) under the Rule 144A Convertible Note Offering). As of June 30, 2015, $75.0 million of Total Notes remained outstanding.

Additionally, separate from the pro rata rights granted to Total under the July 2012 Agreements, in connection with subsequent investments by Total in the Company, the Company granted Total, among other investors, a right of first investment if it sells securities in a private placement financing transaction. With these rights, Total and other investors may subscribe for a portion of any new financing and require the Company to comply with certain notice periods. Further, Total and other holders of notes issued in the first and second tranches under the August 2013 SPA (see “Related Party Convertible Notes” in Note 5, “Debt”) have a right to cancel certain outstanding Tranche I Notes and Tranche II Notes to exercise pro rata rights under the August 2013 SPA. To the extent Total or other investors exercise these rights, it will reduce the cash proceeds the Company may realize from the relevant financing.

In December 2013, the Company executed the JV Documents among Amyris, Total and JVCO relating to the establishment of the JVCO (see Note 7, "Joint Venture and Noncontrolling Interest" and Note 5, “Debt—Related Party Convertible Notes).

In May 2014, the Company entered into a Pilot Plant Services Agreement and a Sublease Agreement (together with the Pilot Plant Services Agreement, the “Pilot Plant Agreements”) with Total. The Pilot Plant Agreements generally have a term of five years. Under the terms of the Pilot Plant Services Agreement, the Company agreed to provide certain fermentation and downstream separations scale-up services and training to Total and receive an aggregate annual fee payable by Total for all services in the amount of up to approximately $0.9 million. Under the Sublease Agreement, the Company receives an annual base rent payable by Total of approximately $0.1 million.

As of June 30, 2015, there was: $30.0 million in outstanding principal under Total Notes with a conversion price of $3.08 per share, $21.7 million in outstanding principal under Total Notes with a conversion price of $4.11 per share and $23.3 million in outstanding principal under Total Notes with a conversion price of $7.0682 per share, with such Total Notes all having a maturity date of March 1, 2017, subject to the conversion and cancellation provisions described above (see “Related Party Convertible Notes” in Note 5, “Debt”).

See Note 18, “Subsequent Events,” for information regarding changes since June 30, 2015 to certain agreements with Total.

F&F Collaboration Partner Joint Development and License Agreement

In April 2013, the Company entered into a joint development and license agreement with a collaboration partner. Under the terms of the multi-year agreement, the collaboration partner and the Company will jointly develop certain fragrance ingredients. The collaboration partner will have exclusive rights to these fragrance ingredients for applications in the flavors and fragrances field, and the Company will have exclusive rights in other fields. The collaboration partner and the Company will share in the economic value derived from these ingredients. The joint development and license agreement provided for up to $6.0 million in funding based upon the achievement of certain technical milestones, which are considered substantive by the Company, during the first phase of the collaboration.

In February 2014, the Company entered into an amendment to the joint development and license agreement with the collaboration partner noted in the preceding paragraph to proceed with the second phase of the collaboration and the development of a certain fragrance ingredient.

The Company recognized collaboration revenue for the three and six months ended June 30, 2015, of $0.7 million and $1.5 million, respectively, under this agreement. As of June 30, 2015 and 2014, zero was recorded in deferred revenue.

F&F Collaboration Partner Master Collaboration and Joint Development Agreement

In November 2010, the Company entered into a Master Collaboration and Joint Development Agreement with a collaboration partner. Under the agreement, the collaboration partner was to fund technical development at the Company to produce an ingredient for the flavors and fragrances market. The Company agreed to manufacture the ingredient and the collaboration partner would market it, and the parties would share in any resulting economic value. The agreement also grants exclusive worldwide flavors and fragrances commercialization rights to the collaboration partner for the ingredient. Under further agreements, the collaboration partner has an option to collaborate with the Company to develop additional ingredients. These agreements continue in effect until the later of the expiration or termination of the development agreements or the supply agreements. The Company is also eligible to receive potential total payments of $6.0 million upon the achievement of certain performance milestones towards which the Company will be required to make a contributory performance. The Company concluded that these milestone payments are substantive. All performance milestones under this agreement were achieved in 2013. Collaboration revenues of $2.0 million were recognized in each of the years ended December 31, 2013 and 2012.

In March 2013, the Company entered into a Master Collaboration Agreement (or the “March 2013 Agreement”) with the collaboration partner to establish a collaboration arrangement for the development and commercialization of multiple renewable flavors and fragrances compounds. Under this agreement, except for rights granted under preexisting collaboration relationships, the Company granted the collaboration partner exclusive access for such compounds to specified Company intellectual property for the development and commercialization of flavors and fragrances products in exchange for research and development funding and a profit sharing arrangement. The agreement superseded and expanded the prior collaboration agreement between the Company and the collaboration partner.

The agreement provided for annual, up-front funding to the Company by the collaboration partner of $10.0 million for each of the first three years of the collaboration. Payments of $10.0 million were received by the Company in each of March 2015, 2014 and 2013. The Company recognized collaboration revenues under the March 2013 Agreement with the collaboration partner of $2.5 million for each of the three months ended June 30, 2015 and 2014 and of $6.0 million and $5.0 million for the six months ended June 30, 2015 and 2014, respectively. The agreement contemplated additional funding by the collaboration partner of up to $5.0 million under three potential milestone payments, as well as additional funding by the collaboration partner on a discretionary basis. Through June 2015, the Company achieved the second performance milestone under the Master Collaboration Agreement and recognized collaboration revenues of $1.0 million for the six months ended June 30, 2015.

In addition, the March 2013 Agreement contemplated that the parties will mutually agree on a supply price for each compound and share product margins from sales of each compound on a 70/30 basis (70% for the collaboration partner) until the collaboration partner receives $15.0 million more than the Company in the aggregate, after which the parties will share 50/50 in the product margins on all compounds. The Company also agreed to pay a one-time success bonus of up to $2.5 million to the collaboration partner's for outperforming certain commercialization targets. The collaboration partner eligibility to receive the one-time success bonus commences upon the first sale of the collaboration partner's product. The March 2013 Agreement does not impose any specific research and development commitments on either party after year six, but if the parties mutually agree to perform development after year six, the agreement provides that the parties will fund it equally.

Under the March 2013 Agreement, the parties agreed to jointly select target compounds, subject to final approval of compound specifications by the collaboration partner. During the development phase, the Company would be required to provide labor, intellectual property and technology infrastructure and the collaboration partner would be required to contribute downstream polishing expertise and market access. The March 2013 Agreement provided that the Company would own research and development and strain engineering intellectual property, and the collaboration partner would own blending and, if applicable, chemical conversion intellectual property. Under certain circumstances such as the Company's insolvency, the collaboration partner would gain expanded access to the Company's intellectual property. Following development of flavors and fragrances compounds under the March 2013 Agreement, the March 2013 Agreement contemplated that the Company would manufacture the initial target molecules for the compounds and the collaboration partner will perform any required downstream polishing and distribution, sales and marketing.

In September 2014, the Company entered into a supply agreement with the collaboration partner to provide target compounds to make a certain finished ingredient and market and sell such finished ingredient and/or products to the flavors and fragrances market. The Company recognized zero revenues from product sales under this agreement for the three and six months ended June 30, 2015.

Michelin and Braskem Collaboration Agreements

In September 2011, the Company entered into a collaboration agreement with Manufacture Francaise de Pnematiques Michelin (or “Michelin”). Under the terms of the September 2011 collaboration agreement, the Company and Michelin agreed to collaborate on the development, production and worldwide commercialization of isoprene or isoprenol, generally for tire applications, using the Company's technology. Under the agreement, Michelin paid an upfront payment to the Company of $5.0 million.

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In June 2014, the Company entered into a collaboration agreement with Braskem S.A. (or "Braskem") and Michelin to collaborate to develop the technology to produce and possibly commercialize renewable isoprene. The term of the collaboration agreement commenced on June 30, 2014 and will continue, unless earlier terminated in accordance with the agreement, until the first to occur of (i) the date that is three years following the actual date on which a work plan is completed, which date is estimated to occur on or about December 30, 2020 or (ii) the date of the commencement of commissioning of a production plant for the production of renewable isoprene. The June 2014 collaboration agreement terminated and supersedes the September 2011 collaboration agreement with Michelin, and as a result of the signing of the June 2014 collaboration agreement, the upfront payment by Michelin of $5.0 million is being rolled into the new collaboration agreement between Michelin, Braskem and the Company as Michelin's collaboration funding towards the research and development activities to be performed. As of December 31, 2014, the Company accrued a total contribution from Braskem to the collaboration of $4.0 million, of which $2.0 million was received in July 2014 and $2.0 million was received in January 2015.

The Company recognized collaboration revenues of $0.9 million for the three months ended June 30, 2015 and $1.9 million for the six months ended June 30, 2015 under this agreement. As of June 30, 2015, $6.3 million of deferred revenues was recorded in the condensed consolidated balance sheet related to these agreements.

Kuraray Collaboration Agreement and Securities Purchase Agreement

In March 2014, the Company entered into the Second Amended and Restated Collaboration Agreement with Kuraray Co., Ltd (or "Kuraray") in order to extend the term of the original agreement dated July 21, 2011 for an additional two years and add additional fields and products to the scope of development. In consideration for the Company's agreement to extend the term of the original collaboration agreement and add additional fields and products, Kuraray agreed to pay the Company $4.0 million in two equal installments of $2.0 million. The first installment was paid on April 30, 2014 and the second installment was due on April 30, 2015. In connection with the collaboration agreement, Kuraray signed a Securities Purchase Agreement in March 2014 to purchase 943,396 shares of the Company's common stock at a price per share of $4.24 per share. The Company issued 943,396 shares of its common stock at a price per share of $4.24 in April 2014 for aggregate cash proceeds of $4.0 million. In March 2015, the Company entered into the First Amendment to the Second Amended and Restated Collaboration Agreement with Kuraray Co., Ltd (or Kuraray) to extend the term of the original agreement until December 31, 2016 and accelerated payment to the Company of the second installment of $2.0 million to March 31, 2015.

The Company recognized collaboration revenues of $0.4 million for the three months ended June 30, 2015 and $0.9 million for the six months ended June 30, 2015 under this agreement.

Financing Agreements

Nomis Bay Ltd. Common Stock Purchase Agreement

In February 2015, the Company entered into a Common Stock Purchase Agreement (or the “Common Stock Purchase Agreement”) and a Registration Rights Agreement (or the “Registration Rights Agreement”) with Nomis Bay Ltd. (or “Nomis Bay”) under which the Company may from time to time sell up to $50.0 million of its common stock to Nomis Bay over a 24-month period. In connection with such Common Stock Purchase Agreement and Registration Rights Agreement, the Company also entered into a Placement Agent Letter Agreement (or the “Placement Agent Agreement”) with Financial West Group (or “FWG”, the Common Stock Purchase Agreement, the Registration Rights Agreement and the Placement Agent Agreement are collectively referred to as the “Committed Equity Facility Agreements”). The equity commitment arrangement entered into under the Committed Equity Facility Agreements is sometimes referred to as a committed equity line financing facility. Subject to customary covenants and conditions, from time to time over the 24-month term, and in the Company’s sole discretion, the Company may present Nomis Bay with up to 24 draw down notices requiring Nomis Bay to purchase a specified dollar amount of shares of the Company’s common stock, based on the volume weighted average price of our common stock over 10 consecutive trading days prior to the date the Company delivers a draw down notice (or the “10-Day VWAP”). The per share purchase price for these shares equals the daily volume weighted average price of the Company’s common stock on each date during the 10 consecutive trading days following delivery of the draw down notice (or a “Draw Down Period”) on which shares are purchased, less a discount ranging from 3.0% to 6.25%, which discount is based on the 10-Day VWAP. The maximum amount of shares that may be sold in any Draw Down Period ranges from shares having aggregate purchase prices of $325,000 to $3,250,000, based on the 10-Day VWAP. Alternatively, in the Company’s sole discretion, but subject to certain limitations, the Company may require Nomis Bay to purchase a percentage of the daily trading volume of the Company’s common stock for each trading day during the Draw Down Period. The Company will not sell under the Common Stock Purchase Agreement a number of shares of voting common stock which, when aggregated with all other shares of voting common stock then beneficially owned by Nomis Bay and its affiliates, would result in the beneficial ownership by Nomis Bay or any of its affiliates of more than 9.9% of the then issued and outstanding shares of common stock.

Under the Committed Equity Facility Agreements, the Company agreed to pay up to $35,000 of Nomis Bay's legal fees and expenses. The Company also agreed to pay Nomis Bay a commitment fee of $0.1 million which was paid at the signing of the Purchase Agreement, and $0.3 million paid in May 2015. The issuance of the shares of common stock to Nomis Bay would be exempt from registration under the Securities Act pursuant to the exemption for transactions by an issuer not involving a public offering. The Company agreed to indemnify Nomis Bay and its affiliates for losses related to a breach of the representations and warranties by the Company under the Committed Equity Facility Agreements and the other transaction documents, or any action instituted against Nomis Bay or its affiliates due to the transactions contemplated by the Committed Equity Facility Agreements or other transaction documents, subject to certain limitations.

Under the Registration Rights Agreement, the Company granted to Nomis Bay certain registration rights related to the shares issuable in accordance with the Common Stock Purchase Agreement and agreed to use its commercially reasonable efforts to prepare and file with the SEC one or more registration statements for the purpose of registering the resale of the maximum shares of common stock issuable pursuant to the Common Stock Purchase Agreement.

Under the Placement Agent Agreement, the Company agreed to pay Financial West Group (FWG) a fee not to exceed $15,000 in the aggregate for FWG's reasonable attorney's fees and expenses incurred in connection with the transaction**.**

Naxyris Securities Purchase Agreement

In March, 2015, the Company entered into a Securities Purchase Agreement (or the "Naxyris SPA") for the sale of up to $10.0 million in principal amount of an unsecured convertible note of the Company (or the "Naxyris Note") to Naxyris, S.A. (or "Naxyris"), an existing holder of more than 5% of the Company's outstanding common stock as of June 30, 2015. Naxyris is an affiliate of Carole Piwnica, a member of the Company's Board of Directors (or the "Board") who was designated by Naxyris to serve on the Board under a February 2012 letter agreement among the Company, Naxyris and certain other investors in the Company. The Naxyris SPA contemplates that the Naxyris Note may be issued in one closing to occur at the option of the Company at any time prior to the earlier of March 31, 2016 or the Company completing a new financing (or series of financings) of equity, debt or similar instruments in the amount of at least $10.0 million in the aggregate (excluding amounts that may be raised under existing commitments and agreements in existence as of March 30, 2015), following the satisfaction of certain closing conditions, including the receipt of certain third party consents, and required that the Company pay a commitment availability fee of $0.2 million to Naxyris on April 1, 2015.

The Company may prepay the Naxyris Note (if issued) at any time, and if not prepaid, the Naxyris Note is due on the earlier of May 31, 2016 or earlier termination (e.g. in the event of a new capital financing described above) (or the "Maturity Date"). The Naxyris Note accrues interest at a rate of 11.0% per annum compounding quarterly and payable with the principal at maturity. Upon any draw of the Naxyris Note, the Company would be obligated to pay Naxyris a borrowing fee equal to $0.3 million (or the "Borrowing Fee"). The Borrowing Fee will not be due if the Company does not elect to draw the Naxyris Note under the facility.

The Naxyris Note, including the Borrowing Fee and any accrued interest, would be convertible, at Naxyris' election, into the Company's common stock any time after the Maturity Date, at a conversion price per share equal to \$2.35, the last consolidated closing bid price of the Company's common stock on NASDAQ prior to the Company's entry into the Naxyris SPA, subject to adjustment based on proportional adjustments to outstanding common stock and certain dividends and distributions. The Naxyris Note includes standard covenants and events of default resulting in acceleration of indebtedness, including failure to pay, bankruptcy and insolvency, and breaches of the covenants in the Naxyris SPA and Naxyris Note.

The Naxyris SPA also requires the Company, at or prior to any closing thereunder, to enter into an Amendment No. 6 to the Amended and Restated Investors' Rights Agreement (or the "Rights Agreement Amendment" and the underlying agreement, as amended, the "Rights Agreement"), and, under the Naxyris Note, unless waived by Naxyris, the Company agreed to use its commercially reasonable efforts to register the common stock issuable upon conversion of the Naxyris Note in accordance with the Rights Agreement if the Naxyris Note is not repaid by the Maturity Date. Under the Rights Agreement, certain holders of the Company's outstanding securities can request the filing of a registration statement under the Securities Act, covering the shares of common stock held by (or issued upon conversion of other Company securities, including the Naxyris Note) the requesting holders. Further, under the Rights Agreement, if the Company registers securities for public sale, the Company's stockholders with registration rights under the Rights Agreement have the right to include their shares of the Company's common stock in the registration statement. The Rights Agreement Amendment would extend such rights under the Rights Agreement to the common stock issuable upon conversion of the Naxyris Note.

The Naxyris SPA terminated upon the closing of the Company's Private Offering on July 29, 2015. See Note 18 "Subsequent Events" for further details.

Second Hercules Amendment

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In March 2015, the Company and Hercules entered into the Second Hercules Amendment. Pursuant to the Second Hercules Amendment, the parties agreed to, among other things, establish an additional credit facility in the principal amount of up to $15.0 million, which would be available to be drawn by the Company at its sole election (in increments of $5.0 million) through the earlier of March 31, 2016 or such time as the Company raises an aggregate of at least $20.0 million through the sale of new equity securities, subject to certain conditions, including the receipt of third party consents and a requirement to first make certain draw-downs under an equity line of credit that the Company previously secured (to the extent the Company is permitted to do so under the terms thereof) (see Note 5, "Debt").

The additional credit facility with Hercules terminated upon the closing of the Company's Private Offering on July 29, 2015. See Note 18 "Subsequent Events" for further details.

9. Goodwill and Intangible Assets

The following table presents the components of the Company's intangible assets (in thousands):

		June 30, 2015			December 31, 2014		
	Useful Life in Years	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value	Gross Carrying Amount	Accumulated Amortization/ Impairment	Net Carrying Value
In-process research and development	Indefinite	$5,525	$ —	$5,525	$8,560	$ (3,035)	$5,525
Acquired licenses and permits	2	—	—	—	772	(772)	—
Goodwill	Indefinite	560	—	560	560	—	560
		$6,085	$ —	$6,085	$9,892	$ (3,807)	$6,085

The intangible assets acquired through the acquisition of Draths Corporation in October 2011 of in-process research and development (or "IPR&D") of $8.6 million are treated as indefinite lived intangible assets until completion or abandonment of the projects, at which time the assets will be amortized over the remaining useful life or written-off, as appropriate. If the carrying amount of the assets is greater than the measures of fair value, impairment is considered to have occurred and a write-down of the asset is recorded. Any finding that the value of its intangible assets has been impaired would require the Company to write-down the impaired portion, which could reduce the value of its assets and reduce (increase) its net income (loss) for the period in which the related impairment charges occur. During the fourth quarter of 2014, the Company updated its ongoing analysis of the technical and commercial viability of the IPR&D. The complex scientific and significant funding requirements of certain potential products, caused the Company to re-focus its research and development efforts on a narrower range of potential products. As a result of the change in strategy, the forecast discounted future cash flows of the IPR&D were updated, resulting in an impairment to the value of the IP&D assets for the year ended December 31, 2014 of $3.0 million.

Acquired licenses and permits are amortized using a straight-line method over their estimated useful life. Amortization expense for these intangibles was zero for the six months ended June 30, 2015 and 2014. As of June 30, 2015, acquired licenses and permits were fully amortized.

The Company has a single reportable segment (see Note 15, “Reporting Segments” for further details). Consequently, all of the Company's goodwill is attributable to the single reportable segment.

10. Stockholders’ Deficit

Common Stock Warrants

In December 2011, in connection with a capital lease agreement, the Company issued warrants to purchase 21,087 shares of the Company's common stock at an exercise price of $10.67 per share. The Company estimated the fair value of these warrants as of the issuance date to be $0.2 million and recorded these warrants as other assets, amortizing them subsequently over the term of the lease. The fair value was based on the contractual term of the warrants of 10 years, risk free interest rate of 2%, expected volatility of 86% and zero expected dividend yield. These warrants remain unexercised and outstanding as of June 30, 2015.

In October 2013, in connection with the issuance of the Tranche I Notes (see Note 5, "Debt"), the Company issued to Temasek contingently exercisable warrants to purchase 1,000,000 shares of the Company's common stock at an exercise price of $0.01 per share. The Company estimated the fair value of these warrants as of the issuance date at $1.3 million and recorded these warrants as debt issuance cost to be amortized over the term of the note. The fair-value was calculated using a Monte Carlo simulation valuation model based on the contractual term of the warrants of 3.4 years, risk free interest rate of 0.77%, expected volatility of 45% and zero expected dividend yield. These warrants remain unexercised and outstanding as of June 30, 2015. See Note 18, “Subsequent Events,” for information regarding changes since June 30, 2015 to the warrant held by Temasek.

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Each of these warrants includes a cashless exercise provision which permits the holder of the warrant to elect to exercise the warrant without paying the cash exercise price, and receive a number of shares determined by multiplying (i) the number of shares for which the warrant is being exercised by (ii) the difference between the fair market value of the stock on the date of exercise and the warrant exercise price, and dividing such by (iii) the fair market value of the stock on the date of exercise. During the six months ended June 30, 2015 and 2014, no warrants were exercised through the cashless exercise provision.

As of June 30, 2015 and 2014, the Company had 1,021,087 of unexercised common stock warrants.

11. Stock-Based Compensation

The Company's stock option activity and related information for the six months ended June 30, 2015 was as follows:

	Number Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
				(in thousands)
Outstanding - December 31, 2014	10,539,978	$ 6.10	7.22	$ 50
Options granted	2,489,353	$ 1.99	—	—
Options exercised	(750)	$ 0.28	—	—
Options cancelled	(1,362,192)	$ 5.39	—	—
Outstanding - June 30, 2015	11,666,389	$ 5.31	7.37	$ 157
Vested and expected to vest after June 30, 2015	10,807,832	$ 5.52	7.24	$ 136
Exercisable at June 30, 2015	5,743,310	$ 7.75	5.90	$ 40

The aggregate intrinsic value of options exercised under all option plans was $0.0 million and $0.0 million for the three months ended June 30, 2015 and 2014, respectively, and was $0.0 million and $0.5 million for the six months ended June 30, 2015 and 2014, respectively, determined as of the date of option exercise.

The Company's restricted stock units (or "RSUs") and restricted stock activity and related information for the six months ended June 30, 2015 was as follows:

	RSUs	Weighted-Average Grant-Date Fair Value	Weighted Average Remaining Contractual

				Life (Years)
Outstanding - December 31, 2014	1,975,503	$	3.59	0.93
Awarded	2,661,775	$	1.92	—
Vested	(830,119)	$	3.28	—
Forfeited	(198,064)	$	3.21	—
Outstanding - June 30, 2015	3,609,095	$	2.64	1.72
Expected to vest after June 30, 2015	3,007,776	$	2.64	1.62

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The following table summarizes information about stock options outstanding as of June 30, 2015:

	Options Outstanding			Options Exercisable	
Exercise Price	Number of Options	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number of Options	Weighted-Average Exercise Price
$0.10—$1.78	616,743	8.50	$ 1.70	78,093	$ 1.44
$1.96—$1.96	1,412,533	9.94	$ 1.96	—	$ —
$1.98—$2.73	1,256,714	8.27	$ 2.53	445,271	$ 2.66
$2.75—$2.87	1,340,011	7.76	$ 2.83	742,410	$ 2.83
$2.89—$3.44	1,190,091	7.06	$ 3.11	567,523	$ 3.10
$3.51—$3.51	2,106,326	8.68	$ 3.51	623,857	$ 3.51
$3.55—$3.93	1,552,640	5.43	$ 3.87	1,214,415	$ 3.88
$4.06—$16.00	1,215,923	4.58	$ 9.17	1,139,405	$ 9.39
$16.50—$26.84	915,408	5.36	$ 23.02	872,336	$ 22.86
$30.17—$30.17	60,000	5.71	$ 30.17	60,000	$ 30.17
$0.10—$30.17	11,666,389	7.37	$ 5.31	5,743,310	$ 7.75

Stock-Based Compensation Expense

Stock-based compensation expense related to options and restricted stock units granted to employees and nonemployees was allocated to research and development expense and sales, general and administrative expense as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Research and development	$530	$909	$1,246	$1,707
Sales, general and administrative	1,526	2,774	3,462	5,490
Total stock-based compensation expense	$2,056	$3,683	$4,708	$7,197

As of June 30, 2015, there was unrecognized compensation expense of $9.4 million related to stock options, and the Company expects to recognize this expense over a weighted average period of 2.93 years. As of June 30, 2015, there was unrecognized compensation expense of $6.1 million related to RSUs, and the Company expects to recognize this expense over a weighted average period of 2.84 years.

Stock-based compensation expense for RSUs is measured based on the closing fair market value of the Company's common stock on the date of grant. Stock-based compensation expense for stock options and employee stock purchase plan rights is estimated at the grant date and offering date, respectively, based on the fair-value using the Black-Scholes option pricing model. The fair value of employee stock options is being amortized on a straight-line basis over the requisite service period of the awards. The fair value of employee stock options was estimated using the following weighted-average assumptions:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Expected dividend yield	— %	— %	— %	— %
Risk-free interest rate	2 %	2 %	2 %	2 %
Expected term (in years)	6.01	6.09	6.00	6.10
Expected volatility	74 %	75 %	74 %	75 %

Expected Dividend Yield—The Company has never paid dividends and does not expect to pay dividends.

Risk-Free Interest Rate—The risk-free interest rate was based on the market yield currently available on United States Treasury securities with maturities approximately equal to the option’s expected term.

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Expected Term—Expected term represents the period that the Company’s stock-based awards are expected to be outstanding. The Company’s assumptions about the expected term have been based on that of companies that have similar industry, life cycle, revenue, and market capitalization and the historical data on employee exercises.

Expected Volatility—The expected volatility is based on a combination of historical volatility for the Company's stock and the historical stock volatilities of several of the Company’s publicly listed comparable companies over a period equal to the expected terms of the options, as the Company does not have a long trading history.

Forfeiture Rate—The Company estimates its forfeiture rate based on an analysis of its actual forfeitures and will continue to evaluate the adequacy of the forfeiture rate based on actual forfeiture experience, analysis of employee turnover behavior, and other factors. The impact from a forfeiture rate adjustment will be recognized in full in the period of adjustment, and if the actual number of future forfeitures differs from that estimated by the Company, the Company may be required to record adjustments to stock-based compensation expense in future periods.

Each of the inputs discussed above is subjective and generally requires significant management and director judgment.

12. Employee Benefit Plan

The Company established a 401(k) Plan to provide tax deferred salary deductions for all eligible employees. Participants may make voluntary contributions to the 401(k) Plan up to 90% of their eligible compensation, limited by certain Internal Revenue Service (or the "IRS") restrictions. Effective January 2014, the Company implemented a discretionary employer match plan whereby the Company will match employee contributions up to the IRS limit or 90% of compensation, with a minimum one year of service required for vesting. The total matching amount for the three and six months ended June 30, 2015 was $0.2 million and $0.3 million, respectively.

13. Related Party Transactions

Related Party Financings

In August 2013, the Company entered into a securities purchase agreement by and among the Company, Total and Temasek, each a beneficial owner of more than 5% of the Company's existing common stock at the time of the transaction, for a private placement of convertible promissory notes in an aggregate principal amount of $73.0 million. The initial closing of the August 2013 Financing was completed in October 2013 for the sale of approximately $42.6 million of the Tranche I Notes and the second closing of the August 2013 Financing for the sale of approximately

$30.4 million of the Tranche II Notes was completed in January 2014 (the Company issued to Temasek $25.0 million of Tranche II Notes for cash and Total purchased approximately $6.0 million of Tranche II Notes through cancellation of the same amount of principal of previously outstanding convertible promissory notes held by Total (in respect of Total's preexisting contractual right to maintain its pro rata ownership position through such cancellation)). See “Related Party Convertible Notes” in Note 5, “Debt”.

In October 2013, the Company sold and issued a senior secured promissory note to Temasek for a bridge loan of $35.0 million. The note was due on February 2, 2014 and accrued interest at a rate of 5.5% each four months from October 4, 2013 (with a rate of 2% per month if a default occurred). The note was cancelled as payment for the investor’s purchase of Tranche I Notes in the August 2013 Financing. See "Related Party Convertible Notes" in Note 5, "Debt."

In December 2013, the Company agreed to issue to Temasek $25.0 million of the Tranche II Notes for cash. Total purchased approximately $6.0 million of the Tranche II Notes through cancellation of the same amount of principal of previously outstanding convertible promissory notes held by Total (in respect of Total’s preexisting contractual right to maintain its pro rata ownership position through such cancellation). Such financing transactions closed in January 2014 (see Note 5, "Debt").

In April 2014, the Company and Total entered into the March 2014 Letter Agreement under which the Company agreed to, (i) amend the conversion price of the convertible notes to be issued in the third closing under the Total Purchase Agreement from $7.0682 to $4.11 subject to stockholder approval at the Company's 2014 annual meeting (which was obtained in May 2014), (ii) extend the period during which Total may exchange for other Company securities certain outstanding convertible promissory notes issued under the July 2012 Agreements from June 30, 2014 to the later of December 31, 2014 and the date on which the Company shall have raised $75.0 million of equity and/or convertible debt financing (excluding any convertible promissory notes issued pursuant to the Total Purchase Agreement), (iii) eliminate the Company’s ability to qualify, in a disclosure letter to Total, certain of the representations and warranties that the Company must make at the closing of any third closing sale, and (iv) beginning on March 31, 2014, provide Total with monthly reporting on the Company’s cash, cash equivalents and short-term investments. In consideration of these agreements, Total agreed to waive its right not to consummate the closing of the issuance of the third closing notes if it had decided not to proceed with the collaboration and made a "No-Go" decision with respect thereto.

In May 2014, the Company sold and issued 144A Notes pursuant to the Rule 144A Convertible Note Offering. In connection with obtaining a waiver from one of its existing investors, Total, of its preexisting contractual right to exchange certain senior secured convertible notes previously issued by Amyris for new notes issued in the Rule 144A Convertible Note Offering, Amyris used approximately $9.7 million of the net proceeds of the Rule 144A Convertible Note Offering to repay such amount of previously issued notes (representing the amount of notes purchased by Total from the Initial Purchaser under the Rule 144A Convertible Note Offering). Additionally, Foris Ventures, LLC (a fund affiliated with John Doerr) and Temasek each participated in the Rule 144A Convertible Note Offering and purchased $5.0 million and $10.0 million, respectively, of the convertible promissory notes sold thereunder (see “Related Party Convertible Notes” in Note 5, “Debt”).

In each of July 2014 and January 2015, the Company sold and issued a 1.5% Senior Secured Convertible Note to Total with a principal amount of $10.85 million (and an aggregate amount of $21.7 million), each with a March 1, 2017 maturity date pursuant to the Total Purchase Agreement as discussed under "Related Party Convertible Notes" in Note 5, "Debt". These sales constituted the two tranches of the $21.7 million third closing under the Total Purchase Agreement. These convertible notes have an initial conversion price equal to $4.11 per share of the Company's common stock.

See the *Naxyris Securities Purchase Agreement* of Note 8 “*Significant Agreements*” for details of transactions with Naxyris, a related party of the Company.

As of June 30, 2015 and December 31, 2014, convertible notes with related parties were outstanding in aggregate principal amount of $172.4 million and $115.2 million, respectively, net of debt discount of $13.1 million and $53.8 million, respectively. The Company recorded a loss from extinguishment of debt from the settlement, exchange and cancellation of related party convertible notes of zero and $1.1 million for the three months ended June 30, 2015 and 2014, respectively, zero and $10.5 million for the six months ended June 30, 2015 and 2014, respectively.

The fair value of the derivative liability related to the related party convertible notes as of June 30, 2015 and December 31, 2014 was $28.3 million and $39.8 million, respectively. The Company recognized a gain from change in fair value of the derivative instruments of $23.1 million for the three months ended June 30, 2015 and a loss from change in fair value of the derivative instruments of $4.0 million for the three months ended June 30, 2014 and a gain from change in fair value of the derivative instruments of $11.7 million and $53.1 million for the six months ended June 30, 2015 and 2014, respectively, related to these derivative liabilities (see Note 3, "Fair Value of Financial Instruments").

See Note 18, “Subsequent Events,” for information regarding changes since June 30, 2015 to certain related party convertible notes.

Related Party Revenues

The Company recognized related party revenues from product sales to Total of zero and $30,625 for the three months ended June 30, 2015 and 2014, respectively, and zero and $33,250 for the six months ended June 30, 2015 and 2014, respectively. Related party accounts receivable from Total as of June 30, 2015 and December 31, 2014, were both $0.3 million, which is related to a sale of jet fuel.

Transactions with affiliate, Novvi LLC

See Note 7, "Joint Ventures and Noncontrolling Interest" for details of the Company's loans to its affiliate, Novvi LLC. Related party accounts receivable from Novvi as of June 30, 2015 and December 31, 2014 was $25,430 and $0.1 million, respectively, which was related to operating expenses and rent.

Joint Venture with Total

In November 2013, the Company and Total formed JVCO as discussed above under Note 7, "Joint Venture and Noncontrolling Interest."

Pilot Plant Agreements

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In May 2014, the Company received the final consents necessary for the Pilot Plant Services Agreement (or "Pilot Plant Services Agreement") and a Sublease Agreement (or the "Sublease Agreement"), each dated as of April 4, 2014 (collectively the "Pilot Plant Agreements"), between the Company and Total. The Pilot Plant Agreements generally have a term of five years. Under the terms of the Pilot Plant Services Agreement, the Company will provide certain fermentation and downstream separations scale-up services and training to Total and will receive an aggregate annual fee payable by Total for all services in the amount of up to approximately $0.9 million. Under the Sublease Agreement, the Company will receive an annual base rent payable by Total of approximately $0.1 million. As of June 30, 2015, the Company had received $1.3 million in cash under the Pilot Plant Agreements from Total. In connection with these arrangements, sublease payments of $0.1 million and $0.2 million and service fees of $0.3 million and $0.5 million were offset against cost and operating expenses for the three and six months ended June 30, 2015, respectively. As of June 30, 2015, $0.1 million of cash received under the Pilot Plant Agreements from Total was recorded as "Accrued and other current liabilities" on the condensed consolidated balance sheet.

14. Income Taxes

The Company recorded a provision for income taxes for the three months ended June 30, 2015 and 2014 of $0.1 million and $0.1 million, respectively and for the six months ended June 30, 2015 and 2014 of $0.2 million and $0.2 million, respectively. The provision for income taxes for the six months ended June 30, 2015 and 2014 consisted of an accrual of Brazilian withholding tax on intercompany interest liability. Other than the above mentioned provision for income tax, no additional provision for income taxes has been made, net of the valuation allowance, due to cumulative losses since the commencement of operations.

As of June 30, 2015, the IRS has completed its audit of the Company for tax year 2008 which concluded that there were no adjustments resulting from the audit. While the statutes are closed for tax year 2008, the US federal tax carryforwards (net operating losses and tax credits) may be adjusted by the IRS in the year in which the carryforward is utilized.

15. Reporting Segments

The chief operating decision maker for the Company is the chief executive officer. The chief executive officer reviews financial information presented on a consolidated basis, accompanied by information about revenue by geographic region, for purposes of allocating resources and evaluating financial performance. The Company has one business activity comprised of research and development and sales of fuels and farnesene-derived products and there are no segment managers who are held accountable for operations, operating results or plans for levels or components below the consolidated unit level. Accordingly, the Company has determined that it has a single reportable segment and operating segment structure.

Revenues by geography are based on the location of the customer. The following tables set forth revenue and long-lived assets by geographic area (in thousands):

Revenues

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
United States	$4,151	$2,815	$9,373	$4,788
Brazil	1,902	1,402	2,885	2,050
Europe	847	2,985	1,679	6,338
Asia	943	2,105	1,778	2,172
Total	$7,843	$9,307	$15,715	$15,348

Long-Lived Assets

	June 30, 2015	December 31, 2014
United States	$40,872	$44,418
Brazil	62,777	74,197
Europe	334	365
Total	$103,983	$118,980

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16. Comprehensive Income (Loss)

Comprehensive income (loss) represents all changes in stockholders' deficit except those resulting from investments or contributions by stockholders. The Company's foreign currency translation adjustments represent the components of comprehensive income (loss) excluded from the Company's net loss and have been disclosed in the condensed consolidated statements of comprehensive loss for all periods presented.

The components of accumulated other comprehensive loss are as follows (in thousands):

	June 30, 2015	December 31, 2014
Foreign currency translation adjustment, net of tax	$(38,328)	$(29,977)
Total accumulated other comprehensive loss	$(38,328)	$(29,977)

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17. Net Loss Attributable to Common Stockholders and Net Loss per Share

The Company computes net loss per share in accordance with ASC 260, "Earnings per Share." Basic net loss per share of common stock is computed by dividing the Company's net loss attributable to Amyris, Inc. common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share of common stock is computed by giving effect to all potentially dilutive securities, including stock options, restricted stock units, common stock warrants, convertible promissory notes using the treasury stock method or the as converted method, as applicable. For the three months ended June 30, 2014 and the six months ended June 30, 2015, basic net loss per share was the same as diluted net loss per share because the inclusion of all potentially dilutive securities outstanding was anti-dilutive. As such, the numerator and the denominator used in computing both basic and diluted net loss was the same for those periods.

The following table presents the calculation of basic and diluted net loss per share of common stock attributable to Amyris, Inc. common stockholders (in thousands, except share and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Numerator:				
Net loss attributable to Amyris, Inc. common stockholders	$(47,130)	$(35,479)	$(99,370)	$(19,094)
Interest on convertible debt	498	—	—	3,169
Accretion of debt discount	365	—	—	2,518
Gain from change in fair value of derivative instruments	(8,260)	—	—	(59,995)
Net loss attributable to Amyris, Inc. common stockholders after assumed conversion	$(54,527)	$(35,479)	$(99,370)	$(73,402)
Denominator:				
Weighted average shares of common stock outstanding for basic EPS	80,041,152	78,604,692	79,633,864	77,722,437
Basic loss per share	$(0.59)	$(0.45)	$(1.25)	$(0.25)
Weighted average shares of common stock outstanding	80,041,152	78,604,692	79,633,864	77,722,437
Effect of dilutive securities:				
Convertible promissory notes	7,380,287	—	—	32,909,641
Weighted common stock equivalents	7,380,287	—	—	32,909,641
Diluted weighted-average common shares	87,421,439	78,604,692	79,633,864	110,632,078
Diluted loss per share	$(0.62)	$(0.45)	$(1.25)	$(0.66)

The following outstanding shares of potentially dilutive securities were excluded from the computation of diluted net loss per share of common stock because including them would have been anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Period-end stock options to purchase common stock	11,666,389	10,495,707	11,666,389	10,495,707
Convertible promissory notes	67,634,387	69,727,211	75,007,016	36,643,102
Period-end common stock subject to repurchase	—	—	—	—
Period-end common stock warrants	1,021,087	1,021,087	1,021,087	1,021,087
Period-end restricted stock units	3,609,095	2,108,289	3,609,095	2,108,289
Total	83,930,958	83,352,294	91,303,587	50,268,185

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18. Subsequent Events

Exchange and Private Placement

In July 2015, the Company entered into agreements and closed certain transactions with respect to a $25.0 million private placement (the "Private Offering") of its common stock and the conversion and restructuring (the "Exchange") of approximately $175.0 million of outstanding convertible debt and a related restructuring of the Company's commercial agreements with Total.

Exchange

On July 29, 2015, the Company closed the Exchange pursuant to that certain Exchange Agreement, dated as of July 26, 2015 (the " Exchange Agreement "), among the Company, Temasek and Total.

Under the Exchange Agreement, at the closing, Temasek exchanged approximately $71.0 million of outstanding convertible promissory notes (including paid-in-kind and accrued interest through July 29, 2015) and Total exchanged $70.0 million in principal amount of outstanding convertible promissory notes for shares of the Company's common stock. The exchange price was $2.30 per share (the "Exchange Price") and was paid by the exchange and cancellation of such outstanding convertible promissory notes, and Temasek and Total received 30,860,633 and 30,434,782 shares of the Company's common stock, respectively, in the Exchange. As a result of the Exchange, accretion of debt discount was accelerated based on the Company's estimate of the expected conversion date, resulting in an additional interest expense of $36.6 million for the quarter ended June 30, 2015.

Under the Exchange Agreement, Total also received the following warrants, each with a five-year term, at the closing:

- A warrant to purchase 18,924,191 shares of the Company's Common Stock (the "Total Funding Warrant").
- A warrant to purchase 2,000,000 shares of the Company's common stock that will only be exercisable if the Company fails, as of March 1, 2017, to achieve a target cost per liter to manufacture farnesene (the "Total R&D Warrant"). The Total Funding Warrant and the Total R&D Warrant are collectively referred to as the "Total Warrants."

Additionally, under the Exchange Agreement, Temasek received the following warrants:

- A warrant to purchase 14,677,861 shares of the Company’s common stock.

- A warrant exercisable for that number of shares of the Company’s common stock equal to (1) (A) the number of shares for which Total exercises the Total Funding Warrant plus (B) the number of additional shares for which the certain convertible notes remaining outstanding following the completion of the Exchange may become exercisable as a result of a reduction in the conversion price of such remaining notes as of a result of and/or subsequent to the date of the Exchange plus (C) that number of additional shares in excess of 2,000,000, if any, for which the Total R&D Warrant becomes exercisable multiplied by a fraction equal to 30.6% divided by 69.4% plus (2) (A) the number of any additional shares for which certain other outstanding convertible promissory notes may become exercisable as a result of a reduction to the conversion price of such notes multiplied by (B) a fraction equal to 13.3% divided by 86.7%.

- A warrant exercisable for that number of shares of the Company’s common stock equal to 880,339 multiplied by a fraction equal to the number of shares for which Total exercises the Total R&D Warrant divided by 2,000,000. If Total is entitled to, and does, exercise the Total R&D Warrant in full, this warrant would be exercisable for 880,339 shares.

The above-referenced warrants issued to Temasek have ten-year terms and are referred to herein as the “Temasek Warrants” and, the Temasek Warrants and Total Warrants are hereinafter collectively referred to as the “Exchange Warrants”. All of the Exchange Warrants have an exercise price of $0.01 per share.

In addition to the grant of the Exchange Warrants, a warrant issued by the Company to Temasek in October 2013 in conjunction with a prior convertible debt financing (the “2013 Warrant”) became exercisable in full upon the completion of the Exchange. There are 1,000,000 shares underlying the 2013 Warrant, which is exercisable at an exercise price of $0.01 per share.

The exercisability of all of the Exchange Warrants is subject to stockholder approval. The Company intends to solicit such approval promptly and, as further described below, has entered into Voting Agreements (defined below) with certain of the Company's stockholders and investors pursuant to which such stockholders and investors have agreed to vote in favor of the exercisability of the Exchange Warrants and the exercisability of certain of other warrants to be issued under the transactions contemplated by the Private Offering (as described below, the " Private Offering Warrants ").

Maturity Treatment Agreement

At the closing of the Exchange, the Company, Total and Temasek also entered into a Maturity Treatment Agreement, dated as of July 29, 2015, pursuant to which Total and Temasek agreed to convert any of the Company's convertible promissory notes held by them that were not cancelled in the Exchange (the "Remaining Notes") into shares of the Company's common stock in accordance with the terms of such Remaining Notes upon maturity, provided that certain events of default have not occurred with respect to the applicable Remaining Notes prior to such maturity. As of immediately following the closing of the Exchange, Temasek held $10.0 million in aggregate principal amount of Remaining Notes and Total held approximately $25.0 million in aggregate principal amount of Remaining Notes.

Including the Remaining Notes, following the closing of the Private Offering and the Exchange, the Company had outstanding approximately $130.9 million in aggregate principal amount of convertible promissory notes, including $25.0 million with a conversion price of $7.0682 per share, $5.0 million with a conversion price of $3.08 per share (with such $5.0 million to be canceled upon final execution of agreements relating to restructuring of a fuels joint venture with Total), $75.0 million with a conversion price of approximately $3.74 per share, and $25.9 million (the "Tranche Notes ") with a conversion price of approximately $1.42 per share (with Tranche Notes' conversion price reduced from conversion prices ranging from $2.44 to $2.87, based on existing anti-dilution adjustments in the Tranche Notes as a result of the Private Offering price).

In relation to the above transactions, in July 2015 the Company also entered into an Investors' Rights Agreement and Voting Agreements with certain shareholders.

Private Offering

In the Private Offering, on July 29, 2015, the Company sold and issued 16,025,642 shares of the Company's Common Stock, $0.0001 par value per share (the " Common Stock "), at a price per share of $1.56, under a Securities Purchase Agreement, dated as of July 24, 2015 (the "SPA"), by and among the Company, Foris Ventures, LLC, Wolverine Flagship Fund Trading Limited, Nomis Bay Ltd., Total, Connective Capital I Master Fund, LTD, Connective Capital Emerging Energy QP, LP and Naxyris SA (collectively, the " Purchasers "). Pursuant to the SPA, the Company agreed to grant to each of the Purchasers a Private Offering Warrant with a term of five years exercisable at an exercise price of $0.01 per share for the purchase of a number of shares of the Company's common stock equal to 10% of the shares purchased by such investor. The exercisability of the Private Offering Warrants is subject to stockholder approval.

Commercial Agreements with Total

On July 26, 2015, the Company entered into a Letter Agreement with Total (the "JVCO Letter Agreement") regarding the restructuring of ownership and rights of Total Amyris BioSolutions B.V., the jointly owned entity incorporated on November 29, 2013 to house the JV ("TAB"), pursuant to which the parties agreed to enter into an Amended and Restated Shareholders' Agreement among the Company, Total and TAB, a Deed of Amendment of Articles of Association of TAB, an Amended & Restated Jet Fuel License Agreement among the Company and TAB, and a License Agreement regarding Diesel Fuel in the EU between the Company and Total, all in order to reflect certain changes to the structure of TAB and license grants and related rights pertaining to TAB.

Pursuant to the JVCO Letter Agreement, Total will cancel R&D Notes in an aggregate principal amount of $5.0 million, plus all PIK and accrued interest under all outstanding R&D Notes and a note in the principal amount of Euro 50,000, plus accrued interest, issued by Amyris to Total in connection with the existing TAB capitalization, in exchange for an additional 25% of TAB (giving Total an aggregate ownership stake of 75% of TAB and giving the Company an aggregate ownership stake of 25% of TAB).

Hercules Loan Facility

The Company’s loan facility with Hercules requires the Company to maintain unrestricted, unencumbered cash in an amount equal to at least 50% of the principal amount outstanding under such facility, and to pay $0.8 million if the Company had not canceled or repaid any amounts drawn on the additional credit line issued under the facility or raised at least $20 million of new equity financing by June 30, 2015. The Company received a waiver from Hercules with respect to non-compliance with such covenants. As of the date of issuance of this report, the Company is in compliance with all its debt agreements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

The following discussion and analysis should be read in conjunction with our condensed consolidated financial statements and the related notes that appear elsewhere in this Form 10-Q. These discussions contain forward-looking statements reflecting our current expectations that involve risks and uncertainties which are subject to safe harbors under the Securities Act of 1933, as amended, or the Securities Act, and the Securities Exchange Act of 1934, as amended, or the Exchange Act. These forward looking statements include, but are not limited to, statements concerning our strategy of achieving a significant reduction in net cash outflows in 2015, future production capacity and other aspects of our future operations, ability to improve our production efficiencies, future financial position, future revenues, projected costs, expectations regarding demand and acceptance for our technologies, growth opportunities and trends in the market in which we operate, prospects and plans and objectives of management. The words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would" and simila intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward looking statements. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in Part II, Item 1A, "Risk Factors," in this Quarterly Report on Form 10-Q and in our other filings with the Securities and Exchange Commission. We do not assume any obligation to update any forward-looking statements.

Trademarks

Amyris, the Amyris logo, Biofene, Biossance, Dial-A-Blend, Diesel de Cana , Evoshield, μPharm, Muck Daddy, Myralene, Neossance, Beauty is in our biology, No Compromise, and You Muck Up. We Clean Up. are trademarks, service marks, registered trademarks or registered service marks of Amyris, Inc. This report also contains trademarks and trade names of other business that are the property of their respective holders.

Overview

Amyris, Inc. (referred to as the "Company," "Amyris," "we," "us," or "our") is a renewable products company focused on providing sustainable alternatives to a broad range of petroleum-sourced products. We developed innovative microbial engineering and screening technologies that modify the way microorganisms process sugars. We are using our proprietary industrial bioscience technology to design microbes, primarily yeast, and use them as living factories in established fermentation processes to convert plant-sourced sugars into renewable hydrocarbons. We are developing, and, in some cases, already commercializing, products from these hydrocarbons in several target industry sectors, including cosmetics, lubricants, flavors and fragrances, performance materials, and transportation fuels. We call these No Compromise products because we design them to perform comparably to or better than currently available products.

We have been applying our industrial bioscience technology platform to provide alternatives to a broad range of petroleum-sourced products. We have focused our development efforts on the production of Biofene, our brand of renewable farnesene, a long-chain, branched liquid hydrocarbon molecule. Using Biofene as a first commercial building block molecule, we are developing a wide range of renewable products for our target markets.

While our platform is able to utilize a wide variety of feedstocks, we are focusing our large-scale production plans primarily on the use of Brazilian sugarcane as our feedstock because of its abundance, low cost and relative price stability. We have also been able to produce Biofene through the use of other feedstocks such as sugar beets, corn dextrose, sweet sorghum and cellulosic sugars.

Our first purpose-built, large-scale Biofene production plant commenced operations in southeastern Brazil in December 2012. This plant is located in Brotas, in the state of São Paulo, Brazil, and is adjacent to an existing sugar and ethanol mill.

Our business strategy is focused on our commercialization efforts of specialty products while moving commodity products, including our fuels and base oil lubricants products, into joint venture arrangements with established industry leaders. We believe this approach will permit access to the capital and resources necessary to support large-scale production and global distribution for our products. Our initial renewable products efforts have been focused on cosmetics, niche fuel opportunities, fragrance oils, and performance materials sector.

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Relationship with Total

In July 2012 and December 2013, we entered into a series of agreements to establish a research and development program and form a joint venture with Total Energies Nouvelles Activités USA (formerly known as Total Gas & Power USA, SAS, and referred to as “Total”) to produce and commercialize Biofene-based diesel and jet fuels, and successfully formed such joint venture in December 2013 (or the "July 2012 Agreements"). With an exception for our fuels business in Brazil, the collaboration and joint venture established the exclusive means for us to develop, produce and commercialize fuels from Biofene. We granted the joint venture exclusive licenses under certain of our intellectual property to make and sell joint venture products. We also granted the joint venture, in the event of a buy-out of our interest in the joint venture by Total (which Total is entitled to do under certain circumstances described below), a non-exclusive license to optimize or engineer yeast strains used by us to produce farnesene for the joint venture’s diesel and jet fuels. As a result of these licenses, Amyris generally no longer has an independent right to make or sell Biofene fuels outside of Brazil without the approval of Total.

Our agreements with Total relating to our fuels collaboration created a convertible debt financing structure for funding the research and development program. The collaboration agreements contemplated approximately $105.0 million in financing for the collaboration, which as of January 2015, had been completely funded by Total. The collaboration agreements were subject to a series of "Go/No-Go" decision points during the program, under which licenses to our technology could have terminated, and the notes would have remained outstanding and become payable at maturity unless otherwise converted in accordance with their terms. Following the final installment of funding in January 2015, only one "Go/No-Go" decision point remains under the collaboration agreements (such final decision point is expected to occur 30 days following the earlier of December 31, 2016 or the completion of certain milestones under the collaboration agreements). If Total makes a final "Go" decision with respect to the full fuels collaboration, then the notes will be exchanged by Total for equity interests in the joint venture, after which the notes will not be convertible and any obligation to pay principal or interest on the exchanged notes (or a portion thereof) will be extinguished. In case of a "Go" decision only with respect to jet fuel, the parties would perform an operational joint venture only for jet fuel (and the rights associated with diesel would terminate), 70% of the outstanding notes would remain outstanding and become payable, and 30% of the outstanding notes would be cancelled. If Total makes a "No-Go" decision, all the outstanding notes would remain outstanding and become payable upon maturity (unless otherwise converted in accordance with their terms).

In April 2014, we entered into a letter agreement with Total dated as of March 29, 2014 (or the “March 2014 Total Letter Agreement”) to amend the Amended and Restated Master Framework Agreement entered into in December 2013 (one of the agreements we entered into in connection with the Total joint venture). Under the March 2014 Total Letter Agreement, we agreed to, among other things, amend the conversion price of the then-remaining $21.7 million of convertible notes from $7.0682 per share to $4.11 per share (which was funded in two equal installments in July 2014 and January 2015). In May 2014, we obtained stockholder approval with respect to the repricing of such convertible notes and the other amendments contemplated by the March 2014 Letter Agreement.

On July 26, 2015, the Company entered into a Letter Agreement with Total (the "JVCO Letter Agreement") regarding the restructuring of ownership and rights of Total Amyris BioSolutions B.V., the jointly owned entity incorporated on November 29, 2013 to house the JV ("TAB"), pursuant to which the parties agreed to enter into an Amended and

Restated Shareholders' Agreement among the Company, Total and TAB, a Deed of Amendment of Articles of Association of TAB, an Amended & Restated Jet Fuel License Agreement among the Company and TAB, and a License Agreement regarding Diesel Fuel in the EU between the Company and Total, all in order to reflect certain changes to the structure of TAB and license grants and related rights pertaining to TAB (together, with the Pilot Plant Agreement Amendment described below, collectively, the "Commercial Agreements"). The parties agreed to enter into the Commercial Agreements relating to TAB in a closing to occur on or before September 18, 2015, and the Pilot Plant Agreement Amendment was entered into on July 26, 2015.

Under the Commercial Agreements relating to TAB, the Company will grant exclusive (excluding its Brazil jet fuels business), world-wide, royalty-free rights to TAB for commercialization of farnesene- or farnesane-based jet fuel, and the parties agreed that, if TAB wishes to purchase farnesene- or farnesane for such business, they would negotiate a supply agreement on a "most-favored" pricing basis. TAB would also have an option until March 1, 2018 to purchase the assets of the jet portion of the Company's Brazil fuel business at a price based on the fair value of the commercial assets and the Company's investment in other related assets. TAB will no longer have any licenses or rights with regards to farnesene- or farnesane-based diesel fuel.

In addition, the Company will grant Total an exclusive, royalty-free license for the rights to offer for sale and sell in the European Union ("EU") farnesene- or farnesane-based diesel fuel, and the parties agreed that, if Total wishes to purchase farnesene- or farnesane for such business, they would negotiate a supply agreement on a "most-favored" pricing basis. For a to-be-negotiated, commercially reasonable, "most-favored" basis royalty to be paid to Amyris, Total will also have the right to make farnesene- or farnesane anywhere in the world solely for Total to offer for sale and sell it for diesel fuel in the EU.

Further, in accordance with the Commercial Agreements and pursuant to the JVCO Letter Agreement, Total will cancel R&D Notes in an aggregate principal amount of $5.0 million, plus all PIK and accrued interest under all outstanding R&D Notes and a note in the principal amount of Euro 50,000, plus accrued interest, issued by Amyris by Total in connection with the existing TAB capitalization, in exchange for an additional 25% of TAB (giving Total an aggregate ownership stake of 75% of TAB and giving the Company an aggregate ownership stake of 25% of TAB). This transaction is expected to complete on or before September 18, 2015.

Additionally, in connection with the restructuring of the terms of TAB and the other Commercial Agreements, Total and the Company entered into Amendment #1 (the "Pilot Plant Agreement Amendment") to that certain Pilot Plant Services Agreement dated as of April 4, 2014 (as amended, the "Pilot Plant Agreement") whereby the Company and Total agreed to restructure the payment obligations of Total under the Pilot Plant Agreement. Under the original Pilot Plant Agreement, for a five year period, the Company is providing certain fermentation and downstream separations scale-up services and training to Total and receives an aggregate annual fee payable by Total for all services in the amount of up to approximately $900,000 per annum. Such annual fee is due in three equal installments payable on March 1, July 1 and November 1 each year during the term of the Pilot Plant Agreement. Under the Pilot Plant Agreement Amendment, in connection with the restructuring of TAB discussed above, Amyris agreed to waive a portion of these fees up to approximately $2.0 million, over the term of the Pilot Plant Agreement.

Sales and Revenue

To commercialize our initial Biofene-derived product, squalane, in the cosmetics sector for use as an emollient, we have entered into certain marketing and distribution agreements in Europe, Asia, and North America. As an initial step towards commercialization of Biofene-based diesel, we have entered into agreements with municipal fleet operators in Brazil. Our diesel fuel is supplied to the largest Company in Brazil's fuel distribution segment which blends our product with petroleum diesel and sells to a number of bus fleet operators. Pursuant to our agreements with Total, future commercialization of our jet fuel products outside of Brazil would generally occur exclusively through certain agreements entered into by and among Amyris, Total and Total Amyris BioSolutions B.V. (or JVCO). For the industrial lubricants market, we established a joint venture with Cosan for the worldwide development, production and commercialization of renewable base oils in the lubricant sector. In the third quarter and fourth quarter of 2014, we sold to one of our collaboration partners, a product for the flavors and fragrances market that we began manufacturing at our Brotas facility in Brazil.

Financing

In January 2014, we sold and issued, for face value, approximately $34.0 million of convertible promissory notes in Tranche II Notes as described in more detail in Note 5, "Debt".

In March 2014, we entered into a securities purchase agreement with Kuraray under which we agreed to sell shares of our common stock at a price equal to the greater of $2.88 per share or the average daily closing prices per share on the

NASDAQ Stock Market for the three month period ending March 27, 2014, for an aggregate purchase price of $4.0 million. In April 2014, we completed the sale of common stock to Kuraray and issued 943,396 shares of our common stock at a price per share of $4.24 for aggregate proceeds of approximately $4.0 million.

In March 2014, the Company entered into an export financing agreement with Banco ABC Brasil S.A. (or ABC) for approximately $2.2 million to fund exports through March 2015. This loan was collateralized by future exports from the Company's subsidiary in Brazil.

In March 2014, we entered into a Loan and Security Agreement (or, as amended, the “Hercules Loan Facility”) with Hercules Technology Growth Capital, Inc. (or “Hercules”) under which we issued to Hercules, secured debt in the aggregate amount of $25.0 million. In June 2014, we entered into a First Amendment of the Loan and Security Agreement and agreed to, among other things, issue an additional $5.0 million of secured debt to Hercules. In March 2015, we entered into a Second Amendment to the Loan and Security Agreement, under which, subject to certain terms and conditions, we have the option to draw an additional $15.0 million from Hercules in up to three installments of $5.0 million each. The Hercules Loan Facility, as amended, is described in more detail below under "Liquidity and Capital Resources."

In May 2014, we sold and issued $75.0 million aggregate principal amount of 6.50% Convertible Senior Notes due 2019 to Morgan Stanley & Co. LLC as the Initial Purchaser in a private placement, and for initial resale by the Initial Purchaser to qualified institutional buyers in the Rule 144A Convertible Note Offering (as described in more detail below under "Liquidity and Capital Resources").

In July 2014, we closed on the initial installment of the $21.7 million in convertible notes from Total under the July 2012 Agreements as described in more detail in Note 5, "Debt", in the amount of $10.85 million and in January 2015, we closed on the second installment in the amount of $10.85 million.

In March 2015, we entered into a Securities Purchase Agreement (or the “Naxyris SPA”) for the sale of up to $10.0 million in principal amount of an unsecured convertible note of Amyris (or the “Naxyris Note”) to Naxyris, SA (or “Naxyris”) (an affiliate of our director, Carole Piwnica, and which beneficially owned 7.1% of our outstanding common stock as of March 15, 2015). The Naxyris SPA contemplates that the Naxyris Note may be issued in one closing to occur at any time prior to the earlier of March 31, 2016 or Amyris completing a new financing (or series of financings) of equity, debt or similar instruments in the amount of at least $10.0 million in the aggregate (excluding amounts that may be raised under existing commitments and agreements in existence as of March 30, 2015), following the satisfaction of certain closing conditions, including the receipt of certain third party consents, and required that we pay a commitment availability fee of $0.2 million to Naxyris on April 1, 2015. We may prepay the Naxyris Note (if issued) at any time, and if not prepaid, the Naxyris Note is due on the earlier of May 31, 2016 or earlier termination (e.g. in the event of a new capital financing described above) (or the Naxyris Maturity Date). The Naxyris Note would accrue interest at a rate of 11.0% per annum compounding quarterly and payable with the principal at maturity. Upon any draw of the Naxyris Note, we would be obligated to pay Naxyris a borrowing fee equal to $0.3 million (or the “Borrowing Fee”). The Borrowing Fee would not be due if we do not elect to draw the Naxyris Note under the facility.

Exchange

On July 29, 2015, we closed the Exchange pursuant to that certain Exchange Agreement, dated as of July 26, 2015 (the “ Exchange Agreement ”), among the Company, Temasek and Total.

Under the Exchange Agreement, at the closing, Temasek exchanged approximately $71.0 million of outstanding convertible promissory notes (including paid-in-kind and accrued interest through July 29, 2015) and Total exchanged $70.0 million in principal amount of outstanding convertible promissory notes for shares of the Company’s common stock. The exchange price was $2.30 per share (the “Exchange Price”) and was paid by the exchange and cancellation of such outstanding convertible promissory notes, and Temasek and Total received 30,860,633 and 30,434,782 shares of the Company’s common stock, respectively, in the Exchange. The first and second closings contemplated by the Exchange Agreement occurred simultaneously as the conditions precedent for both of such closings (including the consummation of the Private Offering) had been met on July 29, 2015.

Under the Exchange Agreement, Total also received the following warrants, each with a five-year term, at the closing:

- A warrant to purchase 18,924,191 shares of the Company’s Common Stock (the “Total Funding Warrant”).

- A warrant to purchase 2,000,000 shares of the Company's common stock that will only be exercisable if the Company fails, as of March 1, 2017, to achieve a target cost per liter to manufacture farnesene (the "Total R&D Warrant"). The Total Funding Warrant and the Total R&D Warrant are collectively referred to as the "Total Warrants."

Additionally, under the Exchange Agreement, Temasek received the following warrants:

- A warrant to purchase 14,677,861 shares of the Company's common stock.

- A warrant exercisable for that number of shares of the Company's common stock equal to (1) (A) the number of shares for which Total exercises the Total Funding Warrant plus (B) the number of additional shares for which the certain convertible notes remaining outstanding following the completion of the Exchange may become exercisable as a result of a reduction in the conversion price of such remaining notes as of a result of and/or subsequent to the date of the Exchange plus (C) that number of additional shares in excess of 2,000,000, if any, for which the Total R&D Warrant becomes exercisable multiplied by a fraction equal to 30.6% divided by 69.4% plus (2) (A) the number of any additional shares for which certain other outstanding convertible promissory notes may become exercisable as a result of a reduction to the conversion price of such notes multiplied by (B) a fraction equal to 13.3% divided by 86.7%.

- A warrant exercisable for that number of shares of the Company's common stock equal to 880,339 multiplied by a fraction equal to the number of shares for which Total exercises the Total R&D Warrant divided by 2,000,000. If Total is entitled to, and does, exercise the Total R&D Warrant in full, this warrant would be exercisable for 880,339 shares.

The above-referenced warrants issued to Temasek have ten-year terms and are referred to herein as the "Temasek Warrants" and, the Temasek Warrants and Total Warrants are hereinafter collectively referred to as the "Exchange Warrants". All of the Exchange Warrants have an exercise price of $0.01 per share.

In addition to the grant of the Exchange Warrants, a warrant issued by the Company to Temasek in October 2013 in conjunction with a prior convertible debt financing (the "2013 Warrant") became exercisable in full upon the completion of the Exchange. There are 1,000,000 shares underlying the 2013 Warrant, which is exercisable at an exercise price of $0.01 per share.

The exercisability of all of the Exchange Warrants is subject to stockholder approval. The Company intends to solicit such approval promptly and, as further described below, has entered into Voting Agreements (defined below) with certain of the Company's stockholders and investors pursuant to which such stockholders and investors have agreed to vote in favor of the exercisability of the Exchange Warrants and the exercisability of certain of other warrants to be issued under the transactions contemplated by the Private Offering (as described below, the "Private Offering Warrants ").

Maturity Treatment Agreement

At the closing of the Exchange, the Company, Total and Temasek also entered into a Maturity Treatment Agreement, dated as of July 29, 2015, pursuant to which Total and Temasek agreed to convert any of the Company's convertible promissory notes held by them that were not cancelled in the Exchange (the "Remaining Notes") into shares of the Company's common stock in accordance with the terms of such Remaining Notes upon maturity, provided that certain events of default have not occurred with respect to the applicable Remaining Notes prior to such maturity. As of immediately following the closing of the Exchange, Temasek held $10.0 million in aggregate principal amount of Remaining Notes and Total held approximately $25.0 million in aggregate principal amount of Remaining Notes. Including the Remaining Notes, following the closing of the Private Offering and the Exchange, the Company had outstanding approximately $130.9 million in aggregate principal amount of convertible promissory notes, including $25.0 million with a conversion price of $7.0682 per share, $5.0 million with a conversion price of $3.08 per share (with such $5.0 million to be canceled upon final execution of agreements relating to restructuring of a fuels joint venture with Total), $75.0 million with a conversion price of approximately $3.74 per share, and $25.9 million (the "Tranche Notes ") with a conversion price of approximately $1.42 per share (with Tranche Notes' conversion price reduced from conversion prices ranging from $2.44 to $2.87, based on existing anti-dilution adjustments in the Tranche Notes as a result of the Private Offering price).

On July 29, 2015, the Company sold and issued 16,025,642 shares of the Company's Common Stock, $0.0001 par value per share (the "*Common Stock*"), at a price per share of $1.56, under a Securities Purchase Agreement, dated as of July 24, 2015 (the "*SPA*"), by and among the Company, Foris Ventures, LLC, Wolverine Flagship Fund Trading Limited, Nomis Bay Ltd., Total, Connective Capital I Master Fund, LTD, Connective Capital Emerging Energy QP, LP and Naxyris SA (collectively, the "*Purchasers*"). Pursuant to the SPA, the Company agreed to grant to each of the Purchasers a Private Offering Warrant exercisable at an exercise price of $0.01 per share for the purchase of a number of shares of the Company’s common stock equal to 10% of the shares purchased by such investor. The exercisability of the Private Offering Warrants will be subject to stockholder approval. The Company intends to solicit such approval promptly, and the parties subject to the Voting Agreements have agreed to vote in favor of the exercisability of these warrants.

Liquidity

We have incurred significant losses since our inception and believe that we will continue to incur losses and negative cash flow from operations through at least 2016. As of June 30, 2015, we had an accumulated deficit of $918.5 million and had cash, cash equivalents and short term investments of $12.1 million. We have significant outstanding debt and contractual obligations related to capital and operating leases, as well as purchase commitments. Refer to "Liquidity and Capital Resources" for further details.

Results of Operations

Comparison of Three Months Ended June 30, 2015 and 2014

Revenues

	Three Months Ended June 30, 2015	2014	Period-to-period Change	Percentage Change
	(Dollars in thousands)			
Revenues				
Renewable product sales	$3,340	$4,379	$ (1,039)	(24)%
Related party renewable product sales	—	31	(31)	(100)%
Total product sales	3,340	4,410	(1,070)	(24)%
Grants and collaborations revenue	4,503	4,897	(394)	(8)%
Total grants and collaborations revenue	4,503	4,897	(394)	(8)%
Total revenues	$7,843	$9,307	$ (1,464)	(16)%

Our total revenues decreased by $1.5 million to $7.8 million for the three months ended June 30, 2015, as compared to the same period in the prior year due to the decrease in product sales and the completion of government grant activity in the first quarter of fiscal year 2015.

Product sales decreased by $1.1 million to $3.3 million for the three months ended June 30, 2015, as compared to the same period in the prior year primarily due to unfavorable foreign currency fluctuations of $0.5 million impacting our diesel fuel sales in Brazil and cosmetics products sales in Europe and Asia, along with customer discounts. Cosmetics products sales declined as a result of lower average selling prices driven by unfavorable currency fluctuations and customer discounts. This decrease was partly offset by increased sales of diesel fuel products in Brazil compared to the same period in the prior year.

Grants and collaborations revenue decreased by $0.4 million to $4.5 million for the three months ended June 30, 2015, as compared to the same period in the prior year to a $1.6 million decrease in government grant revenue resulting mainly from the completion of the DARPA Technology Investment Agreement with the Defense Advanced Research Projects Agency (or "DARPA") during the first quarter of fiscal year 2015. This decrease was partly offset by an increase in collaborations revenue of $1.3 million resulting from new collaborations with Braskem, Michelin and Kuraray.

Cost and Operating Expenses

	Three Months Ended June 30,			
	2015	2014	Period-to-period Change	Percentage Change
	(Dollars in thousands)			
Cost of products sold	$10,959	$7,511	$ 3,448	46 %
Loss on purchase commitments and write-off of production assets	—	52	(52)	(100)%
Research and development	11,168	12,175	(1,007)	(8)%
Sales, general and administrative	14,375	13,971	404	3 %
Total cost and operating expenses	$36,502	$33,709	$ 2,793	8 %

Cost of Products Sold

Our cost of products sold includes cost of raw materials, labor and overhead, amounts paid to contract manufacturers, period costs related to inventory write-downs resulting from applying lower of cost or market inventory valuations, and costs related to scale-up in production of such products. Our cost of products sold increased by $3.4 million to $11.0 million for the three months ended June 30, 2015, as compared to the same period in the prior year, primarily driven by product mix, and higher inventory provisions related to the lower expected price of future fuels sales compared to our higher inventory cost and higher excess capacity charge based on timing of production. Our farnesene cash production costs per liter, have steadily declined since the commencement of production at our manufacturing facility in Brotas, Brazil, consistent with increases in volume and production efficiency. We expect the downward trend, subject to periodic fluctuations, in cash production costs per liter to continue as we continually improve strains, operational efficiency and /or increase volumes. Cash production costs per liter, includes costs of feedstock, nutrients and other chemical ingredients, labor, utilities and other plant overhead.

Research and Development Expenses

Our research and development expenses decreased by $1.0 million to $11.2 million for the three months ended June 30, 2015, as compared to the same period in the prior year, primarily as a result of a decrease of $0.4 million in stock-based compensation, $0.3 million from facilities and rent expense and depreciation expense, $0.2 million in salaries and benefits expense and $0.1 million from lab supplies and equipment. Research and development expenses included stock-based compensation expense of $0.5 million and $0.9 million during the three months ended June 30, 2015 and 2014, respectively.

Sales, General and Administrative Expenses

Our sales, general and administrative expenses increased by $0.4 million to $14.4 million for the three months ended June 30, 2015, as compared to the same period in the prior year, primarily due to increases in consulting and outside services and personnel-related expense from the hiring of a sales and marketing force to support the Company's product commercialization plans, offset in part by a decrease in stock-based compensation. Sales, general and administrative expenses included stock-based compensation expense of $1.5 million and $2.8 million during the three months ended June 30, 2015 and 2014, respectively.

Other Income (Expense)

Three Months Ended
June 30,

	2015	2014	Period-to-period Change	Percentage Change
	(Dollars in thousands)			
Other income (expense):				
Interest income	$58	$148	$ (90)	(61)%
Interest expense	(45,986)	(6,802)	(39,184)	576 %
Gain (loss) from change in fair value of derivative instruments	28,834	(3,252)	32,086	(987)%
Income (loss) from extinguishment of debt	—	(1,082)	1,082	(100)%
Other income (expense), net	(667)	215	(882)	(410)%
Total other income (expense)	$(17,761)	$(10,773)	$ (6,988)	(65)%

Total other expense increased by $7.0 million to $17.8 million for the three months ended June 30, 2015, as compared to the same period in the prior year primarily due to the increases in interest expense of $39.2 million associated with our increased borrowing, including a $36.6 million charge due to acceleration of the accretion of debt discount on the Total and Temasek convertible notes converted to equity in July 2015, $0.9 million in other expense and the decrease of $0.1 million in interest income, offset by the increase in gain from change in fair value of derivative instruments of $32.1 million due to a change in the estimated fair value of our compound embedded derivative liabilities associated with our senior secured convertible promissory notes as a result of the changes in the inputs used in the valuation models from one reporting period to another, principally the decrease in the Company’s stock price and the shortening in the assumed conversion date for certain convertible notes held by Total and Temasek, the change in fair value of our interest rate swap derivative liability, and the decrease of $1.1 million in loss from extinguishment of debt.

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Comparison of Six Months Ended June 30, 2015 and 2014

Revenues

	Six Months Ended June 30,			
	2015	2014	Year-to-Year Change	Percentage Change
	(Dollars in thousands)			
Revenues				
Renewable product sales	$5,435	$7,221	$ (1,786)	(25)%
Related party renewable product sales	—	34	(34)	(100)%
Total product sales	5,435	7,255	(1,820)	(25)%
Grants and collaborations revenue	10,280	8,093	2,187	27 %
Total grants and collaborations revenue	10,280	8,093	2,187	27 %
Total revenues	$15,715	$15,348	$ 367	2 %

Our total revenues increased by $0.4 million to $15.7 million for the six months ended June 30, 2015, as compared to the same period in the prior year, due to the achievement of collaboration milestones and the timing of revenue recognition related to previous collaboration payments. This increase was partly offset by an unfavorable foreign currency fluctuations of $0.7 million, lower fragrance sales due to the timing of a large fragrance molecule sale in the first quarter of 2014 as well as the completion of several government grant contracts.

Product sales decreased by $1.8 million to $5.4 million for the six months ended June 30, 2015, as compared to the same period in the prior year primarily due to the decrease in cosmetics products as a result of lower average selling prices driven by unfavorable currency fluctuations of $0.7 million, and customer discounts. Contributing also to the decrease in product sales were lower sales of flavors and fragrances products compared to the same period in the prior year.

Grants and collaborations revenue increased by $2.2 million to $10.3 million for the six months ended June 30, 2015, as compared to the same period in the prior year. Collaborations revenue from non-related parties increased $4.2 million due to increases from achievement of the second performance milestone related to a flavors and fragrances product, along with collaborations revenues from existing and new collaborations. This increase was partly offset by the decrease of $2.0 million in government grant revenue mainly resulting from the completion of the DARPA Technology Investment Agreement during the first quarter of fiscal year 2015.

Cost and Operating Expenses

	Six Months Ended June 30, 2015	2014	Year-to-Year Change	Percentage Change
	(Dollars in thousands)			
Cost of products sold	$17,602	$13,747	$ 3,855	28 %
Loss on purchase commitments and write-off of production assets	—	159	(159)	(100)%
Research and development	23,178	25,161	(1,983)	(8)%
Sales, general and administrative	28,756	27,370	1,386	5 %
Total cost and operating expenses	$69,536	$66,437	$ 3,099	5 %

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Cost of Products Sold

Our cost of products sold increased by $3.9 million to $17.6 million for the six months ended June 30, 2015, as compared to the same period in the prior year, primarily driven by product mix, and higher inventory provisions related to the lower expected price of future fuels sales compared to our higher inventory cost and higher excess capacity charges based on timing of production.

Research and Development Expenses

Our research and development expenses decreased by $2.0 million to $23.2 million for the six months ended June 30, 2015, as compared to the same period in the prior year, primarily as a result of a decrease of $0.5 million in stock-based compensation, $0.7 million from facilities and rent expense and depreciation expense, $0.5 million in consulting and outside services and lab supplies and equipment and $0.3 million from our overall cost reduction efforts and lower spending to manage our operating costs. Research and development expenses included stock-based compensation expense of $1.2 million and $1.7 million during the six months ended June 30, 2015 and 2014, respectively.

Sales, General and Administrative Expenses

Our sales, general and administrative expenses increased by $1.4 million to $28.8 million for the six months ended June 30, 2015, as compared to the same period in the prior year, primarily due to increases in consulting and outside services and personnel-related expense from the hiring of a sales and marketing force to support the Company's product commercialization plans, as well as a severance-related charge, offset in part by a decrease in stock-based compensation. Sales, general and administrative expenses included stock-based compensation expense of $3.5 million and $5.5 million during the six months ended June 30, 2015 and 2014, respectively.

Other Income (Expense)

	Six Months Ended June 30,			
	2015	2014	Year-to-Year Change	Percentage Change
	(Dollars in thousands)			
Other income (expense):				
Interest income	$ 144	$ 204	$ (60)	(29)%
Interest expense	(54,468)	(11,552)	(42,916)	372 %

Gain (loss) from change in fair value of derivative instruments	11,422	54,148	(42,726)	(79)%
Income (loss) from extinguishment of debt	—	(10,512)	10,512	(100)%
Other income (expense), net	(1,036)	93	(1,129)	(1214)%
Total other income (expense)	$(43,938)	$32,381	$(76,319)	(236)%

Total other expense decreased by $76.3 million to $43.9 million for the six months ended June 30, 2015, as compared to the same period in the prior year primarily attributable to the decreases in gain from change in fair value of derivative instruments of $42.7 million due to a change in the fair value of our compound embedded derivative liabilities associated with our senior secured convertible promissory notes as a result of the changes in the inputs used in the valuation models from one reporting period to another, such as stock price, credit risk rate, estimated stock volatility, the change in fair value of our interest rate swap derivative liability and in interest income of $0.1 million and the increases of $42.9 million in interest expense associated with our increased borrowings, including a $36.6 million charge in the six months ended June 30, 2015 due to acceleration of the accretion of debt discount on the Total and Temasek convertible notes converted to equity in July 2015, and in other expense of $1.1 million, offset by the decrease in loss from extinguishment of debt of $10.5 million.

Liquidity and Capital Resources

	June 30, 2015	December 31, 2014
	(Dollars in thousands)	
Working capital deficit, excluding cash and cash equivalents	$(29,543)	$(8,441)
Cash and cash equivalents and short-term investments	$12,116	$43,422
Debt and capital lease obligations	$284,667	$233,277
Accumulated deficit	$(918,522)	$(819,152)

	Six Months Ended June 30,	
	2015	2014
	(Dollars in thousands)	
Net cash used in operating activities	$(32,791)	$(35,827)
Net cash used in investing activities	$(2,873)	$(3,990)
Net cash provided by financing activities	$5,544	$122,143

Working Capital Deficit. Our working capital deficit, excluding cash and cash equivalents, was $29.5 million at June 30, 2015, which represents an increase of $21.1 million compared to a working capital deficit of $8.4 million at December 31, 2014. The increase of $21.1 million in working capital deficit during the six months ended June 30, 2015 was primarily due to increases of $4.3 million in current portion of debt resulting from loan repayments to Hercules falling due, $6.3 million in deferred revenue, $3.1 million in accounts payable and $1.2 million in accrued and other current liabilities, together with decreases of $5.7 million in accounts receivable, $3.4 million in inventory and $0.1 million in short-term investments, offset by increases of $2.4 million in prepaid expenses and other current assets and $0.6 million in restricted cash.

To support production of our products in contract manufacturing and dedicated production facilities, we have incurred, and we expect to continue to incur, capital expenditures as we invest in these facilities. We plan to continue to seek external debt and equity financing from U.S. and Brazilian sources to help fund our investment in these contract manufacturing and dedicated production facilities.

We expect to fund our operations for the foreseeable future with cash and investments currently on hand, with cash inflows from collaboration and grant funding, cash contributions from product sales, and with new debt and equity financings. Some of our anticipated financing sources, such as research and development collaborations and convertible debt financings, are subject to the risk that we cannot meet milestones, are not yet subject to definitive agreements or mandatory funding commitments and, if needed, we may not be able to secure additional types of financing in a timely manner or on reasonable terms, if at all. Our planned 2015 and 2016 working capital needs and our planned operating and capital expenditures for 2015 and 2016 are dependent on significant inflows of cash from existing collaboration partners and from funds under existing convertible debt facilities, as well as additional funding from new collaborations, and may also require additional funding from debt or equity financings. We will continue to need to fund our research and development and related activities and to provide working capital to fund production, storage, distribution and other aspects of our business.

Liquidity. We have incurred significant losses since our inception and believe that we will continue to incur losses and negative cash flow from operations through at least 2016. As of June 30, 2015, we had an accumulated deficit of $918.5 million and had cash, cash equivalents and short term investments of $12.1 million. We have significant outstanding debt and contractual obligations related to capital and operating leases, as well as purchase commitments.

As of June 30, 2015, our debt, net of discount of $37.3 million, totaled to $284.0 million, of which $21.4 million matures within the next twelve months. In addition to upcoming debt maturities, our debt service obligations over the next twelve months are significant, including $8.4 million of anticipated interest payments. Our debt agreements also contain various covenants, including restrictions on our business that could cause us to be at risk of defaults, such as the requirement to maintain unrestricted, unencumbered cash in an amount equal to at least 50% of the principal amount outstanding under the Hercules Loan Facility (as defined below). Refer to Note 5, "Debt" and Note 6, “Commitments and Contingencies” for further details of our debt arrangements.

Our operating plan for 2015 contemplates a significant reduction in our net cash outflows, resulting from (i) revenue growth from sales of existing and new products with positive gross margins, (ii) reduced production costs compared to prior periods as a result of manufacturing and technical developments in 2014, (iii) increased cash inflows from collaborations compared to 2014, (iv) maintaining operating expenses at levels consistent with 2014, and (v) access to various financing commitments (see Note 5, “Debt” and Note 8 “Significant Agreements” for details of financing commitments, and Note 18 “Subsequent events” for details of financing transactions subsequent to June 30, 2015).

If we are unable to generate sufficient cash contributions from product sales, payments from existing and new collaboration partners, and draw sufficient funds from certain financing commitments due to contractual restrictions and covenants, we will need to obtain additional funding from equity or debt financings, agree to burdensome covenants, grant further security interests in our assets, enter into collaboration and licensing arrangements that require us to relinquish commercial rights, or grant licenses on terms that are not favorable.

If we are unable to raise additional financing, or if other expected sources of funding are delayed or not received, we would take the following actions as early as the third quarter of 2015 to support our liquidity needs through the remainder of 2015 and into 2016:

- Effect significant headcount reductions, particularly with respect to employees not connected to critical or contracted activities across all functions of the Company, including employees involved in general and administrative, research and development, and production activities.
- Shift focus to existing products and customers with significantly reduced investment in new product and commercial development efforts.
- Reduce production activity at our Brotas manufacturing facility to levels only sufficient to satisfy volumes required for product revenues forecast from existing products and customers.
- Reduce expenditures for third party contractors, including consultants, professional advisors and other vendors.

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- Reduce or delay uncommitted capital expenditures, including non-essential facility and lab equipment, and information technology projects.

- Closely monitor the Company's working capital position with customers and suppliers, as well as suspend operations at pilot plants and demonstration facilities.

Implementing this plan could have a negative impact on our ability to continue our business as currently contemplated, including, without limitation, delays or failures in our ability to:

- Achieve planned production levels;
- Develop and commercialize products within planned timelines or at planned scales; and
- Continue other core activities.

Furthermore, any inability to scale-back operations as necessary, and any unexpected liquidity needs, could create pressure to implement more severe measures. Such measures could have an adverse effect on our ability to meet contractual requirements, including obligations to maintain manufacturing operations, and increase the severity of the consequences described above.

Collaboration Funding. During 2015, we received $30.0 million in collaboration funding. $13.0 million of the funding under a collaboration agreement with a flavors and fragrances partner. In January 2015, we received $10.85 million in additional research and development funding from Total through the issuance of a 1.5% Senior Secured Convertible Note to Total as described above under "Overview - Total Relationship". This amount was the final installment of the third closing under the Total Purchase Agreement. We received additional collaboration funding from various other partners during 2015, including $2.2 million in January 2015 under an isoprene collaboration with Michelin and Braskem, and $2.0 million in March 2015 under a farnesene collaboration with Kuraray.

We depend on collaboration funding to support our research and development and operating expenses. While part of this funding is committed based on existing collaboration agreements, we will be required to identify and obtain funding from additional collaborations. In addition, some of our existing collaboration funding is subject to our achievement of milestones or other funding conditions.

If we cannot secure sufficient collaboration funding to support our operating expenses in excess of cash contributions from product sales and existing debt and equity financings, we may need to issue additional preferred and/or discounted equity, agree to onerous covenants, grant further security interests in our assets, enter into collaboration and licensing arrangements that require us to relinquish commercial rights or grant licenses on terms that are not favorable to us. If we fail to secure such funding, we could be forced to curtail our operations, which would have a material adverse effect on our ability to continue with our business plans.

Government Contracts. In June 2012, we entered into a Technology Investment Agreement with DARPA, under which we are performing certain research and development activities funded in part by DARPA. The work is to be performed on a cost-share basis, where DARPA funds 90% of the work and we fund the remaining 10% (primarily by providing specified labor). The agreement provided for funding of up to approximately $7.7 million over two years based on achievement of program milestones, and, accordingly, if fully funded, we would be responsible for contributions equivalent to approximately $0.9 million. The agreement had an initial term of one year and at DARPA's option, was renewable for an additional year. The agreement was renewed by DARPA in May 2013 and extended in July 2014. Through June 30, 2015, we had recognized $7.7 million in revenue under this agreement, of which $0.1 million was recognized during the six months ended June 30, 2015. Total cash received under this agreement as of June 30, 2015 was $7.7 million, of which $0.2 million was received during the six months ended June 30, 2015.

In May 2014, we entered into a subcontract with Lawrence Berkeley National Laboratory DARPA-funded bio-fabrication program. The subcontract was for $0.6 million, and was completed as of September 30, 2014.

Convertible Note Offerings. In February 2012, we sold $25.0 million in principal amount of senior unsecured convertible promissory notes due March 1, 2017 as described in more detail in Note 5, "Debt."

In July and September 2012, we issued $53.3 million worth of 1.5% Senior Unsecured Convertible Notes to Total under the July 2012 Agreements for an aggregate of $30.0 million in cash proceeds and our repayment of $23.3 million in previously-provided research and development funds pursuant to the Total Purchase Agreement as described in more detail under "Related Party Convertible Notes" in Note 5, "Debt." As part of our December 2012 private placement, we issued 1,677,852 shares of our common stock in exchange for the cancellation of $5.0 million of an outstanding senior unsecured convertible promissory note held by Total.

In June 2013, we sold and issued a 1.5% Senior Unsecured Convertible Note to Total in the face amount of $10.0 million with a March 1, 2017 maturity date pursuant to the Total Purchase Agreement. In July 2013, we sold and issued a 1.5% Senior Unsecured Convertible Note to Total in the face amount of $20.0 million with a March 1, 2017 maturity date pursuant to the Total Purchase Agreement.

In August 2013, we entered into an agreement with Total and Temasek to sell up to $73.0 million in convertible promissory notes in private placements over a period of up to 24 months from the date of signing as described in more detail in Note 5, "Debt" (such agreement referred to as the “August 2013 SPA” and such financing referred to as the “August 2013 Financing”). The August 2013 Financing was divided into two tranches (one for $42.6 million and one for $30.4 million). Of the total possible purchase price in the financing, $60.0 million was to be paid in the form of cash by Temasek ($35.0 million in the first tranche and up to $25.0 million in the second tranche) and $13.0 million was to be paid by cancellation of outstanding convertible promissory notes held by Total in connection with its exercise of pro rata rights ($7.6 million in the first tranche and $5.4 million in the second tranche).

In September 2013, prior to the initial closing of the August 2013 Financing, our stockholders approved the issuance in the private placement of up to $110.0 million aggregate principal amount of convertible promissory notes, the issuance of a warrant to purchase 1,000,000 shares of our common stock and the issuance of the common stock issuable upon conversion or exercise of such notes and warrant.

In September 2013, we entered into a bridge loan agreement with an existing investor to provide additional cash availability of up to $5.0 million as needed before the initial closing of the August 2013 Financing. The bridge loan agreement provided for the sale of up to $5.0 million in principal amount of unsecured convertible notes at any time prior to October 31, 2013 following the satisfaction of certain closing conditions, including that we pay an availability fee for the bridge loan. We did not use this facility and it expired in October 2013 in accordance with its terms.

In October 2013, we sold and issued a senior secured promissory note to Temasek for a bridge loan of $35.0 million (or the “Temasek Bridge Note”). The Temasek Bridge Note was due on February 2, 2014 and accrued interest at a rate of 5.5% each four month period from October 4, 2013 (with a rate of 2% per month applicable if a default occurred). The Temasek Bridge Note was cancelled as payment for Temasek's purchase of a first tranche convertible note in the initial closing of the August 2013 Financing.

In October 2013, we amended the August 2013 SPA to include certain entities affiliated with FMR, LLC (or the “Fidelity Entities”) in the first tranche closing (participating for a principal amount of $7.6 million), and to proportionally increase the amount acquired by exchange and cancellation of outstanding convertible promissory notes by Total to $14.6 million ($9.2 million in the first tranche and up to $5.4 million in the second tranche). Also in October 2013, we completed the closing of the first tranche of notes contemplated by the August 2013 Financing (or the “Tranche I Notes”) for cash proceeds of $7.6 million and cancellation of outstanding convertible promissory notes of $44.2 million, of which $35.0 million resulted from the cancellation of the Temasek Bridge Note. In December 2013, we amended the August 2013 SPA to sell $3.0 million of senior convertible notes under the second tranche of the

August 2013 Financing (or the "Tranche II Notes") to funds affiliated with Wolverine Asset Management (or "Wolverine") and we elected to call $25.0 million in additional funds from Temasek pursuant to its previous commitment to purchase such amount of convertible promissory notes in the second tranche. Additionally, pursuant to that amendment, we sold approximately $6.0 million of convertible promissory notes in the second tranche to Total through cancellation of the same amount of principal of previously outstanding convertible notes held by Total (in respect of Total's preexisting contractual right to maintain its pro rata ownership position through such cancellation of indebtedness). The closing of the sale of such Tranche II Notes under the December amendment to the August 2013 SPA occurred in January 2014. The August 2013 Financing is more fully described in Note 5, "Debt."

In December 2013, in connection with our entry into agreements establishing our joint venture with Total, we exchanged the $69.0 million of the then-outstanding Total unsecured convertible notes issued pursuant to the Total Purchase Agreement for replacement 1.5% Senior Secured Convertible Notes, in principal amounts equal to the principal amount of the cancelled notes.

In the Rule 144A Convertible Note Offering in May 2014, we sold and issued $75.0 million in aggregate principal amount of 6.5% Convertible Senior Notes due 2019 to Morgan Stanley & Co. LLC as the Initial Purchaser in a private placement, and for initial resale by the Initial Purchaser to qualified institutional buyers pursuant to Rule 144A of the Securities Act. The Rule 144A Convertible Note Offering is described in more detail in Note 5, "Debt."

In each of July 2014 and January 2015, we sold and issued a 1.5% Senior Secured Convertible Note to Total pursuant to the Total Purchase Agreement. The aggregate principal amount of these two notes was $21.7 million and each of such notes has a March 1, 2017 maturity date.

In July 29, 2015, the Company sold and issued 16,025,642 shares of the Company's Common Stock, $0.0001 par value per share (the "*Common Stock*"), at a price per share of $1.56, under a Securities Purchase Agreement, dated as of July 24, 2015 (the "*SPA*"), by and among the Company, Foris Ventures, LLC, Wolverine Flagship Fund Trading Limited, Nomis Bay Ltd., Total, Connective Capital I Master Fund, LTD, Connective Capital Emerging Energy QP, LP and Naxyris SA (collectively, the "*Purchasers*"). The aggregate funds raised was $25.0 million.

Export Financing with ABC Brasil. In March 2013, we entered into a one-year export financing agreement with ABC for approximately $2.5 million to fund exports through March 2014. This loan was collateralized by future exports from our subsidiary in Brazil. As of June 30, 2015, the loan was fully paid.

In March 2014, we entered into an additional one-year-term export financing agreement with ABC for approximately $2.2 million to fund exports through March 2015. This loan is collateralized by future exports from our subsidiary in Brazil. As of June 30, 2015, the principal amount outstanding under this agreement was zero.

In April 2015, we entered into an additional one-year-term export financing agreement with ABC for approximately $1.6 million to fund exports through April 2016. This loan is collateralized by future exports from our subsidiary in Brazil. As of June 30, 2015, the principal amount outstanding under this agreement was $1.6 million.

Banco Pine/Nossa Caixa Financing. In July 2012, we entered into a Note of Bank Credit and a Fiduciary Conveyance of Movable Goods agreement with each of Nossa Caixa and Banco Pine. Under these instruments, we borrowed an aggregate of R$52.0 million (approximately US$16.8 million based on the exchange rate as of June 30, 2015) as financing for capital expenditures relating to our manufacturing facility in Brotas, Brazil. Under the loan agreements, Banco Pine agreed to lend R$22.0 million and Nossa Caixa agreed to lend R$30.0 million. The loans have a final maturity date of July 15, 2022 and bear a fixed interest rate of 5.5% per year. The loans are also subject to early maturity and delinquency charges upon occurrence of certain events including interruption of manufacturing activities at our manufacturing facility in Brotas, Brazil for more than 30 days, except during sugarcane off-season. The loans are secured by certain of our farnesene production assets at the manufacturing facility in Brotas, Brazil and we were required to provide parent guarantees to each of the lenders. As of June 30, 2015 and December 31, 2014, a principal amount of $14.8 million and $18.6 million, respectively, was outstanding under these loan agreements.

BNDES Credit Facility. In December 2011, we entered into the BNDES Credit Facility to finance a production site in Brazil. The BNDES Credit Facility was for R$22.4 million (approximately US$7.2 million based on the exchange rate as of June 30, 2015). This BNDES Credit Facility was extended as project financing for a production site in Brazil. The credit line is divided into an initial tranche for up to approximately R$19.1 million and an additional tranche of approximately R$3.3 million that becomes available upon delivery of additional guarantees. As of June 30, 2015 and December 31, 2014, we had R$9.6 million (approximately US$3.1 million based on the exchange rate as of June 30, 2015) and R$11.5 million (approximately US$4.3 million based on the exchange rate as of December 30, 2014), respectively, in outstanding advances under the BNDES Credit Facility.

The principal of loans under the BNDES Credit Facility is required to be repaid in 60 monthly installments, with the first installment due in January 2013 and the last due in December 2017. Interest was initially due on a quarterly basis with the first installment due in March 2012. From and after January 2013, interest payments are due on a monthly basis together with principal payments. The loaned amounts carry interest of 7% per year. Additionally, a credit reserve charge of 0.1% on the unused balance from each credit installment from the day immediately after it is made available through its date of use, when it is paid.

The BNDES Credit Facility is collateralized by first priority security interest in certain of our equipment and other tangible assets totaling R$24.9 million (approximately US$8.0 million based on the exchange rate as of June 30, 2015). We are a parent guarantor for the payment of the outstanding balance under the BNDES Credit Facility. Additionally, we were required to provide a bank guarantee equal to 10% of the total approved amount (R$22.4 million in total debt) available under the BNDES Credit Facility. For advances in the second tranche (above R$19.1 million), we are required to provide additional bank guarantees equal to 90% of each such advance, plus additional Amyris guarantees equal to at least 130% of such advance. The BNDES Credit Facility contains customary events of default, including payment failures, failure to satisfy other obligations under the credit facility or related documents, defaults in respect of other indebtedness, bankruptcy, insolvency and inability to pay debts when due, material judgments, and changes in control of Amyris Brasil. If any event of default occurs, BNDES may terminate its commitments and declare immediately due all borrowings under the facility.

FINEP Credit Facility. In November 2010, we entered into a credit facility with Financiadora de Estudos e Projetos (or FINEP), a state-owned company subordinated to the Brazilian Ministry of Science and Technology (or the “FINEP Credit Facility”) to finance a research and development project on sugarcane-based biodiesel (or the “FINEP Project”) and provided for loans of up to an aggregate principal amount of R$6.4 million (approximately US$2.1 million based on the exchange rate as of June 30, 2015) which are secured by a chattel mortgage on certain equipment of Amyris as well as by bank letters of guarantee. All available credit under this facility was fully drawn. As of June 30, 2015, the total outstanding loan balance under this credit facility was R$3.8 million (approximately US$1.2 million based on the exchange rate as of June 30, 2015).

Interest on loans drawn under the FINEP Credit Facility is fixed at 5.0% per annum. In case of default under, or non-compliance with, the terms of the agreement, the interest on loans will be dependent on the long-term interest rate as published by the Central Bank of Brazil (such rate, the "TJLP"). If the TJLP at the time of default is greater than 6%, then the interest will be 5.0% plus a TJLP adjustment factor otherwise the interest will be at 11.0% per annum. In addition, a fine of up to 10.0% will apply to the amount of any obligation in default. Interest on late balances will be 1.0% interest per month, levied on the overdue amount. Payment of the outstanding loan balance will be made in 81 monthly installments, which commenced in July 2012 and extends through March 2019. Interest on loans drawn and other charges are paid on a monthly basis and commenced in March 2011.

The FINEP Credit Facility contains the following significant terms and conditions:

- We are required to share with FINEP the costs associated with the FINEP Project. At a minimum, we are required to contribute approximately R$14.5 million (US$ 4.7 million based on the exchange rate as of June 30, 2015) of which R$11.1 million was contributed prior to the release of the second disbursement. All four disbursements have been completed and we have fulfilled all of our cost sharing obligations,

- After the release of the first disbursement, prior to any subsequent drawdown from the FINEP Credit Facility, we were required to provide bank letters of guarantee of up to R$3.3 million in aggregate (approximately US$1.1 million based on the exchange rate as of June 30, 2015) before receiving the second installment in December 2012. We obtained the bank letters of guarantee from ABC,

- Amounts disbursed under the FINEP Credit Facility were required to be used towards the FINEP Project within 30 months after the contract execution.

Hercules Loan Facility. In March 2014, we entered into the Hercules Loan Facility to make available a loan in the aggregate principal amount of up to $25.0 million. The original Hercules Loan Facility accrues interest at a rate per annum equal to the greater of either the prime rate reported in the Wall Street Journal plus 6.25% or 9.5%. We may repay the loaned amounts before the maturity date (generally February 1, 2017) if we pay an additional fee of 3% of the outstanding loans (1% if after the initial twelve-month period of the loan). We were also required to pay a 1% facility charge at the closing of the transaction, and are required to pay a 10% end of term charge. In connection with the original Hercules Loan Facility, Amyris agreed to certain customary representations and warranties and covenants, as well as certain covenants that were subsequently amended (as described below). The total available credit of $25.0 million under this facility was fully drawn down.

In June 2014, we and Hercules entered into a first amendment (or the "First Hercules Amendment") of the Hercules Loan Facility. Pursuant to the First Hercules Amendment, the parties agreed to adjust the term loan maturity date from May 31, 2015 to February 1, 2017 and remove (i) a requirement for us to pay a forbearance fee of $10.0 million in the event certain covenants were not satisfied, (ii) a covenant that we maintain positive cash flow commencing with the fiscal quarter beginning October 1, 2014, (iii) a covenant that, beginning with the fiscal quarter beginning July 1, 2014, we and our subsidiaries achieve certain projected cash product revenues and projected cash product gross profits, and (iv) an obligation for us to file a registration statement on Form S-3 with the SEC by no later than June 30, 2014 and complete an equity financing of more than $50.0 million by no later than September 30, 2014. We further agreed to include a new covenant requiring us to maintain unrestricted, unencumbered cash in an amount equal to at least 50% of the principal amount then outstanding under the Hercules Loan Facility and borrow an additional $5.0 million. The additional $5.0 million borrowing was completed in June 2014, and accrues interest at a rate per annum equal to the greater of either the prime rate reported in the Wall Street Journal plus 5.25% or 8.5%. The Hercules Loan Facility is secured by liens on our assets, including on certain of our intellectual property. The Hercules Loan Facility includes customary events of default, including failure to pay amounts due, breaches of covenants and warranties, certain cross defaults and judgments, and insolvency. If an event of default occurs, Hercules may require immediate repayment of all amounts due.

In March 2015, we and Hercules entered into a second amendment (or the “Second Hercules Amendment”) of the Hercules Loan Facility as previously amended by the First Hercules Amendment. Pursuant to the Second Hercules Amendment, the parties agreed to, among other things, establish an additional credit facility in the principal amount of up to $15.0 million, which would be available to be drawn by us at our sole election (in increments of $5.0 million) through the earlier of March 31, 2016 or such time as we raise an aggregate of at least $20.0 million through the sale of new equity securities, subject to certain conditions, including the receipt of third party consents and a requirement to first make certain draw-downs under an equity line of credit that we previously secured (to the extent we are permitted to do so under the terms thereof). Commencing with the quarter in which we borrow any amounts under this additional facility, we become subject to a covenant to achieve certain amounts of product revenue. Under the terms of the Second Hercules Amendment, we agreed to pay Hercules a 3.0% facility availability fee on April 1, 2015. If the facility is not canceled, and any outstanding borrowings repaid, before June 30, 2015, an additional 5.0% facility fee becomes payable on June 30, 2015. We have the ability to cancel the additional facility at any time prior to June 30, 2015 at our own option, and the additional facility would terminate upon Amyris securing a new equity financing of at least $20.0 million. Any amounts drawn under the Second Hercules Amendment would accrue interest at a rate per annum equal to the greater of either the prime rate reported in the Wall Street Journal plus 6.25% or 9.5% and would be payable on a monthly basis. Additionally, we would be required to pay an end of term charge of 10.0% of any amounts drawn under the facility. Any amounts drawn under the Second Hercules Amendment would be secured by the same liens provided for in the original Hercules Agreement and the First Hercules Amendment, including a lien on certain Company intellectual property.

As of June 30, 2015, $27.3 million was outstanding under the Hercules Loan Facility, net of discount of $0.2 million. Our loan facility with Hercules requires us to maintain unrestricted, unencumbered cash in an amount equal to at least 50% of the principal amount outstanding under such facility, and to pay $0.8 million if we had not canceled or repaid any amounts drawn on the additional credit line issued under the facility or raised at least $20 million of new equity financing by June 30, 2015. We received a waiver from Hercules with respect to non-compliance with such covenants. We are in compliance with all debt agreements.

Common Stock Offerings. In December 2012, we completed a private placement of 14,177,849 shares of our common stock for aggregate cash proceeds of $37.2 million, of which $22.2 million was received in December 2012 and $15.0 million was received in January 2013. Of the 14,177,849 shares issued in the private placement, 1,677,852 of such shares were issued to Total in exchange for cancellation of $5.0 million of an outstanding convertible promissory note we previously issued to Total.

In March 2013, we completed a private placement of 1,533,742 of our common stock to Biolding for aggregate proceeds of $5.0 million. This private placement represented the final tranche of Biolding's preexisting contractual obligation to fund $15.0 million upon satisfaction by us of certain criteria associated with the commissioning of our production plant in Brotas, Brazil.

In March 2014, we completed a private placement of 943,396 shares of our common stock to Kuraray for aggregate proceeds of $4.0 million.

In July 2015, we completed a private placement, selling 16,025,642 shares of our common stock to various investors for aggregate proceeds of $25.0 million. See “Management’s Discussion and Analysis of Financial Condition and Operations—Overview” above for more information regarding this recent financing.

Cash Flows during the Six Months Ended June 30, 2015 and 2014

Cash Flows from Operating Activities

Our primary uses of cash from operating activities are costs related to production and sales of our products and personnel-related expenditures, offset by cash received from product sales, grants and collaborations. Cash used in operating activities was $32.8 million and $35.8 million for the six months ended June 30, 2015 and 2014, respectively.

Net cash used in operating activities of $32.8 million for the six months ended June 30, 2015 was attributable to our net loss of $99.4 million, offset by net non-cash charges of $44.8 million and net change in our operating assets and liabilities of $21.8 million. Net non-cash charges of $44.8 million for the six months ended June 30, 2015 consisted primarily of a $43.1 million of amortization of debt discount, including a $36.6 million charge due to acceleration of accretion of debt discount on the Total and Temasek convertible notes converted to equity in July 2015, $6.8 million of depreciation and amortization expenses, $4.7 million of stock-based compensation, $1.5 million of loss from investment in affiliate and $0.1 million of loss on disposition of property, plant and equipment, offset by a $11.4 million change in the fair value of derivative instruments related to the embedded derivative liabilities associated with our senior secured convertible promissory notes and currency interest rate swap derivative liability. Net change in operating assets and liabilities of $21.8 million for the six months ended June 30, 2015 primarily consisted of $9.7 million increase in accounts payable and accrued other liabilities, $6.2 million increase in accounts receivable and related party accounts receivable, $5.1 million increase in deferred revenue related to the funds received under a collaboration agreement and $3.3 million increase in inventory, offset by $2.5 million decrease in prepaid expenses and other assets and deferred rent.

Net cash used in operating activities of $35.8 million for the six months ended June 30, 2014 was related to our net loss of $19.2 million and by a net non-cash charges of $25.0 million, offset by $8.4 million net change in our operating assets and liabilities. Net change in operating assets and liabilities of $8.4 million primarily consisted of a $7.4 million increase in deferred revenue related to the funds received under a collaboration agreement, a $3.6 million decrease in accounts receivable and related party accounts receivable mainly from collections of outstanding receivables, a $1.3 million increase in accounts payable and accrued other liabilities, offset by a $3.6 million increase in inventory, and a $0.3 million increase in prepaid expenses and other assets. Non-cash charges of $25.0 million consisted primarily of a $54.1 million change in the fair value of derivative instruments related to the embedded derivative liabilities associated with our senior secured convertible promissory notes and currency interest rate swap derivative liability, offset by $7.5 million of depreciation and amortization expenses, $7.2 million of stock-based compensation, $3.8 million of amortization of debt discount, $10.5 million loss associated with the extinguishment of convertible debt and $0.2 million loss on purchase commitments and write-off of production assets.

Cash Flows from Investing Activities

Our investing activities consist primarily of capital expenditures and other investment activities. Net cash used in investing activities of $2.9 million for the six months ended June 30, 2015, resulted from $1.8 million of purchases of property, plant and equipment and a $1.1 million loan made to our equity method investee, Novvi.

Net cash used in investing activities of $4.0 million for the six months ended June 30, 2014, was a result of $2.1 million of capital expenditures mainly due to maintenance and upgrades at our facility in Brotas, Brazil, and investments in our equity method investee, Novvi, of $2.1 million, offset by $0.1 million in net maturities of investments.

Cash Flows from Financing Activities

Net cash provided by financing activities of $5.5 million for the six months ended June 30, 2015, was a result of the receipt of $10.9 million from debt issued to a related party, which related to the closing of the final installment of the Senior Secured Convertible Notes issued to Total under the July 2012 Agreements and $1.6 million of proceeds from a one-year term export financing agreement with ABC, offset by $6.6 million of principal payments on debt and $0.4 million of principal payments on capital leases.

Net cash provided by financing activities of $122.1 million for the six months ended June 30, 2014, was a result of the net receipt of $126.2 million from debt and equity financing, which included $75.0 million from the 144A Convertible Note Offering, of which $24.7 million was sold to related parties, $29.7 million from the Hercules Loan Facility, $28.0 million financing from third parties in relation to the Tranche II Notes, $2.2 million from a one-year term export financing agreement with ABC and $4.0 million proceeds from issuance of common stock in private placements, offset by payments of discount and expenses of $3.0 million and settlement of Total R&D Convertible Note of $9.7

million. These cash inflows were further offset by other principal payments of debt of $3.6 million.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any material off-balance sheet arrangements, as defined under SEC rules, such as relationships with unconsolidated entities or financial partnerships, which are often referred to as structured finance or special purpose entities, established for the purpose of facilitating financing transactions that are not required to be reflected on our condensed consolidated financial statements.

Contractual Obligations

The following is a summary of our contractual obligations as of June 30, 2015 (in thousands):

	Total	2015	2016	2017	2018	2019	Thereafter
Principal payments on long-term debt	$321,303	$9,801	$21,968	$106,711	$62,732	$114,679	$5,412
Interest payments on long-term debt, fixed rate(1)	76,618	4,544	7,677	13,181	30,338	20,486	392
Operating leases	55,626	3,524	6,690	6,695	6,745	6,772	25,200
Principal payments on capital leases	685	221	373	91	—	—	—
Interest payments on capital leases	58	28	27	3	—	—	—
Terminal storage costs	68	34	34	—	—	—	—
Purchase obligations(2)	2,443	1,098	431	882	32	—	—
Total	$456,801	$19,250	$37,200	$127,563	$99,847	$141,937	$31,004

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(1) *Does not include any obligations related to make-whole interest or downround provisions. The fixed interest rates are more fully described in Note 5, "Debt" of our condensed consolidated financial statements.*

(2) *Purchase obligations include noncancellable contractual obligations and construction commitments of $1.4 million, of which zero have been accrued as loss on purchase commitments.*

Recent Accounting Pronouncements

The information contained in Note 2 to the Unaudited Condensed Consolidated Financial Statements under the heading "Recent Accounting Pronouncements" is hereby incorporated by reference into this Part I, Item 2.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The market risk inherent in our market risk sensitive instruments and positions is the potential loss arising from adverse changes in: commodity market prices, foreign currency exchange rates, and interest rates as described below.

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our investment portfolio and our outstanding debt obligations (including embedded derivatives therein). We generally invest our cash in investments with short maturities or with frequent interest reset terms. Accordingly, our interest income fluctuates with short-term market conditions. As of June 30, 2015, our investment portfolio consisted primarily of money market funds and certificates of deposit, all of which are highly liquid investments. Due to the short-term nature of our investment portfolio, we do not believe that an immediate 10% increase in interest rates would have a material effect on the fair value of our portfolio. Since we believe we have the ability to liquidate this portfolio, we do not expect our operating results or cash flows to be materially affected to any significant degree by a sudden change in market interest rates on our investment portfolio. Additionally, as of June 30, 2015, 100% of our outstanding debt is in fixed rate instruments or instruments which have capped rates. Therefore, our exposure to the impact of variable interest rates is limited. Changes in interest rates may significantly change the fair value of our embedded derivative liabilities.

Foreign Currency Risk

Most of our sales contracts are principally denominated in U.S. dollars and, therefore, our revenues are currently not subject to significant foreign currency risk. The functional currency of our wholly-owned consolidated subsidiary in Brazil is the local currency (Brazilian real) in which recurring business transactions occur. We do not use currency exchange contracts as hedges against amounts permanently invested in our foreign subsidiary. The amount we consider permanently invested in our foreign subsidiary and translated into U.S. dollars using the June 30, 2015 exchange rate is $119.3 million as of June 30, 2015 and $134.4 million at December 31, 2014. The decrease in the permanent investments in our foreign subsidiary between December 31, 2014 and June 30, 2015 is due to the appreciation of the U.S. dollar versus the Brazilian real. The potential loss in fair value, which would be principally recognized in Other Comprehensive Loss, resulting from a hypothetical 10% adverse change in quoted Brazilian real exchange rates is $11.9 million and $13.4 million as of June 30, 2015 and December 31, 2014, respectively. Actual results may differ.

We make limited use of derivative instruments, which includes currency interest rate swap agreements, to manage the Company's exposure to foreign currency exchange rate and interest rate related to the Company's Banco Pine loan. In June 2012, we entered into a currency interest rate swap arrangement with Banco Pine for R$22.0 million (approximately US$7.1 million based on the exchange rate as of June 30, 2015). The swap arrangement exchanges the principal and interest payments under the Banco Pine loan entered into in July 2012 for alternative principal and interest payments that are subject to adjustment based on fluctuations in the foreign exchange rate between the U.S. dollar and Brazilian real. The swap has a fixed interest rate of 3.94%. This arrangement hedges the fluctuations in the foreign exchange rate between the U.S. dollar and Brazilian real.

We analyzed our foreign currency exposure, to identify assets and liabilities denominated in other currencies. For those assets and liabilities, we evaluated the effects of a 10% shift in exchange rates between those currencies and the U.S. dollar. We have determined that there would be an immaterial effect on our results of operations from such a shift.

Commodity Price Risk

Our primary exposure to market risk for changes in commodity prices currently relates to our purchases of sugar feedstocks. When possible, we manage our exposure to this risk primarily through the use of supplier pricing agreements.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer (or "CEO") and chief financial officer (or "CFO"), evaluated the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15 and 15d-15(e) under the Securities Exchange Act of 1934, as amended (or the "Exchange Act"), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our CEO and CFO concluded that, as of June 30, 2015, our disclosure controls and procedures are designed and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during our second fiscal quarter ended June 30, 2015 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on the Effectiveness of Internal Controls

The effectiveness of any system of internal control over financial reporting, including ours, is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting, including ours, no matter how well designed and operated, can only provide reasonable, not absolute assurances. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business, but cannot assure you that such improvements will be sufficient to provide us with effective internal control over financial reporting.

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PART II

ITEM 1. LEGAL PROCEEDINGS

We may be involved, from time to time, in legal proceedings and claims arising in the ordinary course of our business. Such matters are subject to many uncertainties and there can be no assurance that legal proceedings arising in the ordinary course of business or otherwise will not have a material adverse effect on our business, results of operations, financial position or cash flows.

ITEM 1A. RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information set forth in this Quarterly Report on Form 10-Q, which could materially affect our business, financial condition or future results. If any of the following risks actually occurs, our business, financial condition, results of operations and future prospects could be materially and adversely harmed. The trading price of our common stock could decline due to any of these risks, and, as a result, you may lose all or part of your investment.

Risks Related to Our Business

We have incurred losses to date, anticipate continuing to incur losses in the future, and may never achieve or sustain profitability.

We have incurred significant losses in each year since our inception and believe that we will continue to incur losses and negative cash flow from operations into at least 2016. As of June 30, 2015, we had an accumulated deficit of $918.5 million and had cash, cash equivalents and short term investments of $12.1 million. We have significant outstanding debt and contractual obligations related to capital and operating leases, as well as purchase commitments of $2.4 million. As of June 30, 2015, our debt totaled $284.0 million, net of discount of $37.3 million, of which $21.4 million matures within the next twelve months. In addition to upcoming debt maturities, our debt service obligations over the next twelve months are significant and may include potential early conversion payments of up to approximately $18.9 million (assuming all note holders convert) that could become due at any time after May 15, 2015 under our outstanding convertible promissory notes sold on May 22, 2014 pursuant to Rule 144A of the Securities Act (or the “144A Notes”). Furthermore, our debt agreements contain various covenants, including restrictions on business that could cause us to be at risk of defaults. We expect to incur additional costs and expenses related to the continued development and expansion of our business, including construction and operation of our manufacturing facilities, contract manufacturing, research and development operations, and operation of our pilot plants and demonstration facility. There can be no assurance that we will ever achieve or sustain profitability on a quarterly or annual basis.

We have limited experience producing our products at commercial scale and may not be able to commercialize our products to the extent necessary to sustain and grow our current business.

To commercialize our products, we must be successful in using our yeast strains to produce target molecules at commercial scale and at a commercially viable cost. If we cannot achieve commercially-viable production economics for enough products to support our business plan, including through establishing and maintaining sufficient production scale and volume, we will be unable to achieve a sustainable integrated renewable products business. Virtually all of our production capacity is through a purpose-built, large-scale production plant in Brotas, Brazil. This plant commenced operations in 2013, and scaling and running the plant has been, and continues to be, a time-consuming, costly, uncertain and expensive process. Given our limited experience commissioning and operating our own manufacturing facilities and our limited financial resources, we cannot be sure that we will be successful in achieving production economics that allow us to meet our plans for commercialization of various products we intend to offer. In addition, until very recently we have only produced Biofene at the Brotas plant. Our attempts to scale production of new molecules at the plant are subject to uncertainty and risk. For example, even to the extent we successfully complete product development in our laboratories and pilot and demonstration facilities, and at contract manufacturing facilities, we may be unable to translate such success to large-scale, purpose-built plants. If this occurs, our ability to commercialize our technology will be adversely affected and we may be unable to produce and sell any significant volumes of our products. Also, with respect to products that we are able to bring to market, we may not be able to lower the cost of production, which would adversely affect our ability to sell such products profitably.

We will require significant inflows of cash from financing and collaboration transactions to fund our anticipated operations and to service our debt obligations and may not be able to obtain such financing and collaboration funding on favorable terms, if at all.

Our planned 2015 and 2016 working capital needs, our planned operating and capital expenditures for 2015 and 2016, and our ability to service our outstanding debt obligations are dependent on significant inflows of cash from existing and new collaboration partners and cash contribution from growth in renewable product sales. We will continue to need to fund our research and development and related activities and to provide working capital to fund production, storage, distribution and other aspects of our business. Some of our anticipated financing sources, such as research and development collaborations, are subject to the risk that we cannot meet milestones, that the collaborations may end prematurely for reasons that may be outside of our control (including technical infeasibility of the project or a collaborator's right to terminate without cause), or the collaborations are not yet subject to definitive agreements or mandatory funding commitments and, if needed, we may not be able to secure additional types of financing in a timely manner or on reasonable terms, if at all. The inability to generate sufficient cash flow, as described above, could have an adverse effect on our ability to continue with our business plans and our status as a going concern.

If we are unable to raise additional financing, or if other expected sources of funding are delayed or not received, we would take the following actions as early as the third quarter of 2015 to support our liquidity needs through the remainder of 2015 and into 2016:

- Effect significant headcount reductions, particularly with respect to employees not connected to critical or contracted activities across all functions of the Company, including employees involved in general and administrative, research and development, and production activities.
- Shift focus to existing products and customers with significantly reduced investment in new product and commercial development efforts.
- Reduce production activity at our Brotas manufacturing facility to levels only sufficient to satisfy volumes required for product revenues forecast from existing products and customers.
- Reduce expenditures for third party contractors, including consultants, professional advisors and other vendors.
- Reduce or delay uncommitted capital expenditures, including non-essential facility and lab equipment, and information technology projects.
- Closely monitor the Company working capital position with customers and suppliers, as well as suspend operations at pilot plants and demonstration facilities.

The contingency cash plan contemplating these actions is designed to save the Company an estimated $30.0 million to $40.0 million over the period through March 31, 2016.

Implementing this plan could have a negative impact on our ability to continue our business as currently contemplated, including, without limitation, delays or failures in our ability to:

- Achieve planned production levels;
- Develop and commercialize products within planned timelines or at planned scales; and
- Continue other core activities.

Furthermore, any inability to scale-back operations as necessary, and any unexpected liquidity needs, could create pressure to implement more severe measures. Such measures could have an adverse effect on our ability to meet contractual requirements, including obligations to maintain manufacturing operations, and increase the severity of the consequences described above.

Future revenue is difficult to predict, and our failure to predict revenue accurately may cause our results to be below our expectations or those of analysts or investors and could result in our stock price declining.

Our revenues are comprised of product revenues and grants and collaborations revenues. We generate the substantial majority of our product revenues from sales to distributors or collaborators and only a small portion from direct sales. Our collaboration and distribution agreements do not include any specific purchase obligations. The sales volume of our products in any given period has been difficult to predict. A significant portion of our product sales is dependent upon the interest and ability of third party distributors to create demand for, and generate sales of, such products to end-users. For example, if such distributors are unsuccessful in creating pull-through demand for our products with their customers, such distributors may purchase less of our products from us than we expect. In addition, many of our new and novel products are intended to be a component of other companies' products; therefore, sales of our products may be contingent on our collaborators' and/or customers' timely and successful development and commercialization of end-use products that incorporate our products. Furthermore, we are beginning to market and sell some of our products directly to end-consumers, initially in the cosmetics and industrial cleaning markets. Because we have no prior experience in marketing and selling directly to consumers, it is difficult to predict how successful our efforts will be and we may not achieve the product sales we expect to achieve in the timeline we anticipate (if at all).

In addition, we have agreed to significant covenants in connection with our debt financing transactions. For example, our loan facility with Hercules Technology Growth Capital, Inc. (“Hercules”) required us to maintain unrestricted, unencumbered cash in an amount equal to at least 50% of the principal amount outstanding under this facility, and to pay $0.8 million if we had not canceled or repaid any amounts drawn on the additional credit line issued under the facility or raised at least $20 million of new equity financing by June 30, 2015. We have received a waiver from Hercules with respect to our non-compliance with such covenants. A failure to comply with the covenants and other provisions of our debt instruments, including any failure to make a payment when required would generally result in events of default under such instruments, which could permit acceleration of such indebtedness. If such indebtedness is accelerated, it would generally also constitute an event of default under our other outstanding indebtedness permitting acceleration of such other outstanding indebtedness. Any required repayment of our indebtedness as a result of acceleration or otherwise would lower our current cash on hand such that we would not have those funds available for use in our business or for payment on other outstanding indebtedness.

These factors have made it difficult to predict future revenue and have resulted in our revenue being below our previously announced guidance or analysts’ estimates. We continue to face these risks in the future, which may cause our stock price to decline.

A limited number of distributors, customers and collaboration partners account for a significant portion of our revenue, and the loss of major distributors, customers or collaboration partners could harm our operating results.

Our revenues have varied significantly from quarter to quarter and are dependent on sales to, and collaborations with, a limited number of distributors, customers and/or collaboration partners. We cannot be certain that distributors, customers and/or collaboration partners that have accounted for significant revenue in past periods, individually or as a group, will continue to generate similar revenue in any future period. If we fail to renew with, or if we lose a major distributor, customer or collaborator or group of distributors, customers or collaborators, our revenue could decline if we are unable to replace the lost revenue with revenue from other sources.

Our existing financing arrangements may cause significant risks to our stockholders and may impact our ability to pursue certain transactions and operate our business.

As of June 30, 2015, our debt totaled $284.0 million, net of discount of $37.3 million, of which $21.4 million matures within the next twelve months. After giving effect to the cancellation of indebtedness pursuant to the Exchange and the Commercial Agreements, our outstanding indebtedness at June 30, 2015 would have been approximately $321.3 million. Our cash balance after giving effect to the receipt of the net proceeds of this offering will be substantially less than the principal amount of this debt, and we will be required to generate cash from operations or raise additional working capital through future financings or sales of assets to enable us to repay this indebtedness as it becomes due. There can be no assurance that we will be able to do so.

In addition, we have agreed to significant covenants in connection with our debt financing transactions. For example, our loan facility with Hercules Technology Growth Capital, Inc. (“Hercules”) required us to maintain unrestricted, unencumbered cash in an amount equal to at least 50% of the principal amount outstanding under this facility, and to pay $0.8 million if we had not canceled or drawn on an additional credit facility or raised at least $20 million of new equity financing by June 30, 2015. We have received a waiver from Hercules with respect to our non-compliance with such covenants. A failure to comply with the covenants and other provisions of our debt instruments, including any failure to make a payment when required would generally result in events of default under such instruments, which could permit acceleration of such indebtedness. If such indebtedness is accelerated, it would generally also constitute an event of default under our other outstanding indebtedness permitting acceleration of such other outstanding indebtedness. Any required repayment of our indebtedness as a result of acceleration or otherwise would lower our current cash on hand such that we would not have those funds available for use in our business or for payment on other outstanding indebtedness.

If we are at any time unable to generate sufficient cash flow from operations to service our indebtedness when payment is due, we may be required to attempt to renegotiate the terms of the instruments relating to the indebtedness, seek to refinance all or a portion of the indebtedness or obtain additional financing. There can be no assurance that we will be able to successfully renegotiate such terms, that any such refinancing would be possible or that any additional financing could be obtained on terms that are favorable or acceptable to us. Any debt financing that is available could cause us to incur substantial costs and subject us to covenants that significantly restrict our ability to conduct our business. If we seek to complete additional equity financings, the interests of existing equity holders will be diluted.

In addition, the covenants in our debt agreements materially limit our ability to take certain actions, including our ability to incur indebtedness, pay dividends, make certain investments and other payments, enter into certain mergers and consolidations, and encumber and dispose of assets. For example, the purchase agreement for the Tranche I and Tranche II Notes requires us to obtain the consent of a majority of the purchasers of these notes before completing any change-of-control transaction, or purchasing assets in one transaction or a series of related transactions in an amount greater than $20.0 million, in each case while the notes are outstanding. The holders of these notes also have pro rata rights under which they could cancel up to the full amount of their outstanding notes to pay for equity securities that we issue in certain financings, which could delay or prevent us from completing such financings.

Our substantial leverage could adversely affect our ability to fulfill our obligations under our existing indebtedness and may place us at a competitive disadvantage in our industry.

Even with the completion of the Exchange, we continue to have substantial debt outstanding and we may incur additional indebtedness from time to time to finance working capital, product development efforts, strategic acquisitions, investments and alliances, capital expenditures or other general corporate purposes, subject to the restrictions contained in our existing indebtedness and in any other agreements under which we incur indebtedness. Our significant indebtedness and debt service requirements could adversely affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities. For example, our high level of indebtedness presents the following risks:

- we will be required to use a substantial portion of our cash flow from operations to pay principal and interest on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, product development efforts, acquisitions, investments and strategic alliances and other general corporate requirements;

- our substantial leverage increases our vulnerability to economic downturns and adverse competitive and industry conditions and could place us at a competitive disadvantage compared to those of our competitors that are less leveraged;

- our debt service obligations could limit our flexibility in planning for, or reacting to, changes in our business and our industry and could limit our ability to pursue other business opportunities, borrow more money for operations or capital in the future and implement our business strategies;

- our level of indebtedness and the covenants within our debt instruments may restrict us from raising additional financing on satisfactory terms to fund working capital, capital expenditures, product development efforts, strategic acquisitions, investments and alliances, and other general corporate requirements; and

- our substantial leverage may make it difficult for us to attract additional financing when needed.

If we are at any time unable to generate sufficient cash flow from operations to service our indebtedness when payment is due, we may be required to attempt to renegotiate the terms of the instruments relating to the indebtedness, seek to refinance all or a portion of the indebtedness or obtain additional financing. There can be no assurance that we will be able to successfully renegotiate such terms, that any such refinancing would be possible or that any additional financing could be obtained on terms that are favorable or acceptable to us.

A failure to comply with the covenants and other provisions of our debt instruments, including any failure to make a payment when required, could result in events of default under such instruments, and which could permit acceleration of such indebtedness. If such indebtedness is accelerated, it could also constitute an event of default under our other outstanding indebtedness. Any required repayment of our indebtedness as a result of acceleration or otherwise would lower our current cash on hand such that we would not have those funds available for use in our business or for payment on the notes.

Our GAAP operating results could fluctuate substantially due to the accounting for the early conversion payment features of outstanding convertible promissory notes.

Several of our outstanding convertible debt instruments are accounted for under Accounting Standards Codification 815, Derivatives and Hedging (or ASC 815) as an embedded derivative. For instance, with respect to our 144A Notes, if the holders elect convert their 144A Notes on or after May 15, 2015, and if the last reported sale price of our common stock for 20 or more trading days (whether or not consecutive) in a period of 30 consecutive trading days ending within five trading days immediately prior to the date we receive a notice of such election exceeds the conversion price in effect on each such trading day, such converting holders will receive an early conversion payment equal to the present value of the remaining scheduled payments of interest that would have been made on the 144A Notes being converted from the earlier of the date that is three years after the date we receive such notice of conversion and maturity of the 144A Notes. The early conversion payment feature of the 144A Notes is accounted for under ASC 815 as an embedded derivative. ASC 815 requires companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The fair value of the derivative is remeasured to fair value at each balance sheet date, with a resulting non-cash gain or loss related to the change in the fair value of the derivative being charged to earnings (loss). We have determined that we must bifurcate and account for the Early Conversion Payment feature of the notes as an embedded derivative in accordance with ASC 815. We have recorded this embedded derivative liability as a non-current liability on our consolidated balance sheet with a corresponding debt discount at the date of issuance that is netted against the principal amount of the 144A Notes. The derivative liability is remeasured to fair value at each balance sheet date, with a resulting non-cash gain or loss related to the change in the fair value of the derivative liability being recorded in other income and loss. There is no current observable market for this type of derivative and, as such, we determine the fair value of the embedded derivative using the binomial lattice model. The valuation model uses the stock price, conversion price, maturity date, risk-free interest rate, estimated stock volatility and estimated credit spread. Changes in the inputs for these valuation models may have a significant impact on the estimated fair value of the embedded derivative liabilities. For example, an increase in the company's stock price results in an increase in the estimated fair value of the embedded derivative liabilities. The embedded derivative liability may have, on a GAAP basis, a substantial effect on our balance sheet from quarter to quarter and it is difficult to predict the effect on our future GAAP financial results, since valuation of these embedded derivative liabilities are based on factors largely outside of our control and may have a negative impact on our earnings and balance sheet.

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If our major production facilities do not successfully commence or scale up operations, our customer relationships, business and results of operations may be adversely affected.

A substantial component of our planned production capacity in the near and long term depends on successful operations at our initial and planned large-scale production plants in Brazil. We are in the early stages of operating our first purpose-built, large-scale production plant in Brotas, Brazil and may complete construction of certain other facilities in the coming years. Delays or problems in the construction, start-up or operation of these facilities will cause delays in our ramp-up of production and hamper our ability to reduce our production costs. Delays in construction can occur due to a variety of factors, including regulatory requirements and our ability to fund construction and commissioning costs. For example, in 2012 we determined it was necessary to delay further construction of our large-scale manufacturing facility with São Martinho in order to focus on the construction and commissioning of our Brotas facility. Once our large-scale production facilities are built, we must successfully commission them and they must perform as we have designed them. If we encounter significant delays, cost overruns, engineering issues, contamination problems, equipment or raw material supply constraints, unexpected equipment maintenance requirements, safety issues, work stoppages or other serious challenges in bringing these facilities online and operating them at commercial scale, we may be unable to produce our initial renewable products in the time frame we have planned. For example, we have just begun using our plant at Brotas to produce molecules beyond Biofene, and we have, until recently, only successfully produced Biofene at scale at the plant. In order to produce additional molecules at Brotas, we have been and will be required to perform thorough transition activities, and modify the design of the plant. Any modifications to the production plant could cause complications in the start-up and operations of the plant, which could result in delays or failures in production. We may also need to continue to use contract manufacturing sources more than we expect (e.g., if the modifications to the Brotas plant are not successful or have a negative impact on the plant's operations), which would reduce our anticipated gross margins and may prevent us from accessing certain markets for our products. Further, if our efforts to increase (or commence, as the case may be) production at these facilities are not successful, other mill owners in Brazil or elsewhere may decide not to work with us to develop additional production facilities, demand more favorable terms or delay their commitment to invest capital in our production.

Our reliance on the large-scale production plant in Brotas, Brazil subjects us to execution and economic risks.

Our decision to focus our efforts for production capacity on the manufacturing facility in Brotas, Brazil means that we have limited manufacturing sources for our products in 2015 and beyond. Accordingly, any failure to establish operations at that plant could have a significant negative impact on our business, including our ability to achieve commercial viability for our products. With the facility in Brotas, Brazil, we are, for the first time, operating a commercial fermentation and separation facility ourselves. We may face unexpected difficulties associated with the operation of the plant. For example, we have in the past, at certain contract manufacturing facilities and at the Brotas facility, encountered delays and difficulties in ramping up production based on contamination in the production process, problems with plant utilities, lack of automation and related human error, issues arising from process modifications to reduce costs and adjust product specifications or transition to producing new molecules, and other similar challenges. We cannot be certain that we will be able to remedy all of such challenges quickly or effectively enough to achieve commercially viable near-term production costs and volumes.

To the extent we secure collaboration arrangements with new or existing partners, we may be required to make significant capital investments at our existing or new facilities in order to produce molecules or other products for such collaborations. Any failure or difficulties in establishing, building up or retooling our operations for these new collaboration arrangements could have a significant negative impact on our business, including our ability to achieve commercial viability for our products, lead to the inability to meet our contractual obligations and could cause us to allocate capital, personnel and other resources from our organization which could adversely affect our business and reputation.

As part of our arrangement to build the plant in Brotas, Brazil we have an agreement with Tonon Bioenergia S.A. (formerly Paraíso Bioenergia and referred to herein as Tonon) to purchase from Tonon sugarcane juice corresponding to a certain number of tons of sugarcane per year, along with specified water and vapor volumes. Until this annual volume is reached, we are restricted from purchasing sugarcane juice for processing in the facility from any third party, subject to limited exceptions, unless we pay the premium to Tonon that we would have paid if we bought the juice from them. As such, we will be relying on Tonon to supply such juice and utilities on a timely basis, in the volumes we need, and at competitive prices. If a third party can offer superior prices and Tonon does not consent to our purchasing from such third party, we would be required to pay Tonon the applicable premium, which would have a negative impact on our production cost. Furthermore, we agreed to pay a price for the juice that is based on the lower of the cost of two other products produced by Tonon using such juice, plus a premium. Tonon may not want to sell sugarcane juice to us if the price of one of the other products is substantially higher than the one setting the price for the juice we purchase. While the agreement provides that Tonon would have to pay a penalty to us if it fails to supply the agreed-upon volume of juice for a given month, the penalty may not be enough to compensate us for the increased cost if third-party suppliers do not offer competitive prices. Also, if the prices of the other products produced by Tonon increase, we could be forced to pay those increased prices for production without a related increase in the price at which we can sell our products, reducing or eliminating any margins we can otherwise achieve. If in the future these supply terms no longer provide a viable economic structure for the operation in Brotas, Brazil we may be required to renegotiate our agreement, which could result in manufacturing disruptions and delays.

Furthermore, as we continue to scale up production of our products, both through contract manufacturers and at our large-scale production plant in Brotas, Brazil, we may be required to store increasing amounts of our products for varying periods of time and under differing temperatures or other conditions that cannot be easily controlled, which may lead to a decrease in the quality of our products and their utility profiles and could adversely affect their value. If our stored products degrade in quality, we may suffer losses in inventory and incur additional costs in order to further refine our stored products or we may need to make new capital investments in shipping, improved storage or sales channels and related logistics.

Our joint venture with São Martinho S.A. subjects us to certain legal and financial terms that could adversely affect us.

We have various agreements with Sao Martinho S.A. (or SMSA) that contemplate construction of another large-scale manufacturing facility as a joint venture in Brazil. Under these agreements, we are responsible for designing and managing the construction project, and are responsible for the initial construction costs. We projected the construction costs of the project to be approximately $100.0 million. While we completed a significant portion of the construction of the plant before 2012, we delayed further construction and commissioning of the plant while we constructed and commissioned our production plant in Brotas, Brazil and we expect to continue to defer the project for SMA Indústria Química (or SMA), a joint venture with SMSA, for the near term based on economic considerations and to allow us to focus on operations at our production plant in Brotas, Brazil. We entered into an amendment to the joint venture agreement with SMSA in February 2014 which updated and documented certain preexisting business plan requirements related to the start-up of construction at the plant and set forth, among other things, (i) the extension of the deadline for the commencement of operations at the joint venture operated plant to no later than 18 months following the construction of the plant, which is required to occur no later than March 31, 2017, and (ii) the extension of an option held by SMSA to build a second large-scale farnesene production facility to no later than December 31, 2018 with the commencement of operations at such second facility to occur no later than April 1, 2019. In July 2015, we announced that we were in discussions with SMSA regarding the continuation of the joint venture. Specifically, we and SMSA agreed to continue the joint venture pending discussions through August 31, 2015 in order to evaluate the best investment options available to optimize returns and provide balanced economics for both parties. In the event of termination of SMA, we are obligated to purchase SMSA’s interest in SMA in accordance with the joint venture agreements and transfer the headquarters of SMA to a new location. We believe a decision to discontinue the joint venture would not have an adverse impact on our revenues or operations, and that our existing manufacturing plant at Brotas in Brazil provides us with sufficient capacity to meet our near and mid-term business needs. If we and SMSA are unable to reach an agreement, this may trigger a non-cash impairment charge of up to approximately $38 million. Even if the parties determine to proceed with SMA, based on our shifting manufacturing priorities and uncertainty regarding financing availability, we cannot currently predict exactly when or if our facility at SMSA will be completed or commence commercial operations, which means that SMSA's anticipated contribution may continue to be delayed and may never occur. SMSA holds rights with respect to the termination and acquisition of our interests in SMA. For instance, if our Brazilian subsidiary, Amyris Brasil Ltda. (formerly Amyris Brasil S.A.) becomes controlled, directly or indirectly, by a competitor of SMSA, then SMSA has the right to acquire our interest in the joint venture and if SMSA becomes controlled, directly or indirectly, by a competitor of ours, then we have the right to sell our interest in the joint venture to SMSA. In either case, the purchase price is to be determined in accordance with the joint venture agreements, as amended, and we would continue to have the obligation to acquire products produced by the joint venture for the remainder of the term of the supply agreement then in effect even though we might no longer be involved in the joint venture's management.

If we are ultimately successful in establishing the plant at SMSA, the agreements governing the joint venture subject us to terms that may not be favorable to us under certain conditions. For example, we are required to purchase the output of the joint venture for the first four years at a price that guarantees the return of SMSA's investment plus a fixed surcharge rate. We may not be able to sell the output at a price that allows us to achieve anticipated, or any, level of profitability on the product we acquire under these terms. Similarly, the return that we are required to provide the joint venture for products after the first four years may have an adverse effect on the profitability we achieve from acquiring the mill's output. Additionally, we are required to purchase the output of the joint venture regardless of whether we have a customer for such output, and our results of operations and financial condition would be adversely affected if we are unable to sell the output that we are required to purchase.

Loss or termination of contract manufacturing relationships could harm our ability to meet our production goals.

As we have focused on building and commissioning our own plant and improving our production economics, we have reduced our use of contract manufacturing and have terminated relationships with some of our contract manufacturing partners. The failure to have multiple available supply options for farnesene or other target molecules could create a risk for us if a single source or a limited number of sources of manufacturing runs into operational issues. In addition, if we are unable to secure the services of contract manufacturers when and as needed, we may lose customer opportunities and the growth of our business may be impaired. We cannot be sure that contract manufacturers will be available when we need their services, that they will be willing to dedicate a portion of their capacity to our projects, or that we will be able to reach acceptable price and other terms with them for the provision of their production services. If we shift priorities and adjust anticipated production levels (or cease production altogether) at contract manufacturing facilities, such adjustments or cessations could also result in disputes or otherwise harm our business relationships with contract manufacturers. In addition, reducing or stopping production at one facility while increasing or starting up production at another facility generally results in significant losses of production efficiency, which can persist for significant periods of time. Also, in order for production to commence under our contract manufacturing arrangements, we generally must provide equipment, and we cannot be assured that such equipment can be ordered or installed on a timely basis, at acceptable costs, or at all. Further, in order to establish new manufacturing facilities, we need to transfer our yeast strains and production processes from lab to commercial plants controlled by third parties, which may pose technical or operational challenges that delay production or increase our costs.

Our use of contract manufacturers exposes us to risks relating to costs, contractual terms and logistics.

While we have commenced commercial production at the Brotas, Brazil plant, we continue to commercially produce, process and manufacture some specialty molecules through the use of contract manufacturers, and we anticipate that we will continue to use contract manufacturers for the foreseeable future for chemical conversion and production of end-products and, to mitigate cost and volume risks at our large-scale production facilities, for production of Biofene and other fermentation target compounds. Establishing and operating contract manufacturing facilities requires us to make significant capital expenditures, which reduces our cash and places such capital at risk. For example, based on an evaluation of our assets associated with contract manufacturing facilities and anticipated levels of use of such facilities, we recorded zero from write-off of assets related to contract manufacturing (included in loss on purchase commitments and write off of property, plant and equipment of approximately zero for the three months ended June 30, 2015 and $1.8 million for the year ended December 31, 2014). Also, contract manufacturing agreements may contain terms that commit us to pay for capital expenditures and other costs incurred or expected to be earned by the plant operators and owners, which can result in contractual liability and losses for us even if we terminate a particular contract manufacturing arrangement or decide to reduce or stop production under such an arrangement. For example, in June 2013, we entered into a termination agreement with a contract manufacturer that required us to make payments totaling $8.8 million in 2013, of which $3.6 million was to satisfy outstanding obligations and $5.2 million was in lieu of additional payments otherwise owed.

The locations of contract manufacturers can pose additional cost, logistics and feedstock challenges. If production capacity is available at a plant that is remote from usable chemical finishing or distribution facilities, or from customers, we will be required to incur additional expenses in shipping products to other locations. Such costs could include shipping costs, compliance with export and import controls, tariffs and additional taxes, among others. In addition, we may be required to use feedstock from a particular region for a given production facility. The feedstock available in a particular region may not be the least expensive or most effective feedstock for production, which could significantly raise our overall production cost or reduce our product's quality until we are able to optimize the supply chain.

If we are unable to reduce our production costs, we may not be able to produce our products at competitive prices and our ability to grow our business will be limited.

In order to be competitive in the markets we are targeting, our products must have superior qualities or be competitively priced relative to alternatives available in the market. Currently, our costs of production are not low enough to allow us to offer some of our planned products at competitive prices relative to alternatives available in the market. Our production costs depend on many factors that could have a negative effect on our ability to offer our planned products at competitive prices, including, in particular, our ability to establish and maintain sufficient production scale and volume, and feedstock cost. For example, see "We have limited experience producing our products at commercial scale and may not be able to commercialize our products to the extent necessary to sustain and grow our current business," "Our manufacturing operations require sugar feedstock, and the inability to obtain such feedstock in sufficient quantities or in a timely manner, or at reasonable prices, may limit our ability to produce products profitably or at all," and "The price of sugarcane and other feedstocks can be volatile as a result of changes in industry policy and may increase the cost of production of our products."

We face financial risk associated with scaling up production to reduce our production costs. To reduce per-unit production costs, we must increase production to achieve economies of scale and to be able to sell our products with positive margins. However, if we do not sell production output in a timely manner or in sufficient volumes, our investment in production will harm our cash position and generate losses. Additionally, we may incur added costs in storage and we may face issues related to the decrease in quality of our stored products, which could adversely affect the value of such products. Since achieving competitive product prices generally requires increased production volumes and our manufacturing operations and cash flows from sales are in their early stages, we have had to produce and sell products at a loss in the past, and may continue to do so as we build our business. If we are unable to achieve adequate revenues from a combination of product sales and other sources, we may not be able to invest in production and we may not be able to pursue our business plans.

Key factors beyond production scale and feedstock cost that impact our production costs include yield, productivity, separation efficiency and chemical process efficiency. Yield refers to the amount of the desired molecule that can be produced from a fixed amount of feedstock. Productivity represents the rate at which our product is produced by a given yeast strain. Separation efficiency refers to the amount of desired product produced in the fermentation process that we are able to extract and the time that it takes to do so. Chemical process efficiency refers to the cost and yield for the chemical finishing steps that convert our target molecule into a desired product. In order to successfully enter transportation fuels and certain chemical markets, we must produce those products at significantly lower costs, which will require both substantially higher yields than we have achieved to date and other significant improvements in production efficiency, including in productivity and in separation and chemical process efficiencies. There can be no assurance that we will be able to make these improvements or reduce our production costs sufficiently to offer our planned products at competitive prices, and any such failure could have a material adverse impact on our business and prospects.

Our ability to establish substantial commercial sales of our products is subject to many risks, any of which could prevent or delay revenue growth and adversely impact our customer relationships, business and results of operations.

There can be no assurance that our products will be approved or accepted by customers, that customers will choose our products over competing products, or that we will be able to sell our products profitably at prices and with features sufficient to establish demand. The markets we have entered first are primarily those for specialty chemical products used by large consumer products or specialty chemical companies. In entering these markets, we have sold and we intend to sell our products as alternatives to chemicals currently in use, and in some cases the chemicals that we seek to replace have been used for many years. The potential customers for our molecules generally have well developed manufacturing processes and arrangements with suppliers of the chemical components of their products and may have a resistance to changing these processes and components. These potential customers frequently impose lengthy and complex product qualification procedures on their suppliers, influenced by consumer preference, manufacturing considerations such as process changes and capital and other costs associated with transitioning to alternative components, supplier operating history, established business relationships and agreements, regulatory issues, product liability and other factors, many of which are unknown to, or not well understood by, us. Satisfying these processes may take many months or years. If we are unable to convince these potential customers (and the consumers who purchase products containing such chemicals) that our products are comparable to the chemicals that they currently use or that the use of our products is otherwise to their benefits, we will not be successful in entering these markets and our business will be adversely affected.

In order for our diesel fuel to be accepted in various countries around the world, a significant number of diesel engine manufacturers or operators of large trucking fleets, must determine that the use of our fuels in their equipment will not invalidate product warranties and that they otherwise regard our diesel fuel as an acceptable fuel so that our diesel fuel will have appropriately large and accessible addressable markets. In addition, we must successfully demonstrate to these manufacturers that our fuel does not degrade the performance or reduce the life cycle of their engines or cause them to fail to meet applicable emissions standards. These certification processes include fuel analysis modeling and the testing of engines and their components to ensure that the use of our diesel fuel does not degrade performance or reduce the lifecycle of the engine or cause them to fail to meet applicable emissions standards.

Additionally, we may be subject to product safety testing and may be required to meet certain regulatory and/or product safety standards. Meeting these standards can be a time consuming and expensive process, and we may invest substantial time and resources into such qualification efforts without ultimately securing approval. To date, our diesel fuel has achieved limited approvals from certain engine manufacturers, but we cannot be assured that other engine or vehicle manufacturers or fleet operators, will approve usage of our fuels. To distribute our diesel fuel, we must also meet requirements imposed by pipeline operators and fuel distributors. If these operators impose volume or other limitations on the transport of our fuels, our ability to sell our fuels may be impaired.

Our ability to enter the fuels market is also dependent upon our ability to continue to achieve the required regulatory approvals in the global markets in which we will seek to sell our fuel products. These approvals primarily involve clearance by the relevant environmental agencies in the particular jurisdiction and are described below under the risk factors, "Our use of genetically-modified feedstocks and yeast strains to produce our products subjects us to risks of regulatory limitations and rejection of our products," "We may not be able to obtain regulatory approval for the sale of our renewable products," and "We may incur significant costs complying with environmental laws and regulations, and failure to comply with these laws and regulations could expose us to significant liabilities."

We expect to face competition for our specialty chemical and transportation fuels products from providers of petroleum-based products and from other companies seeking to provide alternatives to these products, and if we cannot compete effectively against these companies or products we may not be successful in bringing our products to market or further growing our business after we do so.

We expect that our renewable products will compete with both the traditional, largely petroleum-based specialty chemical and fuels products that are currently being used in our target markets and with the alternatives to these existing products that established enterprises and new companies are seeking to produce.

In the specialty chemical markets that we are initially entering, and in other chemical markets that we may seek to enter in the future, we will compete primarily with the established providers of chemicals currently used in products in these markets. Producers of these incumbent products include global oil companies, large international chemical companies and companies specializing in specific products, such as squalane or essential oils. We may also compete in one or more of these markets with products that are offered as alternatives to the traditional petroleum-based or other traditional products being offered in these markets.

In the transportation fuels market, we expect to compete with independent and integrated oil refiners, advanced biofuels companies and biodiesel companies. Refiners compete with us by selling traditional fuel products and some are also pursuing hydrocarbon fuel production using non-renewable feedstocks, such as natural gas and coal, as well as processes using renewable feedstocks, such as vegetable oil and biomass. We also expect to compete with companies that are developing the capacity to produce diesel and other transportation fuels from renewable resources in other ways. These include advanced biofuels companies using specific enzymes that they have developed to convert cellulosic biomass, which is non-food plant material such as wood chips, corn stalks and sugarcane bagasse, into fermentable sugars. Similar to us, some companies are seeking to use engineered microbes, such as yeast, bacteria and algae, to convert sugars, in some cases from cellulosic biomass and in others from more refined sugar sources, into renewable diesel and other fuels. Biodiesel companies convert vegetable oils and animal oils into diesel fuel and some are seeking to produce diesel and other transportation fuels using thermochemical methods to convert biomass into renewable fuels.

With the emergence of many new companies seeking to produce chemicals and fuels from alternative sources, we may face increasing competition from alternative fuels and chemicals companies. As they emerge, some of these companies may be able to establish production capacity and commercial partnerships to compete with us. If we are unable to establish production and sales channels that allow us to offer comparable products at attractive prices, we may not be able to compete effectively with these companies.

We believe the primary competitive factors in both the chemicals and fuels markets are:

- product price;

- product performance and other measures of quality;
- infrastructure compatibility of products;
- sustainability; and
- dependability of supply.

The oil companies, large chemical companies and well-established agricultural products companies with whom we compete are much larger than us, have, in many cases, well developed distribution systems and networks for their products, have valuable historical relationships with the potential customers we are seeking to serve and have much more extensive sales and marketing programs in place to promote their products. In order to be successful, we must convince customers that our products are at least as effective as the traditional products they are seeking to replace and we must provide our products on a cost basis that does not greatly exceed these traditional products and other available alternatives. Some of our competitors may use their influence to impede the development and acceptance of renewable products of the type that we are seeking to produce.

We believe that for our chemical products to succeed in the market, we must demonstrate that our products are comparable alternatives to existing products and to any alternative products that are being developed for the same markets based on some combination of product cost, availability, performance, and consumer preference characteristics. With respect to our diesel and other transportation fuels products, we believe that our product must perform as effectively as petroleum-based fuel, or alternative fuels, and be available on a cost basis that does not greatly exceed these traditional products and other available alternatives. In addition, with the wide range of renewable fuels products under development, we must be successful in reaching potential customers and convincing them that ours are effective and reliable alternatives.

Our relationship with our strategic partner, Total, and certain rights we have granted to Total and other existing stockholders in relation to our future securities offerings have substantial impacts on our company.

We have a license, development, research and collaboration agreement with Total, under which we may develop, produce and commercialize products with Total. Under this agreement, Total has a right of first negotiation with respect to certain exclusive commercialization arrangements that we would propose to enter into with third parties, as well as the right to purchase any of our products on terms not less favorable than those offered to or received by us from third parties in any market where Total or its affiliates have a significant market position. These rights might inhibit potential strategic partners or potential customers from entering into negotiations with us about future business opportunities. Total also has the right to terminate this agreement if we undergo a sale or change of control to certain entities, which could discourage a potential acquirer from making an offer to acquire us.

Under certain other agreements with Total related to its original investment in our capital stock, for as long as Total owns 10% of our voting securities, it has rights to an exclusive negotiation period if our Board of Directors decides to sell our company. Total also has the right to designate one director to serve on our Board of Directors. Also, in connection with Total’s investments, our certificate of incorporation includes a provision that excludes Total from prohibitions on business combinations between Amyris and an “interested stockholder.” These provisions could have the effect of discouraging potential acquirers from making offers to acquire us, and give Total more access to Amyris than other stockholders if Total decides to pursue an acquisition.

Additionally, in connection with subsequent investments by Total in Amyris, we granted Total, among other investors, a right of first investment if we propose to sell securities in a private placement financing transaction. With these rights, Total and other investors may subscribe for a portion of any new financing and require us to comply with certain notice periods, which could discourage other investors from participating, or cause delays, in our ability to close such a financing. Further, Total and other holders of notes issued in the first and second tranches of the August 2013 Financing (or, the Tranche I Notes and Tranche II Notes, respectively) have a right to cancel certain outstanding Tranche I Notes and Tranche II Notes to exercise pro rata rights under the August 2013 SPA. To the extent Total or other investors exercise these rights, it will reduce the cash proceeds we may realize from the relevant financing.

Our joint venture with Total limits our ability to independently develop and commercialize farnesene-based jet fuels.

In July 2012 and December 2013, we entered into a series of agreements with Total to establish a research and development program regarding farnesene-based diesel and jet fuels and to form a joint venture, Total Amyris BioSolutions B.V., or JVCO, to produce and commercialize such products worldwide. In connection with the Exchange, we and Total expect to amend the agreements related to JVCO as follows: (i) increase Total’s ownership of JVCO’s stock to 75% and decrease our ownership of JVCO’s stock to 25%; (ii) limit JVCO’s exclusive, worldwide license under our intellectual property to producing and commercializing only farnesene-based jet fuels, subject to an exception for our jet fuels business in Brazil; (iii) grant JVCO an option, exercisable no later than March 1, 2018, to purchase our jet fuels business in Brazil pursuant to an agreed upon valuation process; and (iv) revert all previously granted diesel fuel rights to us. JVCO would retain a right to exercise a non-exclusive license to optimize or engineer yeast strains we use to produce farnesene for JVCO's jet fuels, which license becomes exercisable after July 31, 2016 if we do not achieve technical goals in the underlying farnesene research and development program and do not negotiate an extension by such date. As a result of these licenses, we generally no longer have an independent right to make or sell farnesene-based jet fuels outside of Brazil without the approval of Total. If, for any reason, JVCO is not fully supported, or is not successful, and JVCO does not allow us to pursue farnesene-based jet fuels independently, this joint venture arrangement could impair our ability to develop and commercialize such jet fuels, which could have a material adverse effect on our business and long term prospects. For example, this arrangement could adversely affect our ability to enter or expand in the jet fuel market on terms that would otherwise be more favorable to us independently or with third parties.

On July 26, 2015, the Company entered into a Letter Agreement with Total (the "*JVCO Letter Agreement*") regarding the restructuring of ownership and rights of Total Amyris BioSolutions B.V., the jointly owned entity incorporated on November 29, 2013 to house the JV ("*TAB*"), pursuant to which the parties agreed to enter into an Amended and Restated Shareholders' Agreement among the Company, Total and TAB, a Deed of Amendment of Articles of Association of TAB, an Amended & Restated Jet Fuel License Agreement among the Company and TAB, and a License Agreement regarding Diesel Fuel in the EU between the Company and Total, all in order to reflect certain changes to the structure of TAB and license grants and related rights pertaining to TAB (together, with the Pilot Plant Agreement Amendment described below, collectively, the "*Commercial Agreements*"). The parties agreed to enter into the Commercial Agreements relating to TAB in a closing to occur on or before September 18, 2015, and the Pilot Plant Agreement Amendment was entered into on July 26, 2015.

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Under the Commercial Agreements relating to TAB, the Company will grant exclusive (excluding its Brazil jet fuels business), world-wide, royalty-free rights to TAB for commercialization of farnesene- or farnesane-based jet fuel, and the parties agreed that, if TAB wishes to purchase farnesene- or farnesane for such business, they would negotiate a supply agreement on a "most-favored" pricing basis. TAB would also have an option until March 1, 2018 to purchase the assets of the jet portion of the Company's Brazil fuel business at a price based on the fair value of the commercial assets and the Company's investment in other related assets. TAB will no longer have any licenses or rights with regards to farnesene- or farnesane-based diesel fuel.

In addition, the Company will grant Total an exclusive, royalty-free license for the rights to offer for sale and sell in the European Union ("*EU*") farnesene- or farnesane-based diesel fuel, and the parties agreed that, if Total wishes to purchase farnesene- or farnesane for such business, they would negotiate a supply agreement on a "most-favored" pricing basis. For a to-be-negotiated, commercially reasonable, "most-favored" basis royalty to be paid to Amyris, Total will also have the right to make farnesene- or farnesane anywhere in the world solely for Total to offer for sale and sell it for diesel fuel in the EU.

Further, in accordance with the Commercial Agreements and pursuant to the JVCO Letter Agreement, Total will cancel R&D Notes in an aggregate principal amount of $5.0 million, plus all PIK and accrued interest under all outstanding R&D Notes and a note in the principal amount of Euro 50,000, plus accrued interest, issued by Amyris by Total in connection with the existing TAB capitalization, in exchange for an additional 25% of TAB (giving Total an aggregate ownership stake of 75% of TAB and giving the Company an aggregate ownership stake of 25% of TAB).

Additionally, in connection with the restructuring of the terms of TAB and the other Commercial Agreements, Total and the Company entered into Amendment #1 (the "*Pilot Plant Agreement Amendment*") to that certain Pilot Plant Services Agreement dated as of April 4, 2014 (as amended, the "*Pilot Plant Agreement*") whereby the Company and Total agreed to restructure the payment obligations of Total under the Pilot Plant Agreement. Under the original Pilot Plant Agreement, for a five year period, the Company is providing certain fermentation and downstream separations scale-up services and training to Total and receives an aggregate annual fee payable by Total for all services in the amount of up to approximately $900,000 per annum. Such annual fee is due in three equal installments payable on March 1, July 1 and November 1 each year during the term of the Pilot Plant Agreement. Under the Pilot Plant Agreement Amendment, in connection with the restructuring of TAB discussed above, Amyris agreed to waive a portion of these fees up to approximately $2.0 million, over the term of the Pilot Plant Agreement.

Our farnesene-based diesel fuels license to Total limits our ability to independently develop and commercialize farnesene-based diesel fuels in the European Union.

In conjunction with the reversion to us of the farnesene-based diesel fuel rights previously licensed to JVCO contemplated in connection with the Exchange (as described above), we expect to grant Total an exclusive license under our intellectual property to commercialize farnesene-based diesel fuel in the European Union and a non-exclusive right to produce such diesel fuel worldwide, but solely for sale in the European Union. Similar to our arrangement with JVCO, we would also grant Total a non-exclusive license to optimize or engineer yeast strains used by us to produce farnesene for Total's diesel fuels for the European Union, which license becomes exercisable after July 31, 2016 if we do not achieve technical goals in the underlying farnesene research and development program and do not negotiate an extension by such date. As a result of these licenses, Amyris would generally no longer have an independent right to make or sell farnesene-based diesel fuels in the European Union without the approval of Total. If, for any reason, Total were not successful in selling farnesene-based diesel fuels in the European Union and did not allow us to independently pursue selling farnesene-based diesel fuels there, this arrangement could impair our ability to develop and commercialize such diesel fuels in the European Union, which could have a material adverse effect on our business and long term prospects.

In addition to granting Total the licenses described above, we also agreed that, if we were to experience a change of control or fail to make any required capital contribution to JVCO, Total has a right to buy out our interest in JVCO at fair market value. If Total were to exercise these rights, we would, in effect, relinquish our economic rights to the intellectual property we exclusively licensed to JVCO, and our ability to seek future revenue from farnesene-based jet fuel would be adversely affected (or completely prevented). This could significantly reduce the value of our product offerings and have a material adverse effect on our ability to grow our business in future years.

If we do not meet technical, development and commercial milestones in our collaboration agreements, our future revenue and financial results will be adversely impacted.

We have entered into a number of agreements regarding the further development of certain of our products and, in some cases, for ultimate sale of certain products to the customer under the agreement. None of these agreements affirmatively obligates the other party to purchase specific quantities of any products at this time, and most contain important conditions that must be satisfied before additional research and development funding or product purchases would occur. These conditions include research and development milestones and technical specifications that must be achieved to the satisfaction of our collaborators, which we cannot be certain we will achieve. If we do not achieve these contractual milestones, our revenues and financial results will be adversely affected.

We are subject to risks related to our reliance on collaboration arrangements to fund development and commercialization of our products and the success of such products is uncertain.

For most product markets we are trying to address, we either have or are seeking collaboration partners to fund the research and development, commercialization and production efforts required for the target products. Typically we provide limited exclusive rights and revenue sharing with respect to the production and sale of particular types of products in specific markets in exchange for such up-front funding. These exclusivity, revenue-sharing and other similar terms limit our ability to commercialize our products and technology, and may impact the size of our business or our profitability in ways that we do not currently envision. In addition, revenues from these types of relationships are a key part of our cash plan for 2015 and beyond. If we fail to collect expected collaboration revenues, or to identify and add sufficient additional collaborations to fund our planned operations, we may be unable to fund our operations or pursue development and commercialization of our planned products. To achieve our collaboration revenue targets from year to year, we may be forced to enter into agreements that contain less favorable terms. As part of our current and future collaboration arrangements, we may be required to make significant capital investments at our existing or new facilities in order to produce molecules or other products for such collaborations. Any failure or difficulties in establishing, building up or retooling our operations for these collaboration arrangements could have a significant negative impact on our business, including our ability to achieve commercial viability for our products, lead to the inability to meet our contractual obligations and could cause us to allocate capital, personnel and other resources from our organization which could adversely affect our business and reputation.

With respect to pharmaceutical collaborations, our experience in this industry is limited, so we may have difficulty identifying and securing collaboration partners and customers for pharmaceutical applications of our products and services. Furthermore, our success in pharmaceuticals depends primarily upon our ability to identify and validate new small molecule compounds of pharmaceutical interest (including through the use of our discovery platform), and identify, test, develop and commercialize such compounds. Our research efforts may initially show promise in discovering potential new therapeutic candidates, yet fail to yield viable product candidates for clinical development for a number of reasons, including:

- because our research methodology, including our screening technology, may not successfully identify medically relevant product candidates;
- we may identify and select from our discovery platform novel, untested classes of product candidates for the particular disease indication we are pursuing, which may be challenging to validate because of the novelty of the

product candidates or we may fail to validate at all after further research work;

- our product candidates may cause adverse effects in patients or subjects, even after successful initial toxicology studies, which may make the product candidates unmarketable;

- our product candidates may not demonstrate a meaningful benefit to patients or subjects; and

- collaboration partners may change their development profiles or plans for potential product candidates or abandon a therapeutic area or the development of a partnered product.

Research programs to identify new product targets and candidates require substantial technical, financial and human resources. We may focus our efforts and resources on potential discovery efforts, programs or product candidates that ultimately prove to be unsuccessful.

Our manufacturing operations require sugar feedstock, and the inability to obtain such feedstock in sufficient quantities or in a timely manner, or at reasonable prices, may limit our ability to produce our products profitably, or at all.

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We anticipate that the production of our products will require large volumes of feedstock. We have relied on a mixture of feedstock sources for use at our contract manufacturing operations, including cane sugar, corn-based dextrose and beet molasses. For our large-scale production facilities in Brazil, we are relying primarily on Brazilian sugarcane. We cannot predict the future availability or price of these various feedstocks, nor can we be sure that our mill partners, which we expect to supply the sugarcane feedstock necessary to produce our products in Brazil, will be able to supply it in sufficient quantities or in a timely manner. Furthermore, to the extent we are required to rely on sugar feedstock other than Brazilian sugarcane, the cost of such feedstock may be higher than we expect, increasing our anticipated production costs. Feedstock crop yields and sugar content depend on weather conditions, such as rainfall and temperature. Weather conditions have historically caused volatility in the ethanol and sugar industries by causing crop failures or reduced harvests. Excessive rainfall can adversely affect the supply of sugarcane and other sugar feedstock available for the production of our products by reducing the sucrose content and limiting growers' ability to harvest. Crop disease and pestilence can also occur from time to time and can adversely affect feedstock growth, potentially rendering useless or unusable all or a substantial portion of affected harvests. With respect to sugarcane, our initial primary feedstock, seasonal availability and price, the limited amount of time during which it keeps its sugar content after harvest, and the fact that sugarcane is not itself a traded commodity, increases these risks and limits our ability to substitute supply in the event of such an occurrence. If production of sugarcane or any other feedstock we may use to produce our products is adversely affected by these or other conditions, our production will be impaired, and our business will be adversely affected.

The price of sugarcane and other feedstocks can be volatile as a result of changes in industry policy and may increase the cost of production of our products.

In Brazil, Conselho dos Produtores de Cana, Açúcar e Álcool (Council of Sugarcane, Sugar and Ethanol Producers or Consecana), an industry association of producers of sugarcane, sugar and ethanol, sets market terms and prices for general supply, lease and partnership agreements for sugarcane. If Consecana makes changes to such terms and prices, this could result in higher sugarcane prices and/or a significant decrease in the volume of sugarcane available for the production of our products. Furthermore, if Consecana were to cease to be involved in this process, such prices and terms could become more volatile. Similar principles apply to pricing of other feedstocks as well. Any of these events could adversely affect our business and results of operations.

Our large-scale commercial production capacity is centered in Brazil, and our business will be adversely affected if we do not operate effectively in that country.

For the foreseeable future, we will be subject to risks associated with the concentration of essential product sourcing and operations in Brazil. The Brazilian government has changed in the past, and may change in the future, monetary, taxation, credit, tariff, labor and other policies to influence the course of Brazil's economy. For example, the government's actions to control inflation have at times involved setting wage and price controls, adjusting interest rates, imposing taxes and exchange controls and limiting imports into Brazil. We have no control over, and cannot predict what policies or actions the Brazilian government may take in the future. Our business, financial performance and prospects may be adversely affected by, among others, the following factors:

- delays or failures in securing licenses, permits or other governmental approvals necessary to build and operate facilities and use our yeast strains to produce products;
- rapid consolidation in the sugar and ethanol industries in Brazil, which could result in a decrease in competition;
- political, economic, diplomatic or social instability in or affecting Brazil;
- changing interest rates;
- tax burden and policies;
- effects of changes in currency exchange rates;
- any changes in currency exchange policy that lead to the imposition of exchange controls or restrictions on remittances abroad;
- inflation;
- land reform or nationalization movements;
- changes in labor related policies;
- export or import restrictions that limit our ability to move our products out of Brazil or interfere with the import of essential materials into Brazil;

- changes in, or interpretations of foreign regulations that may adversely affect our ability to sell our products or repatriate profits to the United States;
- tariffs, trade protection measures and other regulatory requirements;
- compliance with United States and foreign laws that regulate the conduct of business abroad;
- compliance with anti-corruption laws recently enacted in Brazil;
- an inability, or reduced ability, to protect our intellectual property in Brazil including any effect of compulsory licensing imposed by government action; and
- difficulties and costs of staffing and managing foreign operations.

We cannot predict whether the current or future Brazilian government will implement changes to existing policies on taxation, exchange controls, monetary strategy, labor relations, social security and the like, nor can we estimate the impact of any such changes on the Brazilian economy or our operations.

Brazil's economy has recently experienced quarters of slow or negative gross domestic product growth and has experienced high inflation and a growing fiscal deficit of its federal government accounts. In addition, in recent months, major corruption scandals involving members of the executive, state-controlled enterprises and large private sector companies have been disclosed and are the subject of ongoing investigation by federal authorities. The final outcome of these investigations and their impact on the Brazilian economy is not yet known.

Our international operations expose us to the risk of fluctuation in currency exchange rates and rates of foreign inflation, which could adversely affect our results of operations.

We currently incur significant costs and expenses in Brazilian real and may in the future incur additional expenses in foreign currencies and derive a portion of our revenues in the local currencies of customers throughout the world. As a result, our revenues and results of operations are subject to foreign exchange fluctuations, which we may not be able to manage successfully. During the past few decades, the Brazilian currency in particular has faced frequent and substantial exchange rate fluctuations in relation to the United States dollar and other foreign currencies. There can be no assurance that the Brazilian real will not significantly appreciate or depreciate against the United States dollar in the future. We also bear the risk that the rate of inflation in the foreign countries where we incur costs and expenses or the decline in value of the United States dollar compared to those foreign currencies will increase our costs as expressed in United States dollars. For example, future measures by the Central Bank of Brazil to control inflation, including interest rate adjustments, intervention in the foreign exchange market and actions to fix the value of the real, may weaken the United States dollar in Brazil. Whether in Brazil or otherwise, we may not be able to adjust the prices of our products to offset the effects of inflation or foreign currency appreciation on our cost structure, which could increase our costs and reduce our net operating margins. If we do not successfully manage these risks through hedging or other mechanisms, our revenues and results of operations could be adversely affected.

Our use of genetically-modified feedstocks and yeast strains to produce our products subjects us to risks of regulatory limitations and rejection of our products.

The use of genetically modified microorganisms (or GMMs), such as our yeast strains, is subject to laws and regulations in many countries, some of which are new and some of which are still evolving. Public attitudes about the safety and environmental hazards of, and ethical concerns over, genetic research and GMMs could influence public acceptance of our technology and products. In the United States, the Environmental Protection Agency (or EPA), regulates the commercial use of GMMs as well as potential products produced from the GMMs. Various states or local governments within the United States could choose to regulate products made with GMMs as well. While the strain of genetically modified yeast that we currently use for the development and anticipate using for the commercial production of our target molecules, *S. cerevisiae*, is eligible for exemption from EPA review because it is recognized as posing a low risk, we must satisfy certain criteria to achieve this exemption, including but not limited to use of compliant containment structures and safety procedures, and we cannot be sure that we will meet such criteria in a timely manner, or at all. If exemption of *S. cerevisiae* is not obtained, our business may be substantially harmed. In addition to *S. cerevisiae*, we may seek to use different GMMs in the future that will require EPA approval. If approval of different GMMs is not secured, our ability to grow our business could be adversely affected.

In Brazil, GMMs are regulated by the National Biosafety Technical Commission (or CTNBio). We have obtained approval from CTNBio to use GMMs in a contained environment in our Campinas facilities for research and development purposes as well as at a contract manufacturing facility in Brazil. In addition, we have obtained initial commercial approval from CTNBio for one of our current yeast strains. As we continue to develop new yeast strains and deploy our technology at new production facilities in Brazil, we will be required to obtain further approvals from CTNBio in order to use these strains in commercial production in Brazil. We may not be able to obtain approvals from relevant Brazilian authorities on a timely basis, or at all, and if we do not, our ability to produce our products in Brazil would be impaired, which would adversely affect our results of operations and financial condition.

In addition to our production operations in the United States and Brazil, we have been party to contract manufacturing agreements with parties in other production locations around the world, including Europe. The use of GMM technology is strictly regulated in the European Union, which has established various directives for member states regarding regulation of the use of such technology, including notification processes for contained use of such technology. We expect to encounter GMM regulations in most, if not all, of the countries in which we may seek to establish production capabilities and/or conduct sales to customers or end-use consumers, and the scope and nature of these regulations will likely be different from country to country. If we cannot meet the applicable requirements in other countries in which we intend to produce products using our yeast strains, or if it takes longer than anticipated to obtain such approvals, our business could be adversely affected. Furthermore, there are various non-governmental and quasi-governmental organizations that review and certify products with respect to the determination of whether products can be classified as “natural” or other similar classifications. While the certification from such non-governmental and quasi-governmental organizations is generally not mandatory, some of our current or prospective customers or distributors may require that we meet the standards set by such organizations as a condition precedent to purchasing or distributing our products. We cannot be certain that we will be able to satisfy the standards of such organizations, and any delay or failure to do so could harm our ability to sell or distribute some or all of our products to certain customers and prospective customers, which could have a negative impact on our business.

We may not be able to obtain regulatory approval for the sale of our renewable products.

Our renewable chemical products may be subject to government regulation in our target markets. In the United States, the EPA administers the Toxic Substances Control Act (or TSCA), which regulates the commercial registration, distribution, and use of many chemicals. Before an entity can manufacture or distribute a new chemical subject to TSCA, it must file a Pre-Manufacture Notice (or PMN) to add the chemical to a product. The EPA has 90 days to review the filing but may request additional data which significantly extends the timeline for approval. As a result we may not receive EPA approval to list future molecules as expeditiously as we would like in order to make on the TSCA registry, resulting in delays or significant increases in testing requirements. A similar program exists in the European Union, called REACH. Under this program, chemicals imported or manufactured in the European Union in certain quantities must be registered with the European Chemicals Agency, and this process could cause delays or significant costs. To the extent that other geographies in which we are selling (or may seek to sell) our products, such as Brazil and various countries in Asia, may rely on TSCA or REACH (or similar laws and programs) for chemical registration in their geographies, delays with the United States or European authorities, or any relevant local authorities in such other geographies, may subsequently delay entry into these markets as well. In addition, some of our Biofene-derived products are sold for the cosmetics market, and some countries may impose additional regulatory requirements or permits for such uses, which could impair, delay or prevent sales of our products in those markets.

Our diesel and jet fuel is subject to regulation by various government agencies, including the EPA, and the California Air Resources Board (or CARB) in the United States and Agência Nacional do Petróleo, Gas Natural e Biocombustíveis (or ANP), in Brazil. To date, we have obtained registration with the EPA for the use of our diesel fuel in the United States at a 35% blend rate with petroleum diesel. Farnesane is also listed on the TSCA inventory. In addition, ANP has authorized the use our diesel fuel at blend rates of 10% and 30% for specific transportation fleets. In Europe, we obtained REACH registration for importing/manufacturing less than 1,000 metric tons of farnesane (for use as diesel and jet fuel) per year and are pursuing data validation to maintain registration. Registration with each of these bodies is required for the import, sale and use of our fuels within their respective jurisdictions. Jet fuel (aviation turbine fuel) validation and specifications are subject to the ASTM International industry consensus process and the Brazilian ANP national adoption process. While our jet fuel has been validated and supported by an applicable ASTM aviation turbine fuel standard, the ANP approval remains pending. Any failure to achieve required validation and certifications for our jet fuel could impair or delay our plans to introduce a jet fuel product in Brazil, which could have a material adverse impact on our renewable product revenues for the year. In addition, for us to achieve full access to the United States fuels market for our fuel products, we will need to obtain EPA and CARB (and potentially other state agencies) certifications for our feedstock pathway and production facilities, including certification of a feedstock lifecycle analysis relating to greenhouse gas emissions. Any delay in obtaining these additional certifications could impair our ability to sell our renewable fuels to refiners, importers, blenders and other parties that produce transportation fuels as they comply with federal and state requirements to include certified renewable fuels in their products.

We expect to encounter regulations in most, if not all, of the countries in which we may seek to sell our renewable chemical and fuel products (and our customers may encounter similar regulations in selling end use products to consumers), and we cannot assure you that we (or our customers) will be able to obtain necessary approvals in a timely manner or at all. If our chemical and fuel products do not meet applicable regulatory requirements in a particular country or at all, then we (or our customers) may not be able to commercialize our products and our business will be adversely affected.

Changes in government regulations, including subsidies and economic incentives, could have a material adverse effect upon our business.

The market for renewable fuels is heavily influenced by foreign, federal, state and local government regulations and policies. Changes to existing or adoption of new domestic or foreign federal, state and local legislative initiatives that impact the production, distribution or sale of renewable fuels may harm our renewable fuels business. In the United States and in a number of other countries, regulations and policies encouraging production and use of alternative fuels have been modified in the past and may be modified again in the future. Any reduction in mandated requirements for fuel alternatives and additives to gasoline or diesel may cause demand for biofuels to decline and deter investment in the research and development of renewable fuels. The market uncertainty regarding this and future standards and policies may also affect our ability to develop new renewable products or to license our technologies to third parties and to sell products to our end customers. Any inability to address these requirements and any regulatory or policy changes could have a material adverse effect on our business, financial condition and results of operations.

Concerns associated with renewable fuels, including land usage, national security interests and food crop usage, continue to receive legislative, industry and public attention. This attention could result in future legislation, regulation and/or administrative action that could adversely affect our business. Any inability to address these requirements and any regulatory or policy changes could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, the production of our products will depend on the availability of feedstock, especially sugarcane. Agricultural production and trade flows are subject to government policies and regulations. Governmental policies affecting the agricultural industry, such as taxes, tariffs, duties, subsidies, incentives and import and export restrictions on agricultural commodities and commodity products, can influence the planting of certain crops, the location and size of crop production, whether unprocessed or processed commodity products are traded, the volume and types of imports and exports, and the availability and competitiveness of feedstocks as raw materials. Future government policies may adversely affect the supply of feedstocks, restrict our ability to use sugarcane or other feedstocks to produce our products, and negatively impact our future revenues and results of operations or could encourage the use of feedstocks more advantageous to our competitors which would put us at a commercial disadvantage.

We may incur significant costs complying with environmental laws and regulations, and failure to comply with these laws and regulations could expose us to significant liabilities.

We use hazardous chemicals and radioactive and biological materials in our business and such materials are subject to a variety of federal, state and local laws and regulations governing the use, generation, manufacture, storage, handling and disposal of these materials in the United States and in Brazil. Although we have implemented safety procedures for handling and disposing of these materials and related waste products in an effort to comply with these laws and regulations, we cannot be sure that our safety measures will prevent accidental injury or contamination from the use, storage, handling or disposal of hazardous materials. In the event of contamination or injury, we could be held liable for any resulting damages, and any liability could exceed our insurance coverage. There can be no assurance that violations of environmental, health and safety laws will not occur in the future as a result of human error, accident, equipment failure or other causes. Compliance with applicable environmental laws and regulations may be expensive, and the failure to comply with past, present, or future laws could result in the imposition of fines, third party property damage, product liability and personal injury claims, investigation and remediation costs, the suspension of production, or a cessation of operations, and our liability may exceed our total assets. Liability under environmental laws can be joint and several, without regard to comparative fault and may be punitive in nature. Environmental laws could become more stringent over time, imposing greater compliance costs and increasing risks and penalties associated with violations, which could impair our research, development or production efforts and harm our business.

A decline in the price of petroleum and petroleum-based products may reduce demand for some of our renewable products and may otherwise adversely affect our business.

While many of our products do not compete with, and do not serve as alternatives to, petroleum-based products, we anticipate that some of our renewable products, and in particular our fuels, will be marketed as alternatives to corresponding petroleum-based products. If the price of oil falls, we may be unable to produce certain of our products as cost-effective alternatives to petroleum-based products. Declining oil prices, or the perception of a sustained or future decline in oil prices, may adversely affect the prices or demand for such products. During sustained periods of lower oil prices we may be unable to sell such products, which could impact our operating results.

Our financial results could vary significantly from quarter to quarter and are difficult to predict.

Our revenues and results of operations could vary significantly from quarter to quarter because of a variety of factors, many of which are outside of our control. As a result, comparing our results of operations on a period-to-period basis may not be meaningful. Factors that could cause our quarterly results of operations to fluctuate include:

- achievement, or failure, with respect to technology, product development or manufacturing milestones needed to allow us to enter identified markets on a cost effective basis;
- delays or greater than anticipated expenses associated with the completion or commissioning of new production facilities, or the time to ramp up and stabilize production following completion of a new production facility or the transition to, and ramp up of, producing new molecules at our existing facilities;
- impairment of assets based on shifting business priorities and working capital limitations;
- disruptions in the production process at any manufacturing facility, including disruptions due to seasonal or unexpected downtime at our facilities as a result of feedstock availability, contamination, safety or other issues or other technical difficulties or the scheduled downtime at our facilities as a result of transitioning our equipment to the production of different molecules;
- losses of, or the inability to secure new, major customers, suppliers, distributors or collaboration partners;
- losses associated with producing our products as we ramp to commercial production levels;
- failure to recover value added tax (or VAT) that we currently reflect as recoverable in our financial statements (e.g., due to failure to meet conditions for reimbursement of VAT under local law);
- the timing, size and mix of sales to customers for our products;
- increases in price or decreases in availability of feedstock;
- the unavailability of contract manufacturing capacity altogether or at reasonable cost;
- exit costs associated with terminating contract manufacturing relationships;
- fluctuations in foreign currency exchange rates;
- gains or losses associated with our hedging activities;

- change in the fair value of derivative instruments;
- fluctuations in the price of and demand for sugar, ethanol, and petroleum-based and other products for which our products are alternatives;
- seasonal variability in production and sales of our products;
- competitive pricing pressures, including decreases in average selling prices of our products;
- unanticipated expenses associated with changes in governmental regulations and environmental, health, labor and safety requirements;
- reductions or changes to existing fuel and chemical regulations and policies;
- departure of executives or other key management employees resulting in transition and severance costs;
- our ability to use our net operating loss carryforwards to offset future taxable income;
- business interruptions such as earthquakes, tsunamis and other natural disasters;
- our ability to integrate businesses that we may acquire;

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- our ability to successfully collaborate with business venture partners;
- risks associated with the international aspects of our business; and
- changes in general economic, industry and market conditions, both domestically and in our foreign markets.

As part of our operating plan for 2015, we are planning to keep our expenditures to be relatively consistent with prior years.

Due to the factors described above, among others, the results of any quarterly or annual period may not meet our expectations or the expectations of our investors and may not be meaningful indications of our future performance.

Loss of key personnel, including key management personnel, and/or failure to attract and retain additional personnel could delay our product development programs and harm our research and development efforts and our ability to meet our business objectives.

Our business involves complex, global operations across a variety of markets and requires a management team and employee workforce that is knowledgeable in the many areas in which we operate. As we continue to build our business, we will need to hire and retain qualified research and development, management and other personnel to succeed. The process of hiring, training and successfully integrating qualified personnel into our operations, in the United States, Brazil and other countries we may seek to operate in, is a lengthy and expensive one. The market for qualified personnel is very competitive because of the limited number of people available with the necessary technical skills and understanding of our technology and anticipated products, particularly in Brazil. Our failure to hire and retain qualified personnel could impair our ability to meet our research and development and business objectives and adversely affect our results of operations and financial condition.

The loss of any key member of our management or key technical and operational employees, or the failure to attract or retain such employees could prevent us from developing and commercializing our products for our target markets and executing our business strategy. We also may not be able to attract or retain qualified employees in the future due to the intense competition for qualified personnel among biotechnology and other technology-based businesses, particularly in the renewable chemicals and fuels area, or due to the availability of personnel with the qualifications or experience necessary for our business. In addition, reductions to our workforce as part of cost-saving measures may make it more difficult for us to attract and retain key employees. If we do not maintain the necessary personnel to accomplish our business objectives, we may experience staffing constraints that will adversely affect our ability to meet the demands of our collaborators and customers in a timely fashion or to support our internal research and development programs and operations. In particular, our product and process development programs are dependent on our ability to attract and retain highly skilled technical and operational personnel. Competition for such personnel from numerous companies and academic and other research institutions may limit our ability to do so on acceptable terms. All of our employees are at-will employees, which mean that either the employee or we may terminate their employment at any time.

Growth may place significant demands on our management and our infrastructure.

We have experienced, and expect to continue to experience, expansion of our business as we continue to make efforts to develop and bring our products to market. We have grown from 18 employees at the end of 2005 to 419 at June 30, 2015. Our growth and diversified operations have placed, and may continue to place, significant demands on our management and our operational and financial infrastructure. In particular, continued growth could strain our ability to:

- manage multiple research and development programs;
- operate multiple manufacturing facilities around the world;
- develop and improve our operational, financial and management controls;
- enhance our reporting systems and procedures;
- recruit, train and retain highly skilled personnel;
- develop and maintain our relationships with existing and potential business partners;
- maintain our quality standards; and

- maintain customer satisfaction.

Managing our growth will require significant expenditures and allocation of valuable management resources. If we fail to achieve the necessary level of efficiency in our organization as it grows, our business, results of operations and financial condition would be adversely impacted.

Our proprietary rights may not adequately protect our technologies and product candidates.

Our commercial success will depend substantially on our ability to obtain patents and maintain adequate legal protection for our technologies and product candidates in the United States and other countries. As of June 30, 2015, we had 352 issued United States and foreign patents and 308 pending United States and foreign patent applications that were owned by or licensed to us. We will be able to protect our proprietary rights from unauthorized use by third parties only to the extent that our proprietary technologies and future products are covered by valid and enforceable patents or are effectively maintained as trade secrets.

We apply for patents covering both our technologies and product candidates, as we deem appropriate. However, filing, prosecuting, maintaining and defending patents on product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States are less extensive than those in the United States. We may also fail to apply for patents on important technologies or product candidates in a timely fashion, or at all. Our existing and future patents may not be sufficiently broad to prevent others from practicing our technologies or from designing products around our patents or otherwise developing competing products or technologies. In addition, the patent positions of companies like ours are highly uncertain and involve complex legal and factual questions for which important legal principles remain unresolved. No consistent policy regarding the breadth of patent claims has emerged to date in the United States and the landscape is expected to become even more uncertain in view of recent rule changes by the United States Patent Office (or USPTO). Additional uncertainty may result from legal precedent by the United States Federal Circuit and Supreme Court as they determine legal issues concerning the scope and construction of patent claims and inconsistent interpretation of patent laws or from legislation enacted by the U.S. Congress. The patent situation outside of the United States is even less predictable. As a result, the validity and enforceability of patents cannot be predicted with certainty. Moreover, we cannot be certain whether:

- we (or our licensors) were the first to make the inventions covered by each of our issued patents and pending patent applications;
- we (or our licensors) were the first to file patent applications for these inventions;
- others will independently develop similar or alternative technologies or duplicate any of our technologies;

- any of our or our licensors' patents will be valid or enforceable;
- any patents issued to us (or our licensors) will provide us with any competitive advantages, or will be challenged by third parties;
- we will develop additional proprietary products or technologies that are patentable; or
- the patents of others will have an adverse effect on our business.

We do not know whether any of our pending patent applications or those pending patent applications that we license will result in the issuance of any patents. Even if patents are issued, they may not be sufficient to protect our technology or product candidates. The patents we own or license and those that may be issued in the future may be challenged, invalidated, rendered unenforceable, or circumvented, and the rights granted under any issued patents may not provide us with proprietary protection or competitive advantages. Moreover, third parties could practice our inventions in territories where we do not have patent protection or in territories where they could obtain a compulsory license to our technology where patented. Such third parties may then try to import products made using our inventions into the United States or other territories. Accordingly, we cannot ensure that any of our pending patent applications will result in issued patents, or even if issued, predict the breadth, validity and enforceability of the claims upheld in our and other companies' patents.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries do not favor the enforcement of patents or other intellectual property rights, which could hinder us from preventing the infringement of our patents or other intellectual property rights. Proceedings to enforce our patent rights in the United States or foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert patent infringement or other claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license from third parties.

Unauthorized parties may attempt to copy or otherwise obtain and use our products or technology. Monitoring unauthorized use of our intellectual property is difficult, and we cannot be certain that the steps we have taken will prevent unauthorized use of our technology, particularly in certain foreign countries where the local laws may not protect our proprietary rights as fully as in the United States or may provide, today or in the future, for compulsory licenses. If competitors are able to use our technology, our ability to compete effectively could be harmed. Moreover, others may independently develop and obtain patents for technologies that are similar to, or superior to, our technologies. If that happens, we may need to license these technologies, and we may not be able to obtain licenses on reasonable terms, if at all, which could cause harm to our business.

We rely in part on trade secrets to protect our technology, and our failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

We rely on trade secrets to protect some of our technology, particularly where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to maintain and protect. Our strategy for contract manufacturing and scale-up of commercial production requires us to share confidential information with our international business partners and other parties. Our product development collaborations with third parties, including with Total, require us to share confidential information, including with employees of Total who are seconded to Amyris during the term of the collaboration. While we use reasonable efforts to protect our trade secrets, our or our business partners' employees, consultants, contractors or scientific and other advisors may unintentionally or willfully disclose our proprietary information to competitors. Enforcement of claims that a third party has illegally obtained and is using trade secrets is expensive, time consuming and uncertain. In addition, foreign courts are sometimes less willing than United States courts to protect trade secrets. If our competitors independently develop equivalent knowledge, methods and know-how, we would not be able to assert our trade secrets against them.

We require new employees and consultants to execute confidentiality agreements upon the commencement of an employment or consulting arrangement with us. We additionally require consultants, contractors, advisors, corporate collaborators, outside scientific collaborators and other third parties that may receive trade secret information to execute confidentiality agreements. These agreements generally require that all confidential information developed by the individual or made known to the individual by us during the course of the individual's relationship with us be kept confidential and not disclosed to third parties. These agreements also generally provide that inventions conceived by the individual in the course of rendering services to us shall be our exclusive property. Nevertheless, our proprietary information may be disclosed, or these agreements may be unenforceable or difficult to enforce. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent such third party, or those to whom they communicate such technology or information, from using that technology or information to compete with us. Additionally, trade secret law in Brazil differs from that in the United States which requires us to take a different approach to protecting our trade secrets in Brazil. Some of these approaches to trade secret protection may be novel and untested under Brazilian law and we cannot guarantee that we would prevail if our trade secrets are contested in Brazil. If any of the above risks materializes, our failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

We may not be able to fully enforce covenants not to compete and not to solicit with our employees, and therefore we may be unable to prevent our competitors from benefiting from the expertise of such employees.

Our proprietary information and inventions agreements with our employees contain non-compete and non-solicitation provisions. These provisions prohibit our employees from competing directly with our business or proposed business or working for our competitors during their term of employment, and from directly and indirectly soliciting our employees and consultants to leave our company for any purpose. Under applicable U.S. and Brazilian law, we may be unable to enforce these provisions. If we cannot enforce these provisions with our employees, we may be unable to prevent our competitors from benefiting from the expertise of such employees. Even if these provisions are enforceable, they may not adequately protect our interests. The defection of one or more of our employees to a competitor could materially adversely affect our business, results of operations and ability to capitalize on our proprietary information.

Third parties may misappropriate our yeast strains.

Third parties, including contract manufacturers, sugar and ethanol mill owners, other contractors and shipping agents, often have custody or control of our yeast strains. If our yeast strains were stolen, misappropriated or reverse engineered, they could be used by other parties who may be able to reproduce the yeast strains for their own commercial gain. If this were to occur, it would be difficult for us to challenge and prevent this type of use, especially in countries where we have limited intellectual property protection or that do not have robust intellectual property law regimes.

If we or one of our collaborators are sued for infringing intellectual property rights or other proprietary rights of third parties, litigation could be costly and time consuming and could prevent us from developing or commercializing our future products.

Our commercial success depends on our and our collaborators' ability to operate without infringing the patents and proprietary rights of other parties and without breaching any agreements we have entered into with regard to our technologies and product candidates. We cannot determine with certainty whether patents or patent applications of other parties may materially affect our ability to conduct our business. Our industry spans several sectors, including biotechnology, renewable fuels, renewable specialty chemicals and other renewable compounds, and is characterized by the existence of a significant number of patents and disputes regarding patent and other intellectual property rights. Because patent applications can take several years to issue, there may currently be pending applications, unknown to us, that may result in issued patents that cover our technologies or product candidates. We are aware of a significant number of patents and patent applications relating to aspects of our technologies filed by, and issued to, third parties. The existence of third-party patent applications and patents could significantly reduce the coverage of patents owned by or licensed to us and our collaborators and limit our ability to obtain meaningful patent protection. If we wish to make, use, sell, offer to sell, or import the technology or compound claimed in issued and unexpired patents owned by others, we will need to obtain a license from the owner, enter into litigation to challenge the validity of the patents or incur the risk of litigation in the event that the owner asserts that we infringe its patents. If patents containing competitive or conflicting claims are issued to third parties and these claims are ultimately determined to be valid, we and our collaborators may be enjoined from pursing research, development, or commercialization of products, or be required to obtain licenses to these patents, or to develop or obtain alternative technologies.

If a third-party asserts that we infringe upon its patents or other proprietary rights, we could face a number of issues that could seriously harm our competitive position, including:

- infringement and other intellectual property claims, which could be costly and time consuming to litigate, whether or not the claims have merit, and which could delay getting our products to market and divert management attention from our business;
- substantial damages for past infringement, which we may have to pay if a court determines that our product candidates or technologies infringe a third party's patent or other proprietary rights;
-

a court prohibiting us from selling or licensing our technologies or future products unless the holder licenses the patent or other proprietary rights to us, which it is not required to do; and

- if a license is available from a third party, such third party may require us to pay substantial royalties or grant cross licenses to our patents or proprietary rights.

The industries in which we operate, and the biotechnology industry in particular, are characterized by frequent and extensive litigation regarding patents and other intellectual property rights. Many biotechnology companies have employed intellectual property litigation as a way to gain a competitive advantage. If any of our competitors have filed patent applications or obtained patents that claim inventions also claimed by us, we may have to participate in interference proceedings declared by the relevant patent regulatory agency to determine priority of invention and, thus, the right to the patents for these inventions in the United States. These proceedings could result in substantial cost to us even if the outcome is favorable. Even if successful, an interference proceeding may result in loss of certain claims. Our involvement in litigation, interferences, opposition proceedings or other intellectual property proceedings inside and outside of the United States, to defend our intellectual property rights, or as a result of alleged infringement of the rights of others, may divert management time from focusing on business operations and could cause us to spend significant resources, all of which could harm our business and results of operations.

Many of our employees were previously employed at universities, biotechnology, specialty chemical or oil companies, including our competitors or potential competitors. We may be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. If we fail in defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel and be enjoined from certain activities. A loss of key research personnel or their work product could hamper or prevent our ability to commercialize our product candidates, which could severely harm our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and demand on management resources.

We may need to commence litigation to enforce our intellectual property rights, which would divert resources and management's time and attention and the results of which would be uncertain.

Enforcement of claims that a third party is using our proprietary rights without permission is expensive, time consuming and uncertain. Significant litigation would result in substantial costs, even if the eventual outcome is favorable to us and would divert management's attention from our business objectives. In addition, an adverse outcome in litigation could result in a substantial loss of our proprietary rights and we may lose our ability to exclude others from practicing our technology or producing our product candidates.

The laws of some foreign countries do not protect intellectual property rights to the same extent as do the laws of the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biotechnology and/or bioindustrial technologies. This could make it difficult for us to stop the infringement of our patents or misappropriation of our other intellectual property rights. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Moreover, our efforts to protect our intellectual property rights in such countries may be inadequate.

We do not have exclusive rights to intellectual property we developed under U.S. federally funded research grants and contracts, including with DARPA and we could ultimately share or lose the rights we do have under certain circumstances.

Some of our intellectual property rights have been or may be developed in the course of research funded by the U.S. government, including under our agreements with DARPA. As a result, the U.S. government may have certain rights to intellectual property embodied in our current or future products pursuant to the Bayh-Dole Act of 1980. Government rights in certain inventions developed under a government-funded program include a non-exclusive, non-transferable, irrevocable worldwide license to use inventions for any governmental purpose. In addition, the U.S. government has the right to require us, or an assignee or exclusive licensee to such inventions, to grant licenses to any of these inventions to a third party if they determine that: (i) adequate steps have not been taken to commercialize the invention; (ii) government action is necessary to meet public health or safety needs; (iii) government action is necessary to meet requirements for public use under federal regulations; or (iv) the right to use or sell such inventions is exclusively licensed to an entity within the U.S. and substantially manufactured outside the U.S. without the U.S. government’s prior approval. Additionally, we may be restricted from granting exclusive licenses for the right to use or sell our inventions created pursuant to such agreements unless the licensee agrees to additional restricitons (e.g., manufacturing substantially all of the invention in the U.S.). The U.S. government also has the right to take title to these inventions if we fail to disclose the invention to the government and fail to file an application to register the intellectual property within specified time limits. In addition, the U.S. government may acquire title in any country in which a patent application is not filed within specified time limits. Additionally, certain inventions are subject to transfer restrictions during the term of these agreements and for a period thereafter, including sales of products or components, transfers to foreign subsidiaries for the purpose of the relevant agreements, and transfers to certain foreign third parties. If any of our intellectual property becomes subject to any of the rights or remedies available to the U.S. government or third parties pursuant to the Bayh-Dole Act of 1980, this could impair the value of our intellectual property and could adversely affect our business.

Our products subject us to product-safety risks, and we may be sued for product liability.

The design, development, production and sale of our products involve an inherent risk of product liability claims and the associated adverse publicity. Our potential products could be used by a wide variety of consumers with varying levels of sophistication. Although safety is a priority for us, we are not always in control of the final uses and formulations of the products we supply or their use as ingredients. Our products could have detrimental impacts or adverse impacts we cannot anticipate. Despite our efforts, negative publicity about Amyris, including product safety or similar concerns, whether real or perceived, could occur, and our products could face withdrawal, recall or other quality issues. In addition, we may be named directly in product liability suits relating to our products, even for defects resulting from errors of our commercial partners, contract manufacturers, chemical finishers or customers or end users of our products. These claims could be brought by various parties, including customers who are purchasing products directly from us or other users who purchase products from our customers. We could also be named as co-parties in product liability suits that are brought against the contract manufacturers or Brazilian sugar and ethanol mills with whom we partner to produce our products. Insurance coverage is expensive, may be difficult to obtain and may not be available in the future on acceptable terms. We cannot be certain that our contract manufacturers or the sugar and ethanol producers who partner with us to produce our products will have adequate insurance coverage to cover against potential claims. Any insurance we do maintain may not provide adequate coverage against potential losses, and if claims or losses exceed our liability insurance coverage, our business would be adversely impacted. In addition, insurance coverage may become more expensive, which would harm our results of operations.

During the ordinary course of business, we may become subject to lawsuits or indemnity claims, which could materially and adversely affect our business and results of operations.

From time to time, we may in the ordinary course of business be named as a defendant in lawsuits, claims and other legal proceedings. These actions may seek, among other things, compensation for alleged personal injury, worker's compensation, employment discrimination, breach of contract, property damages, civil penalties and other losses of injunctive or declaratory relief. In the event that such actions or indemnities are ultimately resolved unfavorably at amounts exceeding our accrued liability, or at material amounts, the outcome could materially and adversely affect our reputation, business and results of operations. In addition, payments of significant amounts, even if reserved, could adversely affect our liquidity position.

If we fail to maintain an effective system of internal controls, we might not be able to report our financial results accurately or in a timely manner or prevent fraud; in that case, our stockholders could lose confidence in our financial reporting, which would harm our business and could negatively impact the price of our stock.

Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. In addition, Section 404 of the Sarbanes-Oxley Act of 2002 requires us and our independent registered public accounting firm to evaluate and report on our internal control over financial reporting. The process of implementing our internal controls and complying with Section 404 is expensive and time consuming, and requires significant attention of management. We cannot be certain that these measures will ensure that we maintain adequate controls over our financial processes and reporting in the future. In addition, to the extent we create joint ventures or have any variable interest entities and the financial statements of such entities are not prepared by us, we will not have direct control over their financial statement preparation. As a result, we will, for our financial reporting, depend on what these entities report to us, which could result in us adding monitoring and audit processes and increase the difficulty of implementing and maintaining adequate controls over our financial processes and reporting in the future and could lead to delays in our external reporting. This may be particularly true where we are establishing such entities with commercial partners that do not have sophisticated financial accounting processes in place, or where we are entering into new relationships at a rapid pace, straining our integration capacity. Additionally, if we do not receive the information from the joint venture or variable interest entity on a timely basis, this could cause delays in our external reporting. Even if we conclude, and our independent registered public accounting firm concurs, that our internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our reporting obligations. If we or our independent registered public accounting firm discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in our financial statements and harm our stock price. In addition, failure to comply with Section 404 could subject us to a variety of administrative sanctions, including SEC action, ineligibility for short form resale registration, the suspension or delisting of our common stock from the stock exchange on which it is listed, and the inability of registered broker-dealers to make a market in our common stock, which would further reduce our stock price and could harm our business.

If the value of our goodwill or other intangible assets becomes impaired, it could materially reduce the value of our assets and reduce our net income for the year in which the related impairment charges occur.

We apply the applicable accounting principles set forth in the United States Financial Accounting Standards Board's Accounting Standards Codification to our intangible assets (including goodwill), which prohibits the amortization of intangible assets with indefinite useful lives and requires that these assets be reviewed for impairment at least annually. There are several methods that can be used to determine the estimated fair value of the in-process research and development acquired in a business combination. We have used the "income method," which applies a probability weighting that considers the risk of development and commercialization, to the estimated future net cash flows that are derived from projected sales revenues and estimated costs. These projections are based on factors such as relevant market size, pricing of similar products, and expected industry trends. The estimated future net cash flows are then discounted to the present value using an appropriate discount rate. These assets are treated as indefinite-lived intangible assets until completion or abandonment of the projects, at which time the assets will be amortized over the remaining useful life or written off, as appropriate. If the carrying amount of the assets is greater than the measures of fair value, impairment is considered to have occurred and a write-down of the asset is recorded. Any finding that the value of our intangible assets has been impaired would require us to write-down the impaired portion, which could reduce the value of our assets and reduce our net income for the year in which the related impairment charges occur. As of June 30, 2015, we had a net carrying value of approximately $6.1 million in in-process research and development and goodwill associated with our acquisition of Draths Corporation.

Our ability to use our net operating loss carryforwards to offset future taxable income may be subject to certain limitations.

In general, under Section 382 of the Internal Revenue Code (or the Code), a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its pre-change net operating loss carryforwards (or NOLs), to offset future taxable income. If the Internal Revenue Service challenges our analysis that our existing NOLs are not subject to limitations arising from previous ownership changes, or if we undergo an ownership change, our ability to utilize NOLs could be limited by Section 382 of the Code. Future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Code. Furthermore, our ability to utilize NOLs of companies that we may acquire in the future may be subject to limitations. For these reasons, we may not be able to utilize a material portion of the NOLs carryforward as of June 30, 2015, even if we attain profitability.

Loss of, or inability to secure government contract revenues could impair our business.

We have contracts or subcontracts with certain governmental agencies or their contractors. Generally, these agreements, as they may be amended or modified from time to time, have fixed terms and may be terminated, modified or be subject to recovery of payments by the government agency under certain conditions (such as failure to comply with detailed reporting and governance processes or failure to achieve milestones). Under these agreements, we are also subject to audits, which can result in corrective action plans and penalties up to and including termination. If these governmental agencies terminate these agreements with us, it could reduce our revenues which could harm our business. Additionally, we anticipate securing additional government contracts as part of our business plan for 2015 and beyond. If we are unable to secure such government contracts, it could harm our business.

Our headquarters and other facilities are located in an active earthquake and tsunami zone, and an earthquake or other types of natural disasters affecting us or our suppliers could cause resource shortages and disrupt and harm our results of operations.

We conduct our primary research and development operations in the San Francisco Bay Area in an active earthquake and tsunami zone, and certain of our suppliers conduct their operations in the same region or in other locations that are susceptible to natural disasters. In addition, California and some of the locations where certain of our suppliers are located have experienced shortages of water, electric power and natural gas from time to time. The occurrence of a natural disaster, such as an earthquake, drought or flood, or localized extended outages of critical utilities or transportation systems, or any critical resource shortages, affecting us or our suppliers could cause a significant interruption in our business, damage or destroy our facilities, production equipment or inventory or those of our suppliers and cause us to incur significant costs or result in limitations on the availability of our raw materials, any of which could harm our business, financial condition and results of operations. The insurance we maintain against fires, earthquakes and other natural disasters may not be adequate to cover our losses in any particular case.

Risks Related to Our Common Stock

Our stock price may be volatile.

The market price of our common stock has been, and we expect it to continue to be, subject to significant volatility, and it has declined significantly from our initial public offering price. As of June 30, 2015, the reported closing price for our common stock on The NASDAQ Global Select Market was $1.95 per share. Market prices for securities of early stage companies have historically been particularly volatile. Such fluctuations could be in response to, among other things, the factors described in this "Risk Factors" section or elsewhere in this prospectus supplement, or other factors, some of which are beyond our control, such as:

- fluctuations in our financial results or outlook or those of companies perceived to be similar to us;
- changes in estimates of our financial results or recommendations by securities analysts;
- changes in market valuations of similar companies;
- changes in the prices of commodities associated with our business such as sugar, ethanol and petroleum or changes in the prices of commodities that some of our products may replace, such as oil and other petroleum sourced products;
- changes in our capital structure, such as future issuances of securities or the incurrence of debt;
- announcements by us or our competitors of significant contracts, acquisitions or strategic alliances;

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- regulatory developments in the United States, Brazil, and/or other foreign countries;
- litigation involving us, our general industry or both;
- additions or departures of key personnel;
- investors' general perception of us; and
- changes in general economic, industry and market conditions.

Furthermore, stock markets have experienced price and volume fluctuations that have affected, and continue to affect, the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market fluctuations, as well as general economic, political and market conditions, such as recessions, interest rate changes and international currency fluctuations, may negatively affect the market price of our common stock.

In the past, many companies that have experienced volatility and sustained declines in the market price of their stock have become subject to securities class action and derivative action litigation. We were involved in two such lawsuits, which were dismissed in 2014, and we may be the target of similar litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

The concentration of our capital stock ownership with insiders will limit the ability to influence corporate matters.

As of July 31, 2015:

- our executive officers and directors and their affiliates (including Total) together held more than 75% of our outstanding common stock;
- Temasek (who has a designee on our Board of Directors) held approximately 27% of our outstanding common stock; and
- Total held approximately 29% of our outstanding common stock.

Furthermore, Total and Temasek each hold the Remaining Notes, which are convertible into approximately 17,601,584 and 7,042,254 shares of our common stock, respectively, within 60 days of July 24, 2015. As of July 29, 2015, Total and Temasek hold Warrants to purchase 18,924,191 and 14,677,861 shares, respectively, at an exercise price of $0.01 per share, the exercise of which would meaningfully increase the ownership interest of Total and Temasek. Furthermore, Total and Temasek also hold the Total R&D Warrant, the Temasek Funding Warrant and the Temasek R&D Warrant pursuant to which they main gain additional rights to purchase shares of our common stock. This significant concentration of share ownership may become exercisable adversely affect the trading price for our common stock because investors often perceive disadvantages in owning stock in companies with controlling stockholders. Also, these stockholders, acting together, will be able to control our management and affairs and matters requiring stockholder approval, including the election of directors and the approval of significant corporate transactions, such as mergers, consolidations or the sale of substantially all of our assets. Consequently, this concentration of ownership may have the effect of delaying or preventing a change of control, including a merger, consolidation or other business combination involving us, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control, even if that change of control would benefit our other stockholders.

The market price of our common stock could be negatively affected by future sales of our common stock.

If our existing stockholders, particularly our largest stockholders, our directors, their affiliates, or our executive officers, sell a substantial number of our common stock in the public market, the market price of our common stock could decrease significantly. The perception in the public market that these stockholders might sell our common stock could also depress the market price of our common stock and could impair our future ability to obtain capital, especially through an offering of equity securities.

Shares issuable under our equity incentive plans have been registered on a Form S-8 registration statement and may be freely sold in the public market upon issuance, except for shares held by affiliates who have certain restrictions on their ability to sell.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if they change their recommendations regarding our stock adversely, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market or our competitors. If any of the analysts who cover us change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, our stock price would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

We do not expect to declare any dividends in the foreseeable future.

We do not anticipate declaring any cash dividends to holders of our common stock in the foreseeable future. In addition, certain of our equipment leases and credit facilities currently restrict our ability to pay dividends. Consequently, investors may need to rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Investors seeking cash dividends should not purchase our common stock.

Anti-takeover provisions contained in our certificate of incorporation and bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Our certificate of incorporation and bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it more difficult for stockholders to elect directors and take other corporate actions. These provisions include:

- a staggered board of directors;
- authorizing the board of directors to issue, without stockholder approval, preferred stock with rights senior to those of our common stock;
- authorizing the board of directors to amend our bylaws and to fill board vacancies until the next annual meeting of the stockholders;
- prohibiting stockholder action by written consent;

- limiting the liability of, and providing indemnification to, our directors and officers;
- eliminating the ability of our stockholders to call special meetings; and
- requiring advance notification of stockholder nominations and proposals.

Section 203 of the Delaware General Corporation Law prohibits, subject to some exceptions, “business combinations” between a Delaware corporation and an “interested stockholder,” which is generally defined as a stockholder who becomes a beneficial owner of 15% or more of a Delaware corporation's voting stock, for a three-year period following the date that the stockholder became an interested stockholder. We have agreed to opt out of Section 203 through our certificate of incorporation, but our certificate of incorporation contains substantially similar protections to our company and stockholders as those afforded under Section 203, except that we have agreed with Total that it and its affiliates will not be deemed to be “interested stockholders” under such protections.

In addition, we have an agreement with Total, which provides that, so long as Total holds at least 10% of our voting securities, we must inform Total of any offer to acquire us or any decision of our Board of Directors to sell our company, and we must provide Total with information about the contemplated transaction. In such events, Total will have an exclusive negotiating period of fifteen business days in the event the Board of Directors authorizes us to solicit offers to buy Amyris, or five business days in the event that we receive an unsolicited offer to purchase us. This exclusive negotiation period will be followed by an additional restricted negotiation period of ten business days, during which we are obligated to continue to negotiate with Total and will be prohibited from entering into an agreement with any other potential acquirer.

These and other provisions in our amended and restated certificate of incorporation and our amended and restated bylaws that became effective upon the completion of our initial public offering under Delaware law and in our agreements with Total could discourage potential takeover attempts, reduce the price that investors might be willing to pay in the future for shares of our common stock and result in the market price of our common stock being lower than it would be without these provisions.

Conversion of our outstanding convertible promissory notes or the exercise of the warrants issued under the Exchange will dilute the ownership interest of existing stockholders or may otherwise depress the market price of our common stock.

The conversion of some or all of our outstanding convertible promissory notes or the exercise of the warrants issued under the Exchange will dilute the ownership interests of existing stockholders. The exercise of the warrants, in particular, which have a $0.01 per share exercise price, will dilute the economic ownership interest of our existing stockholders. In addition, any sales in the public market of the shares of our common stock issuable upon such conversion or exercise of the warrants could adversely affect prevailing market prices of our common stock. Furthermore, the existence of our outstanding convertible promissory notes and warrants may encourage short selling by market participants because the anticipated conversion of such notes into, or exercise of such warrants, for shares of our common stock could depress the market price of our common stock.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

The exhibits listed in Exhibit Index immediately preceding the exhibits are filed (other than exhibits 32.01, 32.02 and 101) as part of this Quarterly Report on Form 10-Q and such Exhibit Index is incorporated herein by reference.

(b) Exhibits.

The following table lists the exhibits filed as part of this report on Form 10-Q. In some cases, these exhibits are incorporated into this report by reference to exhibits to our other filings with the Securities and Exchange Commission. Where an exhibit is incorporated by reference, we have noted the type of form filed with the Securities and Exchange Commission, the file number of that form, the date of the filing, and the number of the exhibit referenced in that filing.

Exhibit No.	**Description**	**Previously Filed Form**	**File No.**	**Filing Date**	**Exhibit**	**Filed Herewith**
3.01	Restated Certificate of Incorporation	10-Q	001-34885	November 10, 2010	3.01	
3.02	Certificate of Amendment to Restated Certificate of Incorporation dated May 12, 2014	10-Q	001-34885	August 8, 2014	3.02	
3.03	Restated Bylaws	10-Q	001-34885	November 10, 2010	3.02	
10.01	Amendment #1, dated April 1, 2015, to the Amended and Restated Master Framework Agreement between registrant and Total Energies Nouvelles Activités USA SAS					X
10.02[a]	Amendment #1, dated April 1, 2015, to the Second Amendment to the Technology, License, Development, Research and Collaboration Agreement between registrant and Total Energies Nouvelles Activités USA SAS					X
10.03[bc]	Amyris, Inc. Executive Severance Plan, effective November 6, 2013					X
10.04[b]	Offer letter, dated September 20, 2010, between registrant and Nicholas Khadder					X
10.05[b]	Revised employment letter, dated December 3, 2013, between registrant and Nicholas Khadder					X
31.01	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(c) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.02	Certification of Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(c) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X

32.01[d]	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X
32.02[d]	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X
101[e]	The following materials from Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2015, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Operations; (ii) the Consolidated Balance Sheets; (iii) the Consolidated Statements of Comprehensive Income; (iv) the Consolidated Statements of Convertible Preferred Stock, Redeemable Noncontrolling Interest and Equity (Deficit); (v) the Consolidated Statements of Cash Flows; and (vi) Notes to Consolidated Financial Statements	X

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a Portions of this exhibit have been omitted pending a determination by the Securities and Exchange Commission as to whether these portions should be granted confidential treatment.

b Indicates management contract or compensatory plan or arrangement.

c Originally filed as Exhibit 10.92 to Registrant’s Annual Report on Form 10-K filed with the Securities and Exchange Commission on April 2, 2014, but due to an electronic transmission error, such Exhibit did not display properly. The contents of such Exhibit were described in the Registrant’s Current Report on Form 8-K filed with the Securities and Exchange Commission on November 6, 2013 and in its Definitive Proxy Statements for fiscal year 2014 and fiscal year 2015 filed with the Securities and Exchange Commission on April 14, 2014 and April 6, 2015, respectively.

Registrant has included as an exhibit to this Quarterly Report on Form 10-Q

d This certification shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

e Pursuant to applicable securities laws and regulations, registrant is deemed to have complied with the reporting obligation relating to the submission of interactive data files in such exhibits and is not subject to liability under any anti-fraud provisions of the federal securities laws as long as registrant has made a good faith attempt to comply with the submission requirements and promptly amends the interactive data files after becoming aware that the interactive data files fails to comply with the submission requirements. These interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act, are deemed not filed for purposes of section 18 of the Exchange Act and otherwise are not subject to liability under these sections.

(c) *Financial statements and schedules.*

Reference is made to Item 15(a) above.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: August 7, 2015 AMYRIS, INC.

/s/ JOHN G. MELO
John G. Melo
Director, President and Chief Executive Officer
(Principal Executive Officer)

Dated: August 7, 2015

/s/ RAFFI ASADORIAN
Raffi Asadorian
Chief Financial Officer
(Principal Financial Officer)

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EXHIBIT INDEX

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