

AbbVie Inc.
Form 10-Q
August 07, 2014
[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2014

OR

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

For the transition period from _____ to _____

Commission File No. 001-35565

ABBVIE INC.

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A Delaware Corporation

I.R.S. Employer Identification No.
32-0375147

1 North Waukegan Road

North Chicago, Illinois 60064

Telephone: (847) 932-7900

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large Accelerated Filer Accelerated Filer
Non-Accelerated Filer Smaller reporting company
(Do not check if a smaller reporting company)

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

As of June 30, 2014, AbbVie Inc. had 1,591,699,124 shares of common stock at \$0.01 par value outstanding.

Table of Contents

AbbVie Inc. and Subsidiaries

Table of Contents

PART I - FINANCIAL INFORMATION

		Page
<u>Item 1.</u>	<u>Financial Statements and Supplementary Data</u>	3
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	23
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	31
<u>Item 4.</u>	<u>Controls and Procedures</u>	32

PART II - OTHER INFORMATION

<u>Item 1.</u>	<u>Legal Proceedings</u>	33
<u>Item 1A.</u>	<u>Risk Factors</u>	33
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	34
<u>Item 6.</u>	<u>Exhibits</u>	34

Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA****AbbVie Inc. and Subsidiaries****Condensed Consolidated Statements of Earnings (unaudited)**

(in millions, except per share data)	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Net sales	\$4,926	\$4,692	\$9,489	\$9,021
Cost of products sold	1,113	1,054	2,213	2,207
Selling, general and administrative	1,448	1,406	2,788	2,643
Research and development	834	709	1,606	1,343
Acquired in-process research and development	16	70	16	70
Total operating costs and expenses	3,411	3,239	6,623	6,263
Operating earnings	1,515	1,453	2,866	2,758
Interest expense, net	69	75	134	141
Net foreign exchange loss	5	14	8	29
Other expense (income), net	8	(4)	5	(19)
Earnings before income tax expense	1,433	1,368	2,719	2,607
Income tax expense	335	300	641	571
Net earnings	\$1,098	\$1,068	\$2,078	\$2,036
Per share data				
Basic earnings per share	\$0.69	\$0.67	\$1.30	\$1.28
Diluted earnings per share	\$0.68	\$0.66	\$1.29	\$1.27
Cash dividends declared per common share	\$0.42	\$0.40	\$0.84	\$1.20(a)
Weighted-average basic shares outstanding	1,594	1,589	1,594	1,586
Weighted-average diluted shares outstanding	1,608	1,609	1,608	1,605

(a) On January 4, 2013, a cash dividend of \$0.40 per share of common stock was declared from pre-separation earnings and was recorded as a reduction of additional paid-in capital. Refer to Note 9 for additional information regarding cash dividends declared during the six months ended June 30, 2013.

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents**AbbVie Inc. and Subsidiaries**
Condensed Consolidated Statements of Comprehensive Income (unaudited)

(in millions)	Three months ended		Six months ended	
	June 30,		June 30,	
	2014	2013	2014	2013
Net earnings	\$1,098	\$1,068	\$2,078	\$2,036
Foreign currency translation adjustments	(38)	50	(67)	(182)
Pension and post-employment benefits, net of tax expense of \$5 and \$9 for the three months ended June 30, 2014 and 2013, respectively, and \$9 and \$18 for the six months ended June 30, 2014 and 2013, respectively	11	16	23	35
Unrealized losses on marketable equity securities				(1)
Hedging activities, net of tax expense of \$0 and \$0 for the three months ended June 30, 2014 and 2013, respectively and \$2 and \$2 for the six months ended June 30, 2014 and 2013, respectively	33	2	66	11
Other comprehensive income (loss)	6	68	22	(137)
Comprehensive income	\$1,104	\$1,136	\$2,100	\$1,899

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

AbbVie Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

(in millions, except share data)	June 30, 2014 (unaudited)	December 31, 2013
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