

AbbVie Inc.  
Form 10-Q  
May 09, 2014  
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**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 March 31, 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.**

A Delaware Corporation

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

1 North Waukegan Road

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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 March 31, 2014, AbbVie Inc. had 1,590,066,459 shares of common stock at \$0.01 par value outstanding.

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**AbbVie Inc. and Subsidiaries**

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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	
	2014	2013
<b>Net sales</b>	\$4,563	\$4,329
Cost of products sold	1,100	1,153
Selling, general and administrative	1,340	1,237
Research and development	772	634
Total operating costs and expenses	3,212	3,024
Operating earnings	1,351	1,305
Interest expense, net	65	66
Net foreign exchange loss	3	15
Other income, net	(3)	(15)
Earnings before income tax expense	1,286	1,239
Income tax expense	306	271
<b>Net earnings</b>	<b>\$ 980</b>	<b>\$ 968</b>
<b>Per share data</b>		
Basic earnings per share	\$0.61	\$0.61
Diluted earnings per share	\$0.61	\$0.60
Cash dividends declared per common share(a)	\$0.42	\$0.80
Weighted-average basic shares outstanding	1,595	1,588
Weighted-average diluted shares outstanding	1,609	1,605

(a) On January 4, 2013, the board of directors declared a cash dividend of \$0.40 per share of common stock. This dividend was declared from pre-separation earnings and was recorded as a reduction of additional paid-in capital. In addition, AbbVie declared a regular cash dividend of \$0.40 per share of common stock during the first quarter of 2013. Refer to Note 8 for information regarding cash dividends declared and paid during the first quarters of 2014 and 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)**

<b>(in millions)</b>	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>Net earnings</b>	\$980	\$968
Foreign currency translation adjustments	(29)	(232)
Pension and post-employment benefits, net of tax expense of \$4 and \$9 for the three months ended March 31, 2014 and 2013, respectively	12	19
Unrealized losses on marketable equity securities		(1)
Hedging activities, net of tax expense of \$2 and \$2 for the three months ended March 31, 2014 and 2013, respectively	33	9
Other comprehensive income (loss)	16	(205)
<b>Comprehensive income</b>	<b>\$996</b>	<b>\$763</b>

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)	<b>March 31, 2014</b> (unaudited)	<b>December 31, 2013</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and equivalents	\$8,140	\$9,595
Short-term investments	960	300
Accounts and other receivables, net	3,650	3,854
Inventories, net	1,104	1,150
Income tax receivable	940	949
Deferred income taxes	1,075	766
Prepaid expenses and other	1,460	1,234
<b>Total current assets</b>	<b>17,329</b>	<b>17,848</b>
Investments	119	118
Property and equipment, net	2,333	2,298
Intangible assets, net of amortization	1,802	1,890
Goodwill	6,271	6,277
Other assets	803	767
<b>Total assets</b>	<b>\$28,657</b>	<b>\$29,198</b>
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Short-term borrowings	\$ 2	\$ 413
Current portion of long-term debt and lease obligations	18	18
Accounts payable and accrued liabilities	6,196	6,448
<b>Total current liabilities</b>	<b>6,216</b>	<b>6,879</b>
Long-term liabilities	3,358	