

BRISTOL MYERS SQUIBB CO
Form 10-Q
July 25, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

- x **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2012**
- .. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO**
Commission file number: 1-1136

BRISTOL-MYERS SQUIBB COMPANY

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

22-0790350
(I.R.S. Employer
Identification No.)

345 Park Avenue, New York, N.Y. 10154

(Address of principal executive offices) (Zip Code)

(212) 546-4000

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 the 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes 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 definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer 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

APPLICABLE ONLY TO CORPORATE ISSUERS:

At June 30, 2012, there were 1,679,022,076 shares outstanding of the Registrant's \$0.10 par value common stock.

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BRISTOL-MYERS SQUIBB COMPANY

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JUNE 30, 2012

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Dollars and Shares in Millions, Except Per Share Data

(UNAUDITED)

EARNINGS	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net Sales	\$ 4,443	\$ 5,434	\$ 9,694	\$ 10,445
Cost of products sold	1,245	1,481	2,548	2,824
Marketing, selling and administrative	1,004	1,040	2,006	1,968
Advertising and product promotion	224	253	418	467
Research and development	962	923	1,871	1,858
Provision for restructuring	20	40	42	84
Litigation expense/(recoveries)			(172)	
Equity in net income of affiliates	(53)	(62)	(110)	(144)
Other (income)/expense	(18)	(31)	5	(169)
Total Expenses	3,384	3,644	6,608	6,888
Earnings Before Income Taxes	1,059	1,790	3,086	3,557
Provision for income taxes	251	483	796	883
Net Earnings	808	1,307	2,290	2,674
Net Earnings Attributable to Noncontrolling Interest	163	405	544	786
Net Earnings Attributable to Bristol-Myers Squibb Company	\$ 645	\$ 902	\$ 1,746	\$ 1,888
Earnings per Common Share Attributable to Bristol-Myers Squibb Company				
Basic	\$ 0.38	\$ 0.53	\$ 1.04	\$ 1.11
Diluted	\$ 0.38	\$ 0.52	\$ 1.02	\$ 1.10
Dividends declared per common share	\$ 0.34	\$ 0.33	\$ 0.68	\$ 0.66

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

Table of Contents**BRISTOL-MYERS SQUIBB COMPANY****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

Dollars in Millions

(UNAUDITED)

COMPREHENSIVE INCOME	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net Earnings	\$ 808	\$ 1,307	\$ 2,290	\$ 2,674
Other Comprehensive Income/(Loss):				
Foreign currency translation	(37)	16	(22)	28
Foreign currency translation on net investment hedges	41	(5)	29	(57)
Derivatives qualifying as cash flow hedges, net of taxes of \$(8) and \$15 for the three months ended June 30, 2012 and 2011, respectively; and \$(17) and \$26 for the six months ended June 30, 2012 and 2011, respectively	22	(31)	27	(57)
Derivatives qualifying as cash flow hedges reclassified to net earnings, net of taxes of \$4 and \$(6) for the three months ended June 30, 2012 and 2011, respectively; and \$6 and \$(7) for the six months ended June 30, 2012 and 2011, respectively	(9)	12	(15)	13
Pension and postretirement benefits, net of taxes \$(5) for the six months ended June 30, 2012			14	
Pension and postretirement benefits reclassified to net earnings, net of taxes of \$(11) for both the three months ended June 30, 2012 and 2011 and \$(23) and \$(19) for the six months ended June 30, 2012 and 2011, respectively	22	18	46	37
Available for sale securities, net of taxes of \$(8) for the three months ended June 30, 2011 and \$(1) and \$(3) for the six months ended June 30, 2012 and 2011, respectively	10	15	7	18
Available for sale securities reclassified to net earnings, net of taxes of \$2 for both the three and six months ended June 30, 2012	2		(8)	
Total Other Comprehensive Income/(Loss)	51	25	78	(18)
Comprehensive Income	859	1,332	2,368	2,656
Comprehensive Income Attributable to Noncontrolling Interest	163	405	544	786
Comprehensive Income Attributable to Bristol-Myers Squibb Company	\$ 696	\$ 927	\$ 1,824	\$ 1,870

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

Table of Contents**BRISTOL-MYERS SQUIBB COMPANY****CONSOLIDATED BALANCE SHEETS**

Dollars in Millions, Except Share and Per Share Data

(UNAUDITED)

	June 30, 2012	December 31, 2011
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,801	\$ 5,776
Marketable securities	2,236	2,957
Receivables	2,825	3,743
Inventories	1,521	1,384
Deferred income taxes	1,175	1,200
Prepaid expenses and other	455	258
Total Current Assets	11,013	15,318
Property, plant and equipment	4,478	4,521
Goodwill	6,799	5,586
Other intangible assets	4,569	3,124
Deferred income taxes	201	688
Marketable securities	3,732	2,909
Other assets	875	824
Total Assets	\$ 31,667	\$ 32,970
LIABILITIES		
Current Liabilities:		
Short-term borrowings	\$ 236	\$ 115
Accounts payable	2,134	2,603
Accrued expenses	2,467	2,791
Deferred income	357	337
Accrued rebates and returns	1,061	1,170
U.S. and foreign income taxes payable	138	167
Dividends payable	598	597
Total Current Liabilities	6,991	7,780
Pension, postretirement and postemployment liabilities	1,543	2,017
Deferred income	805	866
U.S. and foreign income taxes payable	604	573
Other liabilities	703	491
Long-term debt	5,209	5,376
Total Liabilities	15,855	17,103

Commitments and contingencies (Note 16)

EQUITY

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Bristol-Myers Squibb Company Shareholders' Equity:

Preferred stock, \$2 convertible series, par value \$1 per share: Authorized 10 million shares; issued and outstanding 5,238 in 2012 and 5,268 in 2011, liquidation value of \$50 per share		
Common stock, par value of \$0.10 per share: Authorized 4.5 billion shares; 2.2 billion issued in both 2012 and 2011	221	220
Capital in excess of par value of stock	2,783	3,114
Accumulated other comprehensive loss	(2,967)	(3,045)
Retained earnings	33,661	33,069
Less cost of treasury st		