

REGENERON PHARMACEUTICALS INC
Form 10-Q
April 29, 2010

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, 2010

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 Number 0-19034

REGENERON PHARMACEUTICALS, INC.
(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of
incorporation or organization)

13-3444607
(I.R.S. Employer Identification No.)

777 Old Saw Mill River Road
Tarrytown, New York
(Address of principal executive offices)

10591-6707
(Zip Code)

(914) 347-7000
(Registrant's telephone number, including area code)

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 (§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 definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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Non-accelerated filer (Do not check if a smaller reporting company) 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 X

Number of shares outstanding of each of the registrant's classes of common stock as of April 14, 2010:

Class of Common Stock	Number of Shares
Class A Stock, \$0.001 par value	2,182,036
Common Stock, \$0.001 par value	79,730,517

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REGENERON PHARMACEUTICALS, INC.

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

REGENERON PHARMACEUTICALS, INC.
CONDENSED BALANCE SHEETS AT MARCH 31, 2010 AND DECEMBER 31, 2009 (Unaudited)
(In thousands, except share data)

ASSETS	March 31, 2010	December 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	\$ 117,311	\$ 207,075
Marketable securities	186,328	134,255
Accounts receivable from the sanofi-aventis Group	68,838	62,703
Accounts receivable - other	3,020	2,865
Prepaid expenses and other current assets	19,947	18,610
Total current assets	395,444	425,508
Restricted cash	1,600	1,600
Marketable securities	108,278	47,080
Property, plant, and equipment, at cost, net of accumulated depreciation and amortization	274,621	259,676
Other assets	7,213	7,338
Total assets	\$ 787,156	\$ 741,202
LIABILITIES and STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 53,905	\$ 49,031
Deferred revenue from sanofi-aventis, current portion	17,784	17,523
Deferred revenue - other, current portion	31,969	27,021
Facility lease obligations, current portion	435	
Total current liabilities	104,093	93,575
Deferred revenue from sanofi-aventis	91,684	90,933
Deferred revenue - other	44,504	46,951
Facility lease obligations	156,464	109,022
Other long term liabilities	4,140	3,959
Total liabilities	400,885	344,440
Commitments and contingencies		
Stockholders' equity		
Preferred stock, \$.01 par value; 30,000,000 shares authorized; issued and outstanding - none		
Class A Stock, convertible, \$.001 par value; 40,000,000 shares authorized; shares issued and outstanding - 2,211,698 in 2010 and 2,244,698 in 2009	2	2
Common Stock, \$.001 par value; 160,000,000 shares authorized; shares issued and outstanding - 79,690,055 in 2010 and 78,860,862 in 2009	80	79
Additional paid-in capital	1,357,089	1,336,732
Accumulated deficit	(971,617)	(941,095)
Accumulated other comprehensive income	717	1,044
Total stockholders' equity	386,271	396,762
Total liabilities and stockholders' equity	\$ 787,156	\$ 741,202

The accompanying notes are an integral part of the financial statements.

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REGENERON PHARMACEUTICALS, INC.
 CONDENSED STATEMENTS OF OPERATIONS (Unaudited)
 (In thousands, except per share data)

	Three months ended March 31, 2010	2009 (Revised - see Note 8)
Revenues		
Sanofi-aventis collaboration revenue	\$ 68,671	\$ 49,660
Other collaboration revenue	13,087	9,948
Technology licensing	10,038	10,000
Net product sales	9,852	3,891
Contract research and other	1,886	1,482
	103,534	74,981
Expenses		
Research and development	117,471	80,307
Selling, general, and administrative	14,005	11,420
Cost of goods sold	717	392
	132,193	92,119
Loss from operations	(28,659)	(17,138)
Other income (expense)		
Investment income	439	1,750
Interest expense	(2,084)	1,750
	(1,645)	1,750
Net loss before income tax expense	(30,304)	(15,388)
Income tax expense	218	
Net loss	\$ (30,522)	\$ (15,388)
Net loss per share, basic and diluted	\$ (0.38)	\$ (0.19)
Weighted average shares outstanding, basic and diluted	81,169	79,498

The accompanying notes are an integral part of the financial statements.

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REGENERON PHARMACEUTICALS, INC.
 CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)
 For the three months ended March 31, 2010 and 2009
 (In thousands)

	Class A Stock		Common Stock		Additional Paid-in	Accumulated	Accumulated Other Comprehensi Income (Loss)	Total Stockholders' Equity	Compre
	Shares	Amount	Shares	Amount	Capital	Deficit			Loss
Balance, December 31, 2009	2,245	\$ 2	78,861	\$ 79	\$ 1,336,732	\$ (941,095)	\$ 1,044	\$ 396,762	
Issuance of Common Stock in connection with exercise of stock options, net of shares tendered			685	1	8,656			8,657	
Issuance of Common Stock in connection with Company 401(k) Savings Plan contribution			111		2,867			2,867	
Conversion of Class A Stock to Common Stock	(33)		33						
Stock-based compensation expense					8,834			8,834	
Net loss						(30,522)		(30,522)	\$ (30,522)
Change in net unrealized gain on marketable securities, net of tax benefit of \$0.2 million							(327)	(327)	