

AbbVie Inc.  
Form 10-Q  
November 12, 2013  
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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 September 30, 2013

**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  
North Chicago, Illinois 60064

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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 ☒  
(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 ☒

As of September 30, 2013, AbbVie Inc. had 1,590,861,812 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 September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
<b>Net sales</b>	\$4,658	\$4,508	\$13,679	\$13,174
Cost of products sold	1,092	1,014	3,299	3,243
Selling, general and administrative	1,261	1,085	3,904	3,578
Research and development	714	813	2,057	2,097
Acquired in-process research and development	220		290	260
Total operating costs and expenses	3,287	2,912	9,550	9,178
Operating earnings	1,371	1,596	4,129	3,996
Interest expense (income), net	69	(1)	210	(4)
Net foreign exchange loss	11	6	40	27
Other expense (income), net	5	(13)	(14)	(39)
Earnings before income tax expense	1,286	1,604	3,893	4,012
Income tax expense	322	19	893	277
<b>Net earnings</b>	<b>\$964</b>	<b>\$1,585</b>	<b>\$3,000</b>	<b>\$3,735</b>
Basic earnings per share	\$0.60	\$1.01	\$1.88	\$2.37
Diluted earnings per share	\$0.60	\$1.01	\$1.86	\$2.37
Cash dividends declared per common share	\$0.40	n/a	\$1.60	n/a
Weighted-average basic shares outstanding (a)	1,590	1,577	1,588	1,577
Weighted-average diluted shares outstanding (a)	1,605	1,577	1,602	1,577

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

(a) On January 1, 2013, Abbott Laboratories distributed 1,577 million shares of AbbVie common stock. The computation of basic and diluted earnings per common share for all periods through December 31, 2012 is calculated using the shares distributed on January 1, 2013. Refer to Note 3 for information regarding the calculation of basic and diluted earnings per common share for the three and nine months ended September 30, 2013.

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

(in millions)	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
<b>Net earnings</b>	\$964	\$1,585	\$3,000	\$3,735
Foreign currency translation gain (loss) adjustments	205	305	23	(3)
Pension and post-employment benefits, net of tax expense of \$ and \$1 for the three months ended September 30, 2013 and 2012, respectively, and \$18 and \$1 for the nine months ended September 30, 2013 and 2012, respectively	42	1	77	2
Unrealized gains (losses) on marketable equity securities, net of tax (benefits) of \$ and \$(13) for the three months ended September 30, 2013 and 2012, respectively, and \$ and \$(9) for the nine months ended September 30, 2013 and 2012, respectively	1	(21)		(15)
Hedging activities, net of tax (benefits) of \$(2) and \$(3) for the three months ended September 30, 2013 and 2012, respectively, and \$ and \$(2) for the nine months ended September 30, 2013 and 2012, respectively	(60)	(4)	(49)	(3)
Other comprehensive income (loss)	188	281	51	(19)
<b>Comprehensive income</b>	<b>\$1,152</b>	<b>\$1,866</b>	<b>\$3,051</b>	<b>\$3,716</b>

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

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**AbbVie Inc. and Subsidiaries**

**Condensed Consolidated Statements of Cash Flows (unaudited)**

	Nine months ended September 30,	
	2013	2012
(in millions) (brackets denote cash outflows)		
<b>Cash flows from operating activities</b>		
Net earnings	\$3,000	\$3,735
Adjustments to reconcile net earnings to net cash from operating activities:		
Depreciation	289	352
Amortization of intangible assets	408	489
Stock-based compensation	175	156
Acquired in-process research and development	290	260
Other, net	28	