

BRISTOL MYERS SQUIBB CO

Form 10-Q

November 02, 2006

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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 SEPTEMBER 30, 2006

.. 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)

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)

22-0790350

(I.R.S. Employer Identification No.)

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(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 at least the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

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 September 30, 2006, there were 1,966,728,146 shares outstanding of the Registrant's \$.10 par value Common Stock.

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS****BRISTOL-MYERS SQUIBB COMPANY****CONSOLIDATED STATEMENTS OF EARNINGS****(Dollars and Shares in Millions, Except Per Share Data)****(UNAUDITED)**

	Three Months Ended		Nine Months Ended	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
EARNINGS				
Net Sales	\$ 4,154	\$ 4,767	\$ 13,701	\$ 14,188
Cost of products sold	1,465	1,483	4,509	4,333
Marketing, selling and administrative	1,189	1,286	3,608	3,737
Advertising and product promotion	286	349	933	1,032
Research and development	756	669	2,246	1,971
Provision for restructuring, net	2	(5)	6	
Litigation (income)/charges, net	(9)	(26)	(44)	72
Gain on sale of product asset and businesses		(569)	(200)	(569)
Equity in net income of affiliates	(118)	(84)	(336)	(240)
Other (income)/expense, net	(34)	38	59	168
Total expenses	3,537	3,141	10,781	10,504
Earnings from Continuing Operations Before Minority Interest and Income Taxes	617	1,626	2,920	3,684
Provision for income taxes	193	507	777	754
Minority interest, net of taxes	86	155	424	437
Earnings from Continuing Operations	338	964	1,719	2,493
Discontinued Operations				
Loss, net of taxes				(5)
Gain on disposal, net of taxes				13
				8
Net Earnings	\$ 338	\$ 964	\$ 1,719	\$ 2,501
Earnings per Common Share				
Basic:				
Earnings from Continuing Operations	\$.17	\$.49	\$.88	\$ 1.28
Discontinued Operations				

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Loss, net of taxes

Gain on disposal, net of taxes

Net Earnings per Common Share	\$.17	\$.49	\$.88	\$ 1.28
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Diluted:

Earnings from Continuing Operations	\$.17	\$.49	\$.88	\$ 1.27
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Discontinued Operations

Loss, net of taxes

Gain on disposal, net of taxes

Net Earnings per Common Share	\$.17	\$.49	\$.88	\$ 1.27
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Average Common Shares Outstanding

Basic	1,961	1,953	1,959	1,951
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Diluted	1,992	1,984	1,991	1,983
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Dividends declared per common share	\$.28	\$.28	\$.84	\$.84
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The accompanying notes are an integral part of these financial statements.

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BRISTOL-MYERS SQUIBB COMPANY
CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME AND RETAINED EARNINGS

(Dollars in Millions)

(UNAUDITED)

	Three Months Ended		Nine Months Ended	
	September 30, 2006	2005	September 30, 2006	2005
COMPREHENSIVE INCOME				
Net Earnings	\$ 338	\$ 964	\$ 1,719	\$ 2,501
Other Comprehensive Income/(Loss):				
Foreign currency translation, no tax effect for the three months ended September 30, 2006 and 2005; and no tax effect and net of tax liability of \$4 for the nine months ended September 30, 2006 and 2005, respectively	34	25	103	(211)
Deferred gains/(losses) on derivatives qualifying as hedges, net of tax liability of \$12 and \$3 for the three months ended September 30, 2006 and 2005, respectively; and net of tax benefit of \$18 and tax liability of \$103 for the nine months ended September 30, 2006 and 2005, respectively	27	12	(53)	283
Deferred gains/(losses) on available for sale securities, net of tax liability of \$1 and no tax effect for the three months ended September 30, 2006 and 2005, respectively; and net of tax liability of \$2 and tax benefit of \$11 for the nine months ended September 30, 2006 and 2005, respectively	3		5	(20)
Total Other Comprehensive Income/(Loss)	64	37	55	52
Comprehensive Income	\$ 402	\$ 1,001	\$ 1,774	\$ 2,553
RETAINED EARNINGS				
Retained Earnings, January 1			\$ 20,464	\$ 19,651
Net Earnings			1,719	2,501
Cash dividends declared			(1,652)	(1,640)
Retained Earnings, September 30			\$ 20,531	\$ 20,512

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

Table of Contents**BRISTOL-MYERS SQUIBB COMPANY****CONSOLIDATED BALANCE SHEETS****(Dollars in Millions, Except Per Share Data)****(UNAUDITED)**

	September 30, 2006	December 31, 2005
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,834	\$ 3,050
Marketable securities	2,671	2,749
Receivables, net of allowances of \$157 and \$207	2,945	3,378
Inventories, net	2,297	2,060
Deferred income taxes, net of valuation allowances	601	776
Prepaid expenses	300	270
Total Current Assets	11,648	12,283
Property, plant and equipment, net	5,715	5,693
Goodwill	4,828	4,823
Other intangible assets, net	1,933	1,921
Deferred income taxes, net of valuation allowances	1,675	1,808
Prepaid pension	1,172	1,324
Other assets	244	286
Total Assets	\$ 27,215	\$ 28,138
LIABILITIES		
Current Liabilities:		
Short-term borrowings	\$ 630	\$ 231
Accounts payable	1,174	1,579
Accrued expenses	2,592	2,446
Accrued rebates and returns	856	1,056
U.S. and foreign income taxes payable	208	538
Dividends payable	550	547
Accrued litigation liabilities	155	493
Total Current Liabilities	6,165	6,890
Pension and other postretirement liabilities	801	804
Deferred income	232	241
Other liabilities	591	631
Long-term debt	7,837	8,364