

BOSTON SCIENTIFIC CORP  
Form 10-Q  
August 06, 2014  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the quarterly period ended June 30, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

Commission File No. 1-11083

BOSTON SCIENTIFIC CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE

04-2695240

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

300 BOSTON SCIENTIFIC WAY, MARLBOROUGH, MASSACHUSETTS 01752-1234

(Address of principal executive offices) (zip code)

(508) 683-4000

(Registrant's telephone number, including area code)

ONE BOSTON SCIENTIFIC PLACE, NATICK, MASSACHUSETTS 01760-1537

(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 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 website, 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 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Shares outstanding as of July 31, 2014
Common Stock, \$.01 par value	1,325,707,830

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FINANCIAL INFORMATION

## ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

BOSTON SCIENTIFIC CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

in millions, except per share data	Three Months Ended		Six Months Ended	
	June 30, 2014	2013	June 30, 2014	2013
Net sales	\$1,873	\$1,809	\$3,647	\$3,570
Cost of products sold	563	530	1,100	1,108
Gross profit	1,310	1,279	2,547	2,462
Operating expenses:				
Selling, general and administrative expenses	743	661	1,409	1,292
Research and development expenses	206	223	397	427
Royalty expense	25	47	65	87
Amortization expense	109	101	218	204
Goodwill impairment charges	—	—	—	423
Intangible asset impairment charges	110	53	165	53
Contingent consideration expense (benefit)	(96 )	(18 )	(118 )	(41 )
Restructuring charges	15	26	35	36
Litigation-related charges (credits)	267	—	260	130
Gain on divestiture	—	(34 )	(12 )	(40 )
	1,379	1,059	2,419	2,571
Operating income (loss)	(69 )	220	128	(109 )
Other (expense) income:				
Interest expense	(53 )	(65 )	(108 )	(130 )
Other, net	18	(3 )	22	(3 )
Income (loss) before income taxes	(104 )	152	42	(242 )
Income tax expense (benefit)	(108 )	22	(95 )	(18 )
Net income (loss)	\$4	\$130	\$137	\$(224 )
Net income (loss) per common share — basic	\$0.00	\$0.10	\$0.10	\$(0.17 )
Net income (loss) per common share — assuming dilution	\$0.00	\$0.10	\$0.10	\$(0.17 )
Weighted-average shares outstanding				
Basic	1,323.2	1,343.5	1,322.4	1,347.7
Assuming dilution	1,345.0			