

BOSTON SCIENTIFIC CORP
Form 10-Q
August 08, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: June 30, 2007

Commission file number: 1-11083

BOSTON SCIENTIFIC CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation or organization)

04-2695240
(I.R.S. Employer
Identification No.)

One Boston Scientific Place, Natick,
Massachusetts
(Address of principal executive offices)

01760-1537
(Zip Code)

Registrant's telephone number, including area code: (508) 650-8000

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 x No o

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes x No o

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

date.

<u>Class</u>	Shares Outstanding as of July 31, 2007
Common Stock, \$.01 Par Value	1,489,553,431

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PART I
FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

<i>(in millions, except per share data)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Net sales	\$ 2,071	\$ 2,110	\$ 4,157	\$ 3,730
Cost of products sold	563	677	1,131	1,051
Gross profit	1,508	1,433	3,026	2,679
Selling, general and administrative expenses	752	728	1,487	1,198
Research and development expenses	275	283	564	469
Royalty expense	51	65	103	120
Amortization expense	158	165	312	203
Purchased research and development	(8)	4,117	(3)	4,117
Total operating expenses	1,228	5,358	2,463	6,107
Operating income (loss)	280	(3,925)	563	(3,428)
Other income (expense):				
Interest expense	(146)	(111)	(287)	(148)
Fair-value adjustment for the sharing of proceeds feature of the Abbott Laboratories stock purchase		(87)	(8)	(87)
Other, net	(8)	(63)	18	(92)
Income (loss) before income taxes	126	(4,186)	286	(3,755)
Income taxes	11	76	51	175
Net income (loss)	\$ 115	\$ (4,262)	\$ 235	\$ (3,930)
Net income (loss) per common share — basic	\$ 0.08	\$ (3.21)	\$ 0.16	\$ (3.66)
Net income (loss) per common share — assuming dilution	\$ 0.08	\$ (3.21)	\$ 0.16	\$ (3.66)