

ARRAY BIOPHARMA INC
Form 10-Q
February 06, 2013

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 December 31, 2012

or

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

For the transition period from to

Commission File Number: 001-16633

Array BioPharma Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

84-1460811

(State or Other Jurisdiction of Incorporation or Organization)

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

3200 Walnut Street, Boulder, CO

80301

(Address of Principal Executive Offices)

(Zip Code)

(303) 381-6600

(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 x 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes x 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

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company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

(do not check if 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 January 31, 2013, the registrant had 116,661,219 shares of common stock outstanding.

ARRAY BIOPHARMA INC.
 QUARTERLY REPORT ON FORM 10-Q
 FOR THE QUARTERLY PERIOD ENDED December 31, 2012
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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED FINANCIAL STATEMENTS

ARRAY BIOPHARMA INC.

Condensed Balance Sheets

(Amounts in Thousands, Except Share and Per Share Amounts)

(Unaudited)

	December 31, 2012	June 30, 2012
ASSETS		
Current assets		
Cash and cash equivalents	\$59,565	\$55,799
Marketable securities	49,616	33,378
Prepaid expenses and other current assets	5,098	3,930
Total current assets	114,279	93,107
Long-term assets		
Marketable securities	664	473
Property and equipment, net	11,245	12,059
Other long-term assets	2,185	2,434
Total long-term assets	14,094	14,966
Total assets	\$128,373	\$108,073
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	\$4,726	\$6,466
Accrued outsourcing costs	4,509	5,394
Accrued compensation and benefits	5,098	7,530
Other accrued expenses	1,896	1,390
Co-development liability	3,970	9,178
Deferred rent	3,567	3,489
Deferred revenue	26,534	42,339
Current portion of long-term debt	—	150
Total current liabilities	50,300	75,936
Long-term liabilities		
Deferred rent	9,661	11,480
Deferred revenue	4,569	13,228
Long-term debt, net	94,417	92,106
Derivative liabilities	479	656
Other long-term liabilities	664	473
Total long-term liabilities	109,790	117,943
Total liabilities	160,090	193,879
Commitments and contingencies		
Stockholders' deficit		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, 10,135 shares designated as Series B convertible preferred stock; 0 and 2,721 shares issued and outstanding as of December 31, 2012 and June 30, 2012, respectively	—	8,054

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Common stock, \$0.001 par value; 220,000,000 and 120,000,000 shares authorized; 116,660,469 and 92,063,645 shares issued and outstanding, as of December 31, 2012 and June 30, 2012, respectively	117	92	
Additional paid-in capital	522,214	437,401	
Warrants	39,385	39,385	
Accumulated other comprehensive income (loss)	2	(1)
Accumulated deficit	(593,435) (570,737)
Total stockholders' deficit	(31,717) (85,806)
Total liabilities and stockholders' deficit	\$128,373	\$108,073	

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

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ARRAY BIOPHARMA INC.

Condensed Statements of Operations and Comprehensive Loss

(Amounts in Thousands, Except Per Share Data)

(Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2012	2011	2012	2011
Revenue				
License and milestone revenue	\$14,016	\$19,195	\$26,492	\$37,657
Collaboration revenue	4,361	4,033	7,718	7,701
Total revenue	18,377	23,228	34,210	45,358
Operating expenses				
Cost of revenue	7,909	6,266	14,448	12,711
Research and development for proprietary programs	13,941	13,150	27,475	25,748
General and administrative	4,610	3,782	9,390	7,502
Total operating expenses	26,460	23,198		