
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 6, 2014

Tandem Diabetes Care, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36189
(Commission
File Number)

20-4327508
(I.R.S. Employer
Identification No.)

11045 Roselle Street, San Diego, CA
(Address of principal executive offices)

92121
(Zip Code)

Registrant's telephone number, including area code: (858) 366-6900

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On March 6, 2014, we issued a press release announcing our financial results for the fourth quarter and fiscal year ended December 31, 2013, and providing certain other information. This press release has been furnished as Exhibit 99.1 to this report and is incorporated herein by this reference.

The information under this Item 2.02, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

2014 Cash Bonus Plan for Executive Officers

On March 6, 2014, with the recommendation of the Compensation Committee of the Board of Directors of the Company (the (“**Committee**”), the Board of Directors of the Company approved the adoption of a cash bonus plan that will be utilized to calculate the cash bonuses that may become payable to the Company’s executive officers and other senior management personnel with respect to fiscal year 2014 (the “**Cash Bonus Plan**”). The Cash Bonus Plan is designed to align plan participants with the Company’s business goals and strategies and to further the objectives of the Company’s executive compensation program. As discussed below, the Cash Bonus Plan is intended to reward plan participants for their individual contributions to the Company’s achievement of pre-established Company financial performance objectives for fiscal year 2014 and significant product development milestones.

Target Cash Bonus Amount

The target cash bonus amount for each plan participant is set as a percentage of the participant’s base salary as determined by the Committee. The 2014 base salary, target percentage and resulting target cash bonus amount for each named executive officer is set forth in the table below:

<u>Name</u>	<u>2014 Base Salary</u>	<u>Target Percentage</u>	<u>Target Cash Bonus</u>
Kim D. Blickenstaff	\$ 550,000	75%	\$ 412,500
John Cajigas	\$ 350,000	45%	\$ 157,500
Robert B. Anacone	\$ 350,000	45%	\$ 157,500

Company Performance Objectives

Cash bonuses may be earned under the Cash Bonus Plan based on the achievement by the Company of specified financial performance objectives and product development milestones. The percentage of the target cash bonus for each named executive officer that is subject to the financial objectives and the product development milestones, respectively, is set forth in the table below:

<u>Targets</u>	<u>Percentage of Target Bonus</u>
Financial Performance Objectives	80%
Product Development Milestones	20%
TOTAL	100%

Bonus payments under the Cash Bonus Plan, if any, will be made at the discretion of the Board of Directors or the Compensation Committee. The financial performance component and product development component of the Cash Bonus Plan may be earned independent of one another. If the Company does not achieve either the financial performance component or the product development component of the Cash Bonus Plan, no payouts will be made unless the Board of Directors or the Compensation Committee, in their sole discretion, determine that there are other factors that merit consideration in the determination of bonus awards, which may be determined on an individual basis.

Company Financial Performance Objectives

The portion of the cash bonuses that relate to the Company financial objectives may be earned based on the Company's actual revenue for fiscal year 2014 as compared to a pre-established 2014 revenue target (the "**Revenue Target**"), provided the Company also achieves at least a minimum operating margin percentage (the "**Operating Percentage Target**"). Subject to the foregoing, the Company financial objective portion of the cash bonuses may be earned under the Cash Bonus Plan as follows:

- A minimum percentage growth rate over the Company's actual 2013 revenue, which places the Company's revenue for 2014 at 56.5% of the Revenue Target, must be achieved for any bonus to be earned under the financial performance objectives portion of the Cash Bonus Plan.
- If the Company's actual revenues are between this minimum revenue target and 100% of the Revenue Target, the cash bonus will be calculated proportionately as a percentage of the target bonus amount.
- If the Company's actual revenues are above the Revenue Target, then the Cash Bonus Plan has two levels of incremental bonus:
 - For incremental revenue above the Revenue Target and up to 120% of the Revenue Target, the cash bonus will be calculated proportionally as a percentage of the target bonus amount multiplied by 120%.
 - For incremental revenue above 120% of the Revenue Target and up to 150% of the Revenue Target, the cash bonus will be calculated proportionally as a percentage of the target bonus amount multiplied by 150%.

Company Product Development Milestones

The portion of the cash bonuses that relate to the Company product development milestones generally require the Company to submit regulatory filings, successfully complete regulatory inspections and obtain regulatory clearance for certain products under development within specified time periods. Subject to the Committee's final discretion, each of the Company product development milestones must be achieved within the required time period for the product development portion of the cash bonuses to be achieved.

The foregoing summary of the terms of the Cash Bonus Plan does not purport to be complete and is qualified in its entirety by the terms of the Cash Bonus Plan, which the Company will file as an exhibit to its Form 10-K for the year ended December 31, 2013.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Number</u>	<u>Description</u>
99.1	Press release of Tandem Diabetes Care, Inc. dated March 6, 2014.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Tandem Diabetes Care, Inc.

Date: March 6, 2014

/s/ David B. Berger

David B. Berger

General Counsel

INDEX TO EXHIBITS

<u>Number</u>	<u>Description</u>
99.1	Press release of Tandem Diabetes Care, Inc. dated March 6, 2014.



FOR IMMEDIATE RELEASE

Tandem Diabetes Care Reports Fourth Quarter and Full Year 2013 Financial Results

San Diego, March 6, 2014 – Tandem Diabetes Care®, Inc. (NASDAQ: TNDM), a medical device company and manufacturer of the t:slim® Insulin Pump, today reported its financial results for the quarter and year ended December 31, 2013.

For the year ended December 31, 2013, sales were \$29.0 million compared to \$2.5 million for the same period of 2012. Commercial sales of the t:slim Insulin Pump and related supplies commenced in August of 2012. Sales for the fourth quarter of 2013 were \$10.2 million, compared to \$2.3 million for the same period of 2012. Sales for the fourth quarter of 2013 also grew 32 percent sequentially over the third quarter of 2013. These increases in sales were driven by continued growth of the t:slim Insulin Pump customer base.

“We experienced tremendous growth in 2013 and achieved positive gross margins in our first full year of commercialization,” said Kim Blickenstaff, President and Chief Executive Officer of Tandem Diabetes Care. “We believe these are key accomplishments that establish a firm foundation from which we can expand market awareness and adoption of the t:slim Insulin Pump, and strengthen our business operations.”

For the year ended December 31, 2013, gross margin was 21 percent compared to a negative gross margin of -54 percent for the same period of 2012. Gross margin for the fourth quarter of 2013 was 12 percent, compared to a negative gross margin of -20 percent for the fourth quarter of 2012. The gross margins for the year and quarter ended December 31, 2013 were negatively impacted by approximately \$1.3 million of costs directly related to the previously announced voluntary cartridge recall that the Company initiated in January 2014. The total direct cost of the recall is expected to be \$1.6 million, consisting of costs associated with the return and replacement of affected cartridges in the field and the write-off of cartridges within the Company’s inventory.

For the year ended December 31, 2013, operating expenses totaled \$55.6 million compared to \$31.7 million for the same period of 2012. For the fourth quarter of 2013, operating expenses totaled \$17.7 million compared to \$8.0 million for the same period of 2012. The increases in operating expenses are primarily associated with the expansion of commercial operations and non-cash, stock-based compensation. Operating expenses included non-cash, stock-based compensation for the year and quarter ended December 31, 2013 of \$4.5 million and \$2.7 million, respectively, compared to \$246,000 and \$49,000 for the comparable periods of 2012.

For the year ended December 31, 2013, operating loss was \$49.4 million compared to \$33.0 million for the same period of 2012. Operating loss for the fourth quarter of 2013 was \$16.5 million, compared to \$8.4 million for the same period of 2012.

As of December 31, 2013, the Company had \$129.5 million in cash, cash equivalents and short-term investments.

For the year ending December 31, 2014, the Company estimates that sales will be in the range of \$48.0 million to \$54.0 million.

Conference Call

The Company will hold a conference call and simultaneous webcast today at 4:30pm Eastern Time (1:30pm Pacific Time). The link to the webcast will be available by accessing the Investor Center of the Tandem Diabetes Care website at <http://investor.tandemdiabetes.com>, and will be archived for 30 days. To listen to the conference call via phone, please dial 855-427-4396 (U.S./Canada) or 484-756-4261 (International) and use the participant code “3106837”.

About Tandem Diabetes Care, Inc.

Tandem Diabetes Care, Inc. (www.tandemdiabetes.com) is a medical device company with an innovative, user-centric and integrated approach to the design, development and commercialization of products for people with insulin-dependent diabetes. The Company manufactures and sells the t:slim Insulin Pump, the slimmest and smallest durable insulin pump currently on the market, and the first and only insulin pump with a high resolution, color touch screen. Tandem is based in San Diego, California.

t:slim, t:connect and Tandem Diabetes Care are registered trademarks of Tandem Diabetes Care, Inc.

Follow Tandem Diabetes Care on Twitter @tandemdiabetes, use #tslim, #tconnect and \$TNDM.

Follow Tandem Diabetes Care on Facebook at www.facebook.com/TandemDiabetes.

Forward Looking Statement

This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that concern matters that involve risks and uncertainties that could cause actual results to differ materially from those anticipated or projected in the forward-looking statements. These forward-looking statements relate to the Company’s projected financial results, the Company’s ability to expand market awareness and adoption of the t:slim® Insulin Pump and strengthen business operations, and anticipated expenses related to the Company’s voluntary recall of specific lots of cartridges that are used with the t:slim® Insulin Pump. The Company’s actual results may differ materially from those indicated in these forward-looking statements due to numerous risks and uncertainties. For instance, successful commercialization of the Company’s products may be negatively impacted by lack of market acceptance by physicians and people with diabetes. Other risks and uncertainties include the Company’s inability to manufacture products in commercial quantities at an acceptable cost and in accordance with quality requirements; the Company’s inability to contract with additional third-party payors for reimbursement of the Company’s products; possible delays in the Company’s product development programs; possible future actions of the U.S. Food and Drug Administration or any other regulatory body or governmental authority; the possibility that the actual replacement rate for cartridges subject to the recall may be higher or lower than estimated; the potential that the Company may incur additional expenses related to the recall that it does not anticipate at this time; the inherent difficulty of predicting the total financial impact associated with the recall; the possibility that the recall could subject the Company to claims or proceedings which may adversely impact its business and financial condition; and other risks identified in the Company’s Annual Report on Form 10-K as well as other documents that the Company files with the Securities and Exchange Commission. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Tandem undertakes no obligation to update or review any forward-looking statement in this press release because of new information, future events or other factors.

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TANDEM DIABETES CARE, INC.
CONDENSED BALANCE SHEETS
(in thousands)

	December 31,	
	2013	2012
Assets		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 129,480	\$ 17,163
Restricted cash	2,050	50
Accounts receivable, net	5,299	2,412
Inventory, net	10,330	6,261
Other current assets	1,830	1,928
Total current assets	148,989	27,814
Property and equipment, net	9,886	8,989
Other long term assets	3,340	3,014
Total assets	<u>\$162,215</u>	<u>\$ 39,817</u>
Liabilities, convertible preferred stock and stockholders' equity (deficit)		
Current liabilities:		
Accounts payable, accrued expense and employee-related liabilities	\$ 10,102	\$ 5,215
Deferred revenue	411	1,884
Notes payable—current, net of discounts	—	4,203
Preferred stock warrant liability and common stock subject to repurchase	—	2,329
Other current liabilities	4,086	3,421
Total current liabilities	14,599	17,052
Notes payable—long-term	29,397	—
Other long-term liabilities	2,682	4,179
Convertible preferred stock	—	124,638
Total stockholders' equity (deficit)	115,537	(106,052)
Total liabilities, convertible preferred stock and stockholders' equity (deficit)	<u>\$162,215</u>	<u>\$ 39,817</u>

TANDEM DIABETES CARE, INC.
CONDENSED STATEMENTS OF OPERATIONS
(in thousands – except per share data)

	Three Months Ended December 31, <u>2013</u> <u>2012</u> (Unaudited)		Year Ended December 31, <u>2013</u> <u>2012</u>	
Sales	\$ 10,245	\$ 2,257	\$ 29,007	\$ 2,475
Cost of sales	9,057	2,704	22,840	3,823
Gross profit (loss)	1,188	(447)	6,167	(1,348)
Operating expenses:				
Selling, general and administrative	14,305	5,964	44,522	22,691
Research and development	3,346	1,990	11,079	9,009
Total operating expenses	17,651	7,954	55,601	31,700
Operating loss	(16,463)	(8,401)	(49,434)	(33,048)
Other income (expense), net:				
Change in fair value of stock warrants	(5,990)	(48)	(9,002)	2,556
Other expense, net	(1,160)	(105)	(4,703)	(2,523)
Total other income (expense), net	(7,150)	(153)	(13,705)	33
Net loss	<u><u>\$ (23,613)</u></u>	<u><u>\$ (8,554)</u></u>	<u><u>\$ (63,139)</u></u>	<u><u>\$ (33,015)</u></u>
Net loss per share, basic and diluted	<u><u>\$ (2.14)</u></u>	<u><u>\$ (42.14)</u></u>	<u><u>\$ (21.46)</u></u>	<u><u>\$ (175.88)</u></u>
Weighted average shares used to compute basic and diluted net loss per share	<u><u>11,046</u></u>	<u><u>203</u></u>	<u><u>2,942</u></u>	<u><u>188</u></u>

Media Contact:

Steve Sabicer
714-907-6264
ssabicer@thesabicergroup.com

Investor Contact:

Susan Morrison
858-366-6900 x7005
smorrison@tandemdiabetes.com