

**FORM 10-Q**  
**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

(Mark One)

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

For the quarterly period ended March 31, 2007

OR

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 001-4802

Becton, Dickinson and Company  
(Exact name of registrant as specified in its charter)

New Jersey  
(State or other jurisdiction of  
incorporation or organization)

22-0760120  
(I.R.S. Employer Identification No.)

1 Becton Drive, Franklin Lakes, New Jersey 07417-1880  
(Address of principal executive offices)  
(Zip Code)

(201) 847-6800  
(Registrant's telephone number, including area code)

N/A  
(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 checkmark 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 x Accelerated filer o Non-accelerated filer o

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

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

Class of Common Stock  
Common stock, par value \$1.00

Shares Outstanding as of March 31, 2007  
244,985,725

---

BECTON, DICKINSON AND COMPANY  
FORM 10-Q  
For the quarterly period ended March 31, 2007

TABLE OF CONTENTS

<u>Part I.</u>	<u>FINANCIAL INFORMATION</u>	<u>Page Number</u>
Item 1.	Financial Statements (Unaudited)	
	Condensed Consolidated Balance Sheets	3
	Condensed Consolidated Statements of Income	4
	Condensed Consolidated Statements of Cash Flows	5
	Notes to Condensed Consolidated Financial Statements	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	15
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	24
Item 4.	Controls and Procedures	24
<u>Part II.</u>	<u>OTHER INFORMATION</u>	
Item 1.	Legal Proceedings	25
Item 1A.	Risk Factors	27
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	27
Item 3.	Defaults Upon Senior Securities	27
Item 4.	Submission of Matters to a Vote of Security Holders	28
Item 5.	Other Information	29
Item 6.	Exhibits	29
Signatures		30
Exhibits		31

ITEM 1. FINANCIAL STATEMENTS  
 BECTON, DICKINSON AND COMPANY  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 Thousands of dollars

<u>Assets</u>	March 31, 2007 (Unaudited)	September 30, 2006
<b>Current Assets:</b>		
Cash and equivalents	\$ 409,655	\$ 1,000,289
Short-term investments	170,357	106,386
Trade receivables, net	974,074	885,748
Inventories:		
Materials	127,731	121,598
Work in process	194,836	156,957
Finished products	<u>653,015</u>	<u>597,183</u>
	975,582	875,738
Prepaid expenses, deferred taxes and other	<u>320,932</u>	<u>317,092</u>
Total Current Assets	2,850,600	3,185,253
Property, plant and equipment	5,007,592	4,742,957
Less allowances for depreciation and amortization	<u>2,741,365</u>	<u>2,609,409</u>
	2,266,227	2,133,548
Goodwill	615,898	565,146
Core and Developed Technology, Net	367,570	244,811
Other Intangibles, Net	82,733	91,501
Capitalized Software, Net	166,293	189,355
Other	<u>602,501</u>	<u>414,911</u>
Total Assets	<u>\$ 6,951,822</u>	<u>\$ 6,824,525</u>
<u>Liabilities and Shareholders' Equity</u>		
<b>Current Liabilities:</b>		
Short-term debt	\$ 208,454	\$ 427,218
Payables and accrued expenses	<u>1,138,420</u>	<u>1,149,111</u>
Total Current Liabilities	1,346,874	1,576,329
Long-Term Debt	956,135	956,971
Long-Term Employee Benefit Obligations	274,469	270,495
Deferred Income Taxes and Other	244,856	184,526
Commitments and Contingencies	-	-
Shareholders' Equity:		
Common stock	332,662	332,662
Capital in excess of par value	1,014,973	873,535
Retained earnings	5,610,948	5,345,697
Deferred compensation	11,622	11,134
Common shares in treasury – at cost	(2,898,381)	(2,698,016)
Accumulated other comprehensive income (loss)	<u>57,664</u>	<u>(28,808)</u>
Total Shareholders' Equity	<u>4,129,488</u>	<u>3,836,204</u>
Total Liabilities and Shareholders' Equity	<u>\$ 6,951,822</u>	<u>\$ 6,824,525</u>

See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
Thousands of dollars, except per share data  
(Unaudited)

	Three Months Ended		Six Months Ended	
	March 31,		March 31	
	2007	2006	2007	2006
Revenues	\$1,575,922	\$1,424,209	\$3,077,449	\$2,818,054
Cost of products sold	764,540	698,766	1,473,474	1,364,712
Selling and administrative	406,631	346,322	790,715	695,349
Research and development	86,687	127,715	281,366	196,074
Total Operating Costs and Expenses	<u>1,257,858</u>	<u>1,172,803</u>	<u>2,545,555</u>	<u>2,256,135</u>
Operating Income	318,064	251,406	531,894	561,919
Interest expense	(11,686)	(19,805)	(24,555)	(36,565)
Interest income	9,086	16,991	25,200	31,662
Other income (expense), net	<u>5,872</u>	<u>(451)</u>	<u>3,505</u>	<u>(1,614)</u>
Income From Continuing Operations Before Income Taxes	321,336	248,141	536,044	555,402
Income tax provision	<u>85,797</u>	<u>84,683</u>	<u>169,454</u>	<u>168,242</u>
Income From Continuing Operations	235,539	163,458	366,590	387,160
Income (loss) from Discontinued Operations, net	6,994	(9,390)	18,822	(15,232)
Net Income	<u>\$ 242,533</u>	<u>\$ 154,068</u>	<u>\$ 385,412</u>	<u>\$ 371,928</u>
<u>Basic Earnings per Share:</u>				
Income from Continuing Operations	\$ 0.96	\$ 0.66	\$ 1.49	\$ 1.56
Income (loss) from Discontinued Operations	<u>0.03</u>	<u>(0.04)</u>	<u>0.08</u>	<u>(0.06)</u>
Basic Earnings per Share	<u>\$ 0.99</u>	<u>\$ 0.62</u>	<u>\$ 1.57</u>	<u>\$ 1.50</u>
<u>Diluted Earnings per Share:</u>				
Income from Continuing Operations	\$ 0.92	\$ 0.63	\$ 1.44	\$ 1.51
Income (loss) from Discontinued Operations	<u>0.03</u>	<u>(0.04)</u>	<u>0.07</u>	<u>(0.06)</u>
Diluted Earnings per Share (A)	<u>\$ 0.95</u>	<u>\$ 0.60</u>	<u>\$ 1.51</u>	<u>\$ 1.45</u>
Dividends per Common Share	<u>\$ 0.245</u>	<u>\$ 0.215</u>	<u>\$ 0.49</u>	<u>\$ 0.43</u>

(A) Total per share amounts may not add due to rounding.

See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
Thousands of dollars  
(Unaudited)

	Six Months Ended	
	March 31,	
	2007	2006
<u>Operating Activities</u>		
Net income	\$ 385,412	\$ 371,928
(Income) loss from discontinued operations, net	(18,822)	15,232
Income from continuing operations	366,590	387,160
Adjustments to income from continuing operations to derive net cash provided by continuing operating activities, net of amounts acquired:		
Depreciation and amortization	211,028	197,030
Share-based compensation	60,661	58,447
Deferred income taxes	(43,598)	(15,137)
Acquired in-process research and development	114,739	53,300
Change in working capital	(154,963)	(216,774)
Pension obligation	(54,967)	(104,762)
Other, net	12,057	24,950
Net Cash Provided by Continuing Operating Activities	<u>511,547</u>	<u>384,214</u>
<u>Investing Activities</u>		
Capital expenditures	(235,237)	(149,929)
Capitalized software	(10,198)	(10,085)
Purchases of investments, net	(57,003)	(5,170)
Acquisitions of businesses, net of cash acquired	(339,528)	(230,433)
Proceeds from discontinued operations	19,971	-
Other, net	(37,288)	(33,631)
Net Cash Used for Continuing Investing Activities	<u>(659,283)</u>	<u>(429,248)</u>
<u>Financing Activities</u>		
Change in short-term debt	(119,778)	(640)
Payments of debt	(100,258)	(326)
Repurchase of common stock	(224,835)	(224,995)
Issuance of common stock from treasury	74,758	94,671
Excess tax benefits from payments under share-based plans	32,052	35,554
Dividends paid	(120,140)	(106,728)
Net Cash Used for Continuing Financing Activities	<u>(458,201)</u>	<u>(202,464)</u>
<u>Discontinued Operations</u>		
Net cash provided by (used for) operating activities	10,929	(17,930)
Net cash used for investing activities	-	(1,076)
Net Cash Provided by (Used for) Discontinued Operations	<u>10,929</u>	<u>(19,006)</u>
Effect of exchange rate changes on cash and equivalents	4,374	148
Net decrease in cash and equivalents	(590,634)	(266,356)
Opening Cash and Equivalents	1,000,289	1,042,890
Closing Cash and Equivalents	<u>\$ 409,655</u>	<u>\$ 776,534</u>

See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
Dollar and share amounts in thousands, except per share data  
March 31, 2007

Note 1 - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, in the opinion of the management of the Company, include all adjustments which are of a normal recurring nature, necessary for a fair presentation of the financial position and the results of operations and cash flows for the periods presented. However, the financial statements do not include all information and footnotes required for a presentation in accordance with U.S. generally accepted accounting principles. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included or incorporated by reference in the Company's 2006 Annual Report on Form 10-K. The results of operations for the interim periods are not necessarily indicative of the results of operations to be expected for the full year. Certain reclassifications have been made to prior year amounts to conform to current year presentation.

Note 2 – Comprehensive Income

Comprehensive income was comprised of the following:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2007	2006	2007	2006
Net Income	\$ 242,533	\$ 154,068	\$ 385,412	\$ 371,928
Other Comprehensive Income (Loss), Net of Tax				
Foreign currency translation adjustments	22,822	24,686	98,299	(2,919)
Unrealized losses on investments, net of amounts reclassified	(277)	(808)	(10,674)	(2,587)
Unrealized gains (losses) on cash flow hedges, net of amounts realized	573	(1,647)	(1,153)	1,087
	23,118	22,231	86,472	(4,419)
Comprehensive Income	\$ 265,651	\$ 176,299	\$ 471,884	\$ 367,509

The amount of unrealized losses or gains on investments and cash flow hedges in comprehensive income has been adjusted to reflect any realized gains and recognized losses included in net income during the three and six months ended March 31, 2007 and 2006. The change in foreign currency translation adjustments is primarily attributable to stronger European currencies versus the U.S. dollar for the six months ended March 31, 2007, compared with the six months ended March 31, 2006.

### Note 3 - Earnings per Share

The weighted average common shares used in the computations of basic and diluted earnings per share (shares in thousands) were as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2007	2006	2007	2006
Average common shares outstanding	245,418	248,088	245,484	248,067
Dilutive share equivalents from share-based plans	9,322	10,211	9,694	9,078
Average common and common equivalent shares outstanding – assuming dilution	<u>254,740</u>	<u>258,299</u>	<u>255,178</u>	<u>257,145</u>

### Note 4 - Contingencies

The Company is involved, both as a plaintiff and a defendant, in various legal proceedings and claims which arise in the ordinary course of business as set forth in the Company's 2006 Annual Report on Form 10-K. The following discussion represents new matters that have occurred in 2007 and any recent developments related to previously described matters.

#### Antitrust Class Action Suits

Two additional purported class action antitrust cases have been filed against the Company, as follows:

- The Hebrew Home for the Aged at Riverdale v. Becton Dickinson and Company was filed on March 28, 2007 in federal court in the Southern District of New York (Case No. 07-CV-2544).
- International Multiple Sclerosis Management Practice v. Becton Dickinson & Company was filed on April 5, 2007 in federal court in the District of New Jersey (Case No. 2:07- cv-10602).

These purported class action cases have been brought on behalf of alleged indirect purchasers of the Company's products. In each case, the plaintiff seeks treble damages, attorney's fees and injunctive relief. Including the above actions, 10 purported antitrust class action lawsuits have been brought against the Company by direct and indirect purchasers of the Company's products. The Company anticipates that these two new antitrust class action lawsuits will be consolidated for pre-trial purposes with the other eight actions in the Multi-District Litigation currently pending in federal court in New Jersey. As directed by the court, the direct and indirect purchaser plaintiffs in the Multi-District Litigation have filed consolidated complaints with the court. The Company has filed motions to dismiss each of the consolidated complaints. With respect to the actions, class certification motions are scheduled to be briefed by the end of 2007, and oral arguments on class certification are expected to be held in early 2008.

The Company believes it has meritorious defenses to these claims and continues to vigorously defend these lawsuits.

#### bioMérieux

bioMérieux SA has initiated an arbitration proceeding with the International Chamber of Commerce International Court of Arbitration in Paris, France, against GeneOhm Sciences Canada (“GeneOhm”), a subsidiary of the Company. The arbitration relates to a sublicense agreement under which bioMérieux granted certain patent rights to GeneOhm relating to a method for the detection of methicillin-resistant *Staphylococcus aureus* (MRSA). In the arbitration, bioMérieux alleges, among other things, that GeneOhm fraudulently induced bioMérieux into entering into the sublicense and assigned its rights in violation of the sublicense. bioMérieux is seeking monetary damages and to terminate the patent rights granted to GeneOhm under the sublicense agreement. The arbitration clause of the sublicense agreement provides that the arbitration will be held before a sole arbitrator, whose decision will be binding on both GeneOhm and bioMérieux. The loss of GeneOhm’s rights under the sublicense with bioMérieux may adversely affect the Company’s ability to market its MRSA detection products. However, the Company believes that there is no basis for bioMérieux to terminate the sublicense agreement and the Company intends to vigorously defend its position in the arbitration proceedings.

Separately, the Company received a letter from bioMérieux invoking the dispute resolution clause of a separate license agreement between the Company and bioMérieux, under which bioMérieux grants patent rights to the Company for certain licensed fields relating to the Company’s BACTEC™ products. In the letter, bioMérieux alleges that sales of the Company’s BACTEC™ products have been made in non-licensed fields and that such sales constitute a material breach of the license agreement. bioMérieux requests compensation for any non-licensed sales, as well as cessation of all future sales in non-licensed fields. The Company believes there has been no material breach of the agreement and intends to follow the dispute resolution provisions to resolve the matter, while vigorously defending its position with respect to the alleged material breach.

#### Other

As was previously reported, in August 2004, the Company was served with an administrative subpoena issued by the United States Attorney’s Office in Dallas, Texas (the “U.S. Attorney”) in connection with an investigation the U.S. Attorney is conducting of transactions between another company and certain of its suppliers, including the Company. The Company has fully responded to the subpoena. Recently, the U.S. Attorney requested that the Company inform the U.S. Attorney as to the availability of a small number of the Company’s employees for interviews. The Company was advised that the U.S. Attorney was making similar requests of other suppliers who had dealings with the company.

As previously reported, the Company has received a subpoena issued by the Connecticut Attorney General and a subpoena issued by the Illinois Attorney General, each seeking documents and information relating to the Company’s participation as a member of Healthcare Research & Development Institute, LLC (“HRDI”), a healthcare trade organization. In January 2007, it was reported that HRDI entered into a settlement with the Attorneys General of Connecticut and Florida with respect to



the investigation being conducted by the Connecticut Attorney General, although the Connecticut Attorney General is still investigating certain corporate members of HRDI. The investigation of the Illinois Attorney General is ongoing. The Company believes that its participation in HRDI complied fully with the law and has responded to these subpoenas. The Company has not received any communication with respect to either investigation since completing its document production.

Given the uncertain nature of litigation generally, the Company is not able in all cases to estimate the amount or range of loss that could result from an unfavorable outcome of the litigation to which it is a party. In accordance with U.S. generally accepted accounting principles, the Company establishes accruals to the extent probable future losses are estimable (in the case of environmental matters, without considering possible third-party recoveries). In view of the uncertainties of litigation, the Company could incur charges in excess of any currently established accruals and, to the extent available, excess liability insurance. In the opinion of management, any such future charges, individually or in the aggregate, could have a material adverse effect on the Company's consolidated results of operations and consolidated net cash flows in the period or periods in which they are recorded or paid.

Note 5 – Segment Data

The Company’s organizational structure is based upon its three principal business segments: BD Medical (“Medical”), BD Diagnostics (“Diagnostics”), and BD Biosciences (“Biosciences”). The Company evaluates segment performance based upon operating income. Segment operating income represents revenues reduced by product costs and operating expenses. Financial information for the Company’s segments was as follows:

	Three Months Ended		Six Months Ended	
	March 31,		March 31,	
	2007	2006	2007	2006
<u>Revenues (A)</u>				
Medical	\$ 844,144	\$ 770,230	\$1,670,391	\$1,520,714
Diagnostics	473,230	425,167	915,631	859,285
Biosciences	<u>258,548</u>	<u>228,812</u>	<u>491,427</u>	<u>438,055</u>
	<u>\$ 1,575,922</u>	<u>\$ 1,424,209</u>	<u>\$ 3,077,449</u>	<u>\$ 2,818,054</u>
 <u>Segment Operating Income</u>				
Medical	\$ 234,132	\$ 206,034	\$ 480,274	\$ 429,664
Diagnostics	109,374	57,849 (B)	109,029 (C)	177,095 (B)
Biosciences	<u>67,910</u>	<u>55,898</u>	<u>124,145</u>	<u>105,221</u>
Total Segment Operating Income	411,416	319,781	713,448	711,980
Unallocated Items (D)	<u>(90,080)</u>	<u>(71,640)</u>	<u>(177,404)</u>	<u>(156,578)</u>
Income from Continuing Operations Before Income Taxes	<u>\$ 321,336</u>	<u>\$ 248,141</u>	<u>\$ 536,044</u>	<u>\$ 555,402</u>

(A) Intersegment revenues are not material.

(B) Includes the in-process research and development charge related to the GeneOhm acquisition.

(C) Includes the in-process research and development charge related to the TriPath acquisition. See Note 8 for additional information.

(D) Includes primarily share-based compensation expense; interest, net; foreign exchange; corporate expenses; and proceeds from insurance settlements received in 2006 in connection with the Company’s previously owned latex glove business.

	Three Months Ended		Six Months Ended	
	March 31,		March 31,	
	2007	2006	2007	2006
<u>Revenues by Organizational Units</u>				
<u>BD Medical</u>				
Medical Surgical Systems	\$ 447,340	\$ 424,581	\$ 915,092	\$ 852,744
Diabetes Care	171,191	163,186	339,877	326,666
Pharmaceutical Systems	208,812	167,109	381,752	310,872
Ophthalmic Systems	16,801	15,354	33,670	30,432
	<u>\$ 844,144</u>	<u>\$ 770,230</u>	<u>\$ 1,670,391</u>	<u>\$ 1,520,714</u>
<u>BD Diagnostics</u>				
Preanalytical Systems	\$ 244,746	\$ 226,861	\$ 484,819	\$ 449,024
Diagnostic Systems	228,484	198,306	430,812	410,261
	<u>\$ 473,230</u>	<u>\$ 425,167</u>	<u>\$ 915,631</u>	<u>\$ 859,285</u>
<u>BD Biosciences</u>				
Immunocytometry Systems	\$ 144,602	\$ 123,574	\$ 274,202	\$ 236,426
Pharmingen	43,611	41,597	83,001	78,543
Discovery Labware	70,335	63,641	134,224	123,086
	<u>\$ 258,548</u>	<u>\$ 228,812</u>	<u>\$ 491,427</u>	<u>\$ 438,055</u>
	<u>\$1,575,922</u>	<u>\$1,424,209</u>	<u>\$3,077,449</u>	<u>\$2,818,054</u>

#### Note 6 – Share-Based Compensation

The Company grants share-based awards under the 2004 Employee and Director Equity-Based Compensation Plan (the “2004 Plan”), which provide for long-term incentive compensation to employees and directors. The Company believes such awards align the interests of its employees and directors with those of its shareholders.

The fair value of share-based payments is recognized as compensation expense in net income. For the three months ended March 31, 2007 and 2006, compensation expense charged to income was \$26,050 and \$23,804, respectively. For the six months ended March 31, 2007 and 2006, compensation expense was \$60,661 and \$58,447, respectively.

The amount of unrecognized compensation expense for all non-vested share-based awards as of March 31, 2007 was approximately \$159,269, which is expected to be recognized over a weighted-average remaining life of approximately 2.2 years.

The fair values of stock appreciation rights granted during the annual share-based grants in November of 2006 and 2005, respectively, were estimated on the date of grant using a lattice-based binomial valuation model based on the following assumptions: risk-free interest rates of 4.56% and 4.48%, respectively; expected volatility of 28% for both periods; expected dividend yield of 1.37% and 1.46%, respectively; and expected life of 6.5 years for both periods.

## Note 7 – Benefit Plans

The Company has defined benefit pension plans covering substantially all of its employees in the United States and certain foreign locations. The Company also provides certain postretirement healthcare and life insurance benefits to qualifying domestic retirees. Other postretirement benefit plans in foreign countries are not material.

Net pension and postretirement cost included the following components for the three months ended March 31:

	<u>Pension Plans</u>		<u>Other Postretirement Benefits</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Service cost	\$ 17,562	\$ 18,860	\$ 1,412	\$ 1,017
Interest cost	19,240	18,106	3,983	3,716
Expected return on plan assets	(22,529)	(20,150)	-	-
Amortization of prior service cost	49	50	(1,250)	(1,558)
Amortization of loss	<u>4,388</u>	<u>6,876</u>	<u>1,162</u>	<u>1,769</u>
Net pension and postretirement cost	<u>\$ 18,710</u>	<u>\$ 23,742</u>	<u>\$ 5,307</u>	<u>\$ 4,944</u>

Net pension and postretirement cost included the following components for the six months ended March 31:

	<u>Pension Plans</u>		<u>Other Postretirement Benefits</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Service cost	\$ 31,366	\$ 36,495	\$ 2,501	\$ 2,034
Interest cost	34,364	35,355	7,627	7,432
Expected return on plan assets	(40,239)	(39,293)	-	-
Amortization of prior service cost	88	95	(2,782)	(3,116)
Amortization of loss	<u>7,838</u>	<u>13,672</u>	<u>2,328</u>	<u>3,538</u>
Net pension and postretirement cost	<u>\$ 33,417</u>	<u>\$ 46,324</u>	<u>\$ 9,674</u>	<u>\$ 9,888</u>

## Note 8 – Acquisition and Divestiture

### *Acquisition*

On December 20, 2006, the Company acquired the outstanding shares (approximately 93.8%) of TriPath Imaging, Inc. (“TriPath”) which it did not previously own. TriPath develops, manufactures, markets and sells innovative solutions to improve the clinical management of cancer, including detection, diagnosis, staging and treatment. The acquisition advances the Company’s position in cancer diagnostics. The acquisition was accounted for as a business combination and the results of operations of TriPath were included in the Diagnostics Segment’s results as of the acquisition date. Pro forma information was not provided as the acquisition did not have a material effect on the Company’s consolidated results. The purchase price was \$361,883 in cash, including transaction costs and other consideration. The purchase price was allocated based upon the fair values of the assets and liabilities acquired. The allocation of the purchase price resulted in deferred tax assets of \$74,221 primarily consisting of net operating loss carry-forwards and credits; core and developed technology of \$135,097; deferred tax liabilities of \$52,662 primarily associated with other intangible assets; and other net assets of

\$51,857 consisting primarily of cash and trade receivables. Core and developed technology will be amortized on a straight-line basis over its estimated useful life of approximately 15 years. The excess of the purchase price over the fair value of the assets acquired of \$38,631 was recorded as goodwill.

In connection with the acquisition, the Company also incurred a non-deductible charge of \$114,739 for acquired in-process research and development. This charge, based on fair value, is associated with three projects: molecular Pap test, breast staging, and ovarian cancer detection. These projects had not yet reached technological feasibility and did not have alternative future use at the acquisition date. The portion of the charge allocated to each of these projects was \$75,992, \$18,764 and \$19,983, respectively. The charge was recorded as Research and development expense.

The molecular Pap test uses proprietary molecular biomarkers and reagents that are intended to allow for the primary screening of cervical cancer. The diagnostic assay is being developed to test slides prepared using TriPath's SurePath® liquid-based Pap test and to permit concurrent evaluation of morphologic features and measurement of the over-expression of molecular biomarkers that are associated with biopsy-proven moderate to severe cervical disease and cancer. Clinical trials have been initiated for this project.

The breast staging project uses proprietary molecular biomarkers and reagents that are intended to predict the risk of disease recurrence and to aid in treatment selection in patients with early stage breast cancer. The diagnostic assay is being developed for use with commercially available detection kits and staining platforms and will utilize TriPath's interactive histology imaging system to quantify biomarker over-expression in tissue samples collected at the time of initial diagnosis of breast cancer. Clinical trials have been initiated for this project.

The ovarian cancer detection project is intended to allow for serum-based screening and monitoring assays for ovarian cancer based upon the detection of multiple biomarkers using a proprietary panel of biomarkers and assay algorithms. In addition, multiplex testing platforms are being evaluated to allow for the simultaneous testing of multiple markers from a small volume of serum. The detection assays being developed will utilize certain technologies from the Biosciences segment. Clinical trials have not been initiated for this project.

The fair values of these projects were determined based upon the present value of projected cash flows utilizing an income approach reflecting the appropriate risk-adjusted discount rate based on the applicable technological and commercial risk of each project. These cash flows also took into account the income and expenses associated with the further development and commercialization of the underlying products. The range of discount rates assigned to the projects was 22 to 30 percent and gave consideration to the underlying risk relative to the developed technology, the overall commercial and technical risk, and the probabilities of success for each of the projects. The ongoing activity associated with each of these projects is not expected to be material to the Company's Research and development expense.

#### *Divestiture*

On September 28, 2006, the Company announced a plan to exit the blood glucose monitoring ("BGM") market. The decision to exit the BGM market was made following an evaluation of

the future outlook for the product line. The Company recorded a pre-tax charge of \$63,414, which was included in the Medical segment, in connection with its decision to exit the BGM product line. At September 30, 2006, an accrual of \$32,408, which primarily consisted of inventory related purchase commitments and severance, was reported in current liabilities. At March 31, 2007, the remaining accrual was \$3,283, after reflecting the reversal of \$4,160 of these costs, including \$972 reversed during the second quarter of 2007.

During the first quarter of 2007, the Company received an unsolicited offer for the purchase of the BGM product line. On December 11, 2006, the Company sold the product line for \$19,971 and recognized a pre-tax gain on sale of \$15,226. During the second quarter of 2007, the Company recognized adjustments, thereby increasing the gain on sale by \$6,093. These adjustments constitute revisions to estimated sales return accruals, primarily related to obligations that ceased to exist in the second quarter pursuant to the sale terms. Additionally, during the second quarter of 2007, adjustments of \$2,236 were made to reduce other accruals related to obligations that remained with the Company upon divestiture of the product line. Following the sale, the Company's prior period Condensed Consolidated Statements of Income and Cash Flows and related disclosures have been restated to separately present the results of the BGM product line as discontinued operations. The September 30, 2006 Condensed Consolidated Balance Sheet has not been restated.

Results of discontinued operations were as follows:

	Three Months Ended		Six Months Ended	
	March 31,		March 31,	
	2007	2006	2007	2006
Revenues	\$ <u>1,113</u>	\$ <u>25,108</u>	\$ <u>22,851</u>	\$ <u>45,324</u>
Income (loss) from discontinued operations before income taxes	11,216	(15,103) (A)	30,184	(24,494) (A)
Income tax (provision) benefit	<u>(4,222)</u>	<u>5,713</u>	<u>(11,362)</u>	<u>9,262</u>
Income (loss) from discontinued operations, net	\$ <u>6,994</u>	\$ <u>(9,390)</u>	\$ <u>18,822</u>	\$ <u>(15,232)</u>

(A) Includes a post-closing adjustment related to the divestiture of Clontech of \$3,500 (\$2,170 after taxes).

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Company Overview

Becton, Dickinson and Company ("BD" or the "Company") is a medical technology company engaged principally in the manufacture and sale of a broad range of medical supplies, devices, laboratory equipment and diagnostic products used by healthcare institutions, life science researchers, clinical laboratories, industry and the general public. Our business consists of three worldwide business segments – BD Medical ("Medical"), BD Diagnostics ("Diagnostics") and BD Biosciences ("Biosciences"). Our products are marketed in the United States and internationally through independent distribution channels, directly to end-users and by independent sales representatives.

### Financial Results

BD reported second quarter revenues of \$1.576 billion, an increase of 11% from the same period a year ago, and reflected volume increases of approximately 8% and favorable foreign currency translation of approximately 3%. Sales in the United States of safety-engineered devices grew 8% to \$238 million in the second quarter of 2007, compared with the prior year's period. International sales of safety-engineered devices grew 20% to \$93 million in the second quarter of 2007, compared with the prior year's period. Overall, international revenue growth of 10% for the three-month period included a 5% favorable impact of foreign currency translation. As further discussed in our 2006 Annual Report on Form 10-K, we face currency exposure that arises from translating the results of our worldwide operations to the U.S. dollar at exchange rates that fluctuate from the beginning of the period. We purchase option and forward contracts to partially protect against adverse foreign exchange rate movements.

Our balance sheet remains strong, with net cash provided by continuing operations at approximately \$513 million for the six months ended March 31, 2007, and our debt-to-capitalization ratio decreasing to 21.2% at March 31, 2007 from 25.8% at September 30, 2006.

### Recent Developments

On December 20, 2006, we acquired the 93.8% of the outstanding stock of TriPath Imaging, Inc. ("TriPath") which we did not previously own, for a cash purchase price of \$9.25 per share, or approximately \$362 million. TriPath develops, manufactures, markets and sells innovative solutions to improve the clinical management of cancer, including detection, diagnosis, staging and treatment. In connection with the acquisition, BD incurred a charge of \$115 million for acquired in-process research and development. See Note 8 of the Condensed Consolidated Financial Statements for additional discussion.

During the first quarter of 2007, we received an unsolicited offer for the purchase of the BGM product line. On December 11, 2006, we sold the product line for \$20 million and recognized a pre-tax gain on sale of \$15 million. During the second quarter of 2007, the Company recognized post-closing adjustments, thereby increasing the gain on sale by \$6 million. Following the sale, prior period Condensed Consolidated Statements of Income and Cash Flows and related discussions have been restated to separately present the results of the BGM product line as

discontinued operations. See Note 8 of the Condensed Consolidated Financial Statements for additional discussion.

BD purchases supplies of resins, which are oil-based components used in the manufacture of certain products. During the second quarter of 2007, we incurred slightly higher resin purchase costs than the prior year's quarter, primarily due to increases in world oil prices during the late summer 2006. While the impact of further increases, if any, in resin purchase costs is not expected to be significant on our fiscal 2007 operating results, such increases could impact future operating results. We are mitigating any such impact through continued improvement in our profit margins resulting from increased sales of products with higher margins, cost reduction programs, productivity improvements and, to a lesser extent, periodic price increases and adjustments.

## Results of Operations

### Revenues

Refer to Note 5 in the Notes to Condensed Consolidated Financial Statements for segment financial data.

#### *Medical Segment*

Second quarter revenues of \$844 million represented an increase of \$74 million, or 10%, from the prior year's quarter, including an estimated \$25 million, or 3%, favorable impact due to foreign currency translation. Strong sales of Pharmaceutical Systems products and safety-engineered devices contributed to this growth. Global sales of safety-engineered products were \$157 million, as compared with \$146 million in the prior year's quarter. For the six-month period ended March 31, 2007, global sales of safety-engineered products were \$331 million, as compared with \$299 million in the prior year's period. Total BD Medical segment revenues increased by 10% from the prior year six-month period.

#### *Diagnostics Segment*

Second quarter revenues of \$473 million represented an increase of \$48 million, or 11%, over the prior year quarter, including an estimated \$9 million, or 2%, favorable impact due to foreign currency translation. The Preanalytical Systems unit of the segment reported revenue growth of 8% over the prior year's quarter. Global sales of safety-engineered products totaled \$174 million, compared with \$152 million in the prior year's quarter due, in large part, to strong sales of *BD Vacutainer* Push Button Blood Collection Sets in the current year's quarter. Revenues in the Diagnostic Systems unit of the segment increased 15%, which includes \$27 million of revenues from the TriPath acquisition and reflects growth from the *BD ProbeTec* ET and *BD Phoenix* instruments. During the second quarter, we experienced a decline in sales of flu testing products. Contributing to these slower sales of flu tests in the second quarter was a relatively mild flu season in Japan and the United States in 2007 and the transition in Japan to an internally-sourced flu test that has not received widespread market acceptance. For the six-month period ended March 31, 2007, global sales of safety-engineered products were \$343 million, as compared with \$300 million in the prior year's period. Total BD Diagnostics segment revenues increased by 7% from the prior year six-month period, which includes \$32 million of revenues from TriPath.



### *Biosciences Segment*

Second quarter revenues of \$259 million represented an increase of \$30 million, or 13%, over the prior year's quarter, including an estimated \$7 million, or 3%, favorable impact due to foreign currency translation. Flow cytometry instrument and reagent sales, as well as sales of advanced bioprocessing products contributed to growth. For the six-month period ended March 31, 2007, total BD Biosciences segment revenues increased by 12% from the prior year period.

### Segment Operating Income

#### *Medical Segment*

Segment operating income for the second quarter was \$234 million, or 27.7% of Medical revenues, compared with \$206 million, or 26.7%, in the prior year's quarter. Gross profit margin increased moderately due to an improved product mix of sales, combined with increased manufacturing productivity. See further discussion on gross profit margin below. Selling and administrative expense as a percent of Medical revenues in the second quarter of 2007 was slightly lower than the second quarter of 2006, due to tight spending controls. Research and development expenses for the quarter increased \$3.2 million, or 14%, reflecting increased investment in new products and platforms. Segment operating income for the six-month period was \$480 million, or 28.8% of Medical revenues, compared to \$430 million, or 28.3%, in the prior year's period.

#### *Diagnostics Segment*

Segment operating income for the second quarter was \$109 million, or 23.1% of Diagnostics revenues, compared with \$58 million, or 13.6%, in the prior year's quarter. The increase in operating income is primarily due to the absence of the in-process research and development charge of \$53 million recorded in the prior year's quarter associated with the GeneOhm acquisition. Gross profit margin was higher than the second quarter of 2006, primarily due to a favorable sales mix of products with higher margins, as well as productivity gains. See further discussion on gross profit margin below. Selling and administrative expense as a percentage of Diagnostics revenues in the second quarter of 2007 was higher than the comparable amount in the second quarter of 2006, largely due to the impact of TriPath and GeneOhm. Research and development expenses in the second quarter of 2007 decreased \$44 million, primarily due to the in-process research and development charge for GeneOhm recorded in the prior year's quarter. Research and development expenses also reflect investment in new products and incremental TriPath and GeneOhm expenses. Segment operating income for the six-month period was \$109 million, or 11.9% of Diagnostics revenues, compared to \$177 million, or 20.6%, in the prior year's period and reflects the impact of the in-process research and development charges for TriPath in 2007 and GeneOhm in 2006.

#### *Biosciences Segment*

Segment operating income for the second quarter was \$68 million, or 26.3%, of Biosciences revenues, compared with \$56 million, or 24.4%, in the prior year's quarter. The increase in operating income as a percentage of revenues reflected improved production efficiencies, as well as increased sales of products with higher margins. See further discussion on gross profit margin below. Selling and administrative expense as a percent of Biosciences revenues for the quarter decreased compared with the prior year's quarter, as a result of continued tight spending controls. Research and development expenses in the quarter increased \$0.6 million, or 3%, reflecting increased spending on new product development. Segment operating income for the

six-month period was \$124 million, or 25.3% of Biosciences revenues, compared to \$105 million, or 24.0%, in the prior year's period.

#### Gross Profit Margin

Gross profit margin was 51.5% for the second quarter and 52.1% for the six-month period, compared with 50.9% and 51.6%, respectively, for the comparable prior year periods. Gross profit margin in the second quarter of 2007 as compared with the prior period reflected an estimated 0.8% net improvement relating to increased sales of products with relatively higher margins and improvement associated primarily with productivity gains. These improvements were partially offset by an estimated 0.2% impact from foreign currency translation. Gross profit margin in the six-month period of 2007 as compared with the prior period reflected an estimated 0.8% net improvement relating to increased sales of products with relatively higher margins and improvement associated primarily with productivity gains. These improvements were partially offset by an estimated 0.3% impact from foreign currency translation. We expect gross profit margin to improve, on a reported basis, by about 70 basis points in fiscal 2007, with TriPath operations accounting for 10 basis points.

#### Selling and Administrative Expense

Selling and administrative expense was 25.8% of revenues for the second quarter and 25.7% for the six-month period, compared with 24.3% and 24.7%, respectively, for the prior year's periods. Aggregate expenses for the current period reflect increases in base spending of \$27 million and in expenses associated with the GeneOhm and TriPath operations of \$15 million. Increases in selling and administrative expense also reflect the absence of proceeds from insurance settlements of \$10 million received in the prior year's quarter in connection with the Company's previously owned latex glove business, as well as an unfavorable foreign exchange impact of \$9 million. Aggregate expenses in the six-month period reflect increases in base spending of \$37 million and in expenses associated with the GeneOhm and TriPath operations of \$24 million. Increases in selling and administrative expense for the six-month period also reflect the absence of proceeds from insurance settlements of \$17 million, as further discussed above, as well as an unfavorable foreign exchange impact of \$15 million. Selling and administrative expense as a percentage of revenues is expected to increase, on a reported basis, by about 40 basis points in 2007, with 20 basis points attributable to TriPath's operations.

#### Research and Development Expense

Research and development expense was \$87 million, or 5.5% of revenues for the second quarter, compared with the prior year's amount of \$128 million, or 9.0% of revenues. Research and development expense was \$281 million, 9.1% of revenues for the six-month period in the current year, compared with the prior year's amount of \$196 million, or 7.0% of revenues. The in-process research and development charge of \$115 million, or 3.7% of revenues, associated with the TriPath acquisition was included in the six-month period of 2007. The in-process research and development charge of \$53 million, or 3.7% and 1.9% of second quarter and six-month revenues, respectively, associated with the GeneOhm acquisition was included in Research and development expense. Research and development expenditures also reflect increased spending for new programs in each of our segments for the three and six-month periods of 2007. We anticipate Research and development expense to increase, on a reported basis, about 35% for 2007, with approximately 15% due to the impact of the in-process research and development charges for TriPath in 2007 and GeneOhm in 2006 and 6% due to the impact of TriPath's operations in 2007.

### Non-Operating Expense and Income

Interest expense was \$12 million in the second quarter and \$25 million in the six-month period, compared with \$20 million and \$37 million, respectively, in the prior year's periods, which reflect lower debt levels. Interest income was \$9 million in the second quarter and \$25 million in the six-month period, compared with \$17 million and \$32 million, respectively, in the prior year's periods, and reflected lower cash balances.

### Income Taxes

The income tax rate was 26.7% for the second quarter. The six-month tax rate was 31.6% compared with the prior year's rate of 30.3%. The increase is principally due to the non-deductibility of the acquired in-process research and development charge associated with the TriPath acquisition, partially offset by the impact of approximately 0.8% resulting from the retroactive reinstatement of the research and experimentation tax credit. The prior year's six-month rate reflected the non-deductibility of the acquired in-process research and development charge associated with the GeneOhm acquisition, as well as the impact relating to the proceeds received from insurance settlements of approximately 0.3%. The Company expects the reported tax rate for the full year to be approximately 29%.

### Income from Continuing Operations and Diluted Earnings Per Share from Continuing Operations

Income from continuing operations and diluted earnings per share from continuing operations for the second quarter of 2007 were \$236 million and 92 cents, respectively. Income from continuing operations and diluted earnings per share from continuing operations for the prior year's second quarter were \$163 million and 63 cents, respectively. The in-process research and development charge associated with the GeneOhm acquisition reduced income from continuing operations for the prior year's quarter by \$53 million and diluted earnings per share from continuing operations by 21 cents. Proceeds from insurance settlements increased income from continuing operations in the prior year's quarter by \$6 million and diluted earnings per share from continuing operations by 2 cents. For the six-month periods, income from continuing operations and diluted earnings per share from continuing operations were \$367 million and \$1.44, respectively, in 2007, and \$387 million and \$1.51, respectively, in 2006. The in-process research and development charge associated with the TriPath acquisition reduced income from continuing operations for the current year's six-month period by \$115 million and diluted earnings per share from continuing operations by 45 cents. The prior year's six-month period reflected the in-process research and development charge associated with GeneOhm. Proceeds from insurance settlements increased income from continuing operations in the prior year's six-month period by \$11 million and diluted earnings per share from continuing operations by 4 cents.

### Liquidity and Capital Resources

Net cash provided by continuing operating activities, which continues to be our primary source of funds to finance operating needs and capital expenditures, was \$512 million during the first six months of 2007, compared with \$384 million in the same period in 2006. Change in working capital was \$155 million in the first six months of 2007, as compared with the prior year's period of \$217 million, and reflects an increase in accounts payable and accrued expenses, and income tax payable, partially offset by increases in inventories. Net cash provided by continuing operations in the first six months of the current and prior year was reduced by changes in the

pension obligation, resulting primarily from discretionary cash contributions of \$75 million and \$150 million, respectively.

Net cash used for continuing investing activities for the first six months of the current year was \$659 million, compared with \$429 million in the prior year period. The current year amount reflects the payment of \$340 million of net cash for the TriPath acquisition, and the prior year amount reflects the payment of \$230 million for the GeneOhm acquisition. Net cash used for purchases of investments in the current year was \$57 million, which reflected higher levels of money market instruments. Capital expenditures were \$235 million in the first six months of 2007 and \$150 million in the same period in 2006. We expect capital spending for 2007 to be in the \$600 to \$650 million range.

Net cash used for continuing financing activities for the first six months of the current year was \$458 million, compared with \$202 million in the prior year period. As of March 31, 2007, total debt of \$1.2 billion represented 21.2% of total capital (shareholders' equity, net non-current deferred income tax liabilities, and debt), versus 25.8% at September 30, 2006. Short-term debt decreased to 18% of total debt at the end of the six-month period, from 31% at September 30, 2006.

For the first six months of both the current and prior year, the Company repurchased \$225 million of its common stock. At March 31, 2007, authorization to repurchase an additional 4.0 million common shares remained. Stock repurchases were offset, in part, by the issuance of common stock from treasury upon the exercise of stock options by employees.

We have in place a commercial paper borrowing program that is available to meet our short-term financing needs, including working capital requirements. Borrowings outstanding under this program were \$200 million at March 31, 2007. During the first six-months of 2007, we amended our syndicated credit facility to increase the amount available from \$900 million to \$1 billion and extend the expiration date from August 2009 to December 2011. This credit facility, under which there were no borrowings outstanding at March 31, 2007, provides backup support for our commercial paper program and can also be used for other general corporate purposes. This credit facility includes a single financial covenant that requires BD to maintain an interest expense coverage ratio (ratio of earnings before income taxes, depreciation and amortization to interest expense) of not less than 5-to-1 for the most recent four consecutive fiscal quarters. On the last eight measurement dates, this ratio has ranged from 17-to-1 to 21-to-1. In addition, we have informal lines of credit outside the United States.

BD's ability to generate cash flow from operations, issue debt, enter into other financing arrangements and attract long-term capital on acceptable terms could be adversely affected in the event there was a material decline in the demand for BD's products, deterioration in BD's key financial ratios or credit ratings or other significantly unfavorable changes in conditions. While a deterioration in the Company's credit ratings would increase the costs associated with maintaining and borrowing under its existing credit arrangements, such a downgrade would not affect the Company's ability to draw on these credit facilities, nor would it result in an acceleration of the scheduled maturities of any outstanding debt.

### Adoption of New Accounting Standards

In July 2006, the Financial Accounting Standards Board (the "FASB") issued Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 prescribes guidance for recognition, measurement, and disclosure of uncertain tax positions recognized in financial statements in accordance with Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes". The provisions of this interpretation will be applied to all tax positions upon its initial adoption. The Company is required to adopt this interpretation in fiscal year 2008 and the cumulative effect, if any, of applying this interpretation will be reported as an adjustment to the opening balance of retained earnings for such fiscal year. The Company is currently evaluating the impact of FIN 48 on its consolidated financial statements.

In September 2006, the FASB issued SFAS No. 158 "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106 and 132(R)" ("SFAS No. 158"). This statement requires the Company to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability in its consolidated balance sheet and to recognize changes in the funded status in the year in which the changes occur through comprehensive income. SFAS No. 158 also requires the funded status of a plan to be measured as of the balance sheet date and provides for additional disclosure requirements. As required, the Company will adopt the recognition and disclosure provision of this statement at the end of fiscal year 2007. Based on the underfunded status of the plans as of September 30, 2006, this provision could be material to the Company's shareholder's equity. The Company expects no impact to the measurement date of its plans, as the plans are currently measured at its fiscal year-end.

### Cautionary Statement Pursuant to Private Securities Litigation Reform Act of 1995 -- "Safe Harbor" for Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 (the "Act") provides a safe harbor for forward-looking statements made by or on behalf of BD. BD and its representatives may from time to time make certain forward-looking statements, both written and oral, including statements contained in this report and filings with the Securities and Exchange Commission ("SEC") and in our other reports to shareholders. Forward-looking statements may be identified by the use of words like "plan," "expect," "believe," "intend," "will," "anticipate," "estimate" and other words of similar meaning in conjunction with, among other things, discussions of future operations and financial performance, as well as our strategy for growth, product development, regulatory approvals, market position and expenditures. All statements which address operating performance or events or developments that we expect or anticipate will occur in the future -- including statements relating to volume growth, sales and earnings per share growth, gross profit margins, various expenditures and statements expressing views about future operating results - are forward-looking statements within the meaning of the Act.

Forward-looking statements are based on current expectations of future events. The forward-looking statements are and will be based on management's then-current views and assumptions regarding future events and operating performance, and speak only as of their dates. Investors should realize that if underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from our expectations and projections. Investors are therefore cautioned not to place undue reliance on any forward-looking statements. Furthermore, we undertake no obligation to update or revise any forward-looking statements whether as a result of new information, future events and developments or otherwise.

The following are some important factors that could cause our actual results to differ from our expectations in any forward-looking statements:

- Regional, national and foreign economic factors, including inflation and fluctuations in interest rates and foreign currency exchange rates and the potential effect of such fluctuations on revenues, expenses and resulting margins.
- We operate in a highly competitive environment. New product introductions by our current or future competitors could adversely affect our ability to compete in the global market. For example, new forms of inhaled or other methods of insulin delivery, such as the new inhaled form of insulin approved by the U.S. Food and Drug Administration (“FDA”) and European authorities, could adversely impact sales of our insulin injection devices. Patents attained by competitors, particularly as patents on our products expire, may also adversely impact our competitive position.
- Changes in domestic and foreign healthcare industry practices and regulations resulting in increased pricing pressures, including the continued consolidation among healthcare providers; trends toward managed care and healthcare cost containment and government laws and regulations relating to sales and promotion, reimbursement and pricing generally.
- The effects, if any, of governmental and media activities regarding the business practices of group purchasing organizations, which negotiate product prices on behalf of their member hospitals with BD and other suppliers.
- Fluctuations in the cost and availability of raw materials and the ability to maintain favorable supplier arrangements and relationships (particularly with respect to sole-source suppliers) and the potential adverse effects of any disruption in the availability of such raw materials.
- Our ability to obtain the anticipated benefits of any restructuring programs, if any, that we may undertake.
- Adoption of or changes in government laws and regulations affecting domestic and foreign operations, including those relating to trade, monetary and fiscal policies, taxation, environmental matters, sales practices, price controls, licensing and regulatory approval of new products, or changes in enforcement practices with respect to any such laws and regulations. In particular, environmental laws, particularly with respect to the emission of greenhouse gases, are becoming more stringent throughout the world, which may increase our costs of operations or necessitate changes in our manufacturing plants or processes.
- Fluctuations in U.S. and international governmental funding and policies for life science research.
- Difficulties inherent in product development, including the potential inability to successfully continue technological innovation, complete clinical trials, obtain regulatory approvals in the United States and abroad, or gain and maintain market approval of products, as well as the possibility of encountering infringement claims by competitors with respect to patent or other intellectual property rights, all of which can preclude or delay commercialization of a product.

- Pending and potential litigation or other proceedings adverse to BD, including antitrust claims, product liability claims, and patent infringement claims, as well as other risks and uncertainties detailed from time to time in our SEC filings.
- The effects, if any, of adverse media exposure or other publicity regarding BD's business or operations.
- Our ability to achieve earnings forecasts, which are generated based on projected volumes and sales of many product types, some of which are more profitable than others. There can be no assurance that we will achieve the projected level or mix of product sales.
- The effect of market fluctuations on the value of assets in BD's pension plans and the possibility that BD may need to make additional contributions to the plans as a result of any decline in the value of such assets.
- Our ability to effect infrastructure enhancements and incorporate new systems technologies into our operations.
- Product efficacy or safety concerns resulting in product recalls, regulatory action on the part of the FDA (or foreign counterparts) or declining sales.
- Economic and political conditions in international markets, including civil unrest, terrorist activity, governmental changes and restrictions on the ability to transfer capital across borders.
- The effects of natural disasters, including hurricanes or pandemic diseases, on our ability to manufacture our products, particularly where production of a product line is concentrated in one or more plants, or on our ability to source components from suppliers that are needed for such manufacturing.
- Our ability to penetrate developing and emerging markets, which also depends on economic and political conditions, and how well we are able to acquire or form strategic business alliances with local companies and make necessary infrastructure enhancements to production facilities, distribution networks, sales equipment and technology.
- The impact of business combinations, including acquisitions and divestitures, both internally for BD and externally, in the healthcare industry.
- Issuance of new or revised accounting standards by the Financial Accounting Standards Board or the SEC.

The foregoing list sets forth many, but not all, of the factors that could impact our ability to achieve results described in any forward-looking statements. Investors should understand that it is not possible to predict or identify all such factors and should not consider this list to be a complete statement of all potential risks and uncertainties.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in information reported since the end of the fiscal year ended September 30, 2006.

Item 4. Controls and Procedures

An evaluation was carried out by BD's management, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of BD's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of March 31, 2007. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were, as of the end of the period covered by this report, adequate and effective to ensure that material information relating to BD and its consolidated subsidiaries would be made known to them by others within these entities. There were no changes in our internal control over financial reporting during the fiscal quarter ended March 31, 2007 identified in connection with the above-referenced evaluation that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.



## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

We are involved, both as a plaintiff and a defendant, in various legal proceedings which arise in the ordinary course of business, including product liability and environmental matters as set forth in our 2006 Annual Report on Form 10-K.

Since December 31, 2006, the following developments have occurred with respect to the legal proceedings in which we are involved:

#### Antitrust Class Action Suits

Two additional purported class action antitrust cases have been filed against BD, as follows:

- The Hebrew Home for the Aged at Riverdale v. Becton Dickinson and Company was filed on March 28, 2007 in federal court in the Southern District of New York (Case No. 07-CV-2544).
- International Multiple Sclerosis Management Practice v. Becton Dickinson & Company was filed on April 5, 2007 in federal court in the District of New Jersey (Case No. 2:07-cv-10602).

These purported class action cases have been brought on behalf of alleged indirect purchasers of BD products. In each case, the plaintiff seeks treble damages, attorney's fees and injunctive relief. Including the above actions, 10 purported antitrust class action lawsuits have been brought against BD by direct and indirect purchasers of BD's products. BD anticipates that these two new antitrust class action lawsuits will be consolidated for pre-trial purposes with the other eight actions in the Multi-District Litigation currently pending in federal court in New Jersey. As directed by the court, the direct and indirect purchaser plaintiffs in the Multi-District Litigation have filed consolidated complaints with the court. BD has filed motions to dismiss each of the consolidated complaints. With respect to the actions, class certification motions are scheduled to be briefed by the end of 2007, and oral arguments on class certification are expected to be held in early 2008.

BD believes it has meritorious defenses to these claims and continues to vigorously defend these lawsuits.

#### bioMérieux

bioMérieux SA has initiated an arbitration proceeding with the International Chamber of Commerce International Court of Arbitration in Paris, France, against GeneOhm Sciences Canada ("GeneOhm"), a subsidiary of BD. The arbitration relates to a sublicense agreement under which bioMérieux granted certain patent

rights to GeneOhm relating to a method for the detection of methicillin-resistant Staphylococcus aureus (MRSA). In the arbitration, bioMérieux alleges, among other things, that GeneOhm fraudulently induced bioMérieux into entering into the sublicense and assigned its rights in violation of the sublicense. bioMérieux is seeking monetary damages and to terminate the patent rights granted to GeneOhm under the sublicense agreement. The arbitration clause of the sublicense agreement provides that the arbitration will be held before a sole arbitrator, whose decision will be binding on both GeneOhm and bioMérieux. The loss of GeneOhm's rights under the sublicense with bioMérieux may adversely affect our ability to market our MRSA detection products. However, BD believes that there is no basis for bioMérieux to terminate the sublicense agreement and we intend to vigorously defend our position in the arbitration proceedings.

Separately, BD received a letter from bioMérieux invoking the dispute resolution clause of a separate license agreement between BD and bioMérieux, under which bioMérieux grants patent rights to BD for certain licensed fields relating to BD's BACTEC™ products. In the letter, bioMérieux alleges that sales of BD's BACTEC™ products have been made in non-licensed fields and that such sales constitute a material breach of the license agreement. bioMérieux requests compensation for any non-licensed sales, as well as cessation of all future sales in non-licensed fields. BD believes there has been no material breach of the agreement and intends to follow the dispute resolution provisions to resolve the matter, while vigorously defending its position with respect to the alleged material breach.

#### Other

As was previously reported, in August 2004, we were served with an administrative subpoena issued by the United States Attorney's Office in Dallas, Texas (the "U.S. Attorney") in connection with an investigation the U.S. Attorney is conducting of transactions between another company and certain of its suppliers, including BD. We have fully responded to the subpoena. Recently, the U.S. Attorney requested that BD inform the U.S. Attorney as to the availability of a small number of BD employees for interviews. We were advised that the U.S. Attorney was making similar requests of other suppliers who had dealings with the company.

#### Summary

Given the uncertain nature of litigation generally, BD is not able in all cases to estimate the amount or range of loss that could result from an unfavorable outcome of the litigation to which BD is a party. In accordance with U.S. generally accepted accounting principles, BD establishes accruals to the extent probable future losses are estimable (in the case of environmental matters, without considering possible third-party recoveries). In view of the uncertainties of litigation, BD could incur charges in excess of any currently established accruals and, to the extent available, excess liability insurance. In the opinion of management, any such future charges, individually or in the aggregate, could have a material adverse effect on BD's consolidated results of operations and consolidated cash flows in the period or periods in which they are recorded or paid.

Item 1A. Risk Factors

There have been no material changes from the risk factors disclosed in Part 1, Item 1A, of our Annual Report on Form 10-K for the 2006 fiscal year.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The table below sets forth certain information regarding our purchases of common stock of BD during the quarter ended March 31, 2007.

Issuer Purchases of Equity Securities

For the three months ended March 31, 2007	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2)
January 1 – 31, 2007	257,044	\$75.83	250,000	5,253,814
February 1 – 28, 2007	904,917	\$77.39	900,000	4,353,814
March 1 – 31, 2007	318,161	\$75.12	318,000	4,035,814
Total	1,480,122	\$76.63	1,468,000	4,035,814

(1) Includes 6,202 shares purchased during the quarter in open market transactions by the trustee under BD's Deferred Compensation Plan and 1996 Directors' Deferral Plan, and 5,920 shares delivered to BD in connection with stock option exercises.

(2) These repurchases were made pursuant to a repurchase program covering 10 million shares authorized by the Board of Directors of BD on November 22, 2005 (the "2005 Program"). There is no expiration date for the 2005 Program.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders

Our Annual Meeting of Shareholders was held on January 30, 2007, at which the following matters were voted upon:

- i.) A management proposal for the election of five directors for the terms indicated below was voted upon as follows:

<u>Nominee</u>	<u>Term</u>	<u>For</u>	<u>Withheld</u>
Claire M. Fraser-Liggett	2 Years	221,040,823	3,017,370
Henry P. Becton, Jr.	3 Years	219,133,338	4,924,855
Edward F. DeGraan	3 Years	214,048,405	10,009,788
Adel A. F. Mahmoud	3 Years	221,372,532	2,685,661
James F. Orr	3 Years	220,025,639	4,032,554

The directors whose term of office as a director continued after the meeting are: Basil L. Anderson, Edward J. Ludwig, Gary A. Mecklenburg, Willard J. Overlock, Jr., James E. Perrella, Bertram L. Scott and Alfred Sommer.

- ii.) A management proposal to ratify the selection of Ernst & Young, LLP as independent registered public accounting firm for the fiscal year ending September 30, 2007 was voted upon. 220,918,988 shares were voted for the proposal, 1,649,598 shares were voted against, and 1,489,607 shares abstained.
- iii.) A management proposal to amend the 2004 Employee and Director Equity-Based Compensation Plan was voted upon. 183,174,467 shares were voted for the proposal, 18,429,334 shares were voted against, 1,914,459 shares abstained, and there were 20,539,933 broker non-votes.
- iv.) A shareholder proposal requesting that the Board of Directors take the necessary steps to provide for cumulative voting in the election of directors was voted upon. 84,694,869 shares were voted for the proposal, 116,625,302 shares were voted against, 2,196,731 shares abstained, and there were 20,541,291 broker non-votes.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

Exhibit 10(d)(i)	Deferred Compensation Plan, as amended and restated as of March 27, 2007.
Exhibit 10(f)(i)	Retirement Benefit Restoration Plan, as amended and restated as of March 27, 2007.
Exhibit 31	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to SEC Rule 13a - 14(a).
Exhibit 32	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to Rule 13a - 14(b) and Section 1350 of Chapter 63 of Title 18 of the U.S. Code.

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 thereunto duly authorized.

Becton, Dickinson and Company  
(Registrant)

Dated: May 9, 2007

/s/ John R. Considine  
John R. Considine  
Senior Executive Vice President and  
Chief Financial Officer  
(Principal Financial Officer)

/s/ William A. Tozzi  
William A. Tozzi  
Vice President and Controller  
(Chief Accounting Officer)

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Description of Exhibits</u>
10(d)(i)	Deferred Compensation Plan, as amended and restated as of March 27, 2007.
10(f)(i)	Retirement Benefit Restoration Plan, as amended and restated as of March 27, 2007.
31	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to SEC Rule 13a - 14(a).
32	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to Rule 13a - 14(b) and Section 1350 of Chapter 63 of Title 18 of the U.S. Code.

BECTON, DICKINSON AND COMPANY

DEFERRED COMPENSATION PLAN

(Formerly the Becton, Dickinson and Company Salary and Bonus Deferral Plan)

Amended and Restated as of March 27, 2007

---



**BECTON, DICKINSON AND COMPANY**  
**DEFERRED COMPENSATION PLAN**  
Amended and Restated as of March 27, 2007

**TABLE OF CONTENTS**

<b>ARTICLE I</b>	<b>Definitions</b>	<b>2</b>
Section 1.1	“Accounts”	2
Section 1.2	“Annual Open Enrollment Period”	2
Section 1.3	“Base Salary”	2
Section 1.4	“Board of Directors”	2
Section 1.5	“Bonus”	2
Section 1.6	“Change in Control”	2
Section 1.7	“Code”	4
Section 1.8	“Committee”	4
Section 1.9	“Common Stock”	4
Section 1.10	“Company”	4
Section 1.11	“Company Discretionary Credits”	4
Section 1.12	“Company Discretionary Credit Account”	4
Section 1.13	“Company Matching Credits”	4
Section 1.14	“Company Matching Credit Account”	4
Section 1.15	“Deferral Election”	4
Section 1.16	“Deferred Bonus”	4
Section 1.17	“Deferred Bonus Account”	4
Section 1.18	“Deferred Bonus Election”	5
Section 1.19	“Deferred Equity-Based Compensation”	5
Section 1.20	“Deferred Equity-Based Compensation Account”	5
Section 1.21	“Deferred Equity-Based Compensation Election”	5
Section 1.22	“Deferred Salary”	5
Section 1.23	“Deferred Salary Account”	5
Section 1.24	“Deferred Salary Election”	5
Section 1.25	“Deferred SERP Distribution”	5
Section 1.26	“Deferred SERP Distribution Account”	5
Section 1.27	“Deferred SERP Distribution Election”	5
Section 1.28	“Deferred Stock Account”	5
Section 1.29	“Deferred Stock Election”	5
Section 1.30	“Disabled”	6
Section 1.31	“Dividend Reinvestment Return”	6
Section 1.32	“Equity-Based Compensation”	6
Section 1.33	“Equity-Based Compensation Plan”	6
Section 1.34	“ERISA”	6
Section 1.35	“Fiscal Year”	6
Section 1.36	“Investment Election”	6
Section 1.37	“Investment Options”	6
Section 1.38	“NYSE”	6

---

Section 1.39	“Other Stock-Based Awards”	6
Section 1.40	“Participant”	6
Section 1.41	“Performance Units”	6
Section 1.42	“Plan”	6
Section 1.43	“Plan Year” means the calendar year	7
Section 1.44	“Restricted Stock Units”	7
Section 1.45	“SERP”	7
Section 1.46	“Stock Award Plan”	7
Section 1.47	“Stock Trust”	7
<b>ARTICLE II</b>	<b>Eligibility and Participation</b>	<b>8</b>
Section 2.1	Eligibility	8
Section 2.2	Participation	8
<b>ARTICLE III</b>	<b>Deferral Elections and Deferral Periods</b>	<b>11</b>
Section 3.1	Deferred Salary Election	11
Section 3.2	Deferred Bonus Election	11
Section 3.3	Deferred Equity-Based Compensation Election	12
Section 3.4	Deferred SERP Distribution Election	13
Section 3.5	Company Matching Credits	13
Section 3.6	Company Discretionary Credits	14
Section 3.7	Deferral Period	14
Section 3.8	Modification of Deferral Period	14
<b>ARTICLE IV</b>	<b>Participants’ Accounts</b>	<b>16</b>
Section 4.1	Crediting of Employee Deferrals and Company Matching and Discretionary Credits	16
Section 4.2	Investment Election	16
Section 4.3	Hypothetical Earnings	16
Section 4.4	Vesting	19
Section 4.5	Account Statements	19
<b>ARTICLE V</b>	<b>Distributions and Withdrawals</b>	<b>20</b>
Section 5.1	Timing of Distribution	20
Section 5.2	Form of Distribution	23
<b>ARTICLE VI</b>	<b>General Provisions</b>	<b>26</b>
Section 6.1	Unsecured Promise to Pay	26
Section 6.2	Plan Unfunded	26
Section 6.3	Designation of Beneficiary	26
Section 6.4	Expenses	27
Section 6.5	Voting Common Stock	27
Section 6.6	Non-Assignability	27
Section 6.7	Mandatory Deferral	27
Section 6.8	Employment/Participation Rights	27

Section 6.9	Severability	28
Section 6.10	No Individual Liability	28
Section 6.11	Tax Withholding	28
Section 6.12	Applicable Law	29
Section 6.13	Incompetency	29
Section 6.14	Notice of Address	29
<b>ARTICLE VII</b>	<b>Administration</b>	<b>30</b>
Section 7.1	Committee	30
Section 7.2	Claims Procedure	30
<b>ARTICLE VIII</b>	<b>Amendment, Termination and Effective Date</b>	<b>31</b>
Section 8.1	Amendment of the Plan	31
Section 8.2	Termination of the Plan	31
Section 8.3	No Impairment of Benefits	31
Section 8.4	Effective Date	31

BECTON, DICKINSON AND COMPANY

DEFERRED COMPENSATION PLAN

Amended and Restated as of March 27, 2007

FOREWORD

Effective as of August 1, 1994 (the “Effective Date”), Becton, Dickinson and Company (the “Company”) adopted the Becton, Dickinson and Company Salary and Bonus Deferral Plan (the “Plan”) for the benefit of certain of its employees. The Plan is intended to be an unfunded plan of deferred compensation primarily for the benefit of a select group of management and highly compensated employees. To the extent that the Plan permits the voluntary deferral of bonuses, the Plan is intended to amend and replace the Bonus Deferral Option of the Becton, Dickinson and Company Executive Bonus Plan.

The purpose of the Plan is to permit those employees of the Company who are part of a select group of management or highly compensated employees to defer, pursuant to the provisions of the Plan, a portion of the salaries, bonuses and other remuneration (including certain equity-based compensation) otherwise payable to them.

Effective as of August 15, 1996, the Board of Directors of the Company amended the Plan to permit Participants to have their deferred salaries or deferred bonuses considered to be invested in Common Stock of the Company, to permit those Participants to vote a number of shares of Common Stock equal to the number considered to be held for their benefit under the Plan, and for certain other purposes.

Effective as of November 1, 2001, the Plan is amended and restated to rename the Plan as the Becton, Dickinson and Company Deferred Compensation Plan, and to modify the deferral opportunities and the distribution and withdrawal options under the Plan, and to make certain other modifications deemed desirable.

Effective as of March 22, 2004, the Plan is amended and restated to permit participants to defer certain equity-based compensation awarded under the Becton, Dickinson and Company Stock Award Plan (the “Stock Award Plan”) and the Becton, Dickinson and Company 2004 Employee and Director Equity-Based Compensation Plan (the “Equity-Based Compensation Plan”) and to clarify the Committee’s discretion to require Deferral Elections to be made earlier than September 30 of a Plan Year with respect to amounts to be paid in a year or years following the Plan Year.

Effective as of March 27, 2007, the Plan is amended and restated to expand the instances in which Participants would receive Company Matching Credits.

---

## ARTICLE I

### Definitions

Section 1.1 “Accounts” means the bookkeeping accounts established under the Plan, if any, on behalf of a Participant and includes earnings credited thereon or losses charged thereto.

Section 1.2 “Annual Open Enrollment Period” means the annual period designated by the Committee, which ends not later than the December 31 of a Plan Year, during which a Participant may make or change elections to defer annual Base Salary, Bonuses, Equity-Based Compensation, and SERP distributions. Notwithstanding the foregoing, the Annual Open Enrollment Period for 2001 shall be the period designated by the Committee which ends not later than November 9, 2001.

Section 1.3 “Base Salary” means the base salary or wages otherwise taken into account under the Becton, Dickinson and Company Savings Incentive Plan, determined in accordance with the provisions of such plan, but without regard to the limitation on compensation otherwise required under Code section 401(a)(17), and without regard to any deferrals of the foregoing of compensation under this or any other plan of deferred compensation maintained by the Company.

Section 1.4 “Board of Directors” means the Board of Directors of the Company.

Section 1.5 “Bonus” means the annual bonus payable under the Company’s Performance Incentive Plan, or any successor thereto.

Section 1.6 “Change in Control” of the Company means any of the following events:

(1) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 25% or more of either (A) the then-outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that, for purposes of this Section 1.6, the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any affiliated company, (iv) any acquisition by any corporation pursuant to a transaction that complies with Sections 1.6(3)(A), 1.6(3)(B) and 1.6(3)(C), or (v) any acquisition that the Board determines, in good faith, was inadvertent, if the acquiring Person divests as promptly as practicable a sufficient amount of the Outstanding Company Common Stock and/or the Outstanding

---

Company Voting Securities, as applicable, to reverse such acquisition of 25% or more thereof.

(2) Individuals who, as of April 24, 2000, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to April 24, 2000 whose election, or nomination for election as a director by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

(3) Consummation of a reorganization, merger, consolidation or sale or other disposition of all or substantially all of the assets of the Company (a “Business Combination”), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 25% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(4) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

---

Section 1.7 “Code” means the Internal Revenue Code of 1986, as amended, or any successor statute.

Section 1.8 “Committee” means the committee that is responsible for administering the Plan. The Committee shall consist of three or more employees of the Company as determined by, and appointed by, the Board of Directors. The Committee may delegate pursuant to a written authorization (including, by way of illustration, through a contract, memorandum, or other written delegation document) any or all of its responsibilities involving ongoing day-to-day administration or ministerial acts, as set forth in this Plan to one or more individuals or service-providers. In any case where this Plan refers to the Committee, such reference is deemed to be a reference to any delegate of the Committee appointed for such purpose.

Section 1.9 “Common Stock” means the common stock (\$1.00 par value) of the Company, including any shares into which it may be split, subdivided or combined.

Section 1.10 “Company” means Becton, Dickinson and Company and any successor to such corporation by merger, purchase or otherwise.

Section 1.11 “Company Discretionary Credits” means the amounts credited to a Participant’s Company Discretionary Credit Account, if any, pursuant to Section 3.6.

Section 1.12 “Company Discretionary Credit Account” means the bookkeeping account established under Section 3.6, if any, on behalf of a Participant and includes any earnings credited thereon or losses charged thereto pursuant to Article IV.

Section 1.13 “Company Matching Credits” means the amounts credited to a Participant’s Company Matching Credit Account, if any, pursuant to Section 3.5.

Section 1.14 “Company Matching Credit Account” means the bookkeeping account established under Section 3.5, if any, on behalf of a Participant and includes any earnings credited thereon or losses charged thereto pursuant to Article IV.

Section 1.15 “Deferral Election” means the Participant’s election to participate in this Plan and defer amounts eligible for deferral in accordance with the Plan terms. Except as the context otherwise requires, references herein to Deferral Elections include any subsequent modifications of a prior Deferral Election.

Section 1.16 “Deferred Bonus” means the amount of a Participant’s Bonus that such Participant has elected to defer until a later year pursuant to an election under Section 3.2. Reference in this Plan to a Participant’s “Basic Deferred Bonus” shall mean the first six percent (6%) of a Participant’s Bonus that such Participant has elected to defer under this Plan in any Plan Year. Reference in this Plan to a Participant’s “Supplemental Deferred Bonus” shall mean any Bonus deferred by a Participant under the Plan that does not constitute Basic Deferred Bonus.

Section 1.17 “Deferred Bonus Account” means the bookkeeping account established under Section 3.2 on behalf of a Participant, and includes any earnings credited thereon or losses charged thereto pursuant to Article IV.

---

Section 1.18 “Deferred Bonus Election” means the election by a Participant under Section 3.2 to defer a portion of the Participant’s Bonus until a later year.

Section 1.19 “Deferred Equity-Based Compensation” means the amount of a Participant’s Equity-Based Compensation that such Participant has elected to defer until a later year pursuant to an election under Section 3.3.

Section 1.20 “Deferred Equity-Based Compensation Account” means the bookkeeping account established under Section 3.3 on behalf of a Participant, and includes any earnings credited thereon or losses charged thereto pursuant to Section 4.3(b).

Section 1.21 “Deferred Equity-Based Compensation Election” means the election by a Participant under Section 3.3 to defer a portion of the Participant’s Equity-Based Compensation.

Section 1.22 “Deferred Salary” means the amount of a Participant’s Base Salary that such Participant has elected to defer until a later year pursuant to an election under Section 3.1. Reference to a Participant’s “Basic Deferred Salary” shall mean the first six percent (6%) of a Participant’s Base Salary that such Participant has elected to defer under the Plan in any Plan Year. Reference to a Participant’s “Supplemental Deferred Salary” shall mean any Base Salary deferred by a Participant under the Plan that does not constitute Basic Deferred Salary.

Section 1.23 “Deferred Salary Account” means the bookkeeping account established under Section 3.1 on behalf of a Participant, and includes any earnings credited thereon or losses charged thereto pursuant to Article IV.

Section 1.24 “Deferred Salary Election” means the election by a Participant under Section 3.1 to defer until a later year a portion of his or her Base Salary.

Section 1.25 “Deferred SERP Distribution” means the amount of a Participant’s SERP distribution that such Participant has elected to defer under this Plan pursuant to an election under Section 3.4.

Section 1.26 “Deferred SERP Distribution Account” means the bookkeeping account established under Section 3.4 on behalf of a Participant, and includes any earnings credited thereon or losses charged thereto pursuant to Article IV.

Section 1.27 “Deferred SERP Distribution Election” means the election by a Participant under Section 3.4 to defer all or a portion of the Participant’s SERP distribution.

Section 1.28 “Deferred Stock Account” means the bookkeeping account established under Section 4.3(b) on behalf of a Participant and includes, in addition to amounts stated in that Section, any Dividend Reinvestment Return credited thereon.

Section 1.29 “Deferred Stock Election” means the election by a Participant under Section 4.3(b) to have applicable deferred amounts credited in the form of Common Stock to the Participant’s Deferred Stock Account.

---



Section 1.30 “Disabled” means that a Participant is totally and permanently disabled as defined in the Company’s Long-Term Disability Plan.

Section 1.31 “Dividend Reinvestment Return” means the amounts which are credited to each Participant’s Deferred Stock Account pursuant to Section 4.3(b) to reflect dividends declared by the Company on its Common Stock.

Section 1.32 “Equity-Based Compensation” means (i) November 24, 2003, awards granted under the Stock Award Plan and (ii) Restricted Stock Units, Performance Units, and Other Stock-Based Awards granted under Sections 7, 8, and 9 of the Equity-Based Compensation Plan, and does not include any such awards that qualify as vested stock, restricted stock, stock option awards, or stock appreciation rights.

Section 1.33 “Equity-Based Compensation Plan” means the Becton, Dickinson and Company 2004 Employee and Director Equity-Based Compensation Plan.

Section 1.34 “ERISA” means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

Section 1.35 “Fiscal Year” means the fiscal year of the Company, which currently is the twelve month period commencing on the first day of October and ending on the last day of September of the following calendar year.

Section 1.36 “Investment Election” means the Participant’s election to have deferred amounts credited with hypothetical earnings credits (or losses) that track the investment performance of the Investment Options and/or Company Common Stock in accordance with Article IV.

Section 1.37 “Investment Options” means those hypothetical targeted investment options designated by the Committee as measurements of the rate of return to be credited to (or charged against) amounts deferred to Participants’ Accounts.

Section 1.38 “NYSE” means The New York Stock Exchange.

Section 1.39 “Other Stock-Based Awards” means awards granted under Section 9 of the Equity-Based Compensation Plan.

Section 1.40 “Participant” means a common law employee of the Company who meets the eligibility requirements for a deferral under this Plan as set forth in Article II and who is eligible to elect to defer amounts under this Plan in accordance with Article III.

Section 1.41 “Performance Units” means awards granted under Section 8 of the Equity-Based Compensation Plan.

Section 1.42 “Plan” means the Becton, Dickinson and Company Deferred Compensation Plan (previously the Becton, Dickinson and Company Salary and Bonus Deferral Plan) as from time to time in effect.

---

Section 1.43 “Plan Year” means the calendar year.

Section 1.44 “Restricted Stock Units” means Restricted Stock Units granted under Section 7 of the Equity-Based Compensation Plan.

Section 1.45 “SERP” means the Becton, Dickinson and Company Retirement Benefit Restoration Plan, as from time to time in effect.

Section 1.46 “Stock Award Plan” means the Becton, Dickinson and Company Stock Award Plan as the same may be amended from time to time.

Section 1.47 “Stock Trust” means the Becton, Dickinson and Company Deferred Salary and Bonus Trust established as of August 15, 1996 between the Company and Wachovia Bank of North Carolina, N.A., as amended from time to time thereafter.

---

## ARTICLE II

### Eligibility and Participation

#### Section 2.1 Eligibility

- (a) An individual shall be eligible to become a Participant in this Plan if the individual meets the following requirements:
  - (i) the individual is a common law employee of a unit of the Company (or of one of its subsidiaries) to which the Plan has been adopted pursuant to a decision by, or with the approval of, the Board of Directors;
  - (ii) the individual is not a nonresident alien of the United States receiving no United States source income within the meaning of sections 861(a)(3) or 911(d)(2) of the Code; and
  - (iii) the employee has annualized Base Salary of \$100,000 or more for the calendar year in which the Deferral Election is required to be made.
- (b) The Committee shall have the ability to adjust, prospectively for any Plan Year, the dollar limitation in Section 2.1(a)(iii).
- (c) The Committee may also:
  - (i) designate as ineligible particular individuals, groups of individuals or employees of business units who otherwise would be eligible under Section 2.1(a); or
  - (ii) designate as eligible particular individuals, groups of individuals or employees of business units who otherwise would be ineligible under Section 2.1(a).
- (d) An employee who, at any time, ceases to meet the foregoing eligibility requirements, as determined in the sole discretion of the Committee, shall thereafter cease to be a Participant eligible to continue making deferrals under the Plan, and any deferral elections then in effect shall cease to be effective. In such case, the individual may remain a Participant in the Plan with respect to amounts already deferred prior to the date such individual ceased to be an active Participant.

#### Section 2.2 Participation

- (a) Deferral Election. As soon as practicable after the Committee determines that an employee is eligible to become a Participant, the Committee shall
-

provide the Participant with the appropriate election forms with which a Participant may make a Deferral Election. In the case of an employee who first becomes eligible during a Plan Year, such Deferral Election may be made within the first thirty (30) days of eligibility with respect to any Salary to be earned thereafter for the remainder of the Plan Year. In the case of a newly-hired participant, such Deferral Election within the first thirty (30) days of eligibility may also be made with respect to any Equity-Based Compensation awarded or granted at the time of hire and to be earned thereafter. In the case of Bonus awards granted in 2004 and 2005 and Equity-Based Compensation awards granted in 2003 and 2004, the Deferred Bonus and Deferred Equity-Based Compensation Elections shall be made by September 30, 2004, or such earlier time determined by the Committee. In the event that such Deferred Bonus and Deferred Equity-Based Compensation Elections are required by the Committee to be made earlier than September 30, 2004, in order that the Deferral Elections will be grandfathered under certain proposed legislation, but the legislation, as enacted, does not grandfather the Deferral Elections, the early Deferral Elections shall be void. If the Participant does not return the completed forms to the Committee at such time as required by the Committee, the Participant will not be allowed to participate in the Plan until the next Annual Open Enrollment Period. All Deferral Elections hereunder (including any modifications of prior Deferral Elections otherwise permitted under the Plan) may be made in accordance with written, electronic or telephonic procedures prescribed by the Committee.

- (b) Contents of Deferral Election. A Participant's Deferral Election must be made in the manner designated by the Committee and must be accompanied by:
- (i) an election to defer Base Salary, Bonus, and/or Company Matching Credits and, with respect to deferrals made on or after January 1, 2002, and through December 31, 2003, a single deferral period election and distribution option election with respect to all such amounts deferred for any Plan Year (all such amounts deferred with respect to any Plan Year shall be treated as a single category of deferral for purposes of determining deferral periods and distribution options), and, with respect to amounts deferred after December 31, 2003, a single deferral period election and distribution option election with respect to Base Salary and Company Matching Credit (Base Salary and Company Matching Credit deferrals with respect to any Plan Year shall be treated as a single category of deferral for purposes of determining deferral periods and distribution options) and separate deferral period and distribution option elections with respect to Bonus;
-

- (ii) an election to defer Equity-Based Compensation and a deferral period election with respect to Equity-Based Compensation, as determined by the Committee;
  - (iii) an election to defer SERP distributions and any Company Discretionary Credits and a separate deferral period election with respect to each such separate category of deferral;
  - (iv) an Investment Election (except with respect to an Equity-Based Compensation Election, which shall automatically be credited to a Deferred Stock Account for investment return purposes);
  - (v) a designation of a beneficiary or beneficiaries to receive any deferred amounts owed upon the Participant's death;
  - (vi) subject to section 2.2(b)(i), a designation as to the form of distribution for each separate year's deferral and each separate category of deferral; provided, however, that if no specific election is made with respect to any deferred amount, the Participant will be deemed to have elected to receive such amounts in the form of a lump sum distribution (in cash and, solely to the extent distributable amounts are credited to the Participant's Deferred Stock Account at the time of the distribution, shares of Common Stock);
  - (vii) an application for a policy of life insurance under which the Participant is the insured and the Company is the sole owner of and beneficiary under such policy; and
  - (viii) such additional information as the Committee deems necessary or appropriate.
-

## ARTICLE III

### Deferral Elections and Deferral Periods

#### Section 3.1 Deferred Salary Election

- (a) Each Participant who has elected to defer the maximum pre-tax elective deferral that is permitted for a calendar year under the Becton, Dickinson and Company Savings Incentive Plan and under Code section 402(g) may make a Deferred Salary Election with respect to Base Salary otherwise to be paid in such calendar year, provided that a valid Deferred Salary Election is made by the date specified in Section 3.1(b). A Participant may elect to defer from 1% to 75% of the Participant's Base Salary (in increments of 1%); provided, however, that the Participant must elect a Deferred Salary amount of at least \$5,000. Notwithstanding the foregoing, any Deferred Salary Election must be made in a manner that will ensure that the Participant is paid a sufficient amount of Base Salary that will allow adequate amounts available for (i) any pre-tax elective deferrals under the Becton, Dickinson and Company Savings Incentive Plan, and (ii) any amounts to be deferred by the Participant in order to participate in any other benefit programs maintained by the Company.
- (b) Except with respect to Deferred Salary Elections made by Participants who first become eligible to participate during a Plan Year (which elections must be made as specified in Section 2.2(a)), a Deferred Salary Election with respect to Base Salary for a particular calendar year must be made on or before the December 31 (November 9, 2001 with respect to salary earned during the 2002 year) preceding the commencement of such calendar year or at such earlier time as determined by the Committee. Once a Deferred Salary Election is made, it shall be irrevocable for the applicable calendar year and apply only to Base Salary otherwise to be paid during the applicable calendar year. Such Deferred Salary shall be credited to the Participant's Deferred Salary Account as of the first business day after the last day of each payroll period.

#### Section 3.2 Deferred Bonus Election

- (a) Each Participant who agrees to defer the maximum pre-tax elective deferral that is permitted for a calendar year under the Becton, Dickinson and Company Savings Incentive Plan and under Code section 402(g) may elect to make a Deferred Bonus Election with respect to a Bonus otherwise to be paid in the calendar year immediately following (or, in the discretion of the Committee, in a later year following) the year of the Participant's Deferred Bonus Election. A Participant may elect to defer from 1% to 100% of the Participant's Bonus (in increments of 1%); provided,
-

however, that the Participant's Deferred Bonus Election must result in a deferral of at least \$5,000.

- (b) A Deferred Bonus Election with respect to any Bonus to be paid in a particular calendar year must be made on or before the September 30 preceding the commencement of such calendar year (November 9, 2001 with respect to Bonus amounts to be paid in 2002) or at such earlier time as determined by the Committee. Notwithstanding the foregoing, with respect to Bonus amounts that are not otherwise paid during 2007, an eligible Participant may make a deferral election with respect to such Bonus at such time as determined by the Committee in a manner consistent with guidance issued pursuant to Code section 409A. Once made, a Deferred Bonus Election cannot be changed or revoked except as provided herein. Such Deferred Bonus shall be credited to the Participant's Deferred Bonus Account as of the first business day in January of the year that the Bonus otherwise would have been paid to the Participant in the absence of any deferral hereunder.

### Section 3.3 Deferred Equity-Based Compensation Election

- (a) To the extent permitted by law on a tax deferred basis, each Participant may elect to make a Deferred Equity-Based Compensation Election with respect to Equity-Based Compensation otherwise to be paid in the calendar year immediately following (or, in the discretion of the Committee, in a later year following) the year of the Participant's Deferred Equity-Based Compensation Election. A Participant may elect to defer from 1% to 100% of the Participant's Equity-Based Compensation, and may make separate elections with respect to each of the Participant's Restricted Stock Units, Performance Units, Other Stock-Based Awards, and November 24, 2003, awards under the Stock Award Plan, provided, however, that the Participant's total Equity-Based Compensation Election must result in a deferral of at 100 units of Equity-Based Compensation.
  - (b) A Deferred Equity-Based Compensation Election with respect to any Equity-Based Compensation to be paid in a particular calendar year must be made on or before September 30 preceding the commencement of such calendar year or at such earlier time as determined by the Committee. Once made, a Deferred Equity-Based Compensation Election cannot be changed or revoked except as provided herein. Such Deferred Equity-Based Compensation shall be credited to the Participant's Deferred Equity-Based Compensation Account as soon as practicable after the Equity-Based Compensation otherwise would vest and be paid, and will be credited for investment tracking purposes to the Participant's Deferred Stock Account under Section 4.3(b).
-

Section 3.4 Deferred SERP Distribution Election

- (a) Each Participant who is otherwise a participant in the SERP may elect to make a Deferred SERP Distribution Election, at the time specified in subsection (b) below, with respect to a SERP distribution that is otherwise to be paid to the Participant. A Participant may elect to defer from 1% to 100% of the Participant's applicable SERP distribution (in increments of 1%); provided, however, that the total of the Participant's Deferred SERP Distribution Election must result in a deferral of at least \$5,000.
- (b) A Deferred SERP Distribution Election with respect to any SERP distribution payable during a particular calendar year must be made at least one year before the date that the SERP distribution is otherwise payable to the Participant. Once made, a Deferred SERP Distribution Election cannot be changed or revoked except as provided herein. Such Deferred SERP Distribution shall be credited to the Participant's Deferred SERP Distribution Account as soon as practicable after such amount would otherwise have been payable to the Participant. If the Participant otherwise becomes entitled to a SERP distribution after having made such an election and before the end of such one-year period, such election shall be ineffective and the applicable SERP distribution shall not be deferred hereunder.

Section 3.5 Company Matching Credits

If a Participant has made a Deferred Salary Election in accordance with Section 3.1 or a Deferred Bonus Election in accordance with Section 3.2, then the Participant shall be eligible to have Company Matching Credits credited to the Participant's Company Matching Credit Account. Such Company Matching Credits shall be credited to the Participant's Company Matching Credit Account as soon as practicable as determined by the Committee after such deferral is credited to the Participant's Deferred Salary Account and/or Deferred Bonus Account, but in no event less frequently than on a monthly basis, and shall be subject to the overall Plan Year limit on such amounts described below and the vesting schedule described in Article IV. The amount of such Company Matching Credits for a Plan Year shall equal 75% of the sum of the Participant's Basic Deferred Salary deferred pursuant to Section 3.1 and the Participant's Basic Deferred Bonus deferred pursuant to Section 3.2; provided, however, that in no event shall the total amount of Company Matching Credits to which a Participant is entitled to during a Plan Year exceed 4.5% of two (2) times the dollar limit otherwise in effect for such Plan Year under Code section 401(a)(17). Any Company Matching Credits credited to a Participant's Company Matching Credit Account pursuant to a Deferred Salary Election or Deferred Bonus Election made in accordance with the terms of the Plan are independent of and not affected

---



by any matching contributions to which such Participant is entitled to under the SIP.

Section 3.6 Company Discretionary Credits

The Company may, in its sole discretion, provide for additional credits to all or some Participants' Accounts at any time. Such amounts shall be credited to the Participant's Company Discretionary Credit Account and shall be subject to the vesting schedule established by the Company at the time such amounts are credited.

Section 3.7 Deferral Period

With respect to amounts deferred in accordance with Sections 3.1 through 3.6, in accordance with section 2.2(b), each Participant must elect the deferral period for each separate category of deferral. Subject to the additional deferral provisions of Section 3.8 and the acceleration provisions of Article V, a Participant's deferral period may be for a specified number of years or until a specified date, subject to any limitations that the Committee in its discretion may choose to apply, provided that, in all events, a deferral period must be for at least two (2) years from the first day of the Plan Year in which the deferred amounts would otherwise be payable (or, in the case of amounts described in Section 3.5 or Section 3.6, credited to the Participant's Account). However, notwithstanding the deferral period otherwise specified, payments shall be paid or begin to be paid under the Plan in accordance with the mandatory distribution provisions in Article V.

Section 3.8 Modification of Deferral Period

- (a) With respect to any previously deferred amount credited to a Participant's Accounts, a Participant may request that the Committee approve an additional deferral period of at least two (2) years from the date the previously deferred amounts were otherwise payable. Any such request must be made by written notice to the Committee at least twelve (12) months before the expiration of the deferral period for any previously deferred amount with respect to which an additional deferral election is requested. A separate additional deferral election is required to be made for each separate category of previously deferred amount that is treated as subject to a single deferral period election under section 2.2(b) above. Each such additional deferral election request shall include a newly designated manner of payment election in accordance with the provision of Section 5.2 below. No more than two such extensions may be elected by a Participant with respect to any specific deferred amount.
  - (b) With respect to any previously deferred amount credited to a Participant's Accounts, a Participant may request that the Committee approve an
-

accelerated deferral date with respect to amounts that are not otherwise payable for at least three (3) years from the date of such request, provided that the resulting accelerated deferral date may not be any earlier than two (2) years from the date of such Participant election. A separate deferral modification election is required to be made for each separate category of previously deferred amount that is treated as subject to a single deferral period election under section 2.2(b) above. Each such modified deferral period request shall include a newly designated manner of payment election in accordance with the provisions of Section 5.2 below. No more than two such modifications may be elected by a Participant with respect to any specific deferred amount.

---

## ARTICLE IV

### Participants' Accounts

#### Section 4.1 Crediting of Employee Deferrals and Company Matching and Discretionary Credits

Deferrals to this Plan that are made under Article III shall be credited to the Participant's Accounts in accordance with such rules established by the Committee from time to time. Each Participant's Accounts shall be administered in a way to permit separate Deferral Elections, deferral periods, and Investment Elections with respect to various Plan Year deferrals and compensation types as the Committee determines, in its sole discretion, are necessary or appropriate.

#### Section 4.2 Investment Election

Effective January 1, 2002, all balances reflected through December 31, 2001 credited to the Accounts of Participants who are not actively employed on January 1, 2002 shall continue to be credited with earnings (or charged with losses) to reflect the income (or loss) that would have been earned had the deferred amounts been invested in the Investment Options then in effect with respect to such Participants. With respect to amounts credited to all other Participants' Accounts under the Plan, Participants' Investment Elections with respect to deferred amounts hereunder shall be made pursuant to the written, telephonic or electronic methods prescribed by the Committee and subject to such rules on Investment Elections and Investment Options as established by the Committee from time to time. Upon receipt by the Committee, and in accordance with rules established by the Committee, an Investment Election shall be effective as soon as practicable after receipt and processing of the election by the Committee. Investment Elections will continue in effect until changed by the Participant. An eligible Participant (including a Participant who terminates employment on or after January 1, 2002) may change a prior Investment Election (or default Investment Election) with respect to deferred amounts on a monthly basis, by notifying the Committee, at such time and in such manner as approved by the Committee. Any such changed Investment Election may result in amending Investment Elections for prior deferrals or for future deferrals or both.

#### Section 4.3 Hypothetical Earnings

- (a) General. Subject to Section 4.2, additional hypothetical bookkeeping amounts shall be credited to (or deducted from) a Participant's Accounts to reflect the earnings (or losses) that would have been experienced had
-

the deferred amounts been invested in the Investment Options selected by the Participant as targeted rates of return, net of all fees and expenses otherwise associated with the Investment Options. The Committee may add or delete Investment Options, on a prospective basis, by notifying all Participants whose Accounts are hypothetically invested in such Options, in advance, and soliciting elections to transfer deferred amounts so that they track investments in other Investment Options then available.

- (b) Company Stock Investment Option. Instead of having deferred amounts credited with hypothetical earnings (or losses) in accordance with Section 4.3(a), and subject to Section 4.2, a Participant may elect to have all or part of the Participant's deferred amounts (in whole percentage increments) credited in the form of Common Stock to a Deferred Stock Account. Such an election may be made as a part of the Participant's Deferral Election and thereafter on the same basis as Participants are permitted to make other Investment Elections and using the same or similar procedures as participants use to make other Investment Elections under Section 4.2. In addition, any amounts credited to a Participant's Accounts other than the Participant's Deferred Stock Account may be transferred for hypothetical investment tracking purposes to the Participant's Deferred Stock Account. In all events, once amounts are credited to a Participant's Deferred Stock Account, no Investment Election may cause amounts credited to a Participant's Deferred Stock Account to be transferred for hypothetical investment tracking purposes to a Participant's Accounts other than the Participant's Deferred Stock Account. All distributions of amounts credited to a Participant's Deferred Stock Account may only be distributed in whole shares of Common Stock (with cash for fractional shares).

A Participant's Deferred Stock Account will be credited:

- (i) as of the first business day after the last day of each bi-weekly payroll period, with the number of shares of Common Stock (in whole shares and fractional shares, as determined by the Committee) determined by dividing the Participant's deferred amounts attributable to Deferred Salary for such bi-weekly payroll period subject to the Deferred Stock Election by the price for shares of Common Stock, determined by the Committee, as of the day such deferred amounts are credited to the Participant's Account; and
  - (ii) annually, as of the first business day in January of each calendar year, with the number of shares of Common Stock (in whole shares and fractional shares, as determined by the Committee) determined by dividing the portion of the Participant's Deferred Bonus and Company Matching Credits subject to the Deferred Stock Election by the price for shares of Common Stock, determined by the
-

Committee, as of the day such deferred amounts are credited to the Participant's Accounts; and

- (iii) at such other times as the Committee determines with respect to all other deferred amounts under the Plan, with the number of shares of Common Stock (in whole shares and fractional shares, as determined by the Committee) determined by dividing the portion of the Participant's deferred amounts to be credited in the Deferred Stock Account by the price for shares of Common Stock, determined by the Committee, as of the day such deferred amounts are credited to the Participant's Account, or, in the case of deferred amounts measured in stock units, by crediting the account with the same number of shares of Common Stock.

If the Company enters into transactions involving stock splits, stock dividends, reverse splits or any other recapitalization transactions, the number of shares of Common Stock credited to a Participant's Deferred Stock Account will be adjusted (in whole shares and fractional shares, as determined by the Committee) so that the Participant's Deferred Stock Account reflects the same equity percentage interest in the Company after the recapitalization as was the case before such transaction.

If at least a majority of the Company's stock is sold or exchanged by its shareholders pursuant to an integrated plan for cash or property (including stock of another corporation) or if substantially all of the assets of the Company are disposed of and, as a consequence thereof, cash or property is distributed to the Company's shareholders, each Participant's Deferred Stock Account will, to the extent not already so credited under this Section 4.3(b), be (i) credited with the amount of cash or property receivable by a Company shareholder directly holding the same number of shares of Common Stock as is credited to such Participant's Deferred Stock Account and (ii) debited by that number of shares of Common Stock surrendered by such equivalent Company shareholder.

Each time the Company declares a dividend on its Common Stock, each Participant's Deferred Stock Account will be credited with a Dividend Reinvestment Return equal to that number of shares of Common Stock (in whole shares and fractional shares, as determined by the Committee) determined by dividing (i) the amount that would have been paid (or the fair market value thereof, if the dividend is not paid in cash) to the Participant on the total number of shares of Common Stock credited to the Participant's Deferred Stock Account had that number of shares of Common Stock been held by such Participant by (ii) the price for shares of Common Stock, determined by the Committee, as of the dividend payment date.

---

(c) Limitations on Allocations and Reallocations to and From Deferred Stock Account.

Pursuant to the Policy Statement on Insider Trading and Compliance, as the same may be amended (the "Policy"), there are time periods (each, a "blackout period") during which time Participants may not effect transactions, directly or indirectly, in Company equity securities. Under the Policy, the Company's Corporate Secretary may also impose additional blackout periods with respect to some or all Participants. Participants whose ability to effect transactions is prohibited during such blackout periods also will be prohibited during such periods from making any Investment Election or Deferred Stock Election that increases or decreases the amount credited to the participant's Deferred Stock Account. The Committee, at the direction of the Company's Corporate Secretary, shall adopt and implement procedures to ensure that the provisions of this Paragraph are carried out.

Section 4.4 Vesting

At all times a Participant shall be fully vested in his Deferred Salary, Deferred Bonus, Deferred Equity-Based Compensation, and Deferred SERP Distribution Accounts hereunder (including any earnings or losses and Dividend Reinvestment Return thereon). A Participant shall become vested in any Company Matching Credits in the same manner and to the same extent as the Participant is vested in matching contributions otherwise credited to the Participant under the Becton, Dickinson and Company Savings Incentive Plan. A Participant shall become vested in any Company Discretionary Credits pursuant to the vesting schedule established by the Company at the time such Credits, if any, are made. Except as otherwise provided in Section 5.1(b) (death) or Section 5.1(c) (disability), if a Participant terminates employment at any time prior to becoming fully vested in amounts credited to the Participant's Accounts hereunder, the nonvested amounts credited to the Participant's Accounts shall be immediately forfeited and the Participant shall have no right or interest in such nonvested deferred amounts.

Section 4.5 Account Statements

Within 60 days following the end of each Plan Year (or at such more frequent times determined by the Committee), the Committee shall furnish each Participant with a statement of Account which shall set forth the balances of the individual's Accounts as of the end of such Plan Year (or as of such time determined by the Committee), inclusive of tracked earnings (or losses) and any Dividend Reinvestment Return. In addition, the Committee shall maintain records reflecting each year's deferrals separately by type of compensation.

---

## ARTICLE V

### Distributions and Withdrawals

#### Section 5.1 Timing of Distribution

- (a) Time of Distribution – Distributions Other than Death, Disability, or Scheduled Distributions. Except as otherwise provided herein in the case of a Participant who retires and subject to Section 5.1(d), a Participant's vested Accounts shall be paid or commence to be paid, in the form of distribution elected in a particular Deferral Election (subject to Section 5.2), at such date as determined in the sole discretion of the Committee following the earlier of: (i) the Participant's termination of employment, or (ii) the date otherwise specified in the Participant's Deferral Election. In the case of a Participant who retires from employment hereunder (as defined below), and subject to Section 5.1(d), a Participant's vested Accounts shall be paid or commence to be paid, in the form of distribution elected in a particular Deferral Election (subject to Section 5.2), at such date as determined in the sole discretion of the Committee following the later of: (i) the Participant's retirement from active employment (or, in the case of certain Equity-Based Compensation that vests one year after retirement, one year after retirement), or (ii) the date otherwise specified in the Participant's Deferral Election; provided however that, in all events distributions to such a retired Participant must be made (or commence to be paid) as of the earlier of the Participant's attainment of age 70 or death. For purposes of this Section 5.1(a), a Participant has "retired" from active employment if:
- (i) the Participant terminates from active employment after having attained age 65 with five years of service with the Company or an affiliate;
  - (ii) the Participant terminates from active employment after having attained age 55 with ten years of service with the Company or an affiliate; or
  - (iii) the Committee, in its sole discretion, otherwise determines that the Participant has retired for this purpose.
- (b) Timing of Distributions – Participant's Death. If a Participant dies before the full distribution of the Participant's Accounts under this Article V, any deferred amounts that are not vested and have not previously been forfeited shall become 100% vested. Unless the Participant had commenced receiving installment payments, as soon as practicable after the Participant's death, all remaining amounts credited to the Participant's Accounts shall be paid in a single lump sum payment to the Participant's
-

named beneficiary (or beneficiaries). In the absence of any beneficiary designation, payment shall be made to the personal representative, executor or administrator of the Participant's estate. Beneficiary designations may be changed by a Participant at any time without the consent of the Participant's spouse or any prior beneficiary. If the Participant dies after having commenced to receive installment payments, the Participant's beneficiary may accelerate the payment of any remaining installment payments as follows:

- (i) The beneficiary may request (within a reasonable time after the Participant's death, as specified by the Committee) that all remaining installment payments that are otherwise to be paid to the beneficiary at least twelve (12) months after the date of the request be accelerated and paid in a single lump sum payment as of a date specified by the Committee that is at least twelve (12) months after the date of the request; or
  - (ii) The beneficiary may request (within a reasonable time after the Participant's death, as specified by the Committee) that all remaining installment payments that are otherwise to be paid to the beneficiary be accelerated and paid in the form of an immediate lump sum payment, subject to the requirement that ten percent (10%) of the remaining amounts be permanently forfeited.
- (c) Timing of Distributions – Participant's Disability. Notwithstanding anything in the Plan to the contrary, if a Participant becomes Disabled, the Participant will be treated as having terminated employment and any deferred amounts that are not vested and have not previously been forfeited shall become 100% vested. Notwithstanding anything in a Participant's Deferral Election to the contrary with respect to payment commencement, as soon as practicable after the Participant becomes Disabled, all remaining amounts credited to the Participant's Accounts shall be paid or commence to be paid to the Participant in the form of distribution elected by the Participant in the Participant's Deferral Election. In addition, as soon as practicable after the Participant becomes Disabled, the Participant may request that the Committee change any installment distribution election so that amounts subject to the election are accelerated and paid in the form of a single lump sum distribution. Such distribution shall be made only if the Committee, taking into account the type of factors taken into account in the event of a hardship under Section 5.1(f), in its sole discretion, approves such request.
- (d) Scheduled Distribution. As a part of the Participant's Deferral Election, a Participant may elect to receive a lump sum distribution or annual installments (over 2, 3, 4 or 5 years, as elected by the Participant) equal to all or any part of the vested balance of the Participant's Accounts to be paid (or commence to be paid) at a scheduled distribution date, subject to
-



the timing requirements in Section 5.1(a). For these purposes, the amount of each installment payment shall be determined by multiplying the value of the Participant's remaining vested Accounts subject to the scheduled distribution election by a fraction, the numerator of which is one (1) and the denominator of which is the number of calendar years remaining in the installment period. These scheduled distributions are generally available only for distributions that are scheduled to commence to be paid while a Participant is employed by the Company. If a Participant terminates employment before commencing receipt of scheduled distributions, the timing requirements of Section 5.1(a) shall apply (which requirements provide for payment upon termination of employment, unless the Participant has attained retirement age, in which case a later distribution date may apply). If a Participant terminates employment while receiving scheduled installment payments, such installment payments shall continue to be paid in the same form of distribution, subject to the Participant's right to accelerate the remaining payments in accordance with Section 5.1(e) or Section 5.1(f). Notwithstanding the foregoing, if a Participant's employment is terminated for cause, as determined by the Company, full payment of all remaining amounts in such Participant's Account shall be paid in the form of a single lump sum payment as soon as practicable after such termination.

- (e) Early Distribution. Notwithstanding any other provision of the Plan, a Participant or beneficiary may, at any time prior to or subsequent to commencement of payments, request in writing to the Committee to have any or all vested amounts in his or her Accounts paid in an immediate lump sum distribution, provided that an amount equal to ten percent (10%) of the requested distribution shall be permanently forfeited from the Participant's Accounts prior to such distribution. Any such lump sum distribution shall be paid as soon as practicable after the Committee's receipt of the Participant's (or beneficiary's) request. The minimum permitted early distribution under this Section 5.1(e) shall be \$3,000.
  - (f) Hardship Distribution. At any time prior to the time an amount is otherwise payable hereunder, an active Participant may request a distribution of all or a portion of any vested amounts credited to the Participant's Accounts on account of the Participant's financial hardship, subject to the following requirements:
    - (i) Such distribution shall be made, in the sole discretion of the Committee, if the Participant has incurred an unforeseeable emergency.
    - (ii) For purposes of this Plan, an "unforeseeable emergency" shall mean an unanticipated emergency that is caused by an event beyond the control of the Participant and that would result in severe financial hardship to the Participant resulting from a sudden
-

and unexpected illness or accident of the Participant or of a Participant's dependent (as defined in Code section 152(a)), loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the Participant's control. The circumstances that will constitute an unforeseeable emergency will depend upon the facts of each case and be based on the information supplied by the Participant, in writing, pursuant to the procedure prescribed by the Committee. In addition to the foregoing, distributions under this subsection shall not be allowed for purposes of sending a child to college or the Participant's desire to purchase a home or other residence. In all events, distributions made on account of an unforeseeable emergency are limited to the extent reasonably needed to satisfy the emergency need.

- (iii) Notwithstanding the foregoing, payment under this subsection may not be made to the extent that such hardship is or may be relieved:
  - (A) through reimbursement or compensation by insurance or otherwise,
  - (B) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or
  - (C) by cessation of deferrals under the Plan.
- (iv) All distributions under this subsection shall be made in cash as soon as practicable after the Committee has approved the distribution and that the requirements of this subsection have been met.
- (v) The minimum permitted hardship withdrawal shall be \$3,000.

Section 5.2 Form of Distribution

- (a) General. Except as otherwise provided in this Article V, all amounts payable from a Participant's Accounts shall be paid in one of the forms of distribution described in Subsections (b) and (c) below, as elected by the Participant in a Deferral Election or as modified by the Participant in accordance with Subsection (d) below. Any Participant who fails to elect a form of distribution with respect to any deferral amount (or any compensation type) shall be deemed to have elected to receive such amounts in the form of a lump sum distribution in cash and, to the extent distributable amounts are credited to the Participant's Deferred Stock Account, in shares of Common Stock (with any fractional share interest therein paid in cash to the extent of the then fair market value thereof).
-

- (b) Lump Sum Distribution. A Participant may elect, in accordance with such procedures established by the Committee, to have any vested deferral amounts credited to his Accounts paid in the form of a single lump sum distribution at the time otherwise required or permitted under the Plan.
- (c) Annual Installment Distributions. A Participant may elect, in accordance with such procedures established by the Committee, to have any vested deferral amounts credited to his Accounts paid at the time otherwise required or permitted in the form of annual installments over a 5, 10 or 15-year period commencing at the time otherwise required or permitted under the Plan and paid annually thereafter for the remainder of the installment period (subject to Section 5.1(b)). For these purposes, the amount of each installment payment shall be determined by multiplying the value of the Participant's remaining vested Accounts by a fraction, the numerator of which is one (1) and the denominator of which is the number of calendar years remaining in the installment period. Notwithstanding the foregoing, if a Participant's employment is terminated for cause, as determined by the Company, full payment of all remaining amounts in such Participant's Account shall be paid in the form of a single lump sum payment as soon as practicable after such termination.
- (d) Change in Form
- (i) Notwithstanding the foregoing, in accordance with the written, telephonic or electronic procedures prescribed by the Committee, a Participant may elect to change the form applicable to a particular category of deferral at any time, provided that such election must be made at least twelve (12) consecutive months before the date on which such distribution otherwise would have been made or commenced. Any such change that is not in effect for at least the applicable twelve (12) month period shall be disregarded and the last valid election shall be substituted in its place. In the absence of such a valid election, distribution shall be made in the form of a single lump sum distribution in cash and, to the extent distributable amounts are credited to the Participant's Deferred Stock Account, in shares of Common Stock (with any fractional share interest therein paid in cash to the extent of the then fair market value thereof).
- (ii) In addition, with respect to a Participant who has commenced receiving installment payments, such Participant may elect, pursuant to the written, telephonic or electronic method prescribed by the Committee (or its delegate), to have all remaining installment payments that are otherwise to be paid to the Participant at least twelve (12) months after the date of the election be accelerated and paid in a single lump sum payment as of a date specified by the Committee that is at least twelve (12) months after the date of the election.
-

## ARTICLE VI

### General Provisions

#### Section 6.1 Unsecured Promise to Pay

The Company shall make no provision for the funding of any amounts payable hereunder that (i) would cause the Plan to be a funded plan for purposes of section 404(a)(5) of the Code, or Title I of ERISA, or (ii) would cause the Plan to be other than an “unfunded and unsecured promise to pay money or other property in the future” under Treasury Regulations § 1.83-3(e); and, except to the extent specified in the Stock Trust following a “change of control” (as defined in the Stock Trust) of the Company, the Company shall have no obligation to make any arrangement for the accumulation of funds to pay any amounts under this Plan. Subject to the restrictions of the preceding sentence and in Section 4.3, the Company, in its sole discretion, may establish one or more grantor trusts described in Treasury Regulations § 1.677(a)-1(d) to accumulate funds and/or shares of Common Stock to pay amounts under this Plan, provided that the assets of such trust(s) shall be required to be used to satisfy the claims of the Company’s general creditors in the event of the Company’s bankruptcy or insolvency.

#### Section 6.2 Plan Unfunded

In the event that the Company (or one of its subsidiaries) shall decide to establish an advance accrual reserve on its books against the future expense of payments hereunder, such reserve shall not under any circumstances be deemed to be an asset of this Plan but, at all times, shall remain a part of the general assets of the Company (or such subsidiary), subject to claims of the Company’s (or such subsidiary’s) creditors. A person entitled to any amount under this Plan shall be a general unsecured creditor of the Company (or the Participant’s employer subsidiary) with respect to such amount. Furthermore, a person entitled to a payment or distribution with respect to any amounts credited to Participant Accounts shall have a claim upon the Company (or the Participant’s employer subsidiary) only to the extent of the vested balance(s) credited to such Accounts.

#### Section 6.3 Designation of Beneficiary

The Participant’s beneficiary under this Plan with respect to amounts credited to the Participant’s Accounts hereunder shall be the person designated to receive benefits on account of the Participant’s death on a form provided by the Committee.

---

Section 6.4 Expenses

All commissions, fees and expenses that may be incurred in operating the Plan and any related trust(s) established in accordance with the Plan (including the Stock Trust) will be paid by the Company.

Section 6.5 Voting Common Stock

Each Participant who has a Deferred Stock Account shall be entitled to provide directions to the Committee to cause the Committee to similarly direct the Trustee of the Stock Trust to vote, on any matter presented for a vote to the shareholders of the Company, that number of shares of Common Stock held by the Stock Trust equivalent to the number of shares of Common Stock credited to the Participant's Deferred Stock Account. The Committee shall arrange for distribution to all such Participants in a timely manner all communications directed generally to the shareholders of the Company as to which their votes are solicited. If the Stock Trust ever holds fewer shares of Common Stock than there are shares allocated to Deferred Stock Accounts under the Plan as to which timely and proper directions have been received from the applicable Plan participants, the Committee will direct the Trustee to vote all shares held in the Stock Trust in the same proportion as the total shares covered by timely and proper directions that have been directed to be voted.

Section 6.6 Non-Assignability

Participants, their legal representatives and their beneficiaries shall have no right to anticipate, alienate, sell, assign, transfer, pledge or encumber their interests in the Plan, nor shall such interests be subject to attachment, garnishment, levy or execution by or on behalf of creditors of the Participants or of their beneficiaries.

Section 6.7 Mandatory Deferral

Notwithstanding any other provision of this Plan, the Compensation and Benefits Committee of the Company's Board of Directors may require an employee to defer: (i) the portion of any Base Salary, Bonus amount, Equity-Based Compensation, or SERP distribution, or (ii) the portion of any payment from any Account hereunder, in any case where the Company anticipates that such portion otherwise would be nondeductible pursuant to section 162(m) of the Code.

Section 6.8 Employment/Participation Rights

- (a) Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of the Company.
-

- (b) Nothing in the Plan shall be construed to be evidence of any agreement or understanding, express or implied, that the Company will continue to employ a Participant in any particular position or at any particular rate of remuneration.
- (c) No employee shall have a right to be selected as a Participant, or, having been so selected, to be continued as a Participant.
- (d) Nothing in this Plan shall affect the right of a recipient to participate in and receive benefits under and in accordance with any pension, profit-sharing, deferred compensation or other benefit plan or program of the Company.

Section 6.9 Severability

If any particular provision of the Plan shall be found to be illegal or unenforceable for any reason, the illegality or lack of enforceability of such provision shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal or unenforceable provision had not been included.

Section 6.10 No Individual Liability

It is declared to be the express purpose and intention of the Plan that no liability whatsoever shall attach to or be incurred by the shareholders, officers, or directors of the Company (or any affiliate) or any representative appointed hereunder by the Company (or any affiliate), under or by reason of any of the terms or conditions of the Plan.

Section 6.11 Tax and Other Withholding

The Company shall have the right to deduct from any payment made under the Plan any amount required by federal, state, local, or foreign law to be withheld with respect to such payment. The Company shall also have the right to withhold from other current salary or wages any amount required by federal, state, local, or foreign law to be withheld with respect to compensation deferred under the Plan at any time prior to payment of such deferred compensation, or if such other current salary or wages are insufficient to satisfy such withholding requirement, to require the Participant to pay the Company such amount required to be withheld to the extent such requirement cannot be satisfied through withholding on other current salary or wages. Additionally, should deferrals under this Plan cause there to be insufficient current salary or wages for purposes of withholding taxes or other amounts required by federal, state, local, or foreign law to be withheld from current salary or wages, the Company shall require the Participant to pay the Company such amount required to be withheld to the extent such requirement cannot be satisfied through withholding on other



current salary or wages. Amounts deferred under the Plan will be taken into account for purposes of any withholding obligation under the Federal Insurance Contributions Act and Federal Unemployment Tax Act at the later of the Plan Year during which the services are performed or the Plan Year during which the rights to the amounts are no longer subject to a substantial risk of forfeiture, as required by section 3121(v) and 3306(r) of the Code and the regulations promulgated thereunder.

Section 6.12 Applicable Law

This Plan shall be governed by and construed in accordance with the laws of the State of New Jersey except to the extent governed by applicable federal law.

Section 6.13 Incompetency

Any person receiving or claiming benefits under the Plan shall be conclusively presumed to be mentally competent and of age until the Committee receives written notice, in a form and manner acceptable to it, that such person is incompetent or a minor, and that a guardian, conservator, or other person legally vested with the care of his estate has been appointed. If the Committee finds that any person to whom a benefit is payable under the Plan is unable to properly care for his or her affairs, or is a minor, then any payment due (unless a prior claim therefor shall have been made by a duly appointed legal representative) may be paid to the spouse, a child, a parent, or a brother or sister, or to any person deemed by the Committee to have incurred expense for the care of such person otherwise entitled to payment. If a guardian or conservator of the estate of any person receiving or claiming benefits under the Plan shall be appointed by a court of competent jurisdiction, payments shall be made to such guardian or conservator provided that proper proof of appointment is furnished in a form and manner suitable to the Committee. Any payment made under the provisions of this Section shall be a complete discharge of liability therefor under the Plan.

Section 6.14 Notice of Address

Any payment made to a Participant or a designated beneficiary at the last known post office address of the distributee on file with the Committee, shall constitute a complete acquittance and discharge of any obligations of the Company under this Plan, unless the Committee shall have received prior written notice of any change in the condition or status of the distributee. Neither the Committee, the Company nor any director, officer, or employee of the Company shall have any duty or obligation to search for or ascertain the whereabouts of a Participant or a designated beneficiary.

---

## ARTICLE VII

### Administration

#### Section 7.1 Committee

Prior to a Change in Control, the Plan shall be administered by the Committee. The Committee shall have the exclusive right to interpret the Plan (including questions of construction and interpretation) and the decisions, actions and records of the Committee shall be conclusive and binding upon the Company and all persons having or claiming to have any right or interest in or under the Plan. The Committee may delegate to such officers, employees or departments of the Company, or to service-providers or other persons, such authority, duties, and responsibilities of the Committee as it, in its sole discretion, considers necessary or appropriate for the proper and efficient operation of the Plan, including, without limitation, (i) interpretation of the Plan, (ii) approval and payment of claims, and (iii) establishment of procedures for administration of the Plan. Notwithstanding the foregoing, after a Change in Control, the trustee of any grantor trust established for the purpose of accumulating funds to satisfy the obligations incurred by the Company under this Plan shall administer the Plan and shall have the same privileges and rights as given to the Committee prior to a Change in Control.

#### Section 7.2 Claims Procedure

Any person dissatisfied with the Committee's determination of a claim for benefits (or claim for eligibility for participation) hereunder must file a written request for reconsideration with the Committee. This request must include a written explanation setting forth the specific reasons for such reconsideration. The Committee shall review its determination promptly and render a written decision with respect to the claim, setting forth the specific reasons for such denial written in a manner calculated to be understood by the claimant. Such claimant shall be given a reasonable time within which to comment, in writing, to the Committee with respect to such explanation. The Committee shall review its determination promptly and render a written decision with respect to the claim. Such decision of the Committee shall be conclusive, binding, and final upon all claimants under this Plan.

---



ARTICLE VIII

Amendment, Termination and Effective Date

Section 8.1 Amendment of the Plan

Subject to Section 8.3, the Plan may be wholly or partially amended or otherwise modified at any time by written action of the Board of Directors.

Section 8.2 Termination of the Plan

Subject to the provisions of Section 8.3, the Plan may be terminated at any time by written action of the Board of Directors.

Section 8.3 No Impairment of Benefits

Notwithstanding the provisions of Sections 8.1 and 8.2, no amendment to or termination of the Plan shall reduce the amount credited to any Participant's Accounts hereunder.

Section 8.4 Effective Date

The Plan, as previously amended and restated, was effective as of August 15, 1996. The Plan as set forth herein is amended and restated effective as of March 27, 2007.

---

BECTON, DICKINSON AND COMPANY  
RETIREMENT BENEFIT RESTORATION PLAN  
Restatement effective March 27, 2007

---

## TABLE OF CONTENTS

		PAGE
SECTION 1	Purpose and Effective Date	1
SECTION 2	Definitions	2
SECTION 3	Participation	5
SECTION 4	Restoration Plan Benefits	6
SECTION 5	Vesting and Payment	7
SECTION 6	Source of Payment	9
SECTION 7	Administration and Interpretation of the Plan	10
SECTION 8	Amendment and Termination	12
SECTION 9	Designation of Beneficiaries	13
SECTION 10	General Provisions	14

---

Becton, Dickinson and Company  
Retirement Benefit Restoration Plan

SECTION 1

Purpose and Effective Date

- 1.1 The purpose of the Becton, Dickinson and Company Retirement Benefit Restoration Plan is to provide for the payment to participating employees of the benefits that cannot be paid to them under the Becton, Dickinson and Company Retirement Plan on account of certain of the benefit limitations required under such Plan by the Internal Revenue Code and to provide for certain other benefits that may be provided for in an Agreement between the Company and a covered Employee.
  - 1.2 This Plan was originally effective October 1, 1989, and it was subsequently amended and restated effective November 22, 1994. Effective March 27, 2007, the Plan is further amended and restated as set forth herein.
-

## SECTION 2

### Definitions

When used herein, the following terms shall have the following meanings:

- 2.1 “Act” means the Employee Retirement Income Security Act of 1974, as amended from time to time.
- 2.2 “Agreement” means an agreement entered into between an eligible Employee and the Company, as agreed to by the Compensation and Benefits Committee of the Board of Directors of the Company (or any committee successor thereto), to participate in this Plan and delineating certain terms and conditions with respect to such participation including (but not limited to) the benefits (if any) that are to be provided to the eligible Employee in lieu of or in addition to the benefits described under the terms of this Plan.
- 2.3 “Beneficiary” means the beneficiary who, pursuant to the provisions of Section 9, is to receive the amount, if any, payable under this Plan upon the death of a Participant.
- 2.4 “Board of Directors” or “Board” means the Board of Directors of the Company.
- 2.5 “Change in Control” of the Company means any of the following events:
  - (i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 25% or more of either (A) the then-outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that, for purposes of this Section 2.5, the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any affiliated company, (iv) any acquisition by any corporation pursuant to a transaction that complies with Sections 2.5(iii)(A), 2.5(iii)(B) and 2.5(iii)(C), or (v) any acquisition that the Board determines, in good faith, was inadvertent, if the acquiring Person divests as promptly as practicable a sufficient amount of the Outstanding Company Common Stock and/or the

Outstanding Company Voting Securities, as applicable, to reverse such acquisition of 25% or more thereof;

- (ii) Individuals who, as of April 24, 2000, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to April 24, 2000 whose election, or nomination for election as a director by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;
- (iii) Consummation of a reorganization, merger, consolidation or sale or other disposition of all or substantially all of the assets of the Company (a “Business Combination”), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 25% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or
- (iv) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

- 2.6 “Code” means the Internal Revenue Code of 1986, as amended from time to time. References in the Plan to a Code Section shall be deemed to refer to any successor provision of the Code, as appropriate.
- 2.7 “Committee” means the Retirement Benefit Restoration Plan Committee designated by the Board of Directors to administer the Plan pursuant to Section 7.
- 2.8 “Company” means Becton, Dickinson and Company, a New Jersey corporation, or any successor under the provisions of Section 10.2.
- 2.9 “Employee” means an employee of an Employer.
- 2.10 “Employer” means the Company and any subsidiary or affiliate of the Company that becomes an Employer in accordance with Section 10.1.
- 2.11 “Cash Balance Participant” means a Participant who has a Cash Balance benefit from the Retirement Plan that is governed by the terms of the Cash Balance Plan Document.
- 2.12 “Participant” means any employee of an Employer who is entitled to participate in the Plan in accordance with Section 3.
- 2.13 “Plan” means the Becton, Dickinson and Company Retirement Benefit Restoration Plan as set forth herein and as amended and restated from time to time and in any Agreement.
- 2.14 “Retirement Plan” means the Becton, Dickinson and Company Retirement Plan, as it may be amended and restated from time to time.
- 2.15 “Termination of Employment” means the termination of a Participant’s employment with the Company and all subsidiaries and affiliates of the Company.
- 2.16 “Total Compensation” means Total Compensation under the Retirement Plan.

## SECTION 3

### Participation

- 3.1 Unless the Committee determines otherwise or unless otherwise provided in an Agreement, any Employee who participates in the Retirement Plan and whose benefits under the Retirement Plan are limited pursuant to the provisions included in the Retirement Plan in order to comply with Code Sections 401(a)(17) or 415, shall be a Participant in this Plan with respect to benefits payable under Section 4.1.
- 3.2 The participation of any Participant may be suspended or terminated by the Committee at any time, but no such suspension or termination shall operate to reduce any benefits accrued by the Participant under the Plan prior to the date of suspension or termination.



SECTION 4

Restoration Plan Benefits

- 4.1 Subject to the terms of a Participant's Agreement, if any, a Participant's benefits hereunder shall equal the excess (if any) of (i) the benefit that would have been payable under the Retirement Plan in respect of the Participant in the absence of the provisions included in the Retirement Plan in order to comply with Sections 401(a)(17) and 415 of the Code, over (ii) the benefit actually payable in respect of the Participant under the Retirement Plan.
- 4.2 In the event of the death of a Participant before benefits have commenced to be paid hereunder (a pre-retirement death), and subject to the terms of a Participant's Agreement, if any, the Participant's Beneficiary shall be entitled to a benefit equal to the excess (if any) of (i) the benefit that would have been payable under the Retirement Plan to the Beneficiary on account of the Participant's death in the absence of the provisions included in the Retirement Plan in order to comply with Sections 401(a)(17) and 415 of the Code, over (ii) the benefit actually payable to the Beneficiary on account of the Participant's death under the Retirement Plan.
- 4.3 The calculations made in Sections 4.1 and 4.2 shall reflect the applicable adjustments under the Retirement Plan for early commencement and the form of benefit.

## SECTION 5

### Vesting and Payment

- 5.1 No amount shall be payable to a Participant or his or her Beneficiary under the Plan to the extent it represents benefits that would have been forfeited under the vesting provisions of the Retirement Plan if payable thereunder, unless provided otherwise in an Agreement, if any.
- 5.2 Subject to Section 5.8, and except as provided in Sections 5.4, 5.5, 5.6 and 5.7, or a Participant's Agreement, if any, Plan benefits shall be paid to a Participant at such time and in such form as determined in accordance with procedures adopted and approved by the Compensation and Benefits Committee of the Board of Directors of the Company (or any committee successor thereto).
- 5.3 Subject to Sections 5.5 and 5.8, and unless provided otherwise in a Participant's Agreement, if any, the amount of any lump-sum payment in respect of a Participant (or Beneficiary) hereunder shall equal the actuarial present value (at the time payment becomes due) of the Participant's (or Beneficiary's) Plan benefit, based on the Applicable Interest Rate and the Applicable Mortality Table (as such terms are defined in the Retirement Plan) used under the Retirement Plan for calculating the present value of optional forms of payment at the time payment is due under the Plan.
- 5.4 Subject to Section 5.8, and notwithstanding the provisions of Section 5.2 (and any procedures adopted thereunder), and unless provided otherwise in a Participant's Agreement, if any, the Plan benefits payable to a Beneficiary on account of a Participant's death before benefits have been paid or commenced to be paid hereunder (a pre-retirement death) shall be paid to the Participant's Beneficiary in a cash lump sum as soon as practicable following the earliest date that any such pre- retirement death benefit would otherwise be payable to such Beneficiary under the Retirement Plan (whether or not such Retirement Plan benefit is actually paid or commenced at such date).
- 5.5 Subject to Section 5.8, and notwithstanding the provisions of Section 5.2 (and any procedures adopted thereunder), and unless provided otherwise in a Participant's Agreement, if any, each Participant's Plan benefits shall (to the extent not previously paid or commenced to be paid) be paid to the Participant in a cash lump sum as soon as practicable, but not later than 45 business days, after the Participant's Termination of Employment following a Change in Control. Such lump sum shall be determined as the present value of the accrued pension payable at the Participant's Normal Retirement Date (as defined under the Retirement Plan).
- 5.6 Subject to Section 5.8, and notwithstanding the provisions of Section 5.2 (and in accordance with any procedures adopted thereunder), and unless provided otherwise in a Participant's Agreement, if any, a Participant who terminates

employment on account of a Disability Retirement (as determined under the Retirement Plan) may make a written request to the Committee to receive payment of his entire Plan benefit in a single lump sum as soon as practicable thereafter; provided however, that payment to a Participant under this Section 5.6 shall only be made if the Committee, in its sole and absolute discretion, determines to make such payment. Any decision by the Committee hereunder shall be final and binding. If a Participant's request is denied, payment of the Participant's Plan benefits shall be made in accordance with the otherwise applicable provisions of the Plan (and any procedures then in effect).

- 5.7 Subject to Section 5.8, and notwithstanding any other provision of this Plan, the Committee may defer the distribution of any Plan benefits to a Participant if the Committee anticipates that the amount of such Plan benefits, or any portion thereof, would be nondeductible for corporate income tax purposes to the Company pursuant to Section 162(m) of the Code.
- 5.8 To the extent that a Cash Balance Participant is entitled to a benefit under the Plan (a "Restoration Benefit"), such Participant's Restoration Benefit shall be held in a hypothetical Restoration Benefit bookkeeping account and shall be equal to the amount of the benefit the Cash Balance Participant is entitled to in accordance with Section 4.1. The Restoration Benefit of a Cash Balance Participant shall be paid in the form of a lump sum payment at such time as amounts are otherwise payable to the Participant hereunder, in an amount equal to the value of Cash Balance Participant's Restoration Benefit account.

SECTION 6

Source of Payment

- 6.1 All benefits provided for under the Plan shall be paid in cash from the general funds of the Company; provided, however, that such benefits shall be reduced by the amount of any payments made to the Participant or his or her Beneficiary from any trust or special or separate fund established by the Company, to the extent such trust or fund is intended to assure the payment of such benefits. The Company shall not be required to establish a special or separate fund or other segregation of assets to assure the payment of Plan benefits, and, if the Company shall make any investments to aid it in meeting its obligations hereunder, the Participant and his or her Beneficiary shall have no right, title, or interest whatever in or to any such investments except as may otherwise be expressly provided in a separate written instrument relating to such investments. Nothing contained in this Plan or any Agreement, and no action taken pursuant to the provisions of the Plan or any Agreement, shall create or be construed to create a trust of any kind between the Company and any Participant or Beneficiary. To the extent that any Participant or Beneficiary acquires a right to receive payments from the Company hereunder, such right shall be no greater than the right of an unsecured creditor of the Company.

## SECTION 7

### Administration and Interpretation of the Plan

- 7.1 Prior to a Change in Control, the Plan shall be administered by the Committee appointed by the Board of Directors to administer the Plan. The Committee shall have full discretion, power and authority to interpret, construe and administer the Plan, to provide for claims review procedures, and to review claims for benefits under the Plan. After a Change in Control, the trustee of any grantor trust established for the purpose of accumulating funds to satisfy the obligations incurred by the Company under this Plan shall administer the Plan and shall have the same privileges and rights as given to the Committee prior to a Change in Control. The Committee's interpretations and constructions of the Plan and the actions taken thereunder by the Committee shall be binding and conclusive on all persons and for all purposes.
- 7.2 To the extent that the Plan provides benefits which would be provided under the Retirement Plan but for the limitations imposed by Section 415 of the Code, the Plan is intended to be an "excess benefit plan" within the meaning of the Act. To the extent that the Plan provides other benefits, the Plan is intended to be a separate, unfunded deferred compensation plan "for a select group of management or highly compensated employees" within the meaning of the Act. Each provision of the Plan shall be administered, interpreted and construed to carry out such intention, and any provision that cannot be so administered, interpreted and construed shall, to the extent, be disregarded.
- 7.3 The Committee shall establish and maintain Plan records and may arrange for the engagement of such accounting, actuarial or legal advisors, who may be advisors to the Company, and make use of such agents and clerical or other personnel as it shall require or may deem advisable for purposes of the Plan. The Committee may rely upon the written opinion of such advisors engaged by the Committee and may delegate to any agent or to any sub-committee or member of the Committee its authority to perform any act hereunder, including without limitation those matters involving the exercise of discretion, provided that such delegation shall be subject to revocation at any time at the discretion of the Committee.
- 7.4 To the maximum extent permitted by law, no member of the Board of Directors or the Committee shall be personally liable by reason of any contract or other instrument executed by him or her or on his or her behalf in his or her legal capacity as a member of the Board of Directors or the Committee nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless, directly from its own assets (including the proceeds of any insurance policy the premiums of which are paid from the Company's own assets), each member of the Board of Directors or the Committee and each other officer, employee, or director of the Company to whom any duty or power relating to the

administration or interpretation of the Plan or to the management or control of the assets of the Plan may be delegated or allocated, against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or bad faith.

SECTION 8

Amendment and Termination

- 8.1 The Plan may be amended, suspended or terminated, in whole or in part, by the Board of Directors, but no such action shall retroactively impair or otherwise adversely affect the rights of any person to benefits under the Plan which have accrued prior to the date of such action.

## SECTION 9

### Designation of Beneficiaries

- 9.1 A Participant's Beneficiary under this Plan shall be the person designated by the Participant (in accordance with rules and procedures established by the Committee) to receive benefits hereunder, if any, in the event of the Participant's death after distributions have commenced. Notwithstanding the foregoing, in the absence of an effective Beneficiary designation and, in all events, in the case of the death of a Participant before benefit commencement, the Participant's Beneficiary under this Plan shall be the person or persons who would receive the benefit payable upon the Participant's death if paid under the Retirement Plan instead of this Plan.
- 9.2 If the Committee is in doubt as to the right of any person to receive an amount payable upon a Participant's death, the Committee may retain such amount, without liability for any interest thereon, until the rights thereto are determined, or the Committee may pay such amount into any court of appropriate jurisdiction and such payment shall be a complete discharge of the liability of the Plan and the Company therefor.



## SECTION 10

### General Provisions

- 10.1 Any subsidiary or affiliate of the Company may, upon approval by the Committee, adopt the Plan and become an Employer under the terms of the Plan. Each Employer shall bear the costs of the benefits provided under the Plan with respect to persons employed by it (subject to the allocation of costs among Employers by the Committee, in the case of Participants employed by more than one Employer).
- 10.2 This Plan shall be binding upon and inure to the benefit of the Company, its subsidiaries and affiliates, and their successors and assigns and the Participant, his or her Beneficiary or designees and his or her estate. Nothing in this Plan shall preclude the Company from consolidating or merging into or with, or transferring all or substantially all of its assets to, another corporation which assumes this Plan and all obligations of the Company hereunder. Upon such a consolidation, merger or transfer of assets and assumption, the term "Company" shall refer to such other corporation and this Plan shall continue in full force and effect.
- 10.3 Neither the Plan nor any action taken hereunder shall be construed as giving to a Participant or any employee the right to be retained in the employ of an Employer or any other subsidiary or affiliate of the Company or as affecting the right of an Employer or such a subsidiary or affiliate to dismiss any Participant or employee with or without cause.
- 10.4 The Company may provide for the withholding from any benefits payable under this Plan all Federal, state, city or other taxes as shall be appropriate pursuant to any law or governmental regulation or ruling and may delay the payment of any benefit until the Participant or Beneficiary provides payment to the Company of all applicable withholding taxes.
- 10.5 No right to any amount payable at any time under the Plan may be assigned, transferred, pledged, or encumbered, either voluntarily or by operation of law, except as provided expressly herein as to payments to a Beneficiary or as may otherwise be required by law.
- 10.6 If the Committee shall find that any person to whom any amount is or was payable hereunder is unable to care for his or her affairs because of illness or accident, or had died, then the Committee, if it so elects, may direct that any payment due him or her or his or her estate (unless a prior claim therefor has been made by a duly appointed legal representative) or any part thereof be paid or applied for the benefit of such person or to or for the benefit of his or her spouse, children or other dependents, an institution maintaining or having custody of such person, any other person deemed by the Committee to be a proper recipient on behalf of such person otherwise entitled to payment, or any of them, in such manner and proportion as the Committee may deem proper. Any such payment shall be in complete discharge of

the liability therefor of the Company, the Plan or the Committee or any member, officer or employee thereof.

- 10.7 All elections, designations, requests, notices, instructions, and other communications from a Participant, Beneficiary or other person to the Committee or the Company pursuant to the Plan shall be in such form as is prescribed from time to time by the Committee, shall be mailed by first-class mail or delivered to such location as shall be specified by the Committee, and shall be deemed to have been given and delivered only upon actual receipt thereof at such location.
- 10.8 The benefits payable under this Plan shall be in addition to all other benefits provided for employees of the Company.
- 10.9 The captions preceding the sections and articles hereof have been inserted solely as a matter of convenience and in no way define or limit the scope or intent of any provisions of the Plan.
- 10.10 To the extent not preempted by Federal law, this Plan shall be governed by the laws of the State of New Jersey, without regard to the principles of conflict of laws thereof, as from time to time in effect.

CERTIFICATIONS

I, Edward J. Ludwig, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Becton, Dickinson and Company;
  2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
  3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
  4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
-

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2007

/s/ Edward J. Ludwig  
Edward J. Ludwig  
Chairman, President and  
Chief Executive Officer

---

I, John R. Considine, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Becton, Dickinson and Company;
  2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
  3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
  4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
-

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2007

/s/ John R. Considine  
John R. Considine  
Senior Executive Vice President and  
Chief Financial Officer

---

The certification set forth below is being submitted in connection with the Quarterly Report on Form 10-Q of Becton, Dickinson and Company for the quarter ended March 31, 2007 (the "Report") for the purpose of complying with Rule 13a – 14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Edward J. Ludwig, the Chief Executive Officer of Becton, Dickinson and Company, certify that:

1. such Report fully complies with the requirements of Section 13(a) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Becton, Dickinson and Company.

May 9, 2007

/s/ Edward J. Ludwig  
Name: Edward J. Ludwig  
Chief Executive Officer

---

The certification set forth below is being submitted in connection with the Quarterly Report on Form 10-Q of Becton, Dickinson and Company for the quarter ended March 31, 2007 (the "Report") for the purpose of complying with Rule 13a – 14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, John R. Considine, the Chief Financial Officer of Becton, Dickinson and Company, certify that:

1. such Report fully complies with the requirements of Section 13(a) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Becton, Dickinson and Company.

May 9, 2007

/s/ John R. Considine

Name: John R. Considine

Chief Financial Officer

---