SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007 **COMMISSION FILE NUMBER 1-4802**

BECTON, DICKINSON AND COMPANY

(Exact name of registrant as specified in its charter)

New Jersey	**22-0760120**
(State or other jurisdiction of incorporation or organization)	**(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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common Stock, par value $1.00	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes x No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes o No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Act).

Large accelerated filer x Accelerated filer o Non-accelerated filer o

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

As of March 30, 2007, the aggregate market value of the registrant's outstanding common stock held by non-affiliates of the registrant was approximately $18,791,822,502.

As of October 31, 2007, 243,899,512 shares of the registrant's common stock were outstanding.

Documents Incorporated by Reference

(1) Portions of the registrant's Annual Report to Shareholders for the fiscal year ended September 30, 2007 are incorporated by reference into Parts I and II hereof.

(2) Portions of the registrant's Proxy Statement for the Annual Meeting of Shareholders to be held January 29, 2008 are incorporated by reference into Part III hereof.

PART I

Item 1. ***Business.***

General

Becton, Dickinson and Company (also known as "BD") was incorporated under the laws of the State of New Jersey in November 1906, as successor to a New York business started in 1897. BD's executive offices are located at 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, and its telephone number is (201) 847-6800. All references in this Form 10-K to "BD" refer to Becton, Dickinson and Company and its domestic and foreign subsidiaries, unless otherwise indicated by the context.

BD 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.

Business Segments

BD's operations consist of three worldwide business segments: BD Medical, BD Diagnostics and BD Biosciences. Information with respect to BD's business segments is included in Note 15 to the consolidated financial statements contained in the portions of BD's Annual Report to Shareholders for the fiscal year ended September 30, 2007 attached hereto as Exhibit 13, and is incorporated herein by reference.

BD Medical

BD Medical produces a broad array of medical devices that are used in a wide range of healthcare settings. They include many safety-engineered injection, infusion and surgery products. BD Medical's principal product lines include needles, syringes and intravenous catheters for medication delivery; prefilled IV flush syringes; and syringes and pen needles for the self-injection of insulin and other drugs used in the treatment of diabetes; prefillable drug delivery devices provided to pharmaceutical companies and sold to end-users as drug/device combinations; surgical blades/scalpels and regional anesthesia needles and trays; critical care monitoring devices; ophthalmic surgical instruments; sharps disposal containers; and home healthcare products such as ACE® brand elastic bandages. The primary markets served by BD Medical are hospitals and clinics; physicians' office practices; consumers and retail pharmacies; public health agencies; pharmaceutical companies; and healthcare workers.

BD Diagnostics

BD Diagnostics provides products for the safe collection and transport of diagnostic specimens and instrumentation for analysis across a broad range of infectious disease testing, including healthcare-associated infections (HAIs). BD Diagnostics' principal products and services include integrated systems for specimen collection; an extensive line of safety-engineered blood collection products and systems; plated media; automated blood culturing systems; molecular testing systems for sexually transmitted diseases and HAIs; microorganism identification and drug susceptibility systems; liquid-based cytology systems for cervical cancer screenings; and rapid diagnostic assays. BD Diagnostics serves hospitals, laboratories and clinics; reference laboratories; blood banks; healthcare workers; patients; physicians' office practices; and industrial microbiology laboratories.

BD Biosciences

BD Biosciences produces research and clinical tools that facilitate the study of cells, and the components of cells, to gain a better understanding of normal and disease processes. That information is used to aid the discovery and development of new drugs and vaccines, and to improve the diagnosis and management of diseases. BD Biosciences' principal product lines include fluorescence-activated cell sorters and analyzers; cell imaging systems, monoclonal antibodies and kits for performing cell analysis; reagent systems for life sciences research; tools to aid in drug discovery and growth of tissue and cells; cell culture media supplements for biopharmaceutical manufacturing; and diagnostic assays. The primary markets served by BD Biosciences are research and clinical laboratories; hospitals and transplant centers; blood banks; and biotechnology and pharmaceutical companies.

Acquisitions

On December 20, 2006, BD acquired the outstanding shares (approximately 93.8%) of TriPath Imaging, Inc. ("TriPath") that 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 BD's position in cancer diagnostics.

On May 4, 2007, BD acquired all of the outstanding shares of Plasso Technology, Ltd. ("Plasso"), a privately-held company that is developing the next generation of surface-critical research tools utilizing functional coating technology for applications in glycomics and cell culture.

See further discussion of these acquisitions in Note 3 to the consolidated financial statements contained in Exhibit 13, which is incorporated herein by reference.

International Operations

BD's products are manufactured and sold worldwide. BD's operations outside the United States are conducted in Canada and in five geographic regions: Europe (which includes the Middle East and Africa); Japan; Asia Pacific (which includes Australia and all of Asia except Japan); South Latin America (which includes Brazil); and North Latin America (which includes Mexico). The principal products sold by BD outside of the United States are hypodermic needles and syringes; insulin syringes and pen needles; diagnostic systems; BD Vacutainer™ brand blood collection products; BD Hypak™ brand prefillable syringe systems; infusion therapy products; flow cytometry instruments and reagents; and disposable laboratory products. BD has manufacturing operations outside the United States in Brazil, Canada, China, France, Germany, India, Ireland, Japan, Korea, Mexico, Pakistan, Singapore, Spain, Sweden and the United Kingdom. Geographic information with respect to BD's operations is included under the heading "Geographic Information" in Note 15 to the consolidated financial statements included in Exhibit 13, and is incorporated herein by reference.

Foreign economic conditions and exchange rate fluctuations have caused the profitability related to foreign revenues to fluctuate more than the profitability related to domestic revenues. BD believes its activities in some countries outside the United States involve greater risk than its domestic business due to the factors cited herein, as well as local commercial and economic policies and political uncertainties. See further discussion of this risk in Item 1A. Risk Factors.

Distribution

BD's products and services are marketed in the U.S. and internationally through independent sales representatives and independent distribution channels, and directly to end-users. Sales to a single U.S. distributor that supplies products from the BD Medical and BD Diagnostics segments to many end-users accounted for approximately 9% of total BD revenues in fiscal 2007. However, the end-users of BD's products have access to them through other distributors, and, as a result, BD believes that sales to this distributor would be replaced largely, if not entirely, by other sales if BD no longer sold products to this distributor. Order backlog is not material to BD's business inasmuch as orders for BD products generally are received and filled on a current basis, except for items temporarily out of stock. BD's worldwide sales are not generally seasonal, with the exception of certain medical devices in the BD Medical segment and respiratory and flu diagnostic products in the BD Diagnostics segment that relate to seasonal diseases such as influenza.

Raw Materials

BD purchases many different types of raw materials, including plastics, glass, metals, textiles, paper products, agricultural products, electronic and mechanical sub-assemblies and various biological, chemical and petrochemical products. Certain raw materials (primarily related to the BD Biosciences segment) are not available from multiple sources. In the case of certain principal raw materials that are available from multiple sources, for various reasons (including quality assurance and cost effectiveness), BD elects to purchase these raw materials from sole suppliers. In other cases where there are regulatory requirements relating to qualification of suppliers, BD may not be able to establish additional or replacement sources on a timely basis. While BD works closely with its suppliers to ensure continuity of supply, the termination, reduction or interruption in supply of these sole-sourced raw materials could impact our ability to manufacture and sell certain of our products.

Research and Development

BD conducts its research and development activities at its operating units and at BD Technologies in Research Triangle Park, North Carolina. Substantially all of BD's research and development activities are conducted in the U.S. BD also collaborates with certain universities, medical centers and other entities on research and development programs. BD also retains individual consultants to support its efforts in specialized fields. BD spent approximately $360 million, $302 million and $268 million on research and development during the fiscal years ended September 30, 2007, 2006 and 2005, respectively. In addition, BD incurred acquired in-process research and development charges of $122 million related to the acquisitions of TriPath and Plasso in fiscal year 2007, and $53 million related to the acquisition of GeneOhm in fiscal year 2006.

Intellectual Property and Licenses

BD owns significant intellectual property, including patents, patent applications, technology, trade secrets, know-how, copyrights and trademarks in the United States and other countries. BD is also licensed under domestic and foreign patents, patent applications, technology, trade secrets, know-how, copyrights and trademarks owned by others. In the aggregate, these intellectual property assets and licenses are of material importance to BD's business. BD believes, however, that no single patent, technology, trademark, intellectual property asset or license is material in relation to BD's business as a whole, or any business segment.

Competition

BD operates in the increasingly complex and challenging medical technology marketplace whose dynamics are changing. Technological advances and scientific discoveries have accelerated the pace of change in medical technology, and regulation of increasingly more sophisticated and complex medical products is increasing. Companies of varying sizes compete in the global medical technology field. Some are more specialized than BD with respect to particular markets, and some have greater financial resources than BD. New companies have entered the field, particularly in the areas of safety-engineered devices and in life sciences, and established companies have diversified their business activities into the medical technology area. Other firms engaged in the distribution of medical technology products have become manufacturers of medical devices and instruments as well. Acquisitions and collaborations by and among other companies seeking a competitive advantage also affect the competitive environment.

BD competes in this evolving marketplace on the basis of many factors, including price, quality, innovation, service, reputation, distribution and promotion. The impact of these factors on BD's competitive position varies among BD's various product offerings. In order to implement one of its core strategies—to increase revenue growth by focusing on products that deliver greater benefits to patients, healthcare workers and researchers—and maintain an advantage in the competitive environment in which it operates, BD continues to make investments in research and development, quality management, quality improvement, product innovation and productivity improvement.

Third-Party Reimbursement

Healthcare providers and/or facilities are generally reimbursed for their services through numerous payment systems designed by governmental agencies (e.g., Medicare and Medicaid in the U.S., the National Health Service in the U.K., the Joint Federal Committee in Germany, the Commission d'Evaluation des Produits et prestations in France, and the Ministry for Health, Labor and Welfare in Japan), private insurance companies, and managed care programs. The manner and level of reimbursement in any given case typically depends on the procedure(s) performed, the final patient diagnosis, the device(s) and/or drug(s) utilized, or a combination of these factors, and coverage and payment levels are determined at the payer's discretion. The coverage policies and reimbursement levels of third-party payers may impact the decisions of healthcare providers and facilities regarding which medical products they purchase and the prices they are willing to pay for those products. Thus, changes in reimbursement level or method may either positively or negatively impact sales of BD products. While BD is actively engaged in promoting the value of its products for payers and patients and it employs various efforts and resources to positively impact coverage, coding and payment processes in this regard, it has no direct control over payer decision-making with respect to coverage and adequate payment level for BD products. Additionally, we expect many payers to continue to explore cost-containment strategies (e.g., competitive bidding for clinical laboratory services within the Medicare program, so-called "pay-for-performance" programs implemented by various public and private payers, etc.) that could potentially impact coverage and/or payment levels for current or future BD products.

As BD's product offerings are diverse across many healthcare settings, they are affected to varying degrees by the many payment systems. Therefore, while individual countries, product lines or product classes may be impacted, BD does not believe that significant changes to any one of these systems would have a material adverse effect on BD.

Regulation

BD's medical technology products and operations are subject to regulation by the U.S. Food and Drug Administration ("FDA") and various other federal and state agencies, as well as by foreign governmental agencies. These agencies enforce laws and regulations that govern the development, testing, manufacturing, labeling, advertising, marketing and distribution, and market surveillance of BD's medical products. The scope of the activities of these agencies, particularly in the Europe, Japan and Asia Pacific regions in which BD operates, has been increasing.

Prior to marketing or selling most of its products, BD must secure approval from the FDA and counterpart non-U.S. regulatory agencies. Following the introduction of a product, these agencies engage in periodic reviews of BD's manufacturing processes and product performance. These regulatory controls can affect the time and cost associated with the development, introduction and

continued availability of new products. Where possible, BD anticipates these factors in its product development and planning processes.

These agencies possess the authority to take various administrative and legal actions against BD, such as product recalls, product seizures and other civil and criminal sanctions. BD also undertakes voluntary compliance actions such as voluntary recalls.

In November 2006, we received a warning letter from the FDA with respect to our facility in San Lorenzo, Puerto Rico, at which we manufacture certain blood collection products. The warning letter makes certain observations regarding our compliance with the Current Good Manufacturing Practices requirements of the FDA's Quality System regulation. In response to the warning letter, BD developed and implemented a comprehensive corrective and preventive action plan that was completed in fiscal year 2007. The FDA recently re-inspected the San Lorenzo facility and found all warning letter commitments met and satisfactory. We are awaiting a close-out letter.

BD believes it is in compliance in all material respects with the regulations promulgated by such agencies, and that such compliance has not had, and, BD believes, should not have, a material adverse effect on BD. BD also believes that its operations comply in all material respects with applicable environmental laws and regulations. Such compliance has not had, and, BD believes, should not have, a material adverse effect on BD. See Item 3. Legal Proceedings.

Employees

As of September 30, 2007, BD had 28,018 employees, of whom 12,803 were employed in the United States (including Puerto Rico). BD believes that its employee relations are satisfactory.

Other Matters

Becton Dickinson France, S.A. ("BD-France"), a subsidiary of BD, was listed among approximately 2,200 other companies in an October 27, 2005 report of the Independent Inquiry Committee ("IIC") of the United Nations ("UN") as having been involved in humanitarian contracts in which unauthorized payments were suspected of having been made to the Iraqi Government in connection with the UN's Oil-for-Food Programme (the "Programme"). In connection with the IIC's report, Becton Dickinson AG, a Swiss subsidiary of BD, received a letter of inquiry from the Vendor Review Committee ("VRC") of the United Nations Procurement Service dated November 22, 2005. The letter of inquiry said that the VRC is reviewing Becton Dickinson AG's registration status in light of BD-France being listed in the IIC's report and asked us for any information we might provide relating to the findings of the report. BD conducted an internal review and found no evidence that BD or any BD employee made, authorized, or approved improper payments to the Iraqi Government in connection with the Programme. The representative utilized by BD in Iraq also unequivocally denied having made any such payments, and BD was unable to find any evidence of such payments being made by this representative. BD has also reported the results of its internal review to the VRC. In May 2007, the French Judicial Police conducted searches of BD-France's offices in France with respect to the matters that were the subject of the 2005 IIC report. We were informed that it is one of a number of companies named in the IIC report that is being investigated by the French Judicial Police. We are cooperating fully with the investigation.

Available Information

BD maintains a website at *www.bd.com*. BD makes available its Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q, and its Current Reports on Form 8-K (and amendments to those reports) as soon as reasonably practicable after those reports are electronically filed with or furnished to the Securities and Exchange Commission ("SEC"). These filings may be found at *www.bd.com/investors*. Printed copies of the foregoing documents may also be obtained, without charge, by contacting: Investor Relations, Becton, Dickinson and Company, 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, phone: 1-800-284-6845.

Forward-Looking Statements

BD and its representatives may from time-to-time make certain forward-looking statements in publicly released materials, both written and oral, including statements contained in this report and filings with the SEC and in our other reports to shareholders. Additional information regarding our forward-looking statements is contained in the "Financial Review" contained in Exhibit 13.

Item 1A. ***Risk Factors.***

An investment in BD involves a variety of risks and uncertainties. The following describes some of the significant risks that could adversely affect BD's business, financial condition, operating results or cash flows.

BD's future growth is dependent upon the development of new products, and there can be no assurance that such products will be developed.

A significant element of our strategy is to increase revenue growth by focusing on products that deliver greater benefits to patients, healthcare workers and researchers. The development of these products requires significant research and development, clinical trials and regulatory approvals. The results of our product development efforts may be affected by a number of factors, including BD's ability to innovate, develop and manufacture new products, complete clinical trials, obtain regulatory approvals and reimbursement in the United States and abroad, or gain and maintain market approval of our products. In addition, patents attained by others can preclude or delay our commercialization of a product. There can be no assurance that any products now in development or that we may seek to develop in the future will achieve technological feasibility, obtain regulatory approval, or gain market acceptance.

The medical device industry is very competitive.

The medical device industry is subject to rapid technological changes, and we face significant competition across our product lines and in each market in which our products are sold. We face this competition from a wide range of companies. These include large medical device companies, some of which may have greater financial and marketing resources than us. We also face competition from firms that are more specialized than us with respect to particular markets. Non-medical device companies, including pharmaceutical companies, also offer alternative therapies for disease states that may be delivered without a medical device. See "Competition" under Item 1. Business. The development of new or improved products, processes or technologies by other companies may render our products or proposed products obsolete or less competitive. In addition, some competitors have established manufacturing sites or have contracted with suppliers located in China and other low-cost manufacturing locations as a means to lower their costs. New entrants may also appear, particularly from these low-cost countries.

Inflation and fluctuations in the cost of raw materials could adversely affect the results of our operations.

It is possible that general inflation rates will rise in 2008 and beyond, and could have a greater impact on worldwide economies and, consequently, on BD. BD purchases supplies of resins, which are oil-based components used in the manufacture of certain products. Any significant increases in resin purchase costs could impact future operating results.

A reduction or interruption in the supply of certain raw materials would adversely affect BD's manufacturing operations and related product sales.

BD purchases many different types of raw materials. We have generally been able to obtain adequate supplies of these materials. However, certain raw materials (primarily related to the BD Biosciences segment) are not available from multiple sources. In addition, for quality assurance, cost-effectiveness and other reasons, BD elects to purchase certain raw materials from sole suppliers. While we work with suppliers to ensure continuity of supply, no assurance can be given that these efforts will be successful. In addition, where there are regulatory requirements relating to the qualification of suppliers, we may not be able to establish additional or replacement

sources on a timely basis. The termination, reduction or interruption in supply of these sole-sourced raw materials could impact our ability to manufacture and sell certain of our products.

Interruption of our manufacturing operations could adversely affect BD's future revenues and operating income.

We have manufacturing sites all over the world. In addition, in some instances, the manufacturing of certain of our product lines is concentrated in one or more of our plants. As a result, natural disasters (including pandemic disease), political change, or damage to one or more of our facilities could adversely affect our ability to manufacture our products.

BD is subject to a number of pending lawsuits.

BD is a defendant in a number of pending lawsuits, including purported class action lawsuits for alleged antitrust violations and product liability, and could be subject to additional lawsuits in the future. A more detailed description of these lawsuits is contained in Item 3. Legal Proceedings. Given the uncertain nature of litigation generally, we are 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 we are a party. In view of these uncertainties, we could incur charges in excess of any currently established accruals and, to the extent available, excess liability insurance. Any such future charges, individually or in the aggregate, could have a material adverse effect on BD's results of operations and cash flows.

Consolidation in the healthcare industry could adversely affect BD's future revenues and operating income.

The medical device industry has experienced a significant amount of consolidation. As a result of this consolidation, competition to provide goods and services to customers has increased. In addition, group purchasing organizations ("GPOs") and integrated health delivery networks ("IDNs") have served to concentrate purchasing decisions for some customers, which has placed pricing pressure on medical device suppliers. Further consolidation in the industry could exert additional pressure on the prices of our products.

Changes in reimbursement practices of third-party payers could affect the demand for our products and the prices at which they are sold.

Our sales depend, in part, on the extent to which healthcare providers and facilities are reimbursed by government authorities, private insurers and other third-party payers for the costs of our products. The coverage policies and reimbursement levels of third-party payers may affect which products customers purchase and the prices they are willing to pay for these products. Legislative or administrative reforms to reimbursement systems in the U.S. or abroad in a manner could significantly reduce reimbursement for procedures using BD medical devices, or result in denial of reimbursement for those products. See "Third-Party Reimbursement" under Item 1. Business.

Product defects could adversely affect the results of our operations.

The design, manufacture and marketing of medical devices involve certain inherent risks. Manufacturing or design defects, unanticipated use of our products, or inadequate disclosure of risks relating to the use of the product can lead to injury or other adverse events. These events could lead to recalls or safety alerts relating to our products (either voluntary or required by the FDA or similar governmental authorities in other countries), and could result, in certain cases, in the removal of a product from the market. Any recall could result in significant costs, as well as negative publicity that could reduce demand for our products. Personal injuries relating to the use of our products can also result in product liability claims being brought against us. In some circumstances, such adverse events could also cause delays in new product approvals.

BD is subject to extensive regulation.

BD is subject to extensive regulation by the FDA pursuant to the Federal Food, Drug and Cosmetic Act, by comparable agencies in foreign countries, and by other regulatory agencies and governing bodies. Most of BD's products must receive clearance or approval from the FDA or counterpart non-U.S. regulatory agencies before they can be marketed or sold. The process for obtaining marketing approval or clearance may take a significant period of time and require the expenditure of substantial resources. The process may also require changes to our products or result in limitations on the indicated uses of the products.

Following the introduction of a product, these agencies also periodically review our manufacturing processes and product performance. Our failure to comply with the applicable good manufacturing practices, adverse event reporting, clinical trial and other requirements of these agencies could delay the production or marketing of our products and result in fines, delays or suspensions of regulatory clearances, or seizures or recalls of products.

We cannot guarantee that any of BD's strategic acquisitions, investments or alliances will be successful.

While our strategy to increase revenue growth is driven primarily by internal product development, we will seek to supplement our growth through strategic acquisitions, investments and alliances. Such transactions are inherently risky. The success of any acquisition, investment or alliance may be affected by a number of factors, including our ability to properly assess and value the potential business opportunity or to successfully integrate it into our existing business. There can be no assurance that any past or future transaction will be successful.

We are subject to foreign currency exchange risk.

Over half of our fiscal year 2007 revenues were derived from international operations. Our revenues outside the U.S. are affected by fluctuations in foreign currency exchange rates. A discussion of the financial impact of exchange rate fluctuations and the ways and extent to which we attempt to mitigate such impact is contained under the heading "Financial Instrument Market Risk" under "Financial Review" contained in Exhibit 13, which is incorporated herein by reference. We cannot predict with any certainty changes in foreign currency exchange rates.

The international operations of BD's business may subject BD to certain business risks.

BD operations outside the U.S. subject BD to certain risks, including the effects of fluctuations in foreign currency exchange (as discussed above), changes in foreign regulatory requirements, potential political instability, trade barriers, weakening of the protection of intellectual property rights in some countries, and restrictions on the transfer of capital across borders. The success of our operations outside the U.S. will depend, in part, on our ability to acquire or form alliances with local companies and make necessary infrastructure enhancements to, among other things, our production facilities and distribution networks.

Reductions in customers' research budgets or government funding may adversely affect our BD Biosciences segment.

Our BD Biosciences segment sells products to researchers at pharmaceutical and biotechnology companies, academic institutions, government laboratories and private foundations. Research and development spending of our customers can fluctuate based on spending priorities and general economic conditions. A number of these customers are also dependent upon grants from U.S. government agencies, such as the U.S. National Institutes of Health ("NIH"), and agencies in other countries for their funding. The level of government funding of research and development is unpredictable. In addition, there have been instances where NIH grants have been frozen or otherwise unavailable for extended periods. Any reduction or delay in governmental funding could cause our customers to delay or forego purchases of our products.

Our operations are dependent in part on patents and other intellectual property rights.

Many of BD's businesses rely on patent, trademark and other intellectual property rights. While we do not believe that the loss of any one patent or other intellectual property asset would materially affect BD operations, these intellectual property assets, in the aggregate, are of material importance to our business. BD can lose the protection afforded by these intellectual property assets through patent expirations, legal challenges or governmental action. Patents attained by competitors, particularly as patents on our products expire, may also adversely affect our competitive position. The loss of a significant portion of our portfolio of intellectual property assets may have a material adverse effect on our earnings, financial condition or cash flows.

Natural disasters, war or terrorism could adversely affect BD's future revenues and operating income.

Natural disasters, war, terrorism and international conflicts, and actions taken by the United States and other governments in response to such events, could cause significant economic disruption and political and social instability in the U.S. and in areas outside of the U.S. in which we operate. These events could result in decreased demand for our products, adversely affect our manufacturing and distribution capabilities or our ability to source materials from our suppliers.

Item 1B. ***Unresolved Staff Comments.***

None.

Item 2. ***Properties*****.**

BD's executive offices are located in Franklin Lakes, New Jersey. As of November 1, 2007, BD owned and leased approximately 15,754,942 square feet of manufacturing, warehousing, administrative and research facilities throughout the world. The U.S. facilities, including Puerto Rico, comprise approximately 6,772,412 square feet of owned and 1,967,193 square feet of leased space. The international facilities comprise approximately 4,846,112 square feet of owned and 2,169,225 square feet of leased space. Sales offices and distribution centers included in the total square footage are also located throughout the world.

Operations in each of BD's business segments are conducted at both U.S. and international locations. Particularly in the international marketplace, facilities often serve more than one business segment and are used for multiple purposes, such as administrative/sales, manufacturing and/or warehousing/distribution. BD generally seeks to own its manufacturing facilities, although some are leased. Most of BD's administrative, sales and warehousing/distribution facilities are leased.

BD believes that its facilities are of good construction and in good physical condition, are suitable and adequate for the operations conducted at those facilities, and are, with minor exceptions, fully utilized and operating at normal capacity.

The U.S. facilities include facilities in Arizona, California, Connecticut, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Michigan, Missouri, Nebraska, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Washington, DC, Washington, Wisconsin and Puerto Rico.

The international facilities are grouped as follows:

—Canada includes approximately 152,891 square feet of leased space.

—Europe and Eastern Europe, Middle East and Africa include facilities in Austria, Belgium, Denmark, Egypt, England, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Kenya, the Netherlands, Norway, Poland, Russia, Saudi Arabia, South Africa, Spain, Sweden, Switzerland, Turkey and the United Arab Emirates, and are comprised of approximately 2,582,327 square feet of owned and 650,438 square feet of leased space.

—Latin America includes facilities in Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, Peru and Venezuela, and is comprised of approximately 1,331,100 square feet of owned and 540,260 square feet of leased space.

—Asia Pacific includes facilities in Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam, and is comprised of approximately 1,506,177 square feet of owned and 332,349 square feet of leased space.

The following table summarizes property information by business segment.

	Corporate	Biosciences	Medical	Diagnostic	Mixed (A)	Total
LEASED						
Sites	2	11	72	11	36	132
Square feet	5,112	350,117	1,508,930	226,318	1,584,434	3,674,911
Manufacturing square footage	0	29,914	363,353	46,213	0	439,480
Manufacturing sites	0	3	8	3	0	14
OWNED						
Sites	2	6	24	12	9	53
Square feet	448,094	831,330	5,787,318	2,453,278	2,671,996	12,192,016
Manufacturing square footage	0	395,330	3,721,623	1,419,761	297,881	5,834,595
Manufacturing sites	0	6	23	12	2	43
TOTAL						
Sites	4	17	96	23	45	185
Square feet	453,206	1,181,447	7,296,248	2,679,596	4,256,430	15,866,927
Manufacturing square footage	0	425,244	4,084,976	1,465,974	297,881	6,274,075
Manufacturing sites	0	9	31	15	2	57

(A) Facilities used by all business segments.

Item 3. ***Legal Proceedings.***

BD is named as a defendant in five purported class action suits brought on behalf of direct purchasers of BD's products, such as distributors, alleging that BD violated federal antitrust laws, resulting in the charging of higher prices for BD's products to the plaintiff and other purported class members. The cases filed are as follows: Louisiana Wholesale Drug Company, Inc., et. al. vs. Becton Dickinson and Company (Civil Action No. 05-1602, U.S. District Court, Newark, New Jersey), filed on March 25, 2005; SAJ Distributors, Inc. et. al. vs. Becton Dickinson & Co. (Case 2:05-CV-04763-JD, United States District Court, Eastern District of Pennsylvania), filed on September 6, 2005; Dik Drug Company, et. al. vs. Becton, Dickinson and Company (Case No. 2:05-CV-04465, U.S. District Court, Newark, New Jersey), filed on September 12, 2005; American Sales Company, Inc. et. al. vs. Becton, Dickinson & Co. (Case No. 2:05-CV-05212-CRM, U.S. District Court, Eastern District of Pennsylvania), filed on October 3, 2005; and Park Surgical Co. Inc. et. al. vs. Becton, Dickinson and Company (Case 2:05-CV-05678-CMR, United States District Court, Eastern District of Pennsylvania), filed on October 26, 2005.

The actions brought by Louisiana Wholesale Drug Company and Dik Drug Company in New Jersey have been consolidated under the caption "In re Hypodermic Products Antitrust Litigation."

BD is also named as a defendant in four purported class action suits brought on behalf of indirect purchasers of BD's products, alleging that BD violated federal antitrust laws, resulting in the charging of higher prices for BD's products to the plaintiff and other purported class members. The cases filed are as follows: Jabo's Pharmacy, Inc., et. al. v. Becton Dickinson & Company (Case No. 2:05-CV-00162, United States District Court, Greenville, Tennessee) filed on June 7, 2005; Drug Mart Tallman, Inc., et. al. v. Becton Dickinson and Company (Case No. 2:06-CV-00174, U.S. District Court, Newark, New Jersey), filed on January 17, 2006; Medstar v. Becton Dickinson (Case No. 06-CV-03258-JLL (RJH), U.S. District Court, Newark, New Jersey), filed on May 18, 2006; and The Hebrew Home for the Aged at Riverdale v. Becton Dickinson and Company (Case No. 07-CV-2544, U.S. District Court, Southern District of New York), filed on March 28, 2007. A fifth purported class action on behalf of indirect purchasers (International Multiple Sclerosis Management Practice v. Becton Dickinson & Company (Case No. 2:07-cv-10602, U.S. District Court, Newark, New Jersey), filed on April 5, 2007) was voluntarily withdrawn by the plaintiff.

The plaintiffs in each of the antitrust class action lawsuits seek monetary damages. All of the antitrust class action lawsuits have been consolidated for pre-trial purposes in a Multi-District Litigation (MDL) in federal court in New Jersey.

On August 31, 2005, Daniels Sharpsmart filed suit against BD, another manufacturer and three group purchasing organizations under the caption Daniels Sharpsmart, Inc. v. Tyco International, (US) Inc., et. al. (Civil Action No. 505CV169, United States District Court, Eastern District of Texas). The plaintiff alleged, among other things, that BD and the other defendants conspired to exclude the plaintiff from the sharps-collection market by entering into long-term contracts in violation of federal and state antitrust laws, and sought monetary damages. On September 28, 2007, BD and the plaintiff entered into an agreement to settle the matter on terms that are not material to BD.

On June 6, 2006, UltiMed, Inc., a Minnesota company, filed suit against BD in the United States District Court in Minneapolis, Minnesota (UltiMed, Inc. v. Becton, Dickinson and Company (06CV2266)). The plaintiff alleges, among other things, that BD excluded the plaintiff from the market for home use insulin syringes by entering into anticompetitive contracts in violation of federal and state antitrust laws. The plaintiff seeks money damages and injunctive relief.

In June 2007, Retractable Technologies, Inc. ("plaintiff") filed a complaint against BD under the caption Retractable Technologies, Inc. vs. Becton Dickinson and Company (Civil Action No. 2:07-cv-250, United States District Court, Eastern District of Texas). Plaintiff alleges that the BD Integra™ syringes infringe patents licensed exclusively to the plaintiff. This patent claim was not covered by the release contained in the July 2004 settlement agreement between BD and plaintiff to settle the lawsuit previously filed by plaintiff. In its complaint, plaintiff also alleges that BD engaged in false advertising with respect to certain of BD's safety-engineered products in violation of the Lanham Act; acted to exclude the plaintiff from various product markets and to maintain its market share through, among other things, exclusionary contracts in violation of state and Federal antitrust laws; and engaged in unfair competition. The non-patent claims purport to relate to actions allegedly taken by BD following the date of the July 2004 settlement agreement referenced above. Plaintiff seeks treble damages, attorney's fees and injunctive relief.

BD, along with another manufacturer and several medical product distributors, is named as a defendant in three product liability lawsuits relating to healthcare workers who allegedly sustained accidental needlesticks, but have not become infected with any disease. Generally, these actions allege that healthcare workers have sustained needlesticks using hollow-bore needle devices manufactured by BD and, as a result, require medical testing, counseling and/or treatment. In some cases, these actions additionally allege that the healthcare workers have sustained mental anguish. Plaintiffs seek money damages in all of these actions. BD had previously been named as a defendant in eight similar suits relating to healthcare workers who allegedly sustained accidental needlesticks, each of which has either been dismissed with prejudice or voluntarily withdrawn. Regarding the three pending suits:

- In Ohio, Grant vs. Becton Dickinson et al. (Case No. 98CVB075616, Franklin County Court), on September 21, 2006, theOhio Court of Appeals reversed the trial court's grant of class certification. The matter has been remanded to the trial court for a determination of whether the class can be redefined.

- In Oklahoma and South Carolina, cases have been filed on behalf of an unspecified number of healthcare workers seekingclass action certification under the laws of these states in state court in Oklahoma, under the caption Palmer vs. Becton Dickinson et. al. (Case No. CJ-98-685, Sequoyah County District Court), filed on October 27, 1998, and in state court in South Carolina, under the caption Bales vs. Becton Dickinson et. al. (Case No. 98-CP-40-4343, Richland County Court ofCommon Pleas), filed on November 25, 1998.

BD continues to oppose class action certification in these cases, including pursuing all appropriate rights of appeal.

BD, along with a number of other manufacturers, was named as a defendant in approximately 524 product liability lawsuits in various state and Federal courts related to natural rubber latex gloves which BD ceased manufacturing in 1995. Cases pending in Federal court are being coordinated under the matter In re Latex Gloves Products Liability Litigation (MDL Docket No. 1148) in Philadelphia, and analogous procedures have been implemented in the state courts of California, Pennsylvania, New Jersey and New York. Generally, these actions allege that medical personnel have suffered allergic reactions ranging from skin irritation to anaphylaxis as a result of exposure to medical gloves containing natural rubber latex. Since the inception of this litigation, 467 of these cases have been closed with no liability to BD, and 46 cases have been settled for an aggregate de minimis amount.

On August 8, 2005, BD received a subpoena issued by the Attorney General of the State of Connecticut, which seeks documents and information relating to BD's participation as a member of Healthcare Research & Development Institute, LLC ("HRDI"), a healthcare trade organization. The subpoena indicated that it was issued as part of an investigation into possible violations of the antitrust laws. On August 21, 2006, BD received a subpoena issued by the Attorney General of the State of Illinois which sought documents and information relating to BD's participation as a member of HRDI. The subpoena indicated that it was issued as part of an investigation into possible violations of the Illinois Consumer Fraud and Deceptive Business Practices Act, Charitable Trust Act, and Solicitation for Charity Act. An independent member of BD's board of directors, Gary Mecklenburg, also served as a member and the non-executive chairman of HRDI until November 5, 2006. 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 (BD has not been contacted by the State of Florida). To BD's knowledge, both the Connecticut and Illinois investigations are still ongoing. BD believes that its participation in HRDI complied fully with the law and has responded to these subpoenas. BD has not received any communication with respect to either investigation since completing its document production.

On May 28, 2004, Therasense, Inc. ("Therasense") filed suit against BD in the U.S. District Court for the Northern District of California (Case Number: C 04-02123 WDB) asserting that BD's blood glucose monitoring products infringe certain Therasense patents. On August 10, 2004, in response to a motion filed by Therasense in the U.S. District Court for the District of Massachusetts, the court transferred to the court in California an action previously filed by BD against Therasense requesting a declaratory judgment that BD's products do not infringe the Therasense patents and that the Therasense patents are invalid.

In July 2007, BD received notice of a suit instituted in Saudi Arabia by El Seif Development ("El Seif"), a former distributor of BD (Case No. 7516, Board of Grievances, Saudi Arabia). El Seif seeks monetary damages arising out of the termination of its distributor agreement and other contractual arrangements with BD.

BD has been served with a qui tam complaint filed by a private party against BD in the United States District Court, Northern District of Texas, alleging violations of the Federal False Claims Act ("FCA") and the Texas False Claims Act (the "TFCA"). Under the FCA, the United States Department of Justice, Civil Division has a certain period of time in which to decide whether to join the claim against BD as an additional plaintiff; if not, the private plaintiff is free to pursue the claim on its own. A similar process is followed under the TFCA. To BD's knowledge, no decision has yet been made by the Civil Division or the State of Texas whether to join this claim.

BD believes that it has meritorious defenses to each of the above-mentioned suits pending against BD and is engaged in a vigorous defense of each of these matters.

BD is also involved both as a plaintiff and a defendant in other legal proceedings and claims that arise in the ordinary course of business.

BD is a party to a number of Federal proceedings in the United States brought under the Comprehensive Environment Response, Compensation and Liability Act, also known as "Superfund," and similar state laws. The affected sites are in varying stages of development. In some instances, the remedy has been completed, while in others, environmental studies are commencing. For all sites, there are other potentially responsible parties that may be jointly or severally liable to pay all cleanup costs.

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 discussed above, 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.

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

None.

Executive Officers of the Registrant

The following is a list of the executive officers of BD, their ages and all positions and offices held by each of them during the past five years. There is no family relationship between any executive officer or director of BD.

Name	Age	Position
Edward J. Ludwig	56	Director since 1999; Chairman, President and Chief Executive Officer since February 2002.
Donna M. Boles	54	Senior Vice President—Human Resources since June 2006; Vice President—Human Resources from June 2005 to June 2006; and, prior thereto, Vice President, Human Resources, BD Medical.
Scott P. Bruder	45	Senior Vice President and Chief Technology Officer since September 2007; Worldwide Vice President, Johnson & Johnson Regenerative Therapeutics, LLC from December 2005 to August 2007; Worldwide Vice President, DePuy Biologics, a unit of DePuy, Inc., a Johnson & Johnson Company, from October 2003 to November 2005; and, prior thereto, Worldwide Vice President, Orthobiologics, DePuy Spine, DePuy Orthopaedics, and DePuy Mitek, operating companies within DePuy, Inc.
Gary M. Cohen	48	Executive Vice President since June 2006; and, prior thereto, President—BD Medical.
John R. Considine	57	Senior Executive Vice President and Chief Financial Officer since June 2006; and, prior thereto, Executive Vice President and Chief Financial Officer.
David T. Durack	62	Senior Vice President—Corporate Medical Affairs since June 2006; and, prior thereto, Vice President-Corporate Medical Affairs.
Vincent A. Forlenza	54	Executive Vice President since June 2006; President—BD Biosciences from March 2003 to June 2006; and, prior thereto, Senior Vice President—Technology, Strategy and Development.
A. John Hanson	63	Executive Vice President since June 2006; and, prior thereto, President—BD Europe.
William A. Kozy	55	Executive Vice President since June 2006; President—BD Diagnostics from November 2003 to June 2006; President—BD Clinical Laboratory Solutions and Company Operations from May

		2002 to November 2003; and, prior thereto, Senior Vice President—Company Operations.
Jeffrey S. Sherman	52	Senior Vice President and General Counsel since June 2006; Vice President and General Counsel from January 2004 to June 2006; and, prior thereto, Vice President and Associate General Counsel of Wyeth.
Patricia B. Shrader	57	Senior Vice President—Corporate Regulatory and External Affairs since June 2006; Vice President, Corporate Regulatory and External Affairs from February 2005 to June 2006; Vice President, Corporate Regulatory, Public Policy and Communication from March 2004 to Feburary 2005; and, prior thereto, Vice President—Regulatory Affairs.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.***

BD's common stock is listed on the New York Stock Exchange. As of October 31, 2007, there were approximately 8,862 shareholders of record. Additional information required by this item appears under the caption "Common Stock Prices and Dividends" on page 64 of Exhibit 13, and is incorporated herein by reference. Certain other information required by this item will be contained under the captions "Equity Compensation Plan Information" and "Ownership of BD Stock" in BD's Proxy Statement, and such information is incorporated herein by reference.

Issuer Repurchases of Equity Securities

The table below sets forth certain information regarding BD's purchases of its common stock during the fiscal quarter ended September 30, 2007.

Issuer Purchases of Equity Securities

For the three months ended September 30, 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
July 1 - 31, 2007	2,742	$ 75.89	-	11,601,814
August 1 - 31, 2007	496,832	$ 76.92	490,000	11,111,814
September 1 - 30, 2007	924	$ 80.15	-	11,111,814
Total	500,498	$ 76.92	490,000	11,111,814

(1) Includes for the quarter 3,047 shares purchased in open market transactions by trustee under BD's Deferred Compensation Plan and 1996 Directors' Deferral Plan. Also includes 7,451 shares delivered to the Company in connection with stock option exercises.

(2) These repurchases were made pursuant to a repurchase program for 10 million shares announced on November 22, 2005. An additional repurchase program for 10 million shares was announced on July 24, 2007. Neither program has an expiration date.

Item 6. ***Selected Financial Data.***

The information required by this item is included under the caption "Ten-Year Summary of Selected Financial Data" on pages 18-19 of Exhibit 13 and is incorporated herein by reference.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operation.***

The information required by this item is included in the text contained under the caption "Financial Review" on pages 20-32 of Exhibit 13 and is incorporated herein by reference.

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk.***

The information required by this item is included in the text contained under the caption "Financial Instrument Market Risk" on page 24 of, and in notes 1 and 9 to, the consolidated financial statements contained in Exhibit 13, and each is incorporated herein by reference.

Item 8. ***Financial Statements and Supplementary Data.***

The information required by this item is included on page 17 herein and on pages 33-62 of Exhibit 13 and is incorporated herein by reference.

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.***

None.

Item 9A. ***Controls and Procedures.***

An evaluation was conducted by BD's management, with the participation of BD's 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 September 30, 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, effective and designed 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 BD's internal control over financial reporting during the fiscal quarter ended September 30, 2007 identified in connection with the above-referenced evaluations that has materially affected, or is reasonably likely to materially affect, the internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting and the Report of Independent Registered Public Accounting Firm on pages 33 and 35, respectively, of Exhibit 13 are incorporated herein by reference.

Item 9B. ***Other Information.***

Not applicable.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance.***

The information relating to directors and the Audit Committee of the BD Board of Directors required by this item will be contained under the captions "Board of Directors—Audit Committee" and Proposal 1. "Election of Directors" in a definitive Proxy Statement involving the election of directors, which the registrant will file with the SEC not later than 120 days after September 30, 2007 (the "Proxy Statement"), and such information is incorporated herein by reference.

The information relating to executive officers required by this item is included herein in Part I under the caption "Executive Officers of the Registrant."

Certain other information required by this item will be contained under the captions "Section 16(a) Beneficial Ownership Reporting Compliance" and "Corporate Governance—Significant Governance Practices—Business Conduct and Compliance Guide" in BD's Proxy Statement, and such information is incorporated herein by reference.

Item 11. ***Executive Compensation.***

The information required by this item will be contained under the captions "Board of Directors—Non-Management Directors' Compensation," "Corporate Governance—Significant Governance Practices—Compensation Committee Interlocks and Insider Participation", "Compensation Discussion and Analysis," "Report of the Compensation and Benefits Commitee," and "Compensation of Named Executive Officers" in BD's Proxy Statement, and such information is incorporated herein by reference.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.***

The information required by this item will be contained under the caption "Ownership of BD Common Stock" in BD's Proxy Statement, and such information is incorporated herein by reference.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence.***

The information required by this item will be contained under the caption "Corporate Governance—Significant Governance Practices—Director Independence/Certain Relationships and Related Transactions" in BD's Proxy Statement, and such information is incorporated herein by reference.

Item 14. ***Principal Accountant Fees and Services.***

The information required by this item will be contained under the caption "Proposal 2. Ratification of Selection of Independent Registered Public Accounting Firm" in BD's Proxy Statement, and such information is incorporated herein by reference.

PART IV

Item 15. ***Exhibits, Financial Statement Schedules.***

(a) *Financial Statements*

The following consolidated financial statements of BD included in Exhibit 13 at the pages indicated in parentheses, are incorporated by reference in Item 8 of this report:

- Reports of Independent Registered Public Accounting Firm (pages 34-35)
- Consolidated Statements of Income—Years ended September 30, 2007, 2006 and 2005 (page 36)
- Consolidated Statements of Comprehensive Income—Years ended September 30, 2007, 2006 and 2005 (page 37)
- Consolidated Balance Sheets—September 30, 2007 and 2006 (page 38)
- Consolidated Statements of Cash Flows—Years ended September 30, 2007, 2006 and 2005 (page 39)
- Notes to Consolidated Financial Statements (pages 40-62)

(b) *Financial Statement Schedules*

The following consolidated financial statement schedule of BD is included herein at the page indicated in parentheses:

Schedule II—Valuation and Qualifying Accounts (page 17)

All other schedules for which provision is made in the applicable accounting regulations of the Securities Exchange Act of 1934 are not required under the related instructions or are inapplicable, and, therefore, have been omitted.

(c) *Exhibits*

See the Exhibit Index beginning on page 18 hereof for a list of all management contracts, compensatory plans and arrangements required by this item (Exhibit Nos. 10(a)(i) through 10(p)), and all other Exhibits filed or incorporated by reference as a part of this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

By:/s/ DEAN J. PARANICAS
Dean J. Paranicas
Vice President, Corporate Secretary
and Public Policy

Dated: November 21, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on the 21st day of November, 2007 by the following persons on behalf of the registrant and in the capacities indicated.

Name	**Capacity**
/s/ EDWARD J. LUDWIG **(Edward J. Ludwig)**	Chairman, President and Chief Executive Officer (Principal Executive Officer)
/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 – Finance (Principal Accounting Officer)
/s/ BASIL L. ANDERSON **(Basil L. Anderson)**	Director
/s/ HENRY P. BECTON, JR. **(Henry P. Becton, Jr.)**	Director
/s/ EDWARD F. DEGRAAN **(Edward F. DeGraan)**	Director

/s/ CLAIRE M. FRASER-LIGGETT — Director
(Claire M. Fraser-Liggett)

/s/ MARSHALL O. LARSEN — Director
(Marshall O. Larsen)

/s/ ADEL A.F. MAHMOUD — Director
(Adel A.F. Mahmoud)

/s/ GARY A. MECKLENBURG — Director
(Gary A. Mecklenburg)

/s/ CATHY E. MINEHAN — Director
(Cathy E. Minehan)

/s/ JAMES F. ORR — Director
(James F. Orr)

/s/ WILLARD J. OVERLOCK, JR. — Director
(Willard J. Overlock, Jr.)

/s/ JAMES E. PERRELLA — Director
(James E. Perrella)

/s/ BERTRAM L. SCOTT — Director
(Bertram L. Scott)

/s/ ALFRED SOMMER — Director
(Alfred Sommer)

SCHEDULE II

BECTON, DICKINSON AND COMPANY

VALUATION AND QUALIFYING ACCOUNTS

Years Ended September 30, 2007, 2006 and 2005
(Thousands of dollars)

Col. A	Col. B	Col. C	Col. D	Col. E
Description	**Balance at Beginning of Period**	**Additions Charged To Costs and Expenses**	**Deductions/Other**	**Balance at End of Period**
2007				
Against trade receivables:				
For doubtful accounts	$ 28,440	$ 2,550	$ 1,752 (A)	$ 29,238
For cash discounts	9,816	39,575	38,979	10,412
Total	$ 38,256	$ 42,125	$ 40,731	$ 39,650
2006				
Against trade receivables:				
For doubtful accounts	$ 33,384	$ 1,115	$ 6,059 (A)	$ 28,440
For cash discounts	14,225	36,161	40,570	9,816
Total	$ 47,609	$ 37,276	$ 46,629	$ 38,256
2005				
Against trade receivables:				
For doubtful accounts	$ 37,409	$ 2,627	$ 6,652 (A)	$ 33,384
For cash discounts	14,952	33,308	34,035	14,225
Total	$ 52,361	$ 35,935	$ 40,687	$ 47,609

(A) Accounts written off.

EXHIBIT INDEX

Exhibit Number	Description	Method of Filing
3(a)(i)	Restated Certificate of Incorporation, as amended January 22, 1990	Incorporated by reference to Exhibit 3(a) to the registrant's Annual Report on Form 10-K for fiscal year ended September 30, 1990
3(a)(ii)	Amendment to the Restated Certificate of Incorporation, as of August 5, 1996	Incorporated by reference to Exhibit 3(a) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 1996
3(a)(iii)	Amendment to the Restated Certificate of Incorporation, as of August 10, 1998	Incorporated by reference to Exhibit 3(b) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 1998
3(b)	By-Laws, as amended and restated as of July 24, 2007	Incorporated by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K dated July 24, 2007
4(a)	Indenture, dated as of December 1, 1982 between the registrant and Manufacturers Hanover Trust Company (now JPMorgan Chase Bank)	Incorporated by reference to Exhibit 4 to Registration Statement No. 2-80707 on Form S-3 filed by the registrant
4(b)	First Supplemental Indenture, dated as of May 15, 1986, between the registrant and Manufacturers Hanover Trust Company (now JPMorgan Chase Bank)	Incorporated by reference to Exhibit 4(b) to Registration Statement No. 33-5663 on Form S-3 filed by the registrant
4(c)	Second Supplemental Indenture, dated as of January 10, 1995, between the registrant and Manufacturers Hanover Trust Company (now JPMorgan Chase Bank)	Incorporated by reference to Exhibit 4 to Registration Statement No. 2-80707 on Form S-3 filed by the registrant
4(d)	Indenture, dated as of March 1, 1997, between the registrant and The Chase Manhattan Bank (now JPMorgan Chase Bank)	Incorporated by reference to Exhibit 4(a) to Form 8-K filed by the registrant on July 31, 1997
	The registrant hereby agrees to furnish to the Commission upon request a copy of any other instruments which define the rights of holders of long-term debt of the registrant.	

Exhibit Number	Description	Method of Filing
10(a)(i)	Form of Employment Agreement with executive officers relating to employment following a change of control of the registrant	Incorporated by reference to Exhibit 10(a)(iii) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2005
10(a)(ii)	Form of Employment Agreement with corporate officers (other than executive officers) relating to employment following a change of control of the registrant	Incorporated by reference to Exhibit 10(a)(iv) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2005
10(b)	Stock Award Plan, as amended and restated as of May 25, 2004	Incorporated by reference to Exhibit 10(c) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2004
10(c)	Performance Incentive Plan, as amended and restated November 23, 2004	Incorporated by reference to Exhibit 10(c) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2004
10(d)(i)	Deferred Compensation Plan, as amended and restated as of March 27, 2007	Incorporated by reference to Exhibit 10(d)(i) to the registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2007
10(d)(ii)	1996 Directors' Deferral Plan, as amended as of January 30, 2007	Incorporated by reference to Exhibit 10 (d)(ii) to the Registrant's Quarterly Report on Form 10-Q for the period ended December 31, 2006
10(e)(i)	1990 Stock Option Plan, as amended and restated February 8, 1994	Incorporated by reference to Exhibit 10(i) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1994
10(e)(ii)	Amendment dated as of April 24, 2000 to the 1990 Stock Option Plan, as amended and restated February 8, 1994	Incorporated by reference to Exhibit 10(h) to the registrant's Quarterly Report on Form 10-K for the period ended June 30, 2000
10(f)(i)	Retirement Benefit Restoration Plan, as amended and restated as of March 27, 2007	Incorporated by reference to Exhibit 10(f)(i) to the registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2007
10(f)(ii)	Amendment to the Retirement Benefit Restoration Plan dated October 16, 2001	Incorporated by reference to Exhibit 10(i)(ii) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2001
10(f)(iii)	Employee Participation Agreement dated November 27, 2000 between the registrant and John R. Considine	Incorporated by reference to Exhibit 10(i)(iii) to the registrant's Annual Report on Form 10-K for the period ended September 30, 2000
10(f)(iv)	Agreement dated December 18, 2000 between the registrant and John R. Considine	Incorporated by reference to Exhibit 10(i)(iv) to the registrant's Annual Report on Form 10-K for the period ended September 30, 2000

Exhibit Number	Description	Method of Filing
10(g)(i)	1994 Restricted Stock Plan for Non Employee Directors	Incorporated by reference to Exhibit A to the registrant's Proxy Statement dated January 5, 1994
10(g)(ii)	Amendment to the 1994 Restricted Stock Plan for Non-Employee Directors as of November 26, 1996	Incorporated by reference to Exhibit 10(j)(ii) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1996
10(h)(i)	1995 Stock Option Plan, as amended and restated January 27, 1998	Incorporated by reference to Exhibit 10(k) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1998
10(h)(ii)	Amendments dated as of April 24, 2000 to the 1995 Stock Option Plan, as amended and restated January 27, 1998	Incorporated by reference to Exhibit 10(k) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2000
10(i)(i)	1998 Stock Option Plan	Incorporated by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q/A for the period ended March 31, 1998
10(i)(ii)	Amendments dated as of April 24, 2000 to the 1998 Stock Option Plan	Incorporated by reference to Exhibit 10(l) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2000
10(j)	Australian, French and Spanish addenda to the Becton, Dickinson and Company Stock Option Plans	Incorporated by reference to Exhibit 10(m) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1998
10(k)	Indian addendum to the Becton, Dickinson and Company Stock Option Plans	Incorporated by reference to Exhibit 10(n) to registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1999
10(l)	China and Japan addenda to Becton, Dickinson and Company Stock Option Plans	Incorporated by reference to Exhibit 10(n)(i) to registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2002
10(m)(i)	Non-Employee Directors 2000 Stock Option Plan	Incorporated by reference to Exhibit 10(o) to the registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2000
10(m)(ii)	Amendments dated as of April 24, 2000 to the Non-Employee Directors 2000 Stock Option Plan	Incorporated by reference to Exhibit 10(o) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2000
10(n)	2002 Stock Option Plan	Incorporated by reference to Appendix A to the registrant's Proxy Statement dated January 2, 2002

Exhibit Number	Description	Method of Filing
10(o)	2004 Employee and Director Equity-Based Compensation Plan, as amended and restated March 27, 2007	Incorporated by reference to Exhibit 10(o) to the Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2007
10(p)	Terms of Awards under 2004 Employee and Director Equity-Based Compensation Plan	Incorporated by reference to Exhibit A of the registrant's Current Report on Form 8-K dated November 21, 2005
10(q)	Amended and Restated Aircraft Time Sharing Agreement between Becton, Dickinson and Company and Edward J. Ludwig dated as of September 22, 2006	Incorporated by reference to Exhibit 10(r) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2006
10(r)	Amended and Restated Five-Year Credit Agreement, dated as of August 13, 2004 among the registrant and the banks named therein	Incorporated by reference to Exhibit 10(d) of the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2004
13	Portions of the registrant's Annual Report to Shareholders for fiscal year 2007	Filed with this report
21	Subsidiaries of the registrant	Filed with this report
23	Consent of independent registered public accounting firm	Filed with this report
31	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to SEC Rule 13(a)-14(a)	Filed with this report
32	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to Section 1350 of Chapter 63 of Title 18 of the U.S. Code	Filed with this report

Copies of any Exhibits not accompanying this Form 10-K are available at a charge of 25 cents per page by contacting: Investor Relations, Becton, Dickinson and Company, 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, Phone: 1-800-284-6845.

Financials

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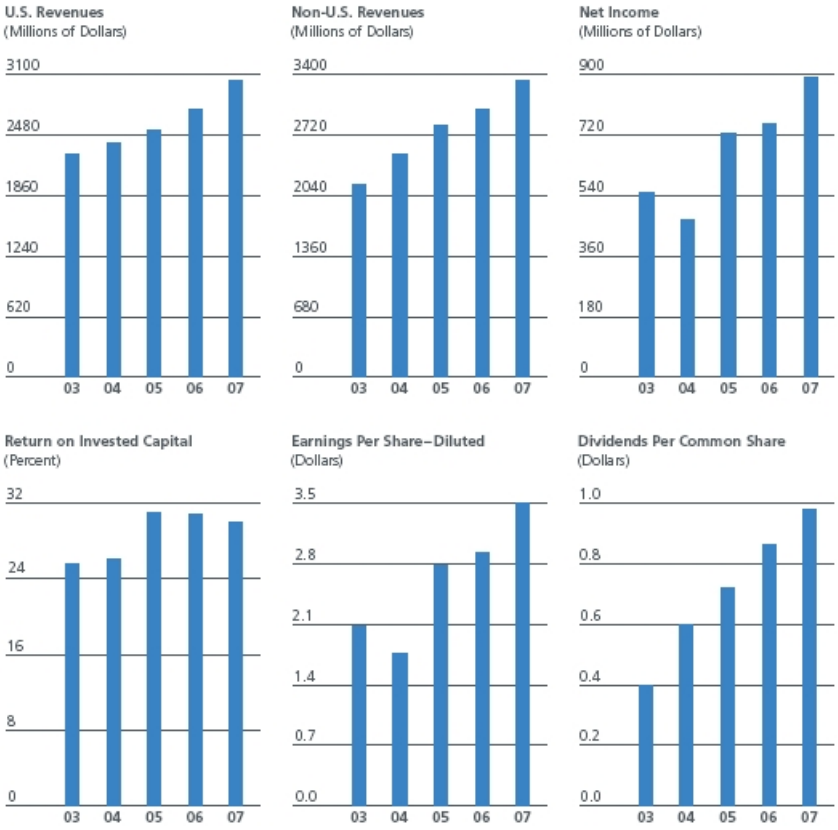


Ten-Year Summary of Selected Financial Data
Years Ended September 30
Dollars in millions, except per share amounts

	2007	2006	2005	2004
Operations				
Revenues	**$ 6,359.7**	$ 5,738.0	$ 5,340.8	$ 4,893.9
Research and Development Expense	**360.1**	301.9	267.7	230.8
Operating Income	**1,203.2**	1,141.4	1,063.8	878.2
Interest Expense, Net	**.2**	6.8	19.3	29.6
Income From Continuing Operations Before Income Taxes	**1,203.9**	1,125.9	1,037.5	843.8
Income Tax Provision	**347.8**	310.8	325.0	204.9
Net Income	**890.0**	752.3	722.3	467.4
Basic Earnings per Share	**3.63**	3.04	2.87	1.85
Diluted Earnings per Share	**3.49**	2.93	2.77	1.77
Dividends per Common Share	**.98**	.86	.72	.60
Financial Position				
Current Assets	**$ 3,130.6**	$ 3,185.3	$ 2,975.3	$ 2,641.3
Current Liabilities	**1,478.8**	1,576.3	1,299.4	1,050.1
Property, Plant and Equipment, Net	**2,497.3**	2,133.5	1,933.7	1,881.0
Total Assets	**7,329.4**	6,824.5	6,132.8	5,752.6
Long-Term Debt	**955.7**	957.0	1,060.8	1,171.5
Shareholders' Equity	**4,362.0**	3,836.2	3,284.0	3,067.9
Book Value per Common Share	**17.89**	15.63	13.26	12.30
Financial Relationships				
Gross Profit Margin	**51.7%**	51.3%	50.9%	50.5 **%**
Return on Revenues(E)	**13.5%**	14.2%	13.3%	13.1 **%**
Return on Total Assets(B)(E)	**17.7%**	18.4%	18.4%	15.7 **%**
Return on Equity(E)	**20.9%**	22.9%	22.4%	21.4 **%**
Debt to Capitalization(D)(E)	**20.9%**	25.8%	27.1%	28.1 **%**
Additional Data				

Number of Employees	**28,000**	27,000	25,600	25,000
Number of Shareholders	**8,896**	9,147	9,442	9,654
Average Common and Common Equivalent Shares Outstanding– Assuming Dilution (millions)	**254.8**	256.6	260.7	263.3
Depreciation and Amortization	**$ 441.3**	$ 402.3	$ 382.7	$ 351.1
Capital Expenditures	**556.4**	457.1	315.8	260.5

(A) Includes cumulative effect of accounting change of $36.8 million ($.14 per basic and diluted share).

(B) Earnings before interest expense, taxes and cumulative effect of accounting changes as a percent of average total assets.

(C) Excludes the cumulative effect of accounting changes.

(D) Total debt as a percent of the sum of total debt, shareholders' equity and net non-current deferred income tax liabilities.

(E) Excludes discontinued operations in 1999 to 2007.

2003	2002	2001	2000	1999	1998
$ 4,449.1	$ 3,960.4	$ 3,667.6	$ 3,544.7	$ 3,412.6	$ 3,116.9
218.5	201.1	193.8	207.8	203.9	187.9
800.8	689.1	645.9	507.4	477.3	405.4
36.5	33.2	55.3	74.2	72.0	56.3
761.6	642.1	548.6[A]	512.7	404.8	340.9
182.1	153.7	139.3	122.0	96.9	104.3
547.1	480.0	401.7[A]	392.9	275.7	236.6
2.14	1.85	1.55[A]	1.54	1.09	.95
2.07	1.79	1.49[A]	1.49	1.04	.90
.40	.39	.38	.37	.34	.29
$ 2,503.5	$ 2,091.4	$ 1,930.1	$ 1,847.6	$ 1,843.0	$ 1,542.8
1,059.4	1,271.5	1,285.4	1,382.4	1,358.6	1,091.9
1,831.8	1,750.4	1,701.3	1,565.5	1,423.9	1,302.7
5,572.3	5,029.0	4,790.8	4,505.1	4,437.0	3,846.0
1,184.0	803.0	782.8	778.5	954.0	765.2
2,897.0	2,480.9	2,321.7	1,956.0	1,768.7	1,613.8
11.54	9.71	8.96	7.72	7.05	6.51
48.9%	48.3%	48.7%	48.6%	49.9%	50.6%
13.0%	12.3%	12.2%[C]	11.0%	9.0%	7.6%
15.2%	13.9%	13.9%	13.4%	11.6%	11.7%
21.6%	20.3%	20.7%[C]	21.0%	18.2%	15.8%
30.5%	32.7%	34.0%	41.7%	47.6%	41.4%
24,800	25,200	24,800	25,000	24,000	21,700
9,868	10,050	10,329	10,822	11,433	9,784
263.6	268.2	268.8	263.2	264.6	262.1
$ 332.8	$ 294.7	$ 292.0	$ 273.7	$ 257.8	$ 228.7
253.0	253.5	364.1	371.0	311.4	181.4

Company Overview

Becton, Dickinson and Company ("BD") 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. References to years throughout this discussion relate to our fiscal years, which end on September 30.

BD management operates the business consistent with the following core strategies:

- To increase revenue growth by focusing on products that deliver greater benefits to patients, healthcare workers and researchers;
- To improve operating effectiveness and balance sheet productivity; and,
- To strengthen organizational and associate capabilities in the ever-changing healthcare environment.

In assessing the outcomes of these strategies and BD's financial condition and operating performance, management generally reviews quarterly forecast data, monthly actual results, segment sales and other similar information. We also consider trends related to certain key financial data, including gross profit margin, selling and administrative expense, investment in research and development, and cash flows.

The results of our strategies are reflected in our fiscal 2007 financial and operational performance. Worldwide revenues in 2007 of $6.4 billion increased 11% from the prior year and reflected volume increases of approximately 8%, an estimated increase due to favorable foreign currency translation of 3%, and price increases of less than 1%. U.S. revenues increased 11% to $3.0 billion. International revenues increased 11% to $3.3 billion with an estimated 5 percentage points of such growth coming from the favorable impact from foreign currency. For a discussion of the financial impact of exchange rate fluctuations and the ways and extent to which we attempt to mitigate such impact, see "Financial Instrument Market Risk" below.

Consistent with our strategy to provide products that deliver greater benefits to healthcare workers, and recognizing the issues surrounding sharps-related injuries, BD has developed a wide array of safety-engineered devices that are designed to reduce the incidence of needlestick injuries and exposure to bloodborne pathogens. These products are offered through our Medical and Diagnostics segments. Sales in the United States of safety-engineered devices grew 7% to $982 million in 2007, from $917 million in 2006. International sales of safety-engineered devices grew 26% to $409 million in 2007 from $324 million in 2006. In 2008, we expect sales of safety-engineered devices to increase about 8% in the United States and 20% internationally.

Income from Continuing Operations was $856 million, or $3.36 per diluted share, in 2007 as compared with $815 million, or $3.18 per diluted share, in 2006. Comparisons of Income from Continuing Operations between 2007 and 2006 are affected by the following significant items that are reflected in our financial results:

2007

- In December 2006, we acquired TriPath Imaging, Inc. ("TriPath"). 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, we incurred a pre-tax non-cash charge of $115 million, or $.45 per diluted share, for acquired in-process research and development.
- In December 2006, we sold the blood glucose monitoring ("BGM") product line. Following the sale, prior period Consolidated Statements of Income and Cash Flows were restated to separately present the results of the BGM product line as discontinued operations.

2006

- In February 2006, we acquired GeneOhm Sciences, Inc. ("GeneOhm"). In connection with the acquisition, we incurred a pre-tax non-cash charge of $53 million, or $.21 per diluted share, for acquired in-process research and development.

Our ability to sustain our long-term growth will depend on a number of factors, including our ability to expand our core business (including geographical expansion), develop innovative new products with higher gross profit margins across our business segments, and continue to improve operating efficiency and organizational effectiveness. Numerous factors can affect our ability to achieve these goals including, without limitation, economic conditions in the United States and elsewhere, increased competition and healthcare cost containment initiatives.

We believe several important factors relating to our business tend to reduce the impact on BD of any potential economic or political events in countries in which we do business, including the effects of possible healthcare system reforms. For example, since many of our products are used in essential medical care, demand for such products tends not to be significantly affected by economic fluctuations. Other factors include the international nature of our business and our ability to meet the needs of the worldwide healthcare industry with cost-effective and innovative products.

In 2007, general inflation did not have a material impact on our overall operations. However, it is possible that general inflation rates will rise in 2008 and beyond, and could have a greater impact on worldwide economies and, consequently, on BD. BD purchases supplies of resins, which are oil-based components used in the manufacture of certain products. During 2007, we incurred slightly higher resin purchase costs than the prior year, primarily due to increases in world oil prices during the late summer 2006. Such increases did not have a significant impact on our 2007 operating results. Any significant increases in resin purchase costs could impact future operating results.

Our anticipated revenue growth over the next three years is expected to come from the following:

- Business growth and expansion among all segments; and
- Development in each business segment of new products and services that provide increased benefits to patients, healthcare workers and researchers.

Results of Continuing Operations

Medical Segment

Medical revenues in 2007 of $3.4 billion increased $314 million, or 10%, over 2006, which includes an estimated impact of unfavorable foreign currency translation of 3 percentage points.

The following is a summary of revenues by organizational unit:

(millions of dollars)	**2007**	2006	Total Change	Estimated Foreign Exchange Impact
Medical Surgical Systems	**$ 1,864**	$ 1,749	7%	2%
Diabetes Care	**696**	657	6%	2%
Pharmaceutical Systems	**792**	640	24%	6%
Ophthalmic Systems	**69**	62	11%	4%
Total Revenues*	**$ 3,421**	$ 3,107	10%	3%

* Amounts may not add due to rounding.

Medical revenues reflect the growth of the Pharmaceutical Systems unit and the continued global conversion to safety-engineered products. The Pharmaceutical Systems unit grew by 24%, reflecting the increased use of prefillable syringes by pharmaceutical companies to market new vaccines and bio-tech drugs, especially in the United States. Revenue growth in the Medical Surgical Systems unit was primarily driven by the growth in safety-engineered products and prefilled flush syringes. Sales of safety-engineered products increased 6% in the United States and 30% internationally. For 2008, we expect the full-year revenue growth for the Medical Segment to be about 8%.

Medical operating income was $972 million, or 28.4% of Medical revenues, in 2007, as compared with $864 million, or 27.8% in 2006. The increase in operating income as a percentage of revenues reflects gross margin improvement from increased sales of products that have higher overall gross profit margins, in particular, safety-engineered products and pen needles, as well as favorable manufacturing efficiencies associated with higher volumes and increased leverage on selling and administrative expenses. These improvements were slightly offset by manufacturing start-up costs. See further discussion on gross profit margin below. Selling and administrative expense as a percent of Medical revenues in 2007 declined to 18.9% of revenues from 19.6% of revenues in 2006, primarily due to tight expense controls over base spending. Research and development expenses in 2007 increased $16 million, or 17%, reflecting continued investment in the development of new products and platforms, and included investments in additional resources to enhance our product development process.

Diagnostics Segment

Diagnostics revenues in 2007 of $1.9 billion increased $190 million, or 11%, over 2006, which reflected an estimated favorable impact of foreign currency translation of about 2 percentage points.

The following is a summary of revenues by organizational unit:

(millions of dollars)	**2007**	2006	Total Change	Estimated Foreign Exchange Impact
Preanalytical Systems	**$ 1,007**	$ 928	9%	3%
Diagnostic Systems	**898**	787	14%	2%
Total Revenues	**$ 1,905**	$ 1,715	11%	2%

Revenue growth in the Preanalytical Systems unit was driven by the continued conversion to safety-engineered products, which accounted for sales of $718 million as compared with $627 million in the prior year. Sales of safety-engineered products reflected growth of 9% in the United States, which benefited from *BD Vacutainer* Push Button Blood Collection Set conversion activity, and 25% internationally. The Diagnostics Systems unit experienced solid worldwide sales of its automated diagnostic platforms, including the molecular *BD ProbeTec* and *BD Viper* systems, along with solid growth of its *BD BACTEC* blood culture and TB systems and the *BD Phoenix* ID/AST platform. Those platforms reported combined incremental sales of $35 million over 2006. In addition, the Diagnostic Systems revenue growth includes $88 million of revenues from TriPath and $13 million of incremental revenues from GeneOhm. Sales of flu diagnostic tests declined $36 million in fiscal 2007 compared with 2006, primarily due to relatively mild flu seasons in both the United States and Japan and the termination of our supply arrangement with our Japanese supplier. For 2008, we expect full year revenue growth for the Diagnostics Segment to be about 9%.

Diagnostics operating income was $343 million, or 18.0% of Diagnostics revenues in 2007, compared with $390 million, or 22.8% in 2006. Segment operating income reflects the in-process research and development charges of $115 million in 2007 related to the TriPath acquisition and $53 million in 2006 related to the GeneOhm acquisition. The Diagnostics Segment experienced a slight improvement in gross profit margin from sales growth of products that have higher overall gross profit margins, in particular, safety-engineered products and the *BD ProbeTec* system. These improvements were slightly offset by manufacturing start-up costs. See further discussion on gross profit margin below. Selling and administrative expense as a percent of Diagnostics revenues in 2007 was higher than the comparable amount in 2006 primarily due to the impact of TriPath and GeneOhm. Research and development expense increased $33 million, or 39%, reflecting new spending associated with these two acquisitions and overall increased investment in new product development.

Biosciences Segment

Biosciences revenues in 2007 of $1.0 billion increased $118 million, or 13%, over 2006, which reflected an estimated impact of favorable foreign currency translation of 3 percentage points.

The following is a summary of revenues by organizational unit:

(millions of dollars)		**2007**		2006	Total Change	Estimated Foreign Exchange Impact
Immunocytometry Systems	**$**	**588**	$	503	17%	3%
Discovery Labware		**278**		256	9%	2%
Pharmingen		**168**		157	7%	2%
Total Revenues	**$**	**1,034**	$	916	13%	3%

Revenue growth in the Immunocytometry Systems unit reflects strong sales of instruments and flow cytometry reagents, driven by increased demand for research analyzers and clinical reagents. Revenue growth in the Discovery Labware unit reflects strong sales of bionutrients and overall market growth. For 2008, we expect the full year revenue growth for the Biosciences Segment to be about 8 to 9%.

Biosciences operating income was $259 million, or 25.0% of Biosciences revenues in 2007, compared with $222 million, or 24.2% in 2006. Segment operating income includes an in-process research and development charge of $7 million in 2007. The increase in operating income, as a percentage of revenues, reflects gross profit improvement from relatively higher sales growth of products that have higher overall gross profit margins and the favorable impact of foreign currency translation. These improvements were offset by manufacturing start-up costs. See further discussion on gross profit margin below. Selling and administrative expense as a percentage of Biosciences revenues was 24.0% versus 25.3% in 2006. Higher sales and continued tight expense control were the key contributors to the increased expense leverage. Research and development expense in 2007 increased $7 million, or 9.0%, reflecting spending on new product development and advanced technology, particularly in the Immunocytometry Systems unit.

Geographic Revenues
Revenues in the United States in 2007 of $3.0 billion increased 11%. U.S. sales of safety-engineered devices were approximately $982 million in 2007, compared with $917 million in 2006. Growth was also led by strong sales of prefilled flush syringes, prefillable syringes and immunocytometry instruments and reagents. U.S. revenue growth also included $88 million of revenues from TriPath.

Revenues outside the United States in 2007 increased 11% to $3.3 billion, reflecting an estimated impact of favorable foreign currency translation of 5 percentage points. Growth was led by solid sales in our European, Asia Pacific and Canadian regions in 2007. International sales of safety-engineered devices were approximately $409 million in 2007, compared with $324 million in 2006.

Gross Profit Margin
Gross profit margin was 51.7% in 2007, compared with 51.3% in 2006. Gross profit margin in the current year as compared with the prior year reflected an estimated 0.6% improvement relating to increased sales of products with relatively higher margins as well as productivity gains. These improvements were partially offset by an estimated 0.2% impact from manufacturing start-up costs. We expect gross profit margin in 2008 to be about the same as in 2007. Expected improvements are anticipated to be offset by increased resin and steel costs as well as manufacturing start-up costs in 2008.

Operating Expenses
Selling and administrative expense was $1.6 billion in 2007 compared with $1.4 billion in 2006, or 25.2% of revenues in both years. Aggregate expenses for 2007 reflect base spending increases of $62 million and expenses of $40 million associated with the GeneOhm and TriPath operations. Increases in selling and administrative expense in 2007 also reflected the absence of proceeds from insurance settlements of $17 million received in the prior year in connection with our previously-owned latex glove business, as well as an unfavorable foreign exchange impact of $35 million. Selling and administrative expense as a percentage of revenues is expected to decrease, on a reported basis, by about 70 basis points for 2008.

Research and development ("R&D") expense in 2007 was $360 million, or 5.7% of revenues, compared with $302 million, or 5.3% of revenues, in 2006. The increase in R&D expenditures includes spending for new programs in each of our segments, as previously discussed. R&D expense is expected to increase about 11% for 2008.

Operating Income
Operating margin in 2007 was 18.9% of revenues, compared with 19.9% in 2006. Operating income of $1.2 billion in 2007 reflected $122 million of acquired in-process R&D charges, as further discussed above. Operating income of $1.1 billion in 2006 included $53 million of acquired in-process R&D charges, partially offset by $17 million of insurance settlement proceeds, as discussed above. We expect operating margin to increase 240 to 250 basis points, with 190 basis points attributable to the acquired in-process R&D charges in 2007.

Non-Operating Expense and Income
Interest expense was $46 million in 2007, compared with $66 million in 2006. The decrease reflected lower debt and higher levels of capitalized interest. Interest income was $46 million in 2007, compared with $59 million in 2006, resulting from lower cash balances.

Income Taxes
The effective tax rate in 2007 was 28.9% compared with the prior year's rate of 27.6% . The 2007 rate reflected the non-deductibility of the acquired in-process R&D charges of $122 million, which were partially offset by the impact of approximately 0.3% resulting from the retroactive reinstatement of the research and experimentation tax credit. The 2006 rate reflected the non-deductibility of the acquired in-process R&D charge of $53 million, as well as the impact relating to the proceeds received from insurance settlements of approximately 0.2% . In 2008, we expect our effective tax rate to be about 27%.

Income and Diluted Earnings per Share from Continuing Operations
Income from continuing operations and diluted earnings per share from continuing operations in 2007 were $856 million and $3.36, respectively. The acquired in-process R&D charges decreased income from continuing operations and diluted earnings per share from continuing operations in the aggregate by $122 million and by $.48, respectively, in 2007. Income from continuing operations and diluted earnings per share from continuing operations in 2006 were $815 million and $3.18, respectively. The acquired in-process R&D charge decreased income from continuing operations and diluted earnings per share from continuing operations by $53 million and by $.21, respectively, in 2006.

Discontinued Operations
In September 2006, the Company announced a plan to exit the blood glucose monitoring market. The Company recorded a pre-tax charge of $63 million in connection with its decision to exit the BGM product line. During the first quarter of 2007, the Company received an unsolicited offer for the purchase of the BGM product line. In December 2006, the Company sold the product line for $20 million. Following the sale, prior period Consolidated Statements of Income and Cash Flows were restated to separately present the results of the BGM product line as discontinued operations. The September 30, 2006 Consolidated Balance Sheet was not restated. See Note 3 of the Notes to Consolidated Financial Statements for additional discussion.

Financial Instrument Market Risk
We selectively use financial instruments to manage the impact of foreign exchange rate and interest rate fluctuations on earnings. The counterparties to these contracts are highly rated financial institutions. We do not enter into financial instruments for trading or speculative purposes.

We have foreign currency exposures throughout Europe, Asia Pacific, Canada, Japan and Latin America. We face transactional currency exposures that arise when we enter into transactions in non-hyperinflationary countries, generally on an intercompany basis, that are denominated in currencies other than our functional currency. We hedge substantially all such foreign exchange exposures primarily through the use of forward contracts and currency options. We also face currency exposure that arises from translating the results of our worldwide operations to the U.S. dollar at exchange rates that have fluctuated from the beginning of a reporting period. To partially protect against adverse foreign exchange rate movements, we purchase option and forward contracts to hedge certain forecasted sales that are denominated in foreign currencies. Gains or losses on our derivative instruments are largely offset by the gains or losses on the underlying hedged transactions. For foreign currency derivative instruments, market risk is determined by calculating the impact on fair value of an assumed change in foreign exchange rates relative to the U.S. dollar. Fair values were estimated based on market prices, when available, or dealer quotes. The reduction in fair value of our purchased option contracts is limited to the option's fair value. With respect to the derivative instruments outstanding at September 30, 2007, a 10% appreciation of the U.S. dollar over a one-year period would increase pre-tax earnings by $52 million, while a 10% depreciation of the U.S. dollar would decrease pre-tax earnings by $10 million.

Comparatively, considering our derivative instruments outstanding at September 30, 2006, a 10% appreciation of the U.S. dollar over a one-year period would have increased pre-tax earnings by $68 million, while a 10% depreciation of the U.S. dollar would have decreased pre-tax earnings by $3 million. These calculations do not reflect the impact of exchange gains or losses on the underlying positions that would substantially offset the results of the derivative instruments.

Our primary interest rate exposure results from changes in short-term U.S. dollar interest rates. Our debt and interest-bearing investments at September 30, 2007, are substantially all U.S. dollar-denominated. Therefore, transaction and translation exposure relating to such instruments is minimal. When managing interest rate exposures, we strive to achieve an acceptable balance between fixed and floating rate instruments. We may enter into interest rate swaps to help maintain this balance and manage debt and interest-bearing investments in tandem, since these items have an offsetting impact on interest rate exposure. For interest rate derivative instruments, market risk is determined by calculating the impact to fair value of an assumed change in interest rates across all maturities. Fair values are estimated based on dealer quotes. A change in interest rates on short-term debt and interest-bearing investments is assumed to impact earnings and cash flow, but not fair value because of the short maturities of these instruments. A change in interest rates on long-term debt is assumed to impact fair value but not earnings or cash flow because the interest on such obligations is fixed. Based on our overall interest rate exposure at September 30, 2007 and 2006, a change of 10% in interest rates would not have a material effect on our earnings or cash flows over a one-year period. An increase of 10% in interest rates would decrease the fair value of our long-term debt and interest rate swaps at September 30, 2007 and 2006 by approximately $37 million and $39 million, respectively. A 10% decrease in interest rates would increase the fair value of our long-term debt and interest rate swaps at September 30, 2007 and 2006 by approximately $41 million and $33 million, respectively.

Liquidity and Capital Resources

Net Cash Flows from Continuing Operating Activities
Net cash provided by continuing operating activities, which continues to be our primary source of funds to finance operating needs and capital expenditures, was $1.2 billion in 2007, compared with $1.1 billion in 2006.

Net Cash Flows from Continuing Investing Activities
Net cash used for continuing investing activities in 2007 was $1.0 billion, compared with $784 million in 2006. Acquisitions of businesses of $340 million in 2007 represented the net cash paid for the TriPath acquisition. Capital expenditures were $556 million in 2007, compared with $457 million in 2006. Medical capital spending of $353 million and Diagnostics capital spending of $114 million in 2007 related primarily to various capacity expansions. Biosciences capital spending of $73 million in 2007 included spending on manufacturing capacity expansions. In 2008, capital expenditures are expected to be in the $600 to $650 million range, reflecting investments in various manufacturing capacity and facility expansions.

Net Cash Flows from Continuing Financing Activities
Net cash used for financing activities was $726 million in 2007, as compared with $342 million in 2006, and included the repurchase of shares of our common stock for approximately $450 million, compared with approximately $449 million in 2006. At September 30, 2007, approximately 11.1 million common shares remained available for purchase, consisting of 1.1 million shares remaining under a November 2005 Board of Directors' authorization to repurchase up to 10 million common shares, plus an additional 10 million shares that were authorized for repurchase by the Board of Directors in July 2007. For 2008, we expect that cash used to repurchase common shares will be about $450 million. Total debt at September 30, 2007, was $1.2 billion compared with $1.4 billion at September 30, 2006. Short-term debt decreased to 18% of total debt at year-end, from 31% at the end of 2006. Floating rate debt was 36% of total debt at the end of 2007 and 46% at the end of 2006. Our weighted average cost of total debt at the end of 2007 was 5.7%, up from 5.5% at the end of 2006. Debt-to-capitalization at year-end improved to 20.9% from 25.8% last year.

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 September 30, 2007. We maintain a $1.0 billion syndicated credit facility in order to provide backup support for our commercial paper program and for other general corporate purposes. This credit facility expires in December 2012 and 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 had ranged from 17-to-1 to 23-to-1. There were no borrowings outstanding under this facility at September 30, 2007. In addition, we have informal lines of credit outside the United States.

At September 30, 2007, our long-term debt was rated "A2" by Moody's and "A+" by Standard and Poor's, and our commercial paper ratings were "P-1" by Moody's and "A-1" by Standard and Poor's. Given the availability of the various credit facilities and our strong credit ratings, we continue to have a high degree of confidence in our ability to refinance maturing short-term and long-term debt, as well as to incur substantial additional debt, if required.

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.

Contractual Obligations

In the normal course of business, we enter into contracts and commitments that obligate us to make payments in the future. The table below sets forth BD's significant contractual obligations and related scheduled payments:

(millions of dollars)	Total	2008	2009 to 2010	2011 to 2012	2013 and Thereafter
Short-term debt	$ 208	$ 208	$ —	$ —	$ —
Long-term debt[A]	1,594	54	301	85	1,154
Operating leases	153	46	59	32	16
Purchase obligations[B]	365	296	50	19	—
Total[C]	$ 2,320	$ 604	$ 410	$ 136	$ 1,170

(A) Long-term debt obligations include expected principal and interest obligations, including interest rate swaps. The interest rate forward curve at September 30, 2007 was used to compute the amount of the contractual obligation for variable rate debt instruments and swaps.

(B) Purchase obligations are for purchases made in the normal course of business to meet operational and capital requirements.

(C) Required funding obligations for 2008 relating to pension and other postretirement benefit plans are not expected to be material.

2006 Compared With 2005

Worldwide revenues in 2006 of $5.7 billion increased 7% from 2005 and reflected estimated volume increases of 7%, an estimated decrease due to unfavorable foreign currency translation of 1%, and estimated price increases of less than 1%.

Medical Segment

Medical revenues in 2006 of $3.1 billion increased $222 million, or 8%, over 2005.

The following is a summary of revenues by organizational unit:

(millions of dollars)	2006	2005	Total Change*	Estimated Foreign Exchange Impact
Medical Surgical Systems	$ 1,749	$ 1,661	5%	—
Diabetes Care	657	600	9%	(1%)
Pharmaceutical Systems	640	563	14%	(3%)
Ophthalmic Systems	62	60	3%	(2%)
Total Revenues*	$ 3,107	$ 2,884	8%	(1%)

* Amounts may not calculate due to rounding.

Medical revenue growth was driven by the continued conversion to safety-engineered products, which accounted for sales of $613 million, as compared with $571 million in the prior year, reflecting growth of 6% in the United States and 16% internationally. Revenue growth in the Medical Surgical Systems unit of this segment was primarily driven by the growth in safety-engineered products and prefilled flush syringes. Revenue growth in the Pharmaceutical Systems unit was driven by a 26% increase in sales in the United States. The Diabetes Care unit's revenue growth reflected strong sales of pen needles worldwide.

Medical operating income was $864 million, or 27.8% of Medical revenues, in 2006, as compared with $748 million, or 25.9% in 2005. The Segment's gross profit margin in 2006 reflected improvement associated with relatively higher sales growth of products that have higher overall gross profit margins, in particular, safety-engineered products and pen needles, as well as favorable manufacturing efficiencies associated with higher volumes. See further discussion on gross profit margin below. Selling and administrative expense as a percent of Medical revenues in 2006 was slightly lower compared with 2005, primarily due to tight expense controls over base spending. Research and development expense in 2006 increased $7 million, or 8%, reflecting continued investment in the development of new products and platforms.

Diagnostics Segment

Diagnostics revenues in 2006 of $1.7 billion increased $83 million, or 5%, over 2005, which reflected an estimated unfavorable impact of foreign currency translation of about 1 percentage point.

The following is a summary of revenues by organizational unit:

(millions of dollars)	2006	2005	Total Change	Estimated Foreign Exchange Impact
Preanalytical Systems	$ 928	$ 855	9%	—
Diagnostic Systems	787	777	1%	(1%)
Total Revenues	$ 1,715	$ 1,632	5%	(1%)

Revenue growth in the Preanalytical Systems unit was driven by the continued conversion to safety-engineered products, which accounted for sales of $627 million, as compared with $543 million in 2005. Sales of safety-engineered products reflected growth of 13% in the United States, which benefited from *BD Vacutainer* Push Button Blood Collection Set conversion activity, and 20% internationally. The Diagnostic Systems unit experienced solid worldwide sales of its automated diagnostic platforms, including the molecular *BD ProbeTec* ET, *BD BACTEC*, and the *BD Phoenix* ID/AST. These platforms reported combined incremental sales of $33 million over 2005. Revenues for GeneOhm, which was acquired in February 2006, totaled $8 million. Sales of flu diagnostic tests declined by approximately $11 million in fiscal 2006 compared with 2005, primarily due to a relatively mild flu season in both Japan and the United States.

Diagnostics operating income was $390 million, or 22.8% of Diagnostics revenues, in 2006, compared with $403 million, or 24.7%, in 2005. Segment operating income for 2006 reflects the acquired in-process research and development charge of $53 million as well as the operating results of GeneOhm, which in the aggregate, reduced operating income as a percentage of Diagnostics revenues by approximately 5%. The Diagnostics Segment experienced slight gross profit margin improvement reflecting higher prices and productivity, which was substantially offset by the impact of the recently acquired GeneOhm products, which have lower overall gross profit margins, and lower sales growth of flu diagnostic products, which have higher overall gross profit margins. See further discussion on gross profit margin below. Selling and administrative expense as a percent of Diagnostics revenues in 2006 was lower compared with 2005 primarily due to tight controls on spending, which more than offset the incremental GeneOhm expenses. Research and development expense in 2006 increased $6 million, or 7%, reflecting new spending for product development associated with the GeneOhm acquisition.

Biosciences Segment

Biosciences revenues in 2006 of $916 million increased $92 million, or 11%, over 2005, which reflected an estimated impact of unfavorable foreign currency translation of 1 percentage point.

The following is a summary of revenues by organizational unit:

(millions of dollars)	2006	2005	Total Change*	Estimated Foreign Exchange Impact
Immunocytometry Systems	$ 503	$ 452	11%	(1%)
Discovery Labware	256	231	11%	(1%)
Pharmingen	157	141	12%	(1%)
Total Revenues	$ 916	$ 824	11%	(1%)

* Amounts may not calculate due to rounding.

Revenue growth in the Immunocytometry Systems unit reflected strong sales of instruments and flow cytometry reagents, driven by increased demand for research and clinical analyzers. Revenue growth rates in the Immunocytometry Systems and Pharmingen units were favorably impacted by the adverse effect a cancellation of a distribution agreement had on revenues in 2005. As a result of an inventory repurchase obligation to this distributor upon termination of the arrangement, certain sales made to this distributor in the latter part of 2005 ($5 million in Immunocytometry Systems and $12 million in Pharmingen) were not recognized as revenue. In addition, sales in 2006 were favorably impacted by higher average selling prices as a result of terminating the arrangement. Revenue growth in the Discovery Labware unit resulted primarily from strong sales of bionutrients and market share gains.

Biosciences operating income was $222 million, or 24.2% of Biosciences revenues in 2006, compared with $186 million, or 22.5% in 2005. The increase in operating income, as a percentage of revenues, reflects gross profit improvement from the favorable impact of terminating a distribution agreement in 2005, increased operating efficiencies, as well as relatively higher sales growth of products that have higher overall gross profit margins. See further discussion on gross profit margin below. Selling and administrative expense as a percent of Biosciences revenues was lower compared with 2005, primarily due to higher revenues and the absence of $8 million of costs incurred in 2005 associated with the termination of the distribution agreement, mentioned above. Research and development expense in 2006 increased $8 million, or 13%, reflecting spending on new product development and advanced technology, particularly in the Immunocytometry Systems unit and bioimaging products.

Geographic Revenues

Revenues in the United States in 2006 of $2.7 billion increased 9%. U.S. sales of safety-engineered devices were approximately $917 million in 2006, compared with $842 million in 2005. Growth was also led by strong sales of diabetes care products, prefilled flush syringes and prefillable syringes. Revenues of immunocytometry instruments and reagents also demonstrated good growth.

Revenues outside the United States in 2006 increased 6% to $3 billion, reflecting an estimated impact of unfavorable foreign currency translation of 2 percentage points. Growth was led by strong sales in our Asia Pacific, Canadian and European regions in 2006. International sales of safety-engineered devices were approximately $324 million in 2006, compared with $273 million in 2005.

Gross Profit Margin

Gross profit margin was 51.3% in 2006, compared with 50.9% in 2005. Gross profit margin in 2006 reflected an estimated 1.0% improvement relating to increased sales growth of products with relatively higher margins and to productivity gains. These improvements were partially offset by an estimated 0.2% impact from foreign currency translation, an estimated 0.3% unfavorable impact of higher raw material costs and 0.1% relating to an increase in share-based compensation.

Operating Expenses

Selling and administrative expense of $1.4 billion in 2006 was 25.2% of revenues, compared with $1.4 billion or 26.0% of revenues in 2005. Aggregate expenses for 2006 reflect base spending increases of $49 million and expenses associated with recent acquisitions, primarily GeneOhm, of $17 million. Selling and administrative expense in 2006 also reflected increases primarily in share-based compensation expense of $25 million. These increases were partially offset by a favorable foreign exchange impact of $13 million and by proceeds from insurance settlements of $17 million received in connection with our previously-owned latex glove business.

Research and development expense in 2006 was $302 million, or 5.3% of revenues, compared with $268 million, or 5.0% of revenues, in 2005. The increase in R&D expenditures reflected spending for new programs in each of our segments, as previously discussed.

Non-Operating Expense and Income

Interest expense was $66 million in 2006, compared with $56 million in 2005. The increase reflected higher debt levels and the impact of higher interest rates on floating rate debt and on fixed-to-floating interest rate swap transactions. Such swap transactions consist of fair value hedges of certain fixed-rate instruments under which the difference between fixed and floating interest rates is exchanged at specified intervals. Interest income was $59 million in 2006, compared with $36 million in 2005, and reflected higher interest rates and cash balances.

Income Taxes

The effective tax rate in 2006 was 27.6% and reflected the unfavorable impact of the non-deductibility of the acquired in-process R&D charge. The effective tax rate in 2005 was 31.3% and reflected a 7.7% increase relating to the charge in 2005 attributable to the planned repatriation of earnings in 2006 under the American Jobs Creation Act of 2004. In addition, the effective tax rate in 2005 reflected a 1.0% benefit due to the reversal of tax accruals in connection with the conclusion of tax examinations in four non-U.S. jurisdictions.

Income and Diluted Earnings per Share from Continuing Operations

Income from continuing operations and diluted earnings per share from continuing operations in 2006 were $815 million and $3.18, respectively. The in-process R&D charge decreased income from continuing operations and diluted earnings per share from continuing operations by $53 million and by $.21 in 2006. Income from continuing operations and diluted earnings per share from continuing operations in 2005 were $713 million and $2.73, respectively. The tax repatriation charge decreased income from continuing operations by $77 million and diluted earnings per share from continuing operations by $.30 in 2005.

Liquidity and Capital Resources

Net Cash Flows from Continuing Operating Activities

Net cash provided by continuing operating activities was $1.1 billion in 2006, reduced from $1.2 billion in 2005, reflecting higher inventory levels and higher income tax payments, including taxes associated with the repatriation of earnings, as discussed further below.

Net Cash Flows from Continuing Investing Activities

Net cash used for continuing investing activities in 2006 was $784 million, compared with $380 million in 2005. Acquisitions of businesses of $231 million in 2006 represented the net cash paid for the GeneOhm acquisition. Capital expenditures were $457 million in 2006, compared with $316 million in 2005. Medical capital spending of $269 million and Diagnostics capital spending of $105 million related primarily to various capacity expansions. Biosciences capital spending of $39 million included spending on manufacturing capacity expansions.

Net Cash Flows from Continuing Financing Activities

Net cash used for financing activities was $342 million in 2006, as compared with $516 million in 2005, and included the repurchase of shares of our common stock for approximately $449 million, compared with approximately $550 million in 2005. Total debt at September 30, 2006, was $1.4 billion compared with $1.3 billion at September 30, 2005. Short-term debt increased to 31% of total debt at year-end, from 16% at the end of 2005. Floating rate debt was 46% of total debt at the end of 2006 and 41% at the end of 2005. Our weighted average cost of total debt at the end of 2006 was 5.5%, up from 5.3% at the end of 2005, due to higher short-term interest rates. Debt-to-capitalization at year-end improved to 25.8% in 2006 from 27.1% in 2005.

The American Jobs Creation Act of 2004 (the "AJCA") was signed into law in October 2004. The AJCA creates a temporary incentive for U.S. multinationals to repatriate accumulated income earned outside the United States. As a result of the passage of the AJCA, we repatriated approximately $1.3 billion in 2006 in accordance with our planned repatriation under the AJCA. Uses of the repatriated funds include cash expenditures for compensation and benefits to existing and newly hired U.S. workers, U.S. infrastructure and capital investments and other activities as permitted under the AJCA.

Critical Accounting Policies

The preparation of the consolidated financial statements requires management to use estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Some of those judgments can be subjective and complex and, consequently, actual results could differ from those estimates. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. For any given estimate or assumption made by management, it is possible that other people applying reasonable judgment to the same facts and circumstances could develop different estimates. Actual results that differ from management's estimates could have an unfavorable effect on our consolidated financial statements. Management believes the following critical accounting policies reflect the more significant judgments and estimates used in the preparation of the consolidated financial statements.

Revenue Recognition

Revenue from product sales is recognized when title and risk of loss pass to the customer. We recognize revenue for certain instruments sold from the Biosciences segment upon installation at a customer's site. Based upon terms of the sales agreements, the Biosciences segment recognizes revenue in accordance with Emerging Issues Task Force No. 00-21, "Revenue Arrangements with Multiple Deliverables." These sales agreements have multiple deliverables, and as such are divided into separate units of accounting. Revenue is recognized upon the completion of each deliverable based on the relative fair values of items delivered.

BD's domestic businesses sell products primarily to distributors who resell the products to end-user customers. We provide rebates to distributors that sell to end-user customers at prices determined under a contract between BD and the end-user customer. Provisions for rebates, as well as sales discounts and returns, are accounted for as a reduction of revenues when revenue is recognized.

Impairment of Assets

Pursuant to SFAS No. 142, "Goodwill and Other Intangible Assets," goodwill and indefinite-lived intangible assets are subject to impairment reviews at least annually, or whenever indicators of impairment arise. Intangible assets other than goodwill and indefinite-lived intangible assets and other long-lived assets are reviewed for impairment in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." Impairment reviews are based on a cash flow approach that requires significant management judgment with respect to future volume, revenue and expense growth rates, changes in working capital use, appropriate discount rates and other assumptions and estimates. The estimates and assumptions used are consistent with BD's business plans. The use of alternative estimates and assumptions could increase or decrease the estimated fair value of the asset, and potentially result in different impacts to BD's results of operations. Actual results may differ from management's estimates.

Investments

We hold equity interests in companies having operations or technology in areas within or adjacent to BD's strategic focus. For some of these companies that are publicly traded, market prices are available. However, for those companies that are not publicly traded, fair value is difficult to determine. We write down an investment when management believes an investment has experienced a decline in value that is other than temporary. Future adverse changes in market conditions or poor operating results of the underlying investments could result in an inability to recover the carrying value of the investments, thereby possibly requiring impairment charges in the future.

Tax Valuation Allowances

BD maintains valuation allowances where it is more likely than not that all or a portion of a deferred tax asset will not be realized. Changes in valuation allowances are included in our tax provision in the period of change. In determining whether a valuation allowance is warranted, management evaluates factors such as prior earnings history, expected future earnings, carryback and carryforward periods, and tax strategies that could potentially enhance the likelihood of realization of a deferred tax asset.

Contingencies

We are involved, both as a plaintiff and a defendant, in various legal proceedings that arise in the ordinary course of business, including, without limitation, product liability, antitrust, and environmental matters, as further discussed in Note 12 of the Notes to Consolidated Financial Statements. We assess the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable losses. In accordance with U.S. generally accepted accounting principles, we establish accruals to the extent probable future losses are estimable (in the case of environmental matters, without considering possible third-party recoveries). A determination of the amount of accruals, if any, for these contingencies is made after careful analysis of each individual issue and, when appropriate, is developed after consultation with outside counsel. The accruals may change in the future due to new developments in each matter or changes in our strategy in dealing with these matters.

Given the uncertain nature of litigation generally, we are 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 we are a party. In view of these uncertainties, we could incur charges in excess of any currently established accruals and, to the extent available, excess liability insurance. Accordingly, 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 net cash flows.

Benefit Plans

We have significant net pension and postretirement benefit costs that are measured using actuarial valuations. Inherent in these valuations are key assumptions including discount rates and expected return on plan assets. We evaluate these key assumptions at least annually on a plan- and country-specific basis. We consider current market conditions, including changes in interest rates and market returns, in selecting these assumptions. Changes in the related net pension and post-retirement benefits costs may occur in the future due to changes in assumptions.

The discount rate is selected to reflect the prevailing rate on September 30 based on investment grade bonds and other factors. Specifically, for the U.S. pension plan, we use an actuarially-determined yield curve to determine the discount rate. We increased our discount rate for the U.S. pension and postretirement plans at September 30, 2007 from 5.95% to 6.35% and increased the rate at September 30, 2006 from 5.5% to 5.95%.

To determine the expected long-term rate of return on pension plan assets, we consider the historical and expected returns on various plan asset classes, as well as current and expected asset allocations. At September 30, 2007, the one-year rate of return on assets for our U.S. pension plans was 14.6%, the five-year rate of return was 13.0%, and the ten-year rate of return was 6.5% . We believe that these results, in connection with our current and expected asset allocation, support our assumed long-term return of 8.0% on those assets.

Sensitivity to changes in key assumptions for our U.S. pension and postretirement plans are as follows:

- Discount rate–A change of plus (minus) 25 basis points, with other assumptions held constant, would have an estimated $7 million favorable (unfavorable) impact on the total U.S. net pension and postretirement benefit plan cost.

- Expected return on plan assets–A change of plus (minus) 25 basis points, with other assumptions held constant, would have an estimated $2 million favorable (unfavorable) impact on U.S. pension plan cost.

Stock-Based Compensation

Compensation cost relating to share-based payment transactions is recognized in net income using a fair value measurement method, in accordance with SFAS No. 123(R). SFAS No. 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the statement of operations as compensation expense (based on their fair values) over the vesting period of the awards. We determine the fair value of certain share-based awards using a lattice-based binomial option valuation model that incorporates certain assumptions, such as the risk-free interest rate, expected volatility, expected dividend yield and expected life of the options. See Note 13 of the Notes to Consolidated Financial Statements for additional discussion.

Cautionary Statement Regarding Forward-Looking Statements

BD and its representatives may from time-to-time make certain forward-looking statements in publicly released materials, both written and oral, including statements contained in this report and filings with the Securities and Exchange Commission and in our other reports to shareholders. Forward-looking statements may be identified by the use of words such as “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 that 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 and statements expressing views about future operating results–are forward-looking statements.

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, as well as competition in certain markets.

- We operate in a highly competitive environment. New product introductions by our current or future competitors (for example, new forms of drug delivery) could adversely affect our ability to compete in the global market. Patents attained by competitors, particularly as patents on our products expire, may also adversely impact our competitive position. Certain competitors have established manufactur- ing sites or have contracted with suppliers in low-cost manufacturing locations as a means to lower their costs. New entrants may also appear.

- Changes in domestic and foreign healthcare industry prac- tices 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 oil-based resins and other raw materials and the ability to maintain favorable supplier arrangements and relationships (particu- larly 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 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, regulatory requirements for products in the postmarketing phase, or changes in enforcement practices with respect to any such laws and regulations. In particular, environ- mental 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 sciences 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, obtain coverage and adequate reimbursement for new products, 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, patent infringement claims and the availability or collectibility of insurance.

- 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 any 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 U.S. Food and Drug Administration (or foreign counterparts) or declining sales.

- Economic and political conditions in international markets, including civil unrest, terrorist activity, governmental changes, restrictions on the ability to transfer capital across borders and expropriation of assets by a government.

- 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 Securities and Exchange Commission.

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.

Management's Responsibilities

The following financial statements have been prepared by management in conformity with U.S. generally accepted accounting principles and include, where required, amounts based on the best estimates and judgments of management. The integrity and objectivity of data in the financial statements and elsewhere in this Annual Report are the responsibility of management.

In fulfilling its responsibilities for the integrity of the data presented and to safeguard the Company's assets, management employs a system of internal accounting controls designed to provide reasonable assurance, at appropriate cost, that the Company's assets are protected and that transactions are appropriately authorized, recorded and summarized. This system of control is supported by the selection of qualified personnel, by organizational assignments that provide appropriate delegation of authority and division of responsibilities, and by the dissemination of written policies and procedures. This control structure is further reinforced by a program of internal audits, including a policy that requires responsive action by management.

The Board of Directors monitors the internal control system, including internal accounting and financial reporting controls, through its Audit Committee, which consists of six independent Directors. The Audit Committee meets periodically with the independent registered public accounting firm, the internal auditors and management to review the work of each and to satisfy itself that they are properly discharging their responsibilities. The independent registered public accounting firm and the internal auditors have full and free access to the Audit Committee and meet with its members, with and without management present, to discuss the scope and results of their audits including internal control, auditing and financial reporting matters.

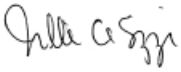
Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Act of 1934. Management conducted an assessment of the effectiveness of internal control over financial reporting based on the criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment and those criteria, management concluded that internal control over financial reporting was effective as of September 30, 2007.

The financial statements and internal control over financial reporting have been audited by Ernst & Young LLP, an independent registered public accounting firm. Ernst & Young's reports with respect to fairness of presentation of the statements, and the effectiveness of internal control over financial reporting are included herein.

Edward J. Ludwig
Chairman, President and Chief Executive Officer

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



William A. Tozzi
Vice President – Finance

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of
Directors of Becton, Dickinson and Company

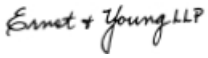
We have audited the accompanying consolidated balance sheets of Becton, Dickinson and Company as of September 30, 2007 and 2006, and the related consolidated statements of income, comprehensive income, and cash flows for each of the three years in the period ended September 30, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Becton, Dickinson and Company at September 30, 2007 and 2006, and the consolidated results of its operations and its cash flows for each of the three years in the period ended September 30, 2007, in conformity with U.S. generally accepted accounting principles.

As discussed in Notes 2 and 5 to the consolidated financial statements, the Company adopted Financial Accounting Standard No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106 and 132(R)" on September 30, 2007.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Becton, Dickinson and Company's internal control over financial reporting as of September 30, 2007, based on criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated November 16, 2007 expressed an unqualified opinion thereon.



ERNST & YOUNG LLP
New York, New York
November 16, 2007

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of
Directors of Becton, Dickinson and Company

We have audited Becton, Dickinson and Company's internal control over financial reporting as of September 30, 2007, based on criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Becton, Dickinson and Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

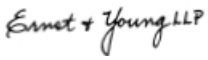
We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Becton, Dickinson and Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2007, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Becton, Dickinson and Company as of September 30, 2007 and 2006, and the related consolidated statements of income, comprehensive income, and cash flows for each of the three years in the period ended September 30, 2007 of Becton, Dickinson and Company, and our report dated November 16, 2007 expressed an unqualified opinion thereon.



ERNST & YOUNG LLP
New York, New York
November 16, 2007

Consolidated Statements of Income
Years Ended September 30
Thousands of dollars, except per share amounts

	2007	2006	2005
Operations			
Revenues	**$6,359,708**	$5,738,017	$5,340,833
Cost of products sold	**3,071,921**	2,793,265	2,622,427
Selling and administrative expense	**1,602,404**	1,448,166	1,386,897
Research and development expense	**360,050**	301,872	267,664
Acquired in-process research and development	**122,133**	53,300	—
Total Operating Costs and Expenses	**5,156,508**	4,596,603	4,276,988
Operating Income	**1,203,200**	1,141,414	1,063,845
Interest expense	**(46,420)**	(66,046)	(55,673)
Interest income	**46,221**	59,296	36,421
Other income (expense), net	**944**	(8,762)	(7,064)
Income From Continuing Operations Before Income Taxes	**1,203,945**	1,125,902	1,037,529
Income tax provision	**347,778**	310,792	325,009
Income from Continuing Operations	**856,167**	815,110	712,520
Income (loss) from Discontinued Operations Net of income tax provision (benefit) of $15,242, $(32,823) and $(26,877)	**33,866**	(62,830)	9,743
Net Income	**$ 890,033**	$ 752,280	$ 722,263
Basic Earnings per Share			
Income from Continuing Operations	**$ 3.50**	$ 3.30	$ 2.83
Income (loss) from Discontinued Operations	**$ 0.14**	$ (0.25)	$ 0.04
Basic Earnings per Share[(A)]	**$ 3.63**	$ 3.04	$ 2.87
Diluted Earnings per Share			
Income from Continuing Operations	**$ 3.36**	$ 3.18	$ 2.73
Income (loss) from Discontinued Operations	**$ 0.13**	$ (0.24)	$ 0.04
Diluted Earnings per Share[(A)]	**$ 3.49**	$ 2.93	$ 2.77

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

See notes to consolidated financial statements

Consolidated Statements of Comprehensive Income
Years Ended September 30
Thousands of dollars

	2007	2006	2005
Net Income	**$ 890,033**	$ 752,280	$ 722,263
Other Comprehensive Income (Loss), Net of Tax			
Foreign currency translation adjustments	**250,411**	77,396	(17,742)
Minimum pension liability adjustment	**3,159**	77,086	4,494
Unrealized (loss) gain on investments, net of amounts recognized	**(10,643)**	1,212	(1,112)
Unrealized loss on cash flow hedges, net of amounts realized	**(2,596)**	(1,307)	(135)
Other Comprehensive Income (Loss), Net of Tax	**240,331**	154,387	(14,495)
Comprehensive Income	**$1,130,364**	$ 906,667	$ 707,768

See notes to consolidated financial statements

Consolidated Balance Sheets
September 30
Thousands of dollars, except per share amounts and numbers of shares

	2007	2006
Assets		
Current Assets		
Cash and equivalents	**$ 511,482**	$ 1,000,289
Short-term investments	**158,040**	106,386
Trade receivables, net	**1,083,152**	885,748
Inventories	**1,051,959**	875,738
Prepaid expenses, deferred taxes and other	**325,933**	317,092
Total Current Assets	**3,130,566**	3,185,253
Property, Plant and Equipment, Net	**2,497,338**	2,133,548
Goodwill	**621,414**	565,146
Core and Developed Technology, Net	**374,779**	244,811
Other Intangibles, Net	**95,938**	91,501
Capitalized Software, Net	**142,738**	189,355
Other	**466,592**	414,911
Total Assets	**$ 7,329,365**	$ 6,824,525
Liabilities		
Current Liabilities		
Short-term debt	**$ 207,634**	$ 427,218
Accounts payable	**266,993**	243,602
Accrued expenses	**481,429**	490,425
Salaries, wages and related items	**435,854**	380,478
Income taxes	**86,899**	34,606
Total Current Liabilities	**1,478,809**	1,576,329
Long-Term Debt	**955,713**	956,971
Long-Term Employee Benefit Obligations	**444,874**	270,495
Deferred Income Taxes and Other	**88,012**	184,526
Commitments and Contingencies	**—**	—
Shareholders' Equity		
Common stock–$1 par value: authorized–640,000,000 shares; issued–332,662,160 shares in 2007 and 2006	**332,662**	332,662
Capital in excess of par value	**1,125,368**	873,535
Retained earnings	**5,995,787**	5,345,697
Deferred compensation	**12,205**	11,134
Common stock in treasury–at cost–88,825,066 shares in 2007 and 87,194,060 shares in 2006	**(3,105,893)**	(2,698,016)
Accumulated other comprehensive income (loss)	**1,828**	(28,808)
Total Shareholders' Equity	**4,361,957**	3,836,204
Total Liabilities and Shareholders' Equity	**$ 7,329,365**	$ 6,824,525

See notes to consolidated financial statements

Consolidated Statements of Cash Flows
Years Ended September 30
Thousands of dollars

	2007	2006	2005
Operating Activities			
Net income	**$ 890,033**	$ 752,280	$ 722,263
(Income) loss from discontinued operations, net	**(33,866)**	62,830	(9,743)
Income from continuing operations, net	**856,167**	815,110	712,520
Adjustments to income from continuing operations to derive net cash provided by continuing operating activities, net of amounts acquired:			
Depreciation and amortization	**441,341**	402,332	382,669
Share-based compensation	**107,706**	108,613	70,199
Deferred income taxes	**(115,489)**	(108,285)	63,769
Acquired in-process research and development	**122,133**	53,300	—
Change in operating assets and liabilities:			
Trade receivables, net	**(117,048)**	(19,977)	(34,332)
Inventories	**(126,863)**	(99,505)	(57,371)
Prepaid expenses, deferred taxes and other	**(24,965)**	(122,496)	(897)
Accounts payable, income taxes and other liabilities	**102,996**	100,636	107,929
Pension obligation	**(22,119)**	(64,971)	(58,842)
Other, net	**12,189**	39,416	35,105
Net Cash Provided by Continuing Operating Activities	**1,236,048**	1,104,173	1,220,749
Investing Activities			
Capital expenditures	**(556,394)**	(457,067)	(315,840)
Capitalized software	**(22,334)**	(22,454)	(18,922)
Change in short-term investments	**(30,167)**	(18,633)	(43,775)
Purchases of long-term investments	**(3,881)**	(9,672)	(1,171)
Acquisitions of businesses, net of cash acquired	**(339,528)**	(231,464)	—
Proceeds from discontinued operations	**19,971**	—	62,051
Other, net	**(85,922)**	(44,656)	(62,566)
Net Cash Used for Continuing Investing Activities	**(1,018,255)**	(783,946)	(380,223)
Financing Activities			
Change in short-term debt	**(121,102)**	121,563	157,103
Payments of debt	**(100,790)**	(828)	(104,522)
Repurchase of common stock	**(450,124)**	(448,882)	(549,999)
Issuance of common stock	**130,679**	147,796	123,494
Excess tax benefit from payments under share-based compensation plans	**55,118**	50,609	40,594
Dividends paid	**(239,810)**	(212,431)	(182,236)
Net Cash Used for Continuing Financing Activities	**(726,029)**	(342,173)	(515,566)
Discontinued Operations:			
Net cash provided by (used for) operating activities	**4,388**	(27,773)	(3,954)
Net cash used for investing activities	**—**	(2,580)	(528)
Net cash used for financing activities	**—**	—	(15)
Net Cash Provided by (Used for) Discontinued Operations	**4,388**	(30,353)	(4,497)
Effect of exchange rate changes on cash and equivalents	**15,041**	9,698	3,049
Net (Decrease) Increase in Cash and Equivalents	**(488,807)**	(42,601)	323,512
Opening Cash and Equivalents	**1,000,289**	1,042,890	719,378
Closing Cash and Equivalents	**$ 511,482**	$ 1,000,289	$ 1,042,890

See notes to consolidated financial statements

Thousands of dollars, except per share amounts and numbers of shares

1 Summary of Significant Accounting Policies

Principles of Consolidation
The consolidated financial statements include the accounts of Becton, Dickinson and Company and its majority-owned subsidiaries (the "Company") after the elimination of inter-company transactions. The Company has no material interests in variable interest entities and none that require consolidation.

Cash Equivalents
Cash equivalents consist of all highly liquid investments with a maturity of three months or less when purchased.

Short-Term Investments
Short-term investments consist of certificates of deposit and repurchase agreements of government securities with maturities of less than one year when purchased.

Inventories
Inventories are stated at the lower of first-in, first-out cost or market.

Property, Plant and Equipment
Property, plant and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are principally provided on the straight-line basis over estimated useful lives, which range from 20 to 45 years for buildings, four to 10 years for machinery and equipment and two to 17 years for leasehold improvements. Depreciation and amortization expense was $280,357, $262,956 and $242,063 in fiscal 2007, 2006 and 2005, respectively.

Goodwill and Other Intangible Assets
Goodwill is reviewed annually for impairment in accordance with Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets". In reviewing goodwill for impairment, potential impairment is identified by comparing the fair value of a reporting unit, estimated using an income approach, with its carrying value. Core and developed technology is amortized over periods ranging from 15 to 20 years, using the straight-line method. Both goodwill and core and developed technology arise from acquisitions. Other intangibles with finite useful lives, which include patents, are amortized over periods principally ranging from two to 40 years, using the straight-line method. These intangibles, including core and developed technology, are periodically reviewed when impairment indicators are present to assess recoverability from future operations using undiscounted cash flows in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". To the extent carrying value exceeds the undiscounted cash flows, an impairment loss is recognized in operating results based upon the excess of the carrying value over fair value. Other intangibles also include certain trademarks that are considered to have indefinite lives, as they are expected to generate cash flows indefinitely, and are reviewed annually for impairment.

Capitalized Software
Capitalized software, including costs for software developed or obtained for internal use is stated at cost, less accumulated amortization. Amortization expense is principally provided on the straight-line basis over estimated useful lives, which do not exceed 10 years. Amortization expense was $66,386, $66,037 and $71,416 for 2007, 2006 and 2005, respectively.

Foreign Currency Translation
Generally, the net assets of foreign operations are translated into U.S. dollars using current exchange rates. The U.S. dollar results that arise from such translation, as well as exchange gains and losses on intercompany balances of a long-term investment nature, are included in the foreign currency translation adjustments in Accumulated other comprehensive income (loss).

Revenue Recognition
Revenue from product sales is recognized when title and risk of loss pass to the customer. For the sale of certain instruments in the Biosciences segment, revenue is recognized upon completion of installation at the customer's site. Based upon the terms of other sales arrangements, the Biosciences segment recognizes revenue in accordance with Emerging Issues Task Force No. 00-21, "Revenue Arrangements with Multiple Deliverables". These sales arrangements have multiple deliverables and, as such, are divided into separate units of accounting. Revenue and cost of products sold are recognized at the completion of each deliverable based on the relative fair values of items delivered.

The Company's domestic businesses sell products primarily to distributors who resell the products to end-user customers. Rebates are provided to distributors that sell to end-user customers at prices determined under a contract between the Company and the end-user customer. Provisions for rebates, as well as sales discounts and returns, are accounted for as a reduction of revenues when revenue is recognized.

Shipping and Handling Costs

Shipping and handling costs are included in Selling and administrative expense. Shipping expense was $243,263, $219,788 and $216,239 in 2007, 2006 and 2005, respectively.

Derivative Financial Instruments

In accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, all derivatives are recorded in the balance sheet at fair value and changes in fair value are recognized currently in earnings unless specific hedge accounting criteria are met.

Derivative financial instruments are utilized by the Company in the management of its foreign currency and interest rate exposures. The Company hedges its foreign currency exposures by entering into offsetting forward exchange contracts and currency options when it deems appropriate. The Company utilizes interest rate swaps and forward rate agreements to manage its exposure to fluctuating interest rates. The Company does not use derivative financial instruments for trading or speculative purposes.

Any deferred gains or losses associated with derivative instruments, which on infrequent occasions may be terminated prior to maturity, are recognized in income in the period in which the underlying hedged transaction is recognized. In the event a designated hedged item is sold, extinguished or matures prior to the termination of the related derivative instrument, such instrument would be closed and the resultant gain or loss would be recognized in income.

Income Taxes

United States income taxes are not provided on undistributed earnings of foreign subsidiaries where such undistributed earnings are indefinitely reinvested outside the United States. Deferred taxes are provided for earnings of foreign subsidiaries when those earnings are not considered indefinitely reinvested. Income taxes are provided and tax credits are recognized based on tax laws enacted at the dates of the financial statements.

The Company maintains valuation allowances where it is more likely than not that all or a portion of a deferred tax asset will not be realized. Changes in valuation allowances are included in our tax provision in the period of change. In determining whether a valuation allowance is warranted, management evaluates factors such as prior earnings history, expected future earnings, carryback and carryforward periods and tax strategies that could potentially enhance the likelihood of the realization of a deferred tax asset.

Earnings per Share

Basic earnings per share are computed based on the weighted average number of common shares outstanding. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions. These estimates or assumptions affect reported assets, liabilities, revenues and expenses as reflected in the consolidated financial statements. Actual results could differ from these estimates.

Share-Based Compensation

The Company accounts for all share-based compensation under SFAS No. 123 (revised 2004)–"Share-Based Payment" ("SFAS No. 123(R)"). This statement requires the recognition of the fair value of share-based compensation in net income. Compensation expense is recognized on a straight-line basis over the requisite service period, which is generally the vesting period.

2 Accounting Changes

In September 2006, the Financial Accounting Standards Board (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"). SFAS No. 158 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. The Company adopted SFAS No. 158 on September 30, 2007. SFAS No. 158 will not change the measurement date of the Company's plans as the plans are measured at its fiscal year-end. See Note 5 regarding the Company's adoption of SFAS No. 158.

In March 2005, the FASB issued Interpretation No. 47 "Accounting for Conditional Asset Retirement Obligations" ("FIN 47"). FIN 47 clarifies that the term "conditional asset retirement obligation" as used in SFAS No. 143, "Accounting for Asset Retirement Obligations" refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the Company. Accordingly, the Company is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value can be reasonably estimated. The Company adopted this interpretation in the fourth quarter of 2006. The adoption of FIN 47 did not have a material impact on BD's consolidated financial statements.

Adoption of New Accounting Standard

In July 2006, 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 SFAS No. 109 "Accounting for Income Taxes". This interpretation will be applied to all tax positions upon its initial adoption. The Company adopted this interpretation on October 1, 2007 and the cumulative effect of applying this interpretation will be reported as an adjustment to the opening balance of retained earnings for such fiscal year. Although, the Company is still evaluating the potential impact of FIN 48, the decrease to opening retained earnings as of October 1, 2007, with a corresponding increase to the appropriate tax liability accounts, is not expected to exceed $15 million.

3 Acquisitions and Divestitures

TriPath

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 under the purchase method of accounting and the results of operations of TriPath were included in the Company'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 $59,024 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 $31,464 was recorded as goodwill. The primary items that generated goodwill are the value of expanded product opportunities in oncology that are aligned with and complement ongoing research programs at the Company. The goodwill was allocated to the Diagnostics segment and is not deductible for tax purposes. As a result of settling a preacquisition legal contingency in the fourth quarter, the Company recorded an increase to other net assets and a decrease to goodwill of $7,167, which was reflected in the above allocation of the purchase price.

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 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 bio-markers 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.

Other

On May 4, 2007, the Company acquired all of the outstanding shares of Plasso Technology, Ltd. ("Plasso"), a privately-held company that is developing the next generation of surface-critical research tools utilizing functional coating technology for applications in glycomics and cell culture, for $10,425 in cash including transaction costs. In connection with the acquisition, the Company incurred a non-deductible charge of $7,394 for acquired in-process research and development associated with Plasso's technology, for which, at the acquisition date, technological feasibility had not been established and no alternative future use existed. Because Plasso was a development stage company that had not commenced its planned principal operations, the transaction was accounted for as an acquisition of assets rather than as a business combination and, therefore, goodwill was not recorded.

GeneOhm

On February 14, 2006, the Company acquired all the outstanding stock of GeneOhm Sciences, Inc. ("GeneOhm"), a company that develops molecular diagnostic testing for the rapid detection of bacterial organisms, including those known to cause healthcare-associated infections. The acquisition provides the Company with expanded entry into the emerging field of healthcare-associated infections. The acquisition was accounted for under the purchase method of accounting and the results of operations of GeneOhm were included in the Company'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 consisted of an up-front cash payment of $232,542, including transaction costs, and the purchase contract provides for additional contingent payments of up to $25,000, based on future events occurring on or before December 31, 2007. 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 $34,346 consisting of net operating loss carryforwards and credits; other intangible assets, primarily core and developed technology, of $92,300; deferred tax liabilities of $31,400 associated with other intangible assets, and other net assets of $3,587. 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 $80,409 was recorded as goodwill. The primary items that generated goodwill are the value of synergies in microbiology research and the expansion of product offerings in molecular diagnostics. The goodwill was allocated to the Diagnostics segment and is not deductible for tax purposes. In connection with the acquisition, the Company also incurred a non-deductible charge of $53,300 for acquired in-process research and development. This charge, based on fair value, is associated with several products that have not reached technological feasibility and do not have alternative future use at the acquisition date. The fair value of each product was 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 product. These cash flows took into account the income and expenses associated with the further development and commercialization of the underlying products. The ongoing activity associated with each of these products is not material to the Company's research and development expense.

BGM

On September 28, 2006, the Company announced a plan to exit the blood glucose monitoring ("BGM") market. In accordance with the plan, distribution of the *BD Logic* Blood Glucose Monitor was immediately discontinued. BD will continue to distribute test strips for its customers through December 2007. 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 in 2006 in connection with its decision to exit the BGM product line. This charge consisted of $5,352 related to estimated customer sales returns, $31,602 related to the write-off of inventory and related purchase commitments, $14,052 related to long-lived asset write-downs, and $12,408 related to severance and other exit costs. During the fourth quarter of 2007, the Company reversed $8,781 of this charge to reinstate certain long-lived assets to reflect the use of these assets. 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 September 30, 2007, the accrual was substantially utilized, after reflecting the reversal of $5,365 of these costs during 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. During 2007, adjustments of $3,226 were made to reduce other accruals related to obligations that remained with the Company upon divestiture of the product line. Additionally, the Company received a payment of $4,675, which represented the resolution of a contingency with a former supplier. Following the sale, the Company's prior period 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 Consolidated Balance Sheet has not been restated.

Other

In August 2005, the Company completed the sale of the Clontech unit of the Biosciences segment for $62,100 and recognized a gain on sale of $13,336 ($28,533 after taxes). Clontech's results of operations were reported as discontinued operations for all periods presented in the accompanying Consolidated Statements of Income and Cash Flows.

Results of discontinued operations for the years ended September 30 were as follows:

	2007	2006	2005[B]
Revenues	**$ 33,086**	$ 96,811	$ 123,518
Income (loss) from discontinued operations before income taxes	**49,108**	(95,653)[A]	(17,134)
Income tax (provision) benefit	**(15,242)**	32,823	26,877
Income (loss) from discontinued operations, net	**$ 33,866**	$ (62,830)[A]	$ 9,743

(A) Includes post-closing charges of $4,708 ($3,311 after taxes) related to the divestiture of Clontech.
(B) Includes revenues of $49,670 and income before taxes of $15,541 ($29,980 after taxes) related to the operations of Clontech. The effective tax rate benefit of 92.9% reflected the consummation of the sale of Clontech as a sale of stock, which was previously assumed to be an asset sale. The Company recognized a benefit from the write-off of deferred tax liabilities associated with basis adjustments.

4 Other Intangible Assets

Other intangible assets at September 30 consisted of:

	2007		2006	
	Gross Carrying Amount	**Accumulated Amortization**	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets				
Core and developed technology	**$ 548,995**	**$ 174,216**	$ 377,633	$ 132,822
Patents, trademarks, and other	**289,920**	**203,037**	337,176	254,717
	$ 838,915	**$ 377,253**	$ 714,809	$ 387,539
Unamortized intangible assets				
Trademarks	**$ 9,055**		$ 9,042	

Intangible amortization expense was $46,607, $34,843 and $29,529 in 2007, 2006 and 2005, respectively. The estimated aggregate amortization expense for the fiscal years ending September 30, 2008 to 2012 are as follows: 2008–$49,100; 2009–$46,900; 2010–$45,200; 2011–$43,700; 2012–$40,600.

5 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. Postretirement healthcare and life insurance benefit plans in foreign countries are not material. The measurement date used for the Company's employee benefit plans is September 30.

During 2007, the Company redesigned its U.S. pension plans to provide for a cash benefit formula by offering a one-time, irrevocable election to existing employees to change to this provision and mandating all new employees hired after April 1, 2007 to participate in the new formula. The Company also amended its other postretirement benefits plan to provide that new hires, as of April 1, 2007 or later, will no longer be eligible for company subsidized benefits. These amendments did not have a material impact on the net pension and postretirement cost of the Company.

Net pension and other postretirement cost for the years ended September 30 included the following components:

	Pension Plans			Other Postretirement Benefits		
	2007	2006	2005	**2007**	2006	2005
Service cost	**$ 69,869**	$ 74,111	$ 61,836	**$ 4,386**	$ 4,164	$ 3,657
Interest cost	**75,728**	71,997	66,837	**14,608**	14,873	15,321
Expected return on plan assets	**(88,527)**	(80,063)	(59,372)	**—**	—	—
Amortization of prior service cost	**348**	309	211	**(6,233)**	(6,233)	(6,233)
Amortization of loss	**17,507**	27,932	22,951	**5,795**	7,127	6,164
Amortization of net obligation	**(92)**	(70)	134	**—**	—	—
	$ 74,833	$ 94,216	$ 92,597	**$ 18,556**	$ 19,931	$ 18,909

Net pension cost attributable to foreign plans included in the preceding table was $21,156, $18,639 and $16,772 in 2007, 2006 and 2005, respectively.

Effective September 30, 2007, the Company adopted the recognition and disclosure provisions of SFAS No. 158, which requires the Company to recognize on a prospective basis the funded status of its pension and other postretirement benefit plans in the Consolidated Balance Sheet with a corresponding adjustment to Accumulated other comprehensive income (loss). The Company also recognized the funded status of its postem-ployment benefit plans in connection with the adoption of SFAS No. 158. The minimum pension liability, previously included in Accumulated other comprehensive income (loss), and the related intangible asset were derecognized upon the adoption of SFAS No. 158.

The effects of applying SFAS No. 158 at September 30, 2007 were as follows:

	Before Application of SFAS No. 158	SFAS No. 158 Adjustments	After Application of SFAS No. 158
Prepaid expenses, deferred taxes and other	$ 326,119	$ (186)	$ 325,933
Other Intangibles, Net	96,391	(453)	95,938
Other	502,428	(35,836)	466,592
Salaries, wages and related items	(435,857)	3	(435,854)
Long-Term Employee Benefit Obligations	(268,128)	(176,746)	(444,874)
Deferred Income Taxes and Other	(91,535)	3,523	(88,012)
Accumulated other comprehensive income	(211,523)	209,695	(1,828)

The change in benefit obligation, change in fair value of plan assets, funded status and amounts recognized in the Consolidated Balance Sheets for these plans were as follows:

	Pension Plans		Other Postretirement Benefits	
	2007	2006	**2007**	2006
Change in benefit obligation:				
Beginning obligation	**$ 1,384,667**	$ 1,413,092	**$ 255,726**	$ 281,197
Service cost	**69,869**	74,111	**4,386**	4,164
Interest cost	**75,728**	71,997	**14,608**	14,873
Plan amendments	**(16,586)**	86	**—**	—
Benefits paid	**(97,671)**	(75,207)	**(25,411)**	(22,734)
Actuarial gain	**(63,519)**	(117,307)	**(11,818)**	(24,345)
Other, includes translation	**41,942**	17,895	**8,480**	2,571
Benefit obligation at September 30	**$ 1,394,430**	$ 1,384,667	**$ 245,971**	$ 255,726
Change in fair value of plan assets:				
Beginning fair value	**$ 1,124,565**	$ 933,920	**$ —**	—
Actual return on plan assets	**138,446**	91,569	**—**	—
Employer contribution	**96,952**	160,340	**—**	—
Benefits paid	**(97,671)**	(75,207)	**—**	—
Other, includes translation	**33,877**	13,943	**—**	—
Plan assets at September 30	**$ 1,296,169**	$ 1,124,565	**$ —**	—
Funded status at September 30:				
Unfunded benefit obligation	**$ (98,261)**	$ (260,102)	**$ (245,971)**	$ (255,726)
Unrecognized net transition obligation	**—**	(1,012)	**—**	—
Unrecognized prior service cost (credit)	**—**	6,193	**—**	(12,920)
Unrecognized net actuarial loss	**—**	356,968	**—**	77,392
Net amount recognized	**$ (98,261)**	$ 102,047	**$ (245,971)**	$ (191,254)
Amounts recognized in the Consolidated Balance Sheets at September 30:				
Other Intangibles, Net	**$ —**	$ 2,345	**$ —**	—
Other	**32,710**	148,129	**—**	—
Salaries, wages and related items	**(2,668)**	—	**(20,067)**	—
Long-Term Employee Benefit Obligations	**(128,303)**	(67,996)	**(225,904)**	(191,254)
Accumulated other comprehensive income (loss) before income taxes	**—**	19,569	**—**	—
Net amount recognized	**$ (98,261)**	$ 102,047	**$ (245,971)**	$ (191,254)
Amounts recognized in Accumulated other comprehensive income (loss) before income taxes at September 30:				
Net transition obligation	**$ (1,156)**		**$ —**	
Prior service credit	**(10,086)**		**(6,688)**	
Net actuarial loss	**238,144**		**62,194**	
Net amount recognized	**$ 226,902**		**$ 55,506**	

Foreign pension plan assets at fair value included in the preceding table were $359,291 and $299,047 at September 30, 2007 and 2006, respectively. The foreign pension plan projected benefit obligations were $430,265 and $382,584 at September 30, 2007 and 2006, respectively.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets were $96,723, $76,398 and $14,685, respectively as of September 30, 2007, and $126,545, $100,473 and $41,576, respectively as of September 30, 2006.

The estimated net actuarial loss and prior service credit for pension benefits that will be amortized from Accumulated other comprehensive loss into net pension costs over the next fiscal year are expected to be $7,825 and $(1,117) million, respectively. The estimated net actuarial loss and prior service credit for other postretirement benefits that will be amortized from Accumulated other comprehensive income (loss) into net other postretirement costs over the next fiscal year are expected to be $3,949 and $(6,233) million, respectively.

The weighted average assumptions used in determining pension plan information were as follows:

	2007	2006	2005
Net Cost			
Discount rate:			
U.S. plans[(A)]	**5.95%**	5.50%	6.00%
Foreign plans	**4.65**	4.19	4.95
Expected return on plan assets:			
U.S. plans	**8.00**	8.00	8.00
Foreign plans	**6.42**	6.02	6.60
Rate of compensation increase:			
U.S. plans[(A)]	**4.50**	4.25	4.25
Foreign plans	**3.08**	2.92	2.98
Benefit Obligation			
Discount rate:			
U.S. plans[(A)]	**6.35**	5.95	5.50
Foreign plans	**5.32**	4.65	4.19
Rate of compensation increase:			
U.S. plans[(A)]	**4.50**	4.50	4.25
Foreign plans	**3.45**	3.08	2.92

(A) Also used to determine other postretirement and postemployment benefit plan information.

At September 30, 2007 the assumed healthcare trend rates were 9% pre and post age 65, gradually decreasing to an ultimate rate of 5% beginning in 2012. At September 30, 2006 the corresponding assumed healthcare trend rates were 10% pre and post age 65, gradually decreasing to an ultimate rate of 5% beginning in 2012. A one percentage point increase in assumed healthcare cost trend rates in each year would increase the accumulated postretirement benefit obligation as of September 30, 2007 by $11,165 and the aggregate of the service cost and interest cost components of 2007 annual expense by $759. A one percentage point decrease in the assumed healthcare cost trend rates in each year would decrease the accumulated postretirement benefit obligation as of September 30, 2007 by $9,977 and the aggregate of the 2007 service cost and interest cost by $677.

Expected Funding

The Company's funding policy for its defined benefit pension plans is to contribute amounts sufficient to meet legal funding requirements, plus any additional amounts that may be appropriate considering the funded status of the plans, tax consequences, the cash flow generated by the Company and other factors. While the Company will not be required to fund any of its pension plans in 2008, the Company made a discretionary contribution to a certain foreign pension plan in October 2007 of $22,900.

Expected benefit payments are as follows:

	Pension Plans	Other Postretirement Benefits
2008	$ 81,738	$ 20,067
2009	70,735	20,378
2010	75,948	20,798
2011	81,612	20,907
2012	89,059	20,757
2013–2017	522,634	100,137

Expected receipts of the subsidy under the Medicare Prescription Drug Improvement and Modernization Act of 2003, which are not reflected in the expected other postretire-ment benefit payments included in the preceding table, are as follows: 2008, $2,059; 2009, $2,190; 2010, $2,280; 2011, $2,362; 2012, $2,417; 2013-2017, $12,174.

The Company's asset allocations for its defined benefit pension plans at September 30 were as follows

	2007	2006
Equity securities	**64.5%**	64.4%
Debt securities	**33.1**	33.0
Other	**2.4**	2.6
	100.0%	100.0%

Investment Strategy

The Company's investment objective is to achieve superior returns on plan assets, subject to a prudent level of portfolio risk, for the purpose of enhancing the security of benefits for participants. The Company's investments include a broad range of equity and fixed-income securities. These investments are diversified in terms of domestic and international equity securities, short-term and long-term securities, growth and value styles, as well as small and large capitalization stocks. The Company's target allocation percentages are as follows: equity securities (58%–69%); fixed-income securities (31%–39%); and cash (0%–3%). Equity securities are held for their expected high return and excess return over inflation. Fixed-income securities are held for diversification relative to equities. The plans may also hold cash to meet liquidity requirements. Due to short-term fluctuations in market conditions, allocation percentages may temporarily deviate from these target allocation percentages before a rebalancing occurs. Investment risks and returns are measured and monitored on an on-going basis through annual liability measurements and quarterly investment portfolio reviews to determine whether the asset allocation targets continue to represent an appropriate balance of expected risk and reward.

The expected rate of return on plan assets is based upon expectations of long-term average rates of return to be achieved by the underlying investment portfolios. In establishing this assumption, the Company considers historical and expected rates of return for the asset classes in which the plan's assets are invested, as well as current economic and capital market conditions.

Postemployment Benefits

The Company utilizes a service-based approach in applying SFAS No. 112, "Employers' Accounting for Postemployment Benefits–an amendment of FASB Statements No. 5 and 43," for most of its postemployment benefits. This approach recognizes that actuarial gains and losses may result from experience that differs from baseline assumptions.

Postemployment benefit costs for the years ended September 30 included the following components:

	2007	2006	2005
Service cost	**$ 10,449**	$ 10,148	$ 8,975
Interest cost	**5,116**	4,946	4,438
Amortization of prior service cost	**1,654**	1,654	1,654
Amortization of loss	**6,895**	8,548	7,613
	$ 24,114	$ 25,296	$ 22,680

The unfunded status of the postemployment benefit plans was $101,514 at September 30, 2007 and these plans are not funded. The amounts recognized in Accumulated other comprehensive income (loss) before income taxes for the net actuarial loss was $57,110 at September 30, 2007. The estimated net actuarial loss that will be amortized from the Accumulated other comprehensive income (loss) into postem-ployment benefit cost over the next fiscal year is $6,845.

Savings Incentive Plan

The Company has a voluntary defined contribution plan ("Savings Incentive Plan") covering eligible employees in the United States. In connection with the redesign of the U.S. pension and postretirement benefit plans, effective July 1, 2007, the Company amended its Savings Incentive Plan increasing the amount of the Company matching contribution for eligible employees to 75% of employees' contributions, up to a maximum of 4.5% of each employee's eligible compensation. Prior to that date, the Company matched 50% of employees' contributions, up to a maximum of 3% of each employee's salary. The cost of the Savings Incentive Plan was $21,878 in 2007, $16,626 in 2006 and $6,905 in 2005. The Company guarantees employees' contributions to the fixed income fund of the Savings Incentive Plan, which consists of diversified money market instruments. The amount guaranteed was $144,772 at September 30, 2007.

6 Income Taxes

The provision for income taxes from continuing operations for the years ended September 30 consisted of:

	2007	2006	2005
Current:			
Federal	**$ 307,072**	$ 281,784	$ 130,657
State and local, including Puerto Rico	**21,669**	12,004	5,169
Foreign	**134,526**	125,289	125,414
	463,267	419,077	261,240
Deferred:			
Domestic	**(94,306)**	(101,651)	76,540
Foreign	**(21,183)**	(6,634)	(12,771)
	(115,489)	(108,285)	63,769
	$ 347,778	$ 310,792	$ 325,009

The components of Income From Continuing Operations Before Income Taxes for the years ended September 30 consisted of:

	2007	2006	2005
Domestic, including Puerto Rico	**$ 550,750**	$ 466,655	$ 465,188
Foreign	**653,195**	659,247	572,341
	$1,203,945	$ 1,125,902	$ 1,037,529

Deferred tax assets and liabilities are netted on the balance sheet by separate tax jurisdictions. At September 30, 2007 and 2006, net current deferred tax assets of $168,305 and $181,406, respectively, were included in Prepaid expenses, deferred taxes and other. Net non-current deferred tax assets of $168,251 and $32,582, respectively, were included in Other. Net current deferred tax liabilities of $6,136 and $2,184, respectively, were included in Current Liabilities–Income taxes. Net non-current deferred tax liabilities of $37,121 and $143,435, respectively, were included in Deferred Income Taxes and Other. Deferred taxes are not provided on undistributed earnings of foreign subsidiaries that are indefinitely reinvested. At September 30, 2007, the cumulative amount of such undistributed earnings indefinitely reinvested outside the United States was $1.6 billion. Determining the tax liability that would arise if these earnings were remitted is not practicable. Deferred taxes are provided for earnings outside the United States when those earnings are not considered indefinitely reinvested.

In October 2004, the American Jobs Creations Act of 2004 (the "AJCA") was signed into law. The AJCA created a temporary incentive for U.S. multinationals to repatriate accumulated income earned outside the United States. As a result of the passage of the AJCA, the Company revisited its policy of indefinite reinvestment of foreign earnings and made a decision to repatriate approximately $1.3 billion in 2006 pursuant to its approved repatriation plan. The Company recorded a charge of $77,200 in 2005 attributable to the planned repatriation of these earnings. During 2006, the Company repatriated approximately $1.3 billion in accordance with its planned repatriation under the AJCA. The actual tax charge associated with this repatriation was $65,768.

Deferred income taxes at September 30 consisted of:

	2007		2006	
	Assets	**Liabilities**	Assets	Liabilities
Compensation and benefits	**$ 301,118**	**$ —**	$ 146,432	$ —
Property and equipment	**—**	**190,979**	—	144,365
Loss and credit carryforwards	**193,981**	**—**	111,388	—
Other	**172,740**	**83,538**	199,997	159,853
	667,839	**274,517**	457,817	304,218
Valuation allowance	**(100,023)**	**—**	(85,230)	—
	$ 567,816	**$ 274,517**	$ 372,587	$ 304,218

Valuation allowances have been established for capital loss carryforwards, state deferred tax assets, net of federal tax, related to net operating losses and credits and other deferred tax assets for which the Company has determined it is more likely than not that these benefits will not be realized. At September 30, 2007, the Company had deferred state tax assets for net state operating losses and credit carryforwards of $49,641 for which a valuation allowance of $33,191 has been established due to the uncertainty of generating sufficient taxable income in the state jurisdictions to utilize the deferred tax assets before they principally expire between 2008 and 2014. In 2007, a previously established valuation allowance of approximately $19,700 related to state tax credit carryforwards was reversed and included in the state and local income tax line item in the following rate reconciliation table. The Company also has federal and state capital loss carryforward deferred tax assets of $51,428 for which a full valuation allowance has been established due to the uncertainty of recognizing the benefit from these losses before they principally expire in 2010.

A reconciliation of the federal statutory tax rate to the Company's effective tax rate was as follows:

	2007	2006	2005
Federal statutory tax rate	**35.0%**	35.0%	35.0%
State and local income taxes, net of federal tax benefit	**0.2**	0.6	0.7
Effect of foreign and Puerto Rico earnings and foreign tax credits	**(9.2)**	(7.4)	(10.2)
Effect of Research, Domestic Production Activities, Extraterritorial Income tax benefits	**(0.5)**	(1.3)	(2.0)
Acquired in-process research and development	**3.6**	1.8	—
Repatriation of foreign earnings under the AJCA	**—**	(1.1)	7.7
Other, net	**(0.2)**	—	0.1
	28.9%	27.6%	31.3%

The approximate dollar and diluted earnings per share amounts of tax reductions related to tax holidays in various countries in which the Company does business were: 2007–$80,300 and $0.32; 2006–$70,000 and $0.27; and 2005–$75,150 and $0.29. The tax holidays expire at various dates through 2023.

The Company made income tax payments, net of refunds, of $345,049 in 2007, $398,808 in 2006 and $183,867 in 2005.

7 Supplemental Financial Information

Other Income (Expense), Net

Other income (expense), net in 2007 was $944, which primarily included income from license and other agreements of $6,128, partially offset by net write downs of certain investments of $(5,538) and foreign exchange losses (inclusive of hedging costs) of $(4,191).

Other income (expense), net in 2006 was $(8,762), which primarily included net write downs of certain investments of $(11,046) and foreign exchange losses (inclusive of hedging costs) of $(5,142), partially offset by income from license and other agreements of $4,281.

Other income (expense), net in 2005 was $(7,064), which primarily included foreign exchange losses (inclusive of hedging costs) of $(3,976) and net write downs of certain investments of $(3,519).

Trade Receivables, Net

Allowances for doubtful accounts and cash discounts netted against trade receivables were $39,650 and $38,256 at September 30, 2007 and 2006, respectively.

Inventories

Inventories at September 30 consisted of:

	2007	2006
Materials	**$ 142,484**	$ 121,598
Work in process	**195,155**	156,957
Finished products	**714,320**	597,183
	$ 1,051,959	$ 875,738

Property, Plant and Equipment, Net

Property, Plant and Equipment, Net at September 30 consisted of:

	2007	2006
Land	**$ 79,368**	$ 68,882
Buildings	**1,597,356**	1,361,614
Machinery, equipment and fixtures	**3,596,781**	3,239,397
Leasehold improvements	**80,610**	73,064
	5,354,115	4,742,957
Less accumulated depreciation and amortization	**2,856,777**	2,609,409
	$2,497,338	$ 2,133,548

8 Debt

Short-term debt at September 30 consisted of:

	2007	2006
Loans payable:		
Domestic	$ 200,000	$ 200,000
Foreign	6,768	126,121
Current portion of long-term debt	866	101,097
	$ 207,634	$ 427,218

Domestic loans payable consist of commercial paper. Foreign loans payable consist of short-term borrowings from financial institutions. The weighted average interest rates for Short-term debt were 5.2% and 4.6% at September 30, 2007 and 2006, respectively. During 2007, the Company amended its 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. During 2008, the facility was again amended, extending its expiration date to December 2012. This credit facility provides backup support for the commercial paper program and can also be used for other general corporate purposes.

This credit facility includes a restrictive covenant that requires a minimum interest coverage ratio. There were no borrowings outstanding under the facility at September 30, 2007. In addition, the Company had short-term foreign lines of credit pursuant to informal arrangements of approximately $175,000 at September 30, 2007, of which $168,000 was unused.

Long-Term Debt at September 30 consisted of:

	2007	2006
Domestic notes due through 2013		
(average year-end interest rate:		
4.3%–2007; 4.2%–2006)	**$ 9,801**	$ 10,566
7.15% Notes due October 1, 2009	**205,914**	206,144
4.55% Notes due April 15, 2013	**198,734**	198,537
4.90% Notes due April 15, 2018	**206,214**	206,674
7.00% Debentures due August 1, 2027	**168,000**	168,000
6.70% Debentures due August 1, 2028	**167,050**	167,050
	$ 955,713	$ 956,971

Long-term debt balances as of September 30, 2007 and 2006 have been impacted by certain interest rate swaps that have been designated as fair value hedges, as discussed in Note 9.

The aggregate annual maturities of long-term debt during the fiscal years ending September 30, 2009 to 2012 are as follows: 2009–$745; 2010–$206,385; 2011–$466; 2012–$119.

The Company capitalizes interest costs as a component of the cost of construction in progress. A summary of interest costs for the years ended September 30 were as follows:

	2007	2006	2005
Charged to operations	**$ 46,420**	$ 66,046	$ 55,673
Capitalized	**27,528**	19,955	14,770
	$ 73,948	$ 86,001	$ 70,443

Interest paid, net of amounts capitalized, was $50,730 in 2007, $62,514 in 2006 and $68,527 in 2005.

9 Financial Instruments

Foreign Exchange Derivatives

The Company uses foreign exchange forward contracts and currency options to reduce the effect of fluctuating foreign exchange rates on certain foreign currency denominated receivables and payables and third party product sales. Gains and losses on the derivatives are intended to offset gains and losses on the hedged transaction. The Company's foreign currency risk exposure is in Europe, Asia Pacific, Canada, Japan, and Latin America.

The Company hedges substantially all of its transactional foreign exchange exposures, primarily intercompany payables and receivables, through the use of forward contracts and currency options with maturities of less than 12 months. Gains or losses on these contracts are largely offset by gains and losses on the underlying hedged items. These foreign exchange contracts do not qualify for hedge accounting.

In addition, the Company enters into option and forward contracts to hedge certain forecasted sales that are denominated in foreign currencies. These contracts are designated as cash flow hedges and are effective as hedges of these revenues. These contracts are intended to reduce the risk that the Company's cash flows from certain third party transactions will be adversely affected by changes in foreign currency exchange rates. Changes in the effective portion of the fair value of these contracts are included in other comprehensive income until the hedged sales transactions are recognized in earnings. Once the hedged transaction occurs, the gain or loss on the contract is recognized from Accumulated other comprehensive income (loss) to revenues. The Company recorded hedge net gains, exclusive of hedging costs, of $6,911 and $8,242 and a net loss, exclusive of hedging costs, of $1,876 to revenues in 2007, 2006 and 2005, respectively. Revenues in 2007, 2006 and 2005 are net of hedging costs of $15,136, $12,508 and $17,286, respectively, related to the purchased option contracts. The Company records in Other income (expense), net, the premium or cost of the forward contracts, which is excluded from the assessment of hedge effectiveness. The net premium was $562 in 2006 and the net cost was $236 in 2005. All outstanding contracts that were designated as cash flow hedges as of September 30, 2007 will mature by September 30, 2008. At September 30, 2007 and 2006, Accumulated other comprehensive income (loss) included unrealized losses of $4,994 and $1,522, respectively, net of tax, relating to foreign exchange derivatives that have been designated as cash flow hedges.

Interest Rate Derivatives

The Company's policy is to manage interest cost using a mix of fixed and floating rate debt. The Company has entered into interest rate swaps in which it agrees to exchange, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated as either fair value or cash flow hedges. For fair value hedges, changes in the fair value of the interest rate swaps offset changes in the fair value of the fixed rate debt due to changes in market interest rates. For cash flow hedges, changes in the fair value of the interest rate swaps are offset by amounts recorded in other comprehensive income (loss). There was no ineffective portion to the hedges recognized in earnings during the period. If interest rate derivatives designated as cash flow hedges mature or are terminated, then the balance in other comprehensive income (loss) attributable to those derivatives is reclassified into earnings over the remaining life of the hedged debt. The amount that will be reclassified and recorded in Interest expense, net within the next 12 months is $1,760.

At September 30, 2007 and 2006, Accumulated other comprehensive income (loss) included an unrealized loss of $11,397 and $12,273, respectively, net of tax, relating to interest rate derivatives that have been designated as cash flow hedges.

Fair Value of Financial Instruments

Cash equivalents, short-term investments and short-term debt are carried at cost, which approximates fair value. Equity securities, where a readily determinable market value exists, are classified as available-for-sale securities. Available-for-sale securities are carried at fair value, with unrecognized gains and losses reported in other comprehensive income (loss), net of taxes. Losses on available-for-sale securities are recognized when a loss is determined to be other than temporary or when realized.

The fair value of forward exchange contracts and currency options were estimated based on market prices, where available, or dealer quotes. The fair value of certain long-term debt is based on redemption value. The estimated fair values of the Company's financial instruments at September 30 were as follows:

	2007		2006	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Assets:				
Currency options[(A)]	**$ 3,982**	**$ 3,982**	$ 12,471	$ 12,471
Forward exchange contracts[(A)]	**8,007**	**8,007**	3,156	3,156
Interest rate swaps[(A)]	**5,914**	**5,914**	6,144	6,144
Equity securities	**1,291**	**1,291**	25,436[(B)]	25,436[(B)]
Liabilities:				
Forward exchange contracts[(C)]	**8,968**	**8,968**	2,878	2,878
Long-term debt	**955,713**	**949,490**	956,971	976,404

(A) Included in Prepaid expenses, deferred taxes and other.

(B) Included in Other non-current assets and primarily represents equity securities in TriPath, acquired on December 20, 2006.

(C) Included in Accrued Expenses.

Concentration of Credit Risk

Substantially all of the Company's trade receivables are due from public and private entities involved in the healthcare industry. Due to the large size and diversity of the Company's customer base, concentrations of credit risk with respect to trade receivables are limited. The Company does not normally require collateral. The Company is exposed to credit loss in the event of nonperformance by financial institutions with which it conducts business. However, this loss is limited to the amounts, if any, by which the obligations of the counterparty to the financial instrument contract exceed the obligations of the Company. The Company also minimizes exposure to credit risk by dealing with a diversified group of major financial institutions.

10 Shareholders' Equity

Changes in certain components of shareholders' equity were as follows:

	Common Stock Issued at Par Value	Capital in Excess of Par Value	Retained Earnings	Deferred Compensation	Treasury Stock Shares	Treasury Stock Amount
Balance at September 30, 2004	$ 332,662	$ 414,515	$ 4,264,778	$ 10,222	(83,327,295)	$ (1,816,756)
Net income			722,263			
Cash dividends:						
Common ($.72 per share)			(181,189)			
Common stock issued for:						
Share-based compensation plans, net		124,220			4,638,097	44,839
Business acquisitions		206			4,565	45
Share-based compensation		70,199				
Common stock held in trusts, net				58	40,472	(58)
Repurchase of common stock					(9,711,800)	(549,999)
Conversion of ESOP preferred stock		6,706			3,378,028	24,436
Balance at September 30, 2005	$ 332,662	$ 615,846	$ 4,805,852	$ 10,280	(84,977,933)	$ (2,297,493)
Net income			752,280			
Cash dividends:						
Common ($.86 per share)			(212,435)			
Common stock issued for:						
Share-based compensation plans, net		148,342			5,066,384	49,057
Business acquisitions		734			15,864	156
Share-based compensation		108,613				
Common stock held in trusts, net				854	(17,275)	(854)
Repurchase of common stock					(7,281,100)	(448,882)
Balance at September 30, 2006	$ 332,662	$ 873,535	$ 5,345,697	$ 11,134	(87,194,060)	$ (2,698,016)
Net income			890,033			
Cash dividends:						
Common ($.98 per share)			(239,943)			
Common stock issued for:						
Share-based compensation plans, net		143,420			4,380,724	43,213
Business acquisitions		707			10,812	105
Share-based compensation		107,706				
Common stock held in trusts, net				1,071	(70,542)	(1,071)
Repurchase of common stock					(5,952,000)	(450,124)
Balance at September 30, 2007	**$ 332,662**	**$1,125,368**	**$ 5,995,787**	**$ 12,205**	**(88,825,066)**	**$(3,105,893)**

Common stock held in trusts represents rabbi trusts in connection with deferred compensation under the Company's employee salary and bonus deferral plan and directors' deferral plan. In December 2004, the remaining unallocated shares of ESOP preferred stock were converted to BD common stock and were fully utilized by April 2005.

11 Accumulated Other Comprehensive Income (Loss)

The components of Accumulated other comprehensive income (loss) were as follows:

	2007	2006
Foreign currency translation adjustments	**$ 237,394**	$ (13,017)
Minimum pension liability adjustment	**—**	(12,059)
Benefit plans adjustment	**(218,595)**	—
Unrealized (loss) gain on investments	**(580)**	10,063
Unrealized losses on cash flow hedges	**(16,391)**	(13,795)
	$ 1,828	$ (28,808)

The change in Accumulated other comprehensive income (loss) consists of other comprehensive income (loss) of $240,331, offset by the SFAS No. 158 adjustments of $209,695.

The income tax provision (benefit) recorded in fiscal years 2007 and 2006 for the unrealized gains on investments were $(6,524) and $743, respectively. The income tax benefit recorded in fiscal years 2007 and 2006 for cash flow hedges were $1,247 and $800, respectively. The income tax provision recorded in fiscal years 2007 and 2006 for the minimum pension liability adjustment were $2,050 and $47,259, respectively. Income taxes are generally not provided for translation adjustments.

The unrealized losses on cash flow hedges included in other comprehensive income (loss) for 2007 and 2006 are net of reclassification adjustments of $5,099 and $2,645, net of tax, respectively, for realized net hedge losses recorded to revenues. These amounts had been included in Accumulated other comprehensive income (loss) in prior periods. The tax benefits associated with these reclassification adjustments in 2007 and 2006 were $3,126 and $1,621, respectively.

12 Commitments and Contingencies

Commitments

Rental expense for all operating leases amounted to $68,100 in 2007, $63,400 in 2006, and $59,000 in 2005. Future minimum rental commitments on noncancelable leases are as follows: 2008–$45,600; 2009–$34,200; 2010–$25,200; 2011–$18,300; 2012–$14,100 and an aggregate of $16,200 thereafter.

As of September 30, 2007, the Company has certain future purchase commitments aggregating to approximately $365,000, which will be expended over the next several years.

Contingencies

The Company is named as a defendant in five purported class action suits brought on behalf of direct purchasers of the Company's products, such as distributors, alleging that the Company violated federal antitrust laws, resulting in the charging of higher prices for the Company's products to the plaintiff and other purported class members. The cases filed are as follows: *Louisiana Wholesale Drug Company, Inc., et. al. vs. Becton Dickinson and Company* (Civil Action No. 05-1602, U.S. District Court, Newark, New Jersey), filed on March 25, 2005; *SAJ Distributors, Inc. et. al. vs. Becton Dickinson & Co.* (Case 2:05-CV-04763-JD, United States District Court, Eastern District of Pennsylvania), filed on September 6, 2005; *Dik Drug Company, et. al. vs. Becton, Dickinson and Company* (Case No. 2:05-CV-04465, U.S. District Court, Newark, New Jersey), filed on September 12, 2005; *American Sales Company, Inc. et. al. vs. Becton, Dickinson & Co.* (Case No. 2:05-CV-05212-CRM, U.S. District Court, Eastern District of Pennsylvania), filed on October 3, 2005; and *Park Surgical Co. Inc. et. al. vs. Becton, Dickinson and Company* (Case 2:05-CV-05678-CMR, United States District Court, Eastern District of Pennsylvania), filed on October 26, 2005.

The actions brought by Louisiana Wholesale Drug Company and Dik Drug Company in New Jersey have been consolidated under the caption "*In re Hypodermic Products Antitrust Litigation.*"

The Company is also named as a defendant in four purported class action suits brought on behalf of indirect purchasers of the Company's products, alleging that the Company violated federal antitrust laws, resulting in the charging of higher prices for the Company's products to the plaintiff and other purported class members. The cases filed are as follows: *Jabo's Pharmacy, Inc., et. al. v. Becton Dickinson & Company* (Case No. 2:05-CV-00162, United States District Court, Greenville, Tennessee) filed on June 7, 2005; *Drug Mart Tallman, Inc., et. al. v. Becton Dickinson and Company* (Case No. 2:06-CV-00174, U.S. District Court, Newark, New Jersey), filed on January 17, 2006;

Medstar v. Becton Dickinson (Case No. 06-CV-03258-JLL (RJH), U.S. District Court, Newark, New Jersey), filed on May 18, 2006; and *The Hebrew Home for the Aged at Riverdale v. Becton Dickinson and Company* (Case No. 07-CV-2544, U.S. District Court, Southern District of New York), filed on March 28, 2007. A fifth purported class action on behalf of indirect purchasers (*International Multiple Sclerosis Management Practice v. Becton Dickinson & Company* (Case No. 2:07-cv-10602, U.S. District Court, Newark, New Jersey), filed on April 5, 2007) was voluntarily withdrawn by the plaintiff.

The plaintiffs in each of the antitrust class action lawsuits seek monetary damages. All of the antitrust class action lawsuits have been consolidated for pre-trial purposes in a Multi-District Litigation (MDL) in federal court in New Jersey.

On August 31, 2005, Daniels Sharpsmart filed suit against the Company, another manufacturer and three group purchasing organizations under the caption *Daniels Sharpsmart, Inc. v. Tyco International, (US) Inc., et. al.* (Civil Action No. 505CV169, United States District Court, Eastern District of Texas). The plaintiff alleged, among other things, that the Company and the other defendants conspired to exclude the plaintiff from the sharps-collection market by entering into long-term contracts in violation of federal and state antitrust laws, and sought monetary damages. On September 28, 2007, the Company and the plaintiff entered into an agreement to settle the matter on terms that are not material to the Company.

On June 6, 2006, UltiMed, Inc., a Minnesota company, filed suit against the Company in the United States District Court in Minneapolis, Minnesota (*UltiMed, Inc. v. Becton, Dickinson and Company* (06CV2266)). The plaintiff alleges, among other things, that the Company excluded the plaintiff from the market for home use insulin syringes by entering into anticompetitive contracts in violation of federal and state antitrust laws. The plaintiff seeks money damages and injunctive relief.

In June 2007, Retractable Technologies, Inc. ("plaintiff") filed a complaint against the Company under the caption *Retractable Technologies, Inc. vs. Becton Dickinson and Company* (Civil Action No. 2:07-cv-250, United States District Court, Eastern District of Texas). Plaintiff alleges that the *BD Integra* syringes infringe patents licensed exclusively to the plaintiff. This patent claim was not covered by the release contained in the July 2004 settlement agreement between the Company and plaintiff to settle the lawsuit previously filed by plaintiff. In its complaint, plaintiff also alleges that the Company engaged in false advertising with respect to certain of the Company's safety-engineered products in violation of the Lanham Act; acted to exclude the plaintiff from various product markets and to maintain its market share through, among other things, exclusionary contracts in violation of state and Federal antitrust laws; and engaged in unfair competition. The non-patent claims purport to relate to actions allegedly taken by the Company following the date of the July 2004 settlement agreement referenced above. Plaintiff seeks treble damages, attorney's fees and injunctive relief.

The Company, along with another manufacturer and several medical product distributors, is named as a defendant in three product liability lawsuits relating to healthcare workers who allegedly sustained accidental needlesticks, but have not become infected with any disease. Generally, these actions allege that healthcare workers have sustained needlesticks using hollow-bore needle devices manufactured by the Company and, as a result, require medical testing, counseling and/or treatment. In some cases, these actions additionally allege that the healthcare workers have sustained mental anguish. Plaintiffs seek money damages in all of these actions. The Company had previously been named as a defendant in eight similar suits relating to healthcare workers who allegedly sustained accidental needle-sticks, each of which has either been dismissed with prejudice or voluntarily withdrawn. Regarding the three pending suits:

- In Ohio, *Grant vs. Becton Dickinson et. al*. (Case No. 98CVB075616, Franklin County Court), on September 21, 2006, the Ohio Court of Appeals reversed the trial court's grant of class certification. The matter has been remanded to the trial court for a determination of whether the class can be redefined.

- In Oklahoma and South Carolina, cases have been filed on behalf of an unspecified number of healthcare workers seeking class action certification under the laws of these states in state court in Oklahoma, under the caption *Palmer vs. Becton Dickinson et. al*. (Case No. CJ-98-685, Sequoyah County District Court), filed on October 27, 1998, and in state court in South Carolina, under the caption *Bales vs. Becton Dickinson et. al.* (Case No. 98-CP-40-4343, Richland County Court of Common Pleas), filed on November 25, 1998.

The Company continues to oppose class action certification in these cases, including pursuing all appropriate rights of appeal.

The Company, along with a number of other manufacturers, was named as a defendant in approximately 524 product liability lawsuits in various state and Federal courts related to natural rubber latex gloves which the Company ceased manufacturing in 1995. Cases pending in Federal court are being coordinated under the matter *In re Latex Gloves Products Liability Litigation* (MDL Docket No. 1148) in Philadelphia, and analogous procedures have been implemented in the state courts of California, Pennsylvania, New Jersey and New York. Generally, these actions allege that medical personnel have suffered allergic reactions ranging from skin irritation to anaphylaxis as a result of exposure to medical gloves containing natural rubber latex. Since the inception of this litigation, 467 of these cases have been closed with no liability to the Company, and 46 cases have been settled for an aggregate de minimis amount.

On August 8, 2005, the Company received a subpoena issued by the Attorney General of the State of Connecticut, which seeks documents and information relating to the Company's participation as a member of Healthcare Research & Development Institute, LLC ("HRDI"), a healthcare trade organization. The subpoena indicated that it was issued as part of an investigation into possible violations of the antitrust laws. On August 21, 2006, the Company received a subpoena issued by the Attorney General of the State of Illinois which sought documents and information relating to the Company's participation as a member of HRDI. The subpoena indicated that it was issued as part of an investigation into possible violations of the Illinois Consumer Fraud and Deceptive Business Practices Act, Charitable Trust Act, and Solicitation for Charity Act. An independent member of the Company's board of directors, Gary Mecklenburg, also served as a member and the non-executive chairman of HRDI until November 5, 2006. 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 (the Company has not been contacted by the State of Florida). To the Company's knowledge, both the Connecticut and Illinois investigations are still 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.

On May 28, 2004, Therasense, Inc. ("Therasense") filed suit against the Company in the U.S. District Court for the Northern District of California (Case Number: C 04-02123 WDB) asserting that the Company's blood glucose monitoring products infringe certain Therasense patents. On August 10, 2004, in response to a motion filed by Therasense in the U.S. District Court for the District of Massachusetts, the court transferred to the court in California an action previously filed by the Company against Therasense requesting a declaratory judgment that the Company's products do not infringe the Therasense patents and that the Therasense patents are invalid.

As was previously reported, Becton Dickinson France, S.A., a subsidiary of the Company, was listed among approximately 2,200 other companies in an October 2005 report of the Independent Inquiry Committee ("IIC") of the United Nations ("UN") as having been involved in humanitarian contracts in which unauthorized payments were suspected of having been made to the Iraqi Government in connection with the UN's Oil-for-Food Programme (the "Programme"). The Company conducted an internal review and found no evidence that the Company or any employee or representative of the Company made, authorized, or approved improper payments to the Iraqi Government in connection with the Programme. The Company reported the results of its internal review to the Vendor Review Committee of the United Nations Procurement Service. In May 2007, the French Judicial Police conducted searches of the Company's offices in France with respect to the matters that were the subject of the 2005 IIC report. The Company was informed that it is one of a number of companies named in the IIC report that is being investigated by the French Judicial Police. The Company is cooperating fully with the investigation.

In July 2007, the Company received notice of a suit instituted in Saudi Arabia by El Seif Development ("El Seif"), a former distributor of the Company (Case No. 7516, Board of Grievances, Saudi Arabia). El Seif seeks monetary damages arising out of the termination of its distributor agreement and other contractual arrangements with the Company.

The Company has been served with a qui tam complaint filed by a private party against the Company in the United States District Court, Northern District of Texas, alleging violations of the Federal False Claims Act ("FCA") and the Texas False Claims Act (the "TFCA"). Under the FCA, the United States Department of Justice, Civil Division has a certain period of time in which to decide whether to join the claim against the Company as an additional plaintiff; if not, the private plaintiff is free to pursue the claim on its own. A similar process is followed under the TFCA. To the Company's knowledge, no decision has yet been made by the Civil Division or the State of Texas whether to join this claim.

The Company believes that it has meritorious defenses to each of the above-mentioned suits pending against the Company and is engaged in a vigorous defense of each of these matters.

The Company is also involved both as a plaintiff and a defendant in other legal proceedings and claims that arise in the ordinary course of business.

The Company is a party to a number of Federal proceedings in the United States brought under the Comprehensive Environment Response, Compensation and Liability Act, also known as "Superfund," and similar state laws. The affected sites are in varying stages of development. In some instances, the remedy has been completed, while in others, environmental studies are commencing. For all sites, there are other potentially responsible parties that may be jointly or severally liable to pay all cleanup costs.

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 the Company 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 discussed above, 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 cash flows.

13 Share-Based Compensation

The Company grants share-based awards under the 2004 Employee and Director Equity-Based Compensation Plan ("2004 Plan"), which provides for long-term incentive compensation to employees and directors consisting of: stock appreciation rights ("SARs"), stock options, performance-based restricted stock units, time-vested restricted stock units and other stock awards. The Company believes such awards align the interest of its employees and directors with those of its shareholders. Prior to the adoption of the 2004 Plan, the Company had employee and director stock option plans, which were terminated with respect to future grants effective upon shareholder approval of the 2004 Plan in February 2004. In 2007, 2006 and 2005, the compensation expense for these plans charged to income was $107,706, $108,613 and $70,199, respectively, and the associated income tax benefit recognized was $37,179, $35,155 and $19,941, respectively.

Stock Appreciation Rights

Beginning with the annual share-based grant in November 2005, the Company granted SARs and discontinued the issuance of stock options. SARs represent the right to receive, upon exercise, shares of common stock having a value equal to the difference between the market price of common stock on the date of exercise and the exercise price on the date of grant. SARs vest over a four-year period and have a ten-year term, similar to the previously granted stock options. The fair value was estimated on the date of grant using a lattice-based binomial option valuation model that uses the following weighted-average assumptions in 2007 and 2006: risk-free interest rate of 4.56% and 4.48%, respectively; expected volatility of 28% for both years; expected dividend yield of 1.37% and 1.46%, respectively, and expected life of 6.5 years for both years. Expected volatility is based upon historical volatility for the Company's common stock and other factors.

The expected term of SARs granted is derived from the output of the model, using assumed exercise rates based on historical exercise and termination patterns, and represents the period of time that options granted are expected to be outstanding. The risk-free interest rate used is based upon the published U.S. Treasury yield curve in effect at the time of grant for instruments with a similar life. The dividend yield is based upon the most recently declared quarterly dividend as of the grant date. The weighted average grant date fair value of SARs granted during 2007 and 2006 was $22.66 and $18.43, respectively. The total intrinsic value of SARs exercised during 2007 was $321. The Company issued 3,192 shares during 2007 to satisfy the SARs exercised.

A summary of SARs outstanding as of September 30, 2007, and changes during the year then ended is as follows:

	SARs	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Balance at October 1	1,684,541	$ 59.16		
Granted	1,570,336	71.75		
Exercised	(18,882)	59.16		
Forfeited, canceled or expired	(71,266)	65.62		
Balance at September 30	3,164,729	$ 65.26	8.63	$ 53,137
Vested and expected to vest at September 30	2,896,169	$ 65.17	8.62	$ 48,885
Exercisable at September 30	479,130	$ 59.90	8.20	$ 10,613

Stock Options

All stock option grants are for a ten-year term. Stock options issued after November 2001 vest over a four-year period. Stock options issued prior to November 2001 vested over a three-year period. Stock options granted in 2005 were valued based on the grant date fair value of those awards, using a lattice-based binomial option valuation model that used the following weighted-average assumptions: risk-free interest rate of 3.93%; expected volatility of 29%; expected dividend yield of 1.28% and expected life of 6.5 years.

The weighted average grant date fair value of stock options granted during 2005 was $17.16.

A summary of stock options outstanding as of September 30, 2007, and changes during the year then ended is as follows:

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Balance at October 1	18,253,990	$ 34.90		
Granted	—	—		
Exercised	(4,213,955)	31.83		
Forfeited, canceled or expired	(42,288)	39.70		
Balance at September 30	13,997,747	$ 35.81	4.75	$ 647,241
Vested and expected to vest at September 30	13,826,293	$ 35.68	4.73	$ 641,058
Exercisable at September 30	12,283,204	$ 34.39	4.49	$ 585,412

Cash received from the exercising of stock options in 2007, 2006 and 2005 was $134,133, $147,831 and $123,613, respectively. The actual tax benefit realized for tax deductions from stock option exercises totaled $59,491, $48,751 and $44,958, respectively. The total intrinsic value of stock options exercised during the years 2007, 2006 and 2005 was $187,537, $168,752 and $134,342, respectively.

Performance-Based Restricted Stock Units

Performance-based restricted stock units cliff vest three years after the date of grant. These units are tied to the Company's performance against pre-established targets, including its average growth rate of consolidated revenues and average return on invested capital, over a three-year performance period. Under the Company's long-term incentive program, the actual payout under these awards may vary from zero to 250% of an employee's target payout, based on the Company's actual performance over the three-year performance period. The fair value is based on the market price of the Company's stock on the date of grant. Compensation cost initially recognized assumes that the target payout level will be achieved and is adjusted for subsequent changes in the expected outcome of performance-related conditions.

A summary of performance-based restricted stock units outstanding as of September 30, 2007, and changes during the year then ended is as follows:

	Stock Units	Weighted Average Grant Date Fair Value
Balance at October 1	3,013,113	$ 54.62
Granted	1,210,648	71.72
Vested	(120,923)	39.71
Forfeited or canceled	(218,883)	57.84
Balance at September 30[(A)]	3,883,955	$ 60.23
Expected to vest at September 30[(B)]	1,954,149	$ 58.11

(A) Based on 250% of the target payout.

(B) Net of expected forfeited units and units in excess of the expected performance payout of 241,858 and 1,687,948, respectively.

The weighted average grant date fair value of performance-based restricted stock units granted during the years 2006 and 2005 was $59.16 and $54.41, respectively. At September 30, 2007, the weighted average remaining contractual term of performance-based restricted stock units is 1.10 years.

Time-Vested Restricted Stock Units

Time-vested restricted stock units generally cliff vest three years after the date of grant, except for certain key executives of the Company, including the executive officers, for which such units generally vest one year following the employee's retirement. The related share-based compensation expense is recorded over the requisite service period, which is the vesting period or in the case of certain key executives is based on retirement eligibility. The fair value of all time-vested restricted stock units is based on the market value of the Company's stock on the date of grant.

A summary of time-vested restricted stock units outstanding as of September 30, 2007, and changes during the year then ended is as follows:

	Stock Units	Weighted Average Grant Date Fair Value
Balance at October 1	1,166,718	$ 55.95
Granted	540,853	72.20
Vested	(42,944)	55.83
Forfeited or canceled	(46,545)	72.03
Balance at September 30	1,618,082	$ 61.11
Expected to vest at September 30	1,456,274	$ 61.11

The weighted average grant date fair value of time-vested restricted stock units granted during the years 2006 and 2005 was $59.62 and $54.48, respectively. At September 30, 2007, the weighted average remaining contractual term of the time-vested restricted stock units is 2.03 years.

The amount of unrecognized compensation expense for all non-vested share-based awards as of September 30, 2007, is approximately $108.4 million, which is expected to be recognized over a weighted-average remaining life of approximately 1.95 years. At September 30, 2007, 6,420,643 shares were authorized for future grants under the 2004 Plan.

The Company has a policy of satisfying share-based payments through either open market purchases or shares held in treasury. At September 30, 2007, the Company has sufficient shares held in treasury to satisfy these payments in 2008.

Other Stock Plans

The Company has a Stock Award Plan, which allows for grants of common shares to certain key employees. Distribution of 25% or more of each award is deferred until after retirement or involuntary termination, upon which the deferred portion of the award is distributable in five equal annual installments. The balance of the award is distributable over five years from the grant date, subject to certain conditions. In February 2004, this plan was terminated with respect to future grants upon the adoption of the 2004 Plan. At September 30, 2007 and 2006, awards for 214,206 and 270,762 shares, respectively, were outstanding.

The Company has a Restricted Stock Plan for Non-Employee Directors which reserves for issuance of 300,000 shares of the Company's common stock. No restricted shares were issued in 2007.

The Company has a Directors' Deferral Plan, which provides a means to defer director compensation, from time to time, on a deferred stock or cash basis. As of September 30, 2007, 117,044 shares were held in trust, of which 3,466 shares represented Directors' compensation in 2007, in accordance with the provisions of the plan. Under this plan, which is unfunded, directors have an unsecured contractual commitment from the Company.

The Company also has a Deferred Compensation Plan that allows certain highly-compensated employees, including executive officers, to defer salary, annual incentive awards and certain equity-based compensation. As of September 30, 2007, 265,846 shares were issuable under this plan.

14 Earnings per Share

The weighted average common shares used in the computations of basic and diluted earnings per share (shares in thousands) for the years ended September 30 were as follows:

	2007	2006	2005
Average common shares outstanding	**244,929**	247,067	251,429
Dilutive share equivalents from share-based plans	**9,881**	9,487	9,283
Average common and common equivalent shares outstanding–assuming dilution	**254,810**	256,554	260,712

15 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 principal product lines in the Medical segment include needles, syringes and intravenous catheters for medication delivery; prefilled IV flush syringes; syringes and pen needles for the self-injection of insulin and other drugs used in the treatment of diabetes; prefillable drug delivery devices provided to pharmaceutical companies and sold to end-users as drug/device combinations; surgical blades/scalpels and regional anesthesia needles and trays; critical care monitoring devices; ophthalmic surgical instruments; sharps disposal containers; and home healthcare products. The principal products and services in the Diagnostics segment include integrated systems for specimen collection; an extensive line of safety-engineered specimen blood collection products and systems; plated media; automated blood culturing systems; molecular testing systems for sexually transmitted diseases and healthcare-associated infections; microorganism identification and drug susceptibility systems; liquid-based cytology systems for cervical cancer screening; and rapid diagnostic assays. The principal product lines in the Biosciences segment include fluorescence activated cell sorters and analyzers; cell imaging systems; monoclonal antibodies and kits for performing cell analysis; reagent systems for life sciences research; tools to aid in drug discovery and growth of tissue and cells; cell culture media supplements for biopharmaceutical manufacturing; and diagnostic assays.

The Company evaluates performance of its business segments based upon operating income. Segment operating income represents revenues reduced by product costs and operating expenses.

Distribution of products is primarily through independent sales representatives, independent distribution channels, and directly to other end-users. Sales to a distributor that supplies products from the Medical and Diagnostics segments accounted for approximately 9% of revenues in 2007, and 11% of revenues in 2006 and 2005, respectively. No other customer accounted for 10% or more of revenues in any of the three years presented.

Revenues[A]	**2007**	2006	2005
Medical	**$ 3,420,670**	$ 3,106,646	$ 2,884,240
Diagnostics	**1,905,105**	1,715,090	1,632,260
Biosciences	**1,033,933**	916,281	824,333
	$ 6,359,708	$ 5,738,017	$ 5,340,833
Segment Operating Income			
Medical	**$ 971,990**	$ 864,180	$ 747,777
Diagnostics	**342,778**[B]	390,355[B]	403,420
Biosciences	**258,806**[B]	221,925	185,827
Total Segment Operating Income	**1,573,574**	1,476,460	1,337,024
Unallocated Expenses[C]	**(369,629)**	(350,558)	(299,495)
Income From Continuing Operations Before Income Taxes	**$ 1,203,945**	$ 1,125,902	$ 1,037,529
Segment Assets			
Medical	**$ 3,289,490**	$ 2,835,613	$ 2,656,320
Diagnostics	**1,843,654**	1,485,959	1,245,769
Biosciences	**817,000**	727,634	678,286
Total Segment Assets	**5,950,144**	5,049,206	4,580,375
Corporate and All Other[D]	**1,379,221**	1,775,319	1,552,418
	$ 7,329,365	$ 6,824,525	$ 6,132,793
Capital Expenditures			
Medical	**$ 352,696**	$ 268,669	$ 182,737
Diagnostics	**113,691**	104,815	99,742
Biosciences	**73,502**	38,952	22,218
Corporate and All Other	**16,505**	44,631	11,143
	$ 556,394	$ 457,067	$ 315,840
Depreciation and Amortization			
Medical	**$ 223,430**	$ 210,044	$ 197,998
Diagnostics	**138,936**	116,072	102,882
Biosciences	**68,889**	63,383	64,599
Corporate and All Other	**10,086**	12,833	17,190
	$ 441,341	$ 402,332	$ 382,669

(A) Intersegment revenues are not material.

(B) Includes the acquired in-process research and development charges in 2007 related to the TriPath and Plasso acquisitions, and in 2006 related to the GeneOhm acquisition, as discussed in Note 3.

(C) Includes primarily share-based compensation expense; interest, net; foreign exchange; and corporate expenses.

(D) Includes cash and investments and corporate assets.

Revenues by Organizational Units	**2007**	2006	2005
BD Medical			
Medical Surgical Systems	**$ 1,864,080**	$ 1,748,743	$ 1,661,150
Diabetes Care	**695,981**	656,533	600,172
Pharmaceutical Systems	**791,900**	639,694	563,271
Ophthalmic Systems	**68,709**	61,676	59,647
	$ 3,420,670	$ 3,106,646	$ 2,884,240
BD Diagnostics			
Preanalytical Systems	**$ 1,006,692**	$ 927,759	$ 854,831
Diagnostic Systems	**898,413**	787,331	777,429
	$ 1,905,105	$ 1,715,090	$ 1,632,260
BD Biosciences			
Immunocytometry Systems	**$ 588,401**	$ 502,847	$ 452,383
Discovery Labware	**277,902**	256,085	231,365
Pharmingen	**167,630**	157,349	140,585
	$ 1,033,933	$ 916,281	$ 824,333
	$ 6,359,708	$ 5,738,017	$ 5,340,833

Geographic Information

The countries in which the Company has local revenue-generating operations have been combined into the following geographic areas: the United States (including Puerto

Rico), Europe, and Other, which is composed of Canada, Latin America, Japan and Asia Pacific.

Revenues to unaffiliated customers are based upon the source of the product shipment. Long-lived assets, which include net property, plant and equipment, are based upon physical location.

	2007	2006	2005
Revenues			
United States	**$ 3,033,005**	$ 2,739,344	$ 2,521,672
Europe	**2,047,388**	1,762,782	1,670,963
Other	**1,279,315**	1,235,891	1,148,198
	$ 6,359,708	$ 5,738,017	$ 5,340,833
Long-Lived Assets			
United States	**$ 2,172,327**	$ 1,934,994	$ 1,687,808
Europe	**1,106,284**	893,495	823,694
Other	**646,188**	540,925	424,165
Corporate	**274,000**	269,858	221,812
	$ 4,198,799	$ 3,639,272	$ 3,157,479

Quarterly Data (unaudited)

Thousands of dollars, except per share amounts

	2007				
	1st	2nd	3rd	4th	Year
Revenues	$ 1,501,526	$ 1,575,922	$ 1,631,159	$ 1,651,101	$ 6,359,708
Gross Profit	792,593	811,382	840,088	843,724	3,287,787
Income from Continuing Operations	131,051[B]	235,539	240,469[B]	249,108	856,167[B]
Earnings per Share:					
Income from Continuing Operations	.53	.96	.98	1.02	3.50
Income from Discontinued Operations	.05	.03	.02	.04	.14
Basic Earnings per Share	.58	.99	1.00	1.07	3.63
Income from Continuing Operations	.51	.92	.95	.98	3.36
Income from Discontinued Operations	.05	.03	.02	.04	.13
Diluted Earnings per Share[A]	.56	.95	.96	1.03	3.49

	2006				
	1st	2nd	3rd	4th	Year
Revenues	$ 1,393,845	$ 1,424,209	$ 1,457,347	$ 1,462,616	$ 5,738,017
Gross Profit	727,899	725,443	737,832	753,578	2,944,752
Income from Continuing Operations	223,702	163,458[C]	211,070	216,880	815,110[C]
Earnings per Share:					
Income from Continuing Operations	.90	.66	.86	.88	3.30
Loss from Discontinued Operations	(.02)	(.04)	(.02)	(.17)[D]	(.25)[D]
Basic Earnings per Share[A]	.88	.62	.84	.71	3.04
Income from Continuing Operations	.87	.63	.83	.85	3.18
Loss from Discontinued Operations	(.02)	(.04)	(.02)	(.17)[D]	(.24)[D]
Diluted Earnings per Share[A]	.85	.60	.81	.68	2.93

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

(B) Includes the acquired in-process research and development charges in the first and third quarters related to the TriPath and Plasso acquisitions, respectively, as discussed in Note 3.

(C) Includes the acquired in-process research and development charge related to the GeneOhm acquisition, as discussed in Note 3.

(D) Includes the impact of the BGM exit costs, as discussed in Note 3.

Annual Meeting
1:00 p.m.
Tuesday, January 29, 2008
Hilton Short Hills
41 John F. Kennedy Parkway
Short Hills, NJ 07078

This annual report is not a solicitation of proxies.

Direct Stock Purchase Plan
The Direct Stock Purchase Plan established through Computershare Trust Company, N.A., enhances the services provided to existing shareholders and facilitates initial investments in BD shares. Plan documentation and additional information may be obtained by calling Computershare Trust Company, N.A., at 1-877-498-8861, or by accessing the "Buy Shares" feature located within the Investor Centre of Computershare's website at www.computershare.com.

NYSE Symbol
BDX

On February 22, 2007, Edward J. Ludwig, Chairman, President and Chief Executive Officer, submitted to the NYSE the Written Affirmation required by the rules of the NYSE certifying that he was not aware of any violations by BD of NYSE Corporate Governance listing standards.

The certifications of Mr. Ludwig and John R. Considine, Senior Executive Vice President and Chief Financial Officer, made pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 regarding the quality of BD's public disclosure, have been filed as exhibits to the Company's 2007 Annual Report on Form 10-K.

Transfer Agent and Registrar
Computershare Trust Company, N.A.
250 Royall Street
Canton, MA 02021
Phone: 1-877-498-8861
International: 1-781-575-2726
Internet: www.computershare.com

Common Stock Prices and Dividends (per common share)

By Quarter	2007		
	High	**Low**	**Dividends**
First	**$ 73.79**	**$ 68.81**	**$ 0.245**
Second	**78.14**	**69.85**	**0.245**
Third	**80.87**	**73.65**	**0.245**
Fourth	**82.61**	**74.24**	**0.245**

By Quarter	2006		
	High	Low	Dividends
First	$ 60.72	$ 50.07	$ 0.215
Second	65.76	58.97	0.215
Third	65.28	58.31	0.215
Fourth	70.67	58.84	0.215

Shareholder Information

At November 14, 2007, BD had approximately 8,862 shareholders of record. BD's Statement of Corporate Governance Principles, BD's Business Conduct and Compliance Guide, the charters of BD's Committees of the Board of Directors, BD's reports and statements filed with or furnished to the Securities and Exchange Commission and other information are posted on BD's website at www.bd.com/investors/.

Shareholders may receive, without charge, printed copies of these documents, including BD's 2007 Annual Report on Form 10-K, by contacting:

Investor Relations
BD
1 Becton Drive
Franklin Lakes, NJ 07417-1880
Phone: 1-800-284-6845
Internet: www.bd.com

Independent Auditors
Ernst & Young LLP
5 Times Square
New York, NY 10036-6530
Phone: 1-212-773-3000
Internet: www.ey.com

Reconciliations to adjusted amounts (in millions)	**2007**	2006
Operating income	**$ 1,203**	$ 1,141
Acquired in-process R&D	**122**	53
Insurance settlement	**—**	(17)
Operating income – adjusted	**$ 1,325**	$ 1,178
% change from 2006	**13%**	

as a % of revenues	**20.8%**	20.5%

Amounts may not add due to rounding.

SUBSIDIARIES OF BECTON, DICKINSON AND COMPANY

Exhibit 21 to Form 10-K filed November 21, 2007

Name of Subsidiary	State of Jurisdiction of Incorporation	Percentage of Voting Securities Owned
Atto BioScience, Inc.	Delaware	100%
AutoCyte Australia Pty Ltd	Australia	100% (1)
AutoCyte NC, LLC	North Carolina	100% (1)
B-D (Cambridge U.K.) Ltd.	United Kingdom	100% (1)
BD Biosciences, Systems and Reagents Inc.	California	100%
BD Holding S. de R.L. de C.V.	Mexico	100% (1)
BD Matrex Holdings, Inc.	Delaware	100%
BD Norge AS	Norway	100% (1)
BD Ophthalmic Systems Limited	United Kingdom	100% (1)
BD Rapid Diagnostic (Suzhou) Co., Ltd.	China	100% (1)
BDX INO LLC	Delaware	100%
Becton Dickinson A/S	Denmark	100% (1)
Becton Dickinson AcuteCare Holdings, Inc.	Delaware	100%
Becton Dickinson AcuteCare, Inc.	Massachusetts	100% (1)
Becton Dickinson Advanced Pen Injection Systems GmbH	Switzerland	100% (1)
Becton Dickinson Argentina S.R.L.	Argentina	100% (1)
Becton Dickinson Asia Limited	Hong Kong	100% (1)
Becton Dickinson Asia Pacific Limited	British Virgin Islands	100%
Becton Dickinson Austria GmbH	Austria	100% (1)
Becton Dickinson Benelux N.V.	Belgium	100% (1)
Becton Dickinson Canada Inc.	Canada	100% (1)
Becton Dickinson Caribe Ltd.	Cayman Islands	100% (1)
Becton Dickinson Catheter Systems Singapore Pte Ltd.	Singapore	100% (1)
Becton Dickinson Colombia Ltda.	Colombia	100% (1)
Becton Dickinson Critical Care Systems Pte Ltd.	Singapore	100% (1)
Becton Dickinson Czechia s.r.o.	Czech Republic	100% (1)
Becton Dickinson del Uruguay S.A.	Uruguay	100% (1)
Becton Dickinson Distribution Center N.V.	Belgium	100% (1)
Becton Dickinson East Africa Ltd.	Kenya	100% (1)
Becton Dickinson Finance B.V.	Netherlands	100% (1)
Becton Dickinson Foreign Sales Corporation	Barbados	100% (1)
Becton Dickinson Guatemala S.A.	Guatemala	100% (1)
Becton Dickinson Hellas S.A.	Greece	100% (1)
Becton Dickinson Holdings GmbH	Germany	100% (1)
Becton Dickinson Hungary Kft.	Hungary	100% (1)
Becton Dickinson India Private Limited	India	100% (1)
Becton Dickinson Infusion Therapy AB	Sweden	100% (1)
Becton Dickinson Infusion Therapy B.V.	Netherlands	100% (1)
Becton Dickinson Infusion Therapy Holdings AB	Sweden	100% (1)
Becton Dickinson Infusion Therapy Holdings Inc.	Delaware	100%
Becton Dickinson Infusion Therapy Systems Inc., S.A. de C.V.	Mexico	100% (1)

SUBSIDIARIES OF BECTON, DICKINSON AND COMPANY

Becton Dickinson Infusion Therapy UK	United Kingdom	100% (1)
Becton Dickinson Infusion Therapy Systems Inc.	Delaware	100%
Becton Dickinson Infusion Therapy Holdings UK Limited	United Kingdom	100% (1)
Becton Dickinson Insulin Syringe, Ltd.	Cayman Islands	100% (1)
Becton Dickinson Ithalat Ihracat Limited Sirketi	Turkey	100% (1)
Becton Dickinson Korea Holding, Inc.	Delaware	100%
Becton Dickinson Korea Ltd.	Korea	100% (1)
Becton Dickinson Malaysia, Inc.	Oregon	100%
Becton Dickinson (Mauritius) Limited	Mauritius	100%
Becton Dickinson Medical (S) Pte Ltd.	Singapore	100% (1)
Becton Dickinson Medical Devices Co. Shanghai Ltd.	P.R.C.	100% (1)
Becton Dickinson Medical Devices Co. Ltd., Suzhou	P.R.C.	100%
Becton Dickinson Medical Products Pte. Ltd.	Singapore	100%
Becton Dickinson Ltd.	New Zealand	100% (1)
Becton Dickinson O.Y.	Finland	100% (1)
Becton Dickinson Overseas Services Ltd.	Nevada	100%
Becton Dickinson Pen Limited	Ireland	100% (1)
Becton Dickinson Penel Limited	Cayman Islands	100% (1)
Becton Dickinson Philippines, Inc.	Philippines	100% (1)
Becton Dickinson Polska Sp.z.o.o.	Poland	100% (1)
Becton Dickinson Pty. Ltd.	Australia	100% (1)
Becton Dickinson (Pty) Ltd.	South Africa	100% (1)
Becton Dickinson Sdn. Bhd.	Malaysia	100% (1)
Becton Dickinson Service (Pvt.) Ltd.	Pakistan	100%
Becton Dickinson Sample Collection GmbH	Switzerland	100% (1)
Becton Dickinson Slovakia s.r.o.	Slovakia	100% (1)
Becton Dickinson (Thailand) Limited	Thailand	100% (1)
Becton Dickinson Venezuela, C.A.	Venezuela	100% (1)
Becton Dickinson Venture LLC	Delaware	100%
BD Ventures LLC	New Jersey	100%
Becton Dickinson Vostok LLC	Russia	100% (1)
Becton Dickinson, S.A.	Spain	100% (1)
Becton Dickinson (Royston) Limited	United Kingdom	100% (1)
Becton, Dickinson A.G.	Switzerland	100% (1)
Becton, Dickinson Aktiebolag	Sweden	100% (1)
Becton, Dickinson and Company, Ltd.	Ireland	100% (1)
Becton, Dickinson B.V.	Netherlands	100% (1)
Becton, Dickinson de Mexico, S.A. de C.V.	Mexico	100% (1)
Becton Dickinson France S.A.S.	France	100% (1)
Becton Dickinson GmbH	Germany	100% (1)
Becton, Dickinson Industrias Cirurgicas, Ltda.	Brazil	100% (1)
Becton, Dickinson Italia S.p.A.	Italy	100% (1)
B-D U.K. Holdings Limited	United Kingdom	100% (1)
Becton Dickinson U.K. Limited	United Kingdom	100% (1)
Bedins Vermont Indemnity Company	Vermont	100%
Benex Ltd.	Ireland	100% (1)
BioVenture Centre Pte. Ltd.	Singapore	92%

SUBSIDIARIES OF BECTON, DICKINSON AND COMPANY

BTP Immunization Systems, LLC	New Jersey	100%
Cell Analysis Systems, Inc.	Illinois	100% (1)
Clontech Laboratories UK Limited	United Kingdom	100% (1)
Corporativo BD de Mexico, S. de R.L. de C.V.	Mexico	100%(1)
Critical Device Corporation	California	100%
D.L.D., Ltd.	Bermuda	100% (1)
Dantor S.A.	Uruguay	100% (1)
Difco Laboratories Incorporated	Michigan	100%
Difco Laboratories Limited	United Kingdom	100% (1)
Discovery Labware, Inc.	Delaware	100%
Distribuidora BD, S.A. de C.V.	Mexico	100% (1)
EPV S.A. de C.V.	Mexico	100% (1)
Franklin Lakes Enterprises, L.L.C.	New Jersey	100%
GeneOhm Sciences, Inc.	Delaware	100%
GeneOhm Sciences Canada Inc.	Canada	100% (1)
GeneOhm Sciences Europe, N.V.	Belgium	100% (1)
Healthcare Holdings in Sweden AB	Sweden	100% (1)
IBD Holdings LLC	Delaware	50%(1)
Johnston Laboratories, Inc.	Maryland	100% (1)
Luther Medical Products, Inc.	California	100% (1)
Staged Diabetes Management LLC	New Jersey	50% (1)
Matrex Salud, de R.L. de C.V.	Mexico	50% (1)
Med-Safe Systems, Inc.	California	100%
Nippon Becton Dickinson Company, Ltd.	Japan	100% (1)
PharMingen	California	100%
Phase Medical, Inc.	California	100% (1)
Plasso Technology Limited	United Kingdom	100% (1)
PreAnalytiX GmbH	Switzerland	50% (1)
Promedicor de Mexico, S.A. de C.V.	Mexico	100% (1)
Saf-T-Med Inc.	Delaware	100%
TriPath Imaging	Delaware	100%
TriPath Imaging Europe bvba	Belgium	100% (1)
TriPath Oncology, Inc.	Delaware	100% (1)

(1) owned by a wholly-owned subsidiary of Becton, Dickinson and Company

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Becton, Dickinson and Company of our reports dated November 16, 2007, with respect to the consolidated financial statements of Becton, Dickinson and Company and the effectiveness of internal control over financial reporting of Becton, Dickinson and Company, included in the 2007 Annual Report to Shareholders of Becton, Dickinson and Company.

Our audits also included the financial statement schedule of Becton, Dickinson and Company listed in Item 15(b). This schedule is the responsibility of Becton, Dickinson and Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, as to which the date is November 16, 2007, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement Form S-8 Nos. 33-23055, 33-33791, 33-40787, 33-53375, 33-58367, 33-64115, 333-11885, 333-16091, 333-46089, 333-59238, 333-108052 and 333-118235 of Becton, Dickinson and Company, and

(2) Registration Statement Form S-3 Nos. 333-23559, 333-38193, 333-104019 and 333-134143 of Becton, Dickinson and Company;

of our report dated November 16, 2007, with respect to the consolidated financial statements of Becton, Dickinson and Company incorporated herein by reference, our report dated November 16, 2007, with respect to the effectiveness of internal control over financial reporting of Becton, Dickinson and Company, incorporated herein by reference, and our report included in the preceding paragraph with respect to the financial statement schedule of Becton, Dickinson and Company included in this Annual Report (Form 10-K) of Becton, Dickinson and Company.

/s/ ERNST & YOUNG, LLP
New York, New York
November 20, 2007

EXHIBIT 31

CERTIFICATION

I, Edward J. Ludwig, certify that:

1. I have reviewed this Annual Report on Form 10-K 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)) 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 data; 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: November 21, 2007

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

EXHIBIT 31

CERTIFICATION

I, John R. Considine, certify that:

1. I have reviewed this Annual Report on Form 10-K 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)) 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 data; 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: November 21, 2007

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

EXHIBIT 32

The certification set forth below is being submitted in connection with the Annual Report on Form 10-K of Becton, Dickinson and Company for the fiscal year ended September 30, 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.

Date: November 21, 2007

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

EXHIBIT 32

The certification set forth below is being submitted in connection with the Annual Report on Form 10-K of Becton, Dickinson and Company for the fiscal year ended September 30, 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.

Date: November 21, 2007

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