AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON DECEMBER 23, 2003

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, 2003 COMMISSION FILE NUMBER 1-4802

BECTON, DICKINSON AND COMPANY

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

NEW JERSEY (STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	22-0760120 (I.R.S. EMPLOYER IDENTIFICATION NO.)
1 BECTON DRIVE FRANKLIN LAKES, NEW JERSEY (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	07417-1880 (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
Preferred Stock Purchase Rights	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
None

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

Indicate by check mark 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. [ ]

Indicate by checkmark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).
Yes [x] No [ ]

As of June 30, 2003, 254,642,080 shares of the registrant's common stock were outstanding and the aggregate market value of such common stock held by nonaffiliates of the registrant was approximately $9,874,823,808.

DOCUMENTS INCORPORATED BY REFERENCE

(1) Portions of the registrant's Annual Report to Shareholders for the fiscal year ended September 30, 2003 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 February 11, 2004 are incorporated by reference into Part III hereof.

PART I

ITEM 1. BUSINESS.

GENERAL

Becton, Dickinson and Company was incorporated under the laws of the State of New Jersey in November 1906, as successor to a New York business started in 1897. Our executive offices are located at 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, and our 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 ('Medical') (formerly BD Medical Systems), BD Diagnostics ('Diagnostics') (formerly BD Clinical Laboratory Solutions) and BD Biosciences ('Biosciences'). Information with respect to BD's business segments appears on pages 54-55 of BD's Annual Report to Shareholders for the fiscal year ended September 30, 2003 (the '2003 Annual Report'), and is incorporated herein by reference as part of Exhibit 13.

BD Medical

The major products in this segment are hypodermic syringes and needles for injection, insulin syringes and pen needles and blood glucose monitoring systems for diabetes care, infusion therapy devices, prefillable drug delivery systems and surgical blades and scalpels. This segment also includes specialty blades and cannulas for ophthalmic surgery procedures, anesthesia needles, critical care systems, elastic support products and thermometers.

BD Diagnostics

The major products in this segment are clinical and industrial microbiology products, sample collection products, specimen management systems, molecular diagnostic instruments and other diagnostic systems, including immunodiagnostic test kits. This segment also includes consulting services.

BD Biosciences

This segment provides integrated systems, products and services for a variety of applications in life sciences. The major products are flow cytometry systems for cell analysis, monoclonal antibodies for biomedical research, molecular biology products for the study of genes and their functions, cell growth and screening products, and labware products.

INTERNATIONAL OPERATIONS

BD's products are manufactured and sold worldwide. The principal markets for BD's products outside the United States are Europe, Japan, Asia Pacific, Canada and Latin America. The principal products sold by BD outside of the United States are hypodermic needles and syringes, insulin syringes and pen needles, diagnostic systems, VACUTAINER'r' brand blood collection products, HYPAK'r' brand prefillable syringe systems, and infusion therapy products. BD has manufacturing operations outside the United States in Brazil, China, France, Germany, India, Ireland, Japan, Korea, Mexico, Pakistan, Singapore, Spain, Sweden and the United Kingdom. Geographic information with respect to BD's operations appears on page 55 of the 2003 Annual Report, and is incorporated herein by reference as part of Exhibit 13.

Foreign economic conditions and exchange rate fluctuations have caused the profitability from foreign revenues to fluctuate more than the profitability from domestic revenues. BD believes its activities in some

countries outside the United States involve greater risk than its domestic business due to the foregoing factors, as well as local commercial and economic policies and political uncertainties.

REVENUES AND DISTRIBUTION

BD's products and services are marketed in the United States and internationally through sales representatives and independent distribution channels, and directly to end-users. Sales to a distributor, which supplies BD products from the Medical and Diagnostics segments to many end-users, accounted for approximately 11% of total BD revenues in fiscal 2003. 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.

Revenue on the sale of certain instruments in the Biosciences segment is recognized upon completion of installation of the instrument at the customer's site. In other instances in the Biosciences segment, where the sales agreement provides for multiple deliverables, revenue is recognized at the completion of each deliverable. Revenue related to branded insulin syringe products sold to distributors under incentive programs in the U.S. consumer trade channel is recognized upon the sell-through of such products from the distributor to the end customer. Substantially all other revenue is recognized when products are shipped to customers.

RESEARCH AND DEVELOPMENT

BD conducts its research and development activities at its operating units, at Becton Dickinson Technologies in Research Triangle Park, North Carolina, and in collaboration with selected universities, medical centers and other entities. BD also retains individual consultants to support its efforts in specialized fields. BD spent approximately $235 million, $220 million and $212 million on research and development during the fiscal years ended September 30, 2003, 2002 and 2001, respectively.

COMPETITION

A number of companies, some of which are more specialized than BD with respect to particular markets, compete in the medical technology field. In each such case, competition involves only a part of BD's product lines. Competition in BD's markets is based on a combination of factors, including price, quality, service, reputation, distribution and promotion. Ongoing investments in research, quality management, quality improvement, product innovation and productivity improvement are required to maintain an advantage in the competitive environments in which BD operates.

New companies have entered the medical technology field and established companies have diversified their business activities into this area. Other firms engaged in the distribution of medical technology products have become manufacturers as well. Some of BD's competitors have greater financial resources than BD. BD also competes with products manufactured outside the United States.

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.

RAW MATERIALS

BD purchases many different types of raw materials, including plastics, glass, metals, yarn and yarn goods, paper products, agricultural products, electronic and mechanical sub-assemblies and various biological, chemical and petrochemical products. All but a few of BD's principal raw materials, primarily related to the Biosciences business, are available from multiple sources.

For various reasons, including quality assurance, sole source availability and cost effectiveness, we purchase certain raw materials from sole suppliers. Due primarily to regulatory requirements, we may not always be able to quickly establish additional or replacement sources for certain of these sole-sourced raw materials. 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 have an adverse impact on our ability to manufacture and sell certain of our products.

REGULATION

BD's medical technology products and operations are subject to regulation by the United States Food and Drug Administration and various other federal and state agencies, as well as by a number of foreign governmental agencies. 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 its business.

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's capital expenditures, earnings or competitive position. See Item 3. Legal Proceedings -- Environmental Matters.

EMPLOYEES

As of September 30, 2003, BD had 24,783 employees, of whom 11,634 were employed in the United States (including Puerto Rico). BD believes that its employee relations are satisfactory.

AVAILABLE INFORMATION

BD maintains a website at www.bd.com. BD makes available on its website, without charge, 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. These filings may be found at www.bd.com/investors. Printed copies of the foregoing documents may also be obtained, without charge, by contacting BD's Investor Relations Department at 1-800-284-6845.

CAUTIONARY STATEMENT PURSUANT TO PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 -- 'SAFE HARBOR' FOR FORWARD-LOOKING STATEMENTS

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

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

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

Regional, national and foreign economic factors, including inflation and fluctuations in interest rates and foreign currency exchange rates and the potential effect of such fluctuations on revenues, expenses and resulting margins.

Competitive product and pricing pressures and our ability to gain or maintain market share in the global market as a result of actions by competitors, including technological advances achieved and patents attained by competitors, particularly as patents on our products expire. While we believe our opportunities for sustained, profitable growth are considerable, actions of our competitors could impact our earnings, share of sales and volume growth.

Changes in domestic and foreign healthcare resulting in 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 relating to U.S. Congressional hearings regarding the business practices of group purchasing organizations, which negotiate product prices on behalf of their member hospitals with BD and other suppliers.

Fluctuations in the cost and availability of raw materials and the ability to maintain favorable supplier arrangements and relationships.

Our ability to obtain the anticipated benefits of any restructuring programs that we may undertake.

Adoption of or changes in government laws and regulations affecting domestic and foreign operations, including those relating to trade, monetary and fiscal policies, taxation, environmental matters, sales practices, price controls, licensing and regulatory approval of new products, or changes in enforcement practices with respect to any such laws and regulations.

The effects, if any, of the Severe Acute Respiratory Syndrome ('SARS') epidemic.

Difficulties inherent in product development, including the potential inability to successfully continue technological innovation, complete clinical trials, obtain regulatory approvals in the United States and abroad, or gain and maintain market approval of products, and 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.

Significant litigation adverse to BD, including product liability claims, patent infringement claims, and antitrust claims, as well as other risks and uncertainties detailed from time to time in our Securities and Exchange Commission filings.

The effects, if any, of adverse media exposure or other publicity regarding BD's business, operations or allegations made or related to litigation pending against BD.

Our ability to achieve earnings forecasts, which are generated based on projected volumes and sales of many product types, some of which are more profitable than others. There can be no assurance that we will achieve the projected level or mix of product sales.

The effect of market fluctuations on the value of the 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 Food and Drug Administration (or foreign counterparts) or declining sales.

Economic and political conditions in international markets, including civil unrest, governmental changes and restrictions on the ability to transfer capital across borders.

Our ability to penetrate developing and emerging markets, which also depends on economic and political conditions, and our ability to successfully 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 American Institute of Certified Public Accountants, the Financial Accounting Standards Board, the Securities and Exchange Commission or the Public Company Accounting Oversight Board.

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

ITEM 2. PROPERTIES.

BD's executive offices are located in Franklin Lakes, New Jersey. BD owns and leases approximately 13,700,000 square feet of manufacturing, warehousing, administrative and research facilities throughout the world. The U.S. facilities, including Puerto Rico, comprise approximately 5,860,000 square feet of owned and 2,270,000 square feet of leased space. The international facilities comprise approximately 3,640,000 square feet of owned and 1,930,000 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, Colorado, Connecticut, Georgia, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, Missouri, Nebraska, New Jersey, New York, North Carolina, South Carolina, Tennessee, Texas, Utah, Virginia, Wisconsin and Puerto Rico.

The international facilities are grouped as follows:

-- Canada includes approximately 120,000 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, the Netherlands, Poland, Russia, South Africa, Spain, Sweden, Switzerland, Turkey and the United Arab Emirates, and are comprised of approximately 1,750,000 square feet of owned and 870,000 square feet of leased space.

-- Latin America includes facilities in Argentina, Bolivia, Brazil, Chile, Colombia, Guatemala, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela, and is comprised of approximately 780,000 square feet of owned and 620,000 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 1,110,000 square feet of owned and 320,000 square feet of leased space.

The table below summarizes property information by business segment:

<Table>
<Caption>

CATEGORY	CORPORATE	BIOSCIENCES	MEDICAL	DIAGNOSTICS	MIXED(A)	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Leased						
Sites	2	18	108	4	27	159
Square feet	10,000	427,000	1,892,000	158,000	1,712,000	4,199,000
Manufacturing square footage	0	73,000	311,000	25,000	0	409,000
Manufacturing sites	0	2	6	2	0	10
Owned						
Sites	2	4	26	11	6	49
Square feet	431,000	613,000	5,076,000	2,142,000	1,237,000	9,499,000
Manufacturing square footage	0	265,000	3,094,000	1,261,000	252,000	4,872,000
Manufacturing sites	0	4	25	11	2	42
Total						
Sites	4	22	134	15	33	208
Square feet	441,000	1,040,000	6,968,000	2,300,000	2,949,000	13,698,000
Manufacturing square						

footage...............	0	338,000	3,405,000	1,286,000	252,000	5,281,000
Manufacturing sites.....	0	6	31	13	2	52

</Table>

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(A) Facilities used by all business segments.

ITEM 3. LEGAL PROCEEDINGS.

Litigation -- Other than Environmental

In 1986, we acquired a business that manufactured, among other things, latex surgical gloves. In 1995, we divested this glove business. We, along with a number of other manufacturers, have been named as a defendant in approximately 524 product liability lawsuits related to natural rubber latex that have been filed in various state and Federal courts. 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, 377 of these cases have been closed with no liability to BD (313 of which were closed with prejudice), and 28 cases have been settled for an aggregate de minimis amount. We are vigorously defending these remaining lawsuits.

We, along with another manufacturer and several medical product distributors, are named as a defendant in four product liability lawsuits relating to healthcare workers who allegedly sustained accidental needlesticks, but have not become infected with any disease. Generally, the remaining 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. Several actions additionally allege that the healthcare workers have sustained mental anguish. Plaintiffs seek money damages in all of these actions. We had previously been named as a defendant in seven 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 four pending suits:

In Ohio, Grant vs. Becton Dickinson et al. (Case No. 98CVB075616, Franklin County Court), which was filed on July 22, 1998, the Court of Appeals, by order dated June 3, 2003, reversed the trial court's granting of class certification and remanded the case for a determination of whether the class can be redefined, or the action should be dismissed.

In Illinois, McCaster vs. Becton Dickinson et al. (Case No. 98L09478, Cook County Circuit Court), which was filed on August 13, 1998, the court issued an order on November 22, 2002 denying plaintiff's renewed motion for class certification. The plaintiff has voluntarily dismissed the action without prejudice and with leave to refile within one year.

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.

We continue to oppose class action certification in these cases and will continue vigorously to defend these lawsuits, including pursuing all appropriate rights of appeal.

BD has insurance policies in place, and believes that a substantial portion of the potential liability, if any, in the latex and class action matters would be covered by insurance. In order to protect our rights to additional coverage, we filed an action for declaratory judgment under the caption Becton Dickinson and Company vs. Adriatic Insurance Company et al. (Docket No. MID-L-3649-99MT, Middlesex County Superior Court) in New Jersey state court. We have withdrawn this action, with the right to refile, so that settlement discussions with the insurance companies may proceed. We have established reserves to cover reasonably anticipated legal defense costs in all product liability lawsuits, including the needlestick class action and latex matters. With regard to the latex matters, we recorded special charges in 2000 and 1998 of $20 million and

$12 million, respectively. Based on a review of available information at that time, these charges were recorded to reflect the minimum amount within the then most probable range of current estimates of litigation defense costs. We do not anticipate incurring significant one-time charges, similar to 2000 and 1998, relating to the latex matters in future years.

On November 6, 2003, a class action complaint was filed against the Company in the Supreme Court of British Columbia under the caption Danielle Cardozo, by her litigation guardian Darlene Cardozo v. Becton, Dickinson and Company (Civil Action No. S83059) alleging personal injury to all persons in British Columbia that received test results generated by the BD ProbeTec ET instrument. Plaintiffs seek money damages in an as yet undisclosed amount. We are assessing this action, and intend to vigorously defend this matter.

On January 17, 2003, Retractable Technologies, Inc. ('plaintiff') filed a third amended complaint against BD, another manufacturer, and two group purchasing organizations ('GPOs') under the caption Retractable Technologies, Inc. vs. Becton Dickinson and Company, et al. (Civil Action No. 501 CV 036, United States District Court, Eastern District of Texas). Plaintiff alleges that BD and other defendants conspired to exclude it from the market and to maintain BD's market share by entering into long-term contracts in violation of state and Federal antitrust laws. Plaintiff also has asserted claims for business disparagement, common law conspiracy, and tortious interference with business relationships. Plaintiff seeks money damages in an as yet undisclosed amount. On October 6, 2003, BD filed a motion for summary judgment. Argument of that motion was heard on December 11, 2003, and a trial date has been set for February 3, 2004. We continue to vigorously defend this matter.

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

We currently are engaged in discovery or are otherwise in the early stages with respect to certain of the litigation to which we are a party, and therefore, it is difficult to predict the outcome of such litigation. In addition, given the uncertain nature of litigation generally and of the current litigation environment, it is difficult to predict the outcome of any litigation regardless of its stage. A number of the cases pending against BD present complex factual and legal issues and are subject to a number of variables, including, but not limited to, the facts and circumstances of each particular case, the jurisdiction in which each suit is brought, and differences in applicable law. As a result, we are not able to estimate the amount or range of loss that could result from an unfavorable outcome of such matters. In accordance with generally accepted accounting principles, we establish reserves to the extent probable future losses are estimable. While we believe that the claims against BD are without merit and, upon resolution, should not have a material adverse effect on BD, in view of the uncertainties discussed above, we could incur charges in excess of currently established reserves 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 in the period or periods in which they are recorded or paid. We continue to believe that we have a number of valid defenses to each of the suits pending against BD and are engaged in a vigorous defense of each of these matters.

Environmental Matters

We are also 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. For all sites, there are other potentially responsible parties that may be jointly or severally liable to pay all cleanup costs. We accrue costs for estimated environmental liabilities based upon our best estimate within the range of probable losses, without considering possible third-party recoveries. While we believe that, upon resolution of such matters, the claims against BD should not have a material adverse effect on BD, we could incur charges in excess of presently established reserves 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 in the period or periods in which they are recorded or paid.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT (AS OF DECEMBER 1, 2003)

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 of the named persons.

NAME	AGE	POSITION
Edward J. Ludwig..............	52	Director since 1999; Chairman, President and Chief Executive Officer since February 2002; President and Chief Executive Officer from January 2000 to February 2002; President from May 1999 to January 2000; Executive Vice President from July 1998 to May 1999; and prior thereto, Senior Vice President -- Finance and Chief Financial Officer.
Gary M. Cohen..................	44	President -- BD Medical since May 1999; Executive Vice President from July 1998 to May 1999; and President -- Becton Dickinson Europe and Worldwide Sample Collection from October 1997 to June 1998.
John R. Considine.............	53	Executive Vice President and Chief Financial Officer since June 2000; Senior Vice President, Finance of Wyeth (formerly American Home Products Corporation) from February to June 2000; and prior thereto, Vice President, Finance of Wyeth.
Jean-Marc Dageville...........	44	Vice President -- Human Resources since March 2001; prior thereto, Vice President -- Human Resources, BD Medical Systems; Vice President -- Human Resources, Europe from 1998 to 2000; and prior thereto HR Director, Europe for certain portions of the Medical and Diagnostics segments.
Vincent A. Forlenza...........	50	President -- BD Biosciences since March 2003; Senior Vice President -- Technology, Strategy and Development from February 1999 to March 2003; and prior thereto, President -- Worldwide Microbiology Systems.
William A. Kozy................	51	President -- BD Diagnostics since November 2003, President -- BD Clinical Laboratory Solutions and Company Operations from May 2002 to November 2003; Senior Vice President -- Company Operations from November 2000 to May 2002; and Senior Vice President -- Manufacturing from October 1998 to November 2000.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

BD's common stock is listed on the New York Stock Exchange. As of November 30, 2003 there were approximately 9,801 shareholders of record. The balance of the information required by this item appears under the caption 'Common Stock Prices and Dividends' on page 56 of BD's 2003 Annual Report and is incorporated herein by reference as part of Exhibit 13.

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 22-23 of BD's 2003 Annual Report and is incorporated herein by reference as part of Exhibit 13.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The information required by this item is included in the text contained under the caption 'Financial Review' on pages 24-32 of BD's 2003 Annual Report and is incorporated herein by reference as part of Exhibit 13.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The information required by this item is included in the text contained on pages 25-26 of the 'Financial Review' section of BD's 2003 Annual Report, and in notes 1 and 10 to the consolidated financial statements contained in BD's 2003 Annual Report, and each is incorporated herein by reference as part of Exhibit 13.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The information required by this item is included on page 14 herein and on pages 33-55 of BD's 2003 Annual Report and is incorporated herein by reference as part of Exhibit 13.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES.

An evaluation was carried out by BD's management, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of BD's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of September 30, 2003. 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 our internal control over financial reporting during the fiscal quarter ended September 30, 2003 identified in connection with the above-referenced evaluation that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The information relating to directors required by this item will be contained under the captions 'Board of Directors', 'Election of Directors', 'Nominees for Director' and 'Continuing Directors' in a definitive Proxy Statement involving the election of directors which the registrant will file with the Securities and Exchange

Commission not later than 120 days after September 30, 2003 (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 -- 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' and 'Executive Compensation' and 'Compensation of Named Executives' 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 captions 'Equity Compensation Plan Information' and 'Share Ownership of Management and Certain Beneficial Owners' in BD's Proxy Statement, and such information is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Not applicable.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

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

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a)(1) Financial Statements

The following consolidated financial statements of BD included in BD's 2003 Annual Report at the pages indicated in parentheses, are incorporated by reference in Item 8 hereof:

Report of Independent Auditors (page 33)

Consolidated Statements of Income -- Years ended September 30, 2003, 2002 and 2001 (page 34)

Consolidated Statements of Comprehensive Income -- Years ended September 30, 2003, 2002 and 2001 (page 35)

Consolidated Balance Sheets -- September 30, 2003 and 2002 (page 36)

Consolidated Statements of Cash Flows -- Years ended September 30, 2003, 2002 and 2001 (page 37)

Notes to Consolidated Financial Statements (pages 38-55)

(a)(2) 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 14)

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.

(a)(3) Exhibits

See Exhibit Index on pages 15-18 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.

(b) Reports on Form 8-K

During the three-month period ended September 30, 2003, BD filed the following Current Reports on Form 8-K:

(1) On July 22, 2003, BD announced the declaration of a quarterly dividend.

(2) On July 31, 2003, BD filed its By-laws, as amended effective August 5, 2003.

During the three-month period ended September 30, 2003, BD also furnished information in connection with the following Current Reports on Form 8-K:

(1) On July 23, 2003, BD announced a voluntary product recall.

(2) On July 24, 2003, BD announced its results for the third fiscal quarter ended June 30, 2003.

(3) On August 25, 2003, BD provided information regarding a voluntary product recall.

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: December 23, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on the 23rd day of December, 2003 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)	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ WILLIAM A. TOZZI .... (WILLIAM A. TOZZI)	Vice President and Controller (Principal Accounting Officer)
/s/ HARRY N. BEATY, M.D. .... (HARRY N. BEATY, M.D.)	Director
/s/ HENRY P. BECTON, JR. .... (HENRY P. BECTON, JR.)	Director
/s/ EDWARD F. DEGRAAN .... (EDWARD F. DEGRAAN)	Director
/s/ FRANK A. OLSON .... (FRANK A. OLSON)	Director
/s/ JAMES F. ORR .... (JAMES F. ORR)	Director
/s/ WILLARD J. OVERLOCK, JR. .... (WILLARD J. OVERLOCK, JR.)	Director
/s/ JAMES E. PERRELLA .... (JAMES E. PERRELLA)	Director

NAME	CAPACITY
/s/ BERTRAM L. SCOTT .... (BERTRAM L. SCOTT)	Director
/s/ ALFRED SOMMER .... (ALFRED SOMMER)	Director
/s/ MARGARETHA AF UGGLAS .... (MARGARETHA AF UGGLAS)	Director

SCHEDULE II

BECTON, DICKINSON AND COMPANY
VALUATION AND QUALIFYING ACCOUNTS
YEARS ENDED SEPTEMBER 30, 2003, 2002 AND 2001
(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	BALANCE AT END OF PERIOD
2003				
Against trade receivables:				
For doubtful accounts	$27,511	$ 8,249	$ 2,921(A)	$32,839
For cash discounts	10,508	27,273	23,460	14,321
Total	$38,019	$35,522	$26,381	$47,160
2002				
Against trade receivables:				
For doubtful accounts	$29,748	$ 3,354	$ 5,591(A)	$27,511
For cash discounts	12,544	22,596	24,632	10,508
Total	$42,292	$25,950	$30,223	$38,019
2001				
Against trade receivables:				
For doubtful accounts	$32,986	$ 7,063	$10,301(A)	$29,748
For cash discounts	10,656	27,201	25,313	12,544
Total	$43,642	$34,264	$35,614	$42,292

(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	Incorporated by reference to Exhibit 3(b) to

	August 5, 2003	the Registrant's Form 8-K filed on July 31, 2003
4(a)	Indenture, dated as of December 1, 1982 between the registrant and, Manufacturers Hanover Trust Company	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(c) to Form 8-K filed by the registrant on January 12, 1995
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)
4(e)(i)	Rights Agreement, dated November 28, 1995, as amended and restated as of March 28, 2000, between the registrant and EquiServe Trust Company, N.A., which includes as thereto, the Form of Right Certificate, and as Exhibit B thereto, the Summary of Rights to Purchase Preferred Stock (the 'Amended and Restated Rights Agreement')	Incorporated by reference to Exhibit 4(e)(i) to the registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2000
4(e)(ii)	Amendment No. 1 to the Amended and Restated Rights Agreement, dated as of April 24, 2000	Incorporated by reference to Exhibit 4(e)(ii) to the registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2000

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EXHIBIT NUMBER	DESCRIPTION	METHOD OF FILING
<S>	<C>	<C>
10(a)(i)	Form of Employment Agreement providing for certain payments to Executive Officers in the event of a discharge or significant change in such officers' respective duties after a change of control of the registrant	Incorporated by reference to Exhibit 10(b)(i) to the registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2000
10(a)(ii)	Form of Employment Agreement providing for certain payments to Corporate Officers in the event of a discharge or significant change in such officers' respective duties after a change of control of the registrant	Incorporated by reference to Exhibit 10(b)(ii) to the registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2000
10(b)(i)	Form of Split Dollar Agreement and related Collateral Assignment covering the providing to certain corporate officers of a life insurance policy in an amount equal to two times base salary in lieu of full participation in the registrant's group life insurance program	Incorporated by reference to Exhibit 10(e) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1987
10(b)(ii)	Form of Endorsement Method Split Agreement covering the providing to certain corporate officers of a life insurance policy in an amount equal to two times base salary in lieu of full participation in the registrant's group life insurance program	Incorporated by reference to Exhibit 10(c)(ii) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1999

10(c)	Stock Award Plan, as amended and restated as of November 24, 2003	Filed with this report
10(d)	Performance Incentive Plan, as amended and restated November 24, 2003	Filed with this report
10(e)	Deferred Compensation Plan, as amended and restated November 1, 2001	Incorporated by reference to Exhibit 10(f) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1992
10(f)	1996 Directors' Deferral Plan, as amended as of November 24, 2003	Filed with this report
10(g)(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(g)(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(h)(i)	Retirement Benefit Restoration Plan, as amended and restated as of November 27, 2000	Incorporated by reference to Exhibit 10(i)(i) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2000
10(h)(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

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EXHIBIT NUMBER	DESCRIPTION	METHOD OF FILING
<S>	<C>	<C>
10(h)(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(h)(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
10(i)(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(i)(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(j)(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(j)(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(k)(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(k)(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(l)	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(m)	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(n)	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(o)(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(o)(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

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EXHIBIT NUMBER	DESCRIPTION	METHOD OF FILING
<S>	<C>	<C>
10(p)	2002 Stock Option Plan	Incorporated by reference to Appendix A to the registrant's Proxy Statement dated January 2, 2002
13	Portions of the registrant's Annual Report to Shareholders for fiscal year 2003	Filed with this report
18	Letter re: Change in Accounting Principle	Filed with this report
21	Subsidiaries of the registrant	Filed with this report
23	Consent of independent auditors	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

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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.

STATEMENT OF DIFFERENCES

The registered trademark symbol shall be expressed as.................. 'r'

BECTON, DICKINSON AND COMPANY

STOCK AWARD PLAN

AS AMENDED AND RESTATED AS OF NOVEMBER 24, 2003

1. Purpose of the Plan

The purposes of this Stock Award Plan (hereinafter the "Plan") of Becton, Dickinson and Company (hereinafter the "Company") are as follows:

(a) To further the Company's growth, development and financial success by providing additional incentives to Key Employees of the Company and its subsidiaries who have been or will be given responsibility for the management or administration of the business affairs of the Company and its subsidiaries by providing them the opportunity to become owners of capital stock of the Company and thus to benefit directly from its growth, development and financial success.

(b) To enable the Company and its subsidiaries to obtain and retain the services of the type of key professional, technical and managerial employees considered essential to the long range success of the Company by providing them an opportunity to become owners of capital stock of the Company.

2. Shares Subject to the Plan

(a) There are hereby authorized and reserved for issuance in satisfaction of Awards to be granted from time to time under the Plan an aggregate of 3,810,000 shares of the Company's Common Stock, par value $1.00 per share (after giving effect to the two-for-one stock splits of the Company's Common Stock in 1996 and 1998). Shares delivered under the Plan may be authorized but unissued shares or shares which have been previously issued and reacquired by the Company, and when issued shall be fully paid and nonassessable. Shares subject to Awards granted under the Plan but not issued or delivered due to any such Awards terminating or expiring for any reason shall thereafter be available for further Awards under the Plan.

(b) No Award granted under this Plan shall by its terms, or otherwise, be transferable by the recipient of the Award (hereinafter "Grantee").

3. Administration of the Plan

The Plan shall be administered by the Compensation and Benefits Committee of the Board of Directors of the Company or such other committee as may be designated by the Board (the "Committee"). Subject to the express provisions of Paragraph 6 of the Plan with respect to eligibility, the Committee shall consult with the management of the Company but shall have plenary authority, in its discretion, to determine the individuals to whom awards shall be granted and the number of shares to be subject to each Award. In making such determinations, the Committee shall take into account the nature of the services rendered or expected to be rendered by the respective employees, their present and potential contributions to the Company's success and the anticipated number of years of effective service remaining, and may take into account such other factors as the Committee in its discretion shall deem relevant. Subject to the express provisions of the Plan, the Committee shall also have plenary authority to interpret the Plan and the Awards granted under the Plan, to establish, amend and rescind rules and regulations as it deems necessary to the proper administration of the Plan, and to make all other determinations necessary or advisable for its administration. All Awards granted under the Plan shall contain such terms and conditions not inconsistent with the Plan as shall be determined by the Committee. The determinations of the Committee on the matters referred to in this paragraph shall be conclusive and binding on all parties.

4. The Committee

The Committee shall hold its meetings at such times and places as it may determine. A majority of its members shall constitute a quorum. All determinations of the Committee shall be made by a majority of its members. Any decision or determination reduced to writing and signed by all the members shall be fully as effective as if it had been made by a majority vote at a meeting duly called and held. The Committee may make such rules and regulations for the conduct of its business as it shall deem advisable. No member or former member of the Committee shall be liable, in the absence of bad faith or misconduct, for any act or omission with respect to his service on the Committee. Service on the Committee shall constitute service as a Director of the Company so that members of the Committee shall be entitled to indemnification and reimbursement as

Directors of the Company pursuant to law, its Certificate of Incorporation or under any by-law, agreement, vote of shareholders or otherwise.

5. Granting of Awards

The Committee shall from time to time:

(a) Determine which employees are "Key Employees" and select from among the eligible Key Employees (including those to whom Awards may have been previously granted under the Plan) those who shall be granted Awards; and

(b) Determine the number of shares to be granted to said selected Key Employees; and

(c) Determine the terms and conditions of said Awards, consistent with the Plan.

Upon selection of a Key Employee to be granted an Award, the Committee shall instruct the Secretary of the Company to issue the Award, and may impose such conditions on the grant of the Award as it deems appropriate (including without limitation, mandatory deferrals of distributions under such Award), consistent with the Plan.

The effective date of the grant of an Award (hereinafter "Granting Date") shall be the date upon which the Committee makes a determination with respect to the granting of an Award.

6. Participants

Awards may be granted only to employees (which term shall be deemed to include officers) of the Company or any present or future subsidiary (meaning any corporation or organization more than 50% of the voting shares of which are owned, directly or indirectly, by the Company) who, in the opinion of the Committee, exercise such functions or discharge such responsibilities that they merit consideration as "Key Employees". Awards may be granted to eligible Key Employees whether or not they hold or have held Awards previously granted under the Plan.

No member of the Committee shall be eligible to participate under this Plan while serving as a member of the Committee.

7. Terms of Award

An Award shall consist of two portions: a current portion and a deferred portion. A minimum of twenty-five percent (25%) of the total number of shares of each Award shall constitute the deferred portion.

Except as otherwise provided in Paragraph 11 hereof and subject to any terms and conditions established by the Committee for the distribution of such shares, sixty percent (60%) of the shares in the current portion of each Award shall become available to the Grantee on the third anniversary of the Granting Date and the remaining forty percent (40%) of such shares shall become available in two equal (or as near equal as full shares permit) annual installments commencing with the fourth anniversary of the Granting Date.

Pursuant to Paragraph 5 hereof, the Committee may, in connection with the granting of an Award, place such terms and conditions on the distribution of the shares subject thereto (including without limitation, mandatory deferrals of distributions and conditions based on the operating performance of the Company) as the Committee deems appropriate.

The shares in the deferred portion of each Award will be credited to a separate account maintained for each Grantee, and, except as otherwise provided in Paragraph 11 hereof, shall become available to the Grantee in five equal (or as near equal as full shares permit) annual installments commencing on the January 1st next following the happening of the first of the following events: retirement, involuntary separation, or discharge for other than cause.

A Grantee who voluntarily resigns or is discharged for cause automatically forfeits any undistributed shares in the current portion and all of the shares in the deferred portion of an Award, as of the date notice of said resignation is given to the Company or notice of said discharge is given to the Grantee.

Retirement pursuant to any Company or subsidiary retirement plan shall not constitute a termination of employment by voluntary resignation or discharge for cause.

Upon the death of a Grantee, all undistributed shares in the deferred portion of any Awards granted to the Grantee hereunder shall become immediately distributable to the designated beneficiary of the Grantee, or, if no unrevoked designation of beneficiary exists, to the Grantee's estate; provided, however, that the Grantee may elect to have all such undistributed shares distributed to such designated beneficiary or estate in five equal annual installments commencing on the January 1st next following the death of the Grantee.

8. Delivery of Shares

Certificates for shares becoming available in accordance with the provisions of Paragraph 7 shall be issued and delivered to the Grantee as soon as reasonably practicable, but the Company shall not be required to deliver any certificate or certificates for said shares prior to the fulfillment of all of the following conditions:

(a) The receipt by the Secretary of the Company of such executed agreements and other documents as the Committee, in its discretion, may require in connection with the issuance and delivery of said shares, the payment of any withholding tax which may be due in respect to said Award, or any other aspect of said Award; and

(b) The authorization for the listing upon official notice of issuance by all stock exchanges on which said Common Stock may then be listed; and

(c) The completion of any registration or other qualification of said shares or this Plan under any state or federal law or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body, which the Committee shall, in its discretion, deem necessary or advisable; and

(d) The obtaining of any approval or other clearance from any state or federal government agency which the Committee shall, in its discretion, determine to be necessary or advisable.

The Grantee of an Award shall not be, nor have any of the rights or privileges of a shareholder of the Company in respect of any shares so awarded unless and until certificates representing such shares have been delivered by the Company to the Grantee.

9. Termination of Employment

In respect to an Award, any termination of employment shall mean the date upon which the employee-employer relationship between the Grantee and the Company or a subsidiary is terminated for any reason, including, but not limited to a termination by resignation, discharge, death or retirement, but excluding any such termination where there is a simultaneous re-employment by the Company or by a subsidiary if, and only if, such re-employment is not disapproved by the Committee.

Nothing in the Plan or in any Award granted pursuant to the Plan shall confer on any individual any right to continue in the employ of the Company or any of its subsidiaries or interfere in any way with the right of the Company or any of its subsidiaries to terminate his employment at any time.

10. Adjustment Upon Changes in Capitalization

(a) In the event of a recapitalization of the Company, reclassification, stock split or combination, stock dividend, spin-off, split-off or other distribution of stock or property of the Company, or any merger, consolidation, other change in corporate capitalization or corporate structure, or the sale or other transfer by the Company of all or a part of its assets, (not including any transaction constituting a change in control of the Company, as defined in and separately covered by Paragraph 11), pursuant to which new or additional stock or securities, or cash or other property, is received by holders of Common Stock, or shares of Common Stock are exchanged for such stock, securities, cash or property, then the Board of Directors shall make appropriate adjustments to the shares reserved for issuance of Awards under the Plan, and to outstanding Awards and the type and amount of consideration deliverable thereunder, in order to ensure that a Grantee receives benefits under the Plan upon the occurrence of any such events equivalent to the benefits which such Grantee would have received in the absence of such occurrence.

(b) No fractional shares shall be considered as a result of any adjustment as herein provided and in the event a fraction of a share results from the computation of the adjustment of any Award, the number of shares shall be the next highest round number.

11. Payments Upon a Change in Control

(a) In the event of a change in control of the Company (in accordance with subparagraph (b) below), all outstanding Awards previously granted pursuant to the Plan shall vest immediately and each holder of an Award (whether or not then employed by the Company) shall be entitled to a payment in cash equal to the product of (i) the number of shares subject to such Awards, times (ii) the higher of (x) the closing price of a share of Common Stock on the New York Stock Exchange on the date when the change of control occurs and (y) the highest price paid pursuant to such change in control for a share of Common Stock. Such cash payment shall be made immediately upon the occurrence of a change in control of the Company and shall be supplemented subsequently for any higher price paid for a share of Common Stock, after initial payment hereunder, pursuant to such change in control or any other change in control which may occur within six months after such initial change in control. If the consideration deliverable pursuant to an Award shall have been adjusted pursuant to Paragraph 10 hereof to consist of consideration other than Common Stock, or if the amount paid for a share of Common Stock pursuant to a change in control of the Company shall be in a form other than cash, the Committee (as constituted prior to any change in the composition of the Board of Directors resulting from the change in control) shall determine the cash value of Awards for purposes of this Paragraph.

(b) For purposes of this Plan, a "change in control of the Company" shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 25% or more of the combined voting power of the Company's then outstanding securities; or (ii) during any period of two consecutive years individuals who at the beginning of such period constitute the Board of Directors and any new director whose election by the Board of Directors or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or (iii) substantially all the assets of the Company are disposed of by the Company pursuant to a merger, consolidation, partial or complete liquidation, a sale of assets (including stock of a subsidiary) or otherwise but not including a reincorporation or similar transaction resulting in a change only in the form of ownership of such assets.

12. Amendment and Termination of the Plan

The Board of Directors of the Company may at any time terminate the Plan, and shall have complete power and authority to amend the Plan, provided, however, that the Board of Directors shall not without the affirmative vote of the holders of a majority of the votes cast at a meeting of shareholders of the Company (i) increase the maximum number of shares, subject to adjustment as provided for in this Plan, for which Awards may be granted under the Plan, (ii) amend the requirements as to the class of employees eligible to receive Awards, or (iii) amend the requirements with respect to the lapse of time from the Granting Date for the distribution of shares under Awards granted pursuant to the Plan. No termination or amendment of the Plan may, without the consent of the individual to whom any Award shall theretofore have been granted, adversely affect the rights of such individual under such Award.

BECTON, DICKINSON AND COMPANY
PERFORMANCE INCENTIVE PLAN
AMENDED AND RESTATED JANUARY 23, 2001
AND AMENDED NOVEMBER 24, 2003

PURPOSE

The purpose of the Performance Incentive Plan (the "Plan") is to provide annual incentive payments to management for their contribution to the Company's successful financial performance and the accomplishment of strategic objectives.

NOTWITHSTANDING ANYTHING IN THIS PLAN TO THE CONTRARY, THE PAYMENT OF ANNUAL INCENTIVES, IF ANY, IS SOLELY WITHIN THE DISCRETION OF THE PERFORMANCE INCENTIVE COMMITTEE, EXCEPT THAT PAYMENT IN EXCESS OF THE PLAN GUIDELINES WILL NOT BE MADE. NO EMPLOYEE HAS ANY VESTED RIGHT TO ANY SUCH PAYMENT.

PERFORMANCE INCENTIVE COMMITTEE

The Performance Incentive Committee will be responsible for administering this Plan. The Committee will consist of no less than three persons, including the President and Chief Executive Officer and such other senior executives as are designated from time to time by the President and Chief Executive Officer.

ELIGIBILITY

Participation in any particular fiscal year is restricted to employees of the Company and its worldwide subsidiaries in exempt (or management) Band E and above positions (other than those covered under certain non-United States Incentive Plans or Sales Incentive Plans) and other key management positions as may be approved by the Performance Incentive Committee. Current employees promoted to, and persons newly hired to, eligible positions during a particular fiscal year may be considered for a pro-rata bonus. Persons employed by companies acquired by the Company which have pre-existing executive incentive, profit sharing or similar programs will not participate in this Plan until and unless those plans are superseded by this Plan.

PARTICIPATION LEVELS

Plan targets for eligible employees are determined based upon base salary or title and reporting relationships of the participant and the scope and responsibilities of the position. Targets range from 3% to 120% of base salary.

INCENTIVE CALCULATION

Incentive payments shall be made under the Plan based upon total company, business unit and individual performance, as measured against certain financial and strategic criteria and targets established from time to time by the Compensation and Benefits Committee of the Board of Directors.

POOL FACTOR SCALES AND MULTIPLIERS

Financial performance measures are subject to a multiplier determined on an annual basis by the Performance Incentive Committee, both upwards (for performance above target, up to a maximum score of 150% of target) and downwards (for performance below target).

DETERMINATION OF DIVISION AND CORPORATE INCENTIVE POOLS

(a) Unit Theoretical Incentive

On or about October 15th following the close of each fiscal year, Business Unit Heads and Corporate Officers will be provided with a list of approved participants for their unit for whom that unit has, during the course of the prior fiscal year, accrued a hypothetical incentive pool at 100% of target.

(b) Unit Performance Ratings

On or about October 25th following the close of each fiscal year, the Performance Incentive Committee will determine the final unit and company performance ratings used to determine incentive factors for the fiscal year. The incentive pool is determined by applying the incentive factors determined according to the methodology approved by the Compensation and Benefits Committee to the hypothetical accrued incentive pool.

INCENTIVE PAYMENT FACTORS

Incentive payment factors will be established as a composite of total company and business unit performance ratings.

(a) Communication

The operating unit and Corporate ratings will be communicated to Business Unit Heads and Corporate Staff by the President and Chief Executive Officer.

(b) Incentive Payment Recommendations

The Business Unit Heads and Corporate Officers will apply the final unit factors to the individual incentive targets to develop the recommended incentive amounts. They will have discretion to recommend incentives that differ from the formula; provided that no individual may receive an incentive payment in excess of 200% of target.

FINAL REVIEW AND APPROVAL

The recommendations for all incentive payments will be reviewed and approved by the Business Unit Heads and Corporate Executive Officers, and Chief Executive Officer for their respective areas of responsibility. In the case of Executive Officers, recommendations will be subject to final review and approval by the Compensation and Benefits Committee of the Board of Directors.

(a) Maximum Payout Guideline

Total incentive payments to Executive Officers may not, barring special circumstances, exceed 3% of the Company's after-tax net income, as reported, for the fiscal year.

(b) Payment

Incentives will normally be paid in January of the calendar year following the year in which they are awarded. Except in cases of death, disability or retirement, no incentive payments will be made to individuals who are not active employees on the final day of the fiscal year. Employees who are terminated for cause prior to the distribution date will forfeit their incentives.

Incentives awarded to any employee who dies prior to the distribution date may be made, at the discretion of management, to the survivors of the employee.

(c) Exceptions

Any recommendations for exceptions to the provisions of the Plan must be submitted to the Performance Incentive Committee for review and are subject to final approval by the Chief Executive Officer. Any exceptions applicable to Executive Officers are further subject to approval by the Compensation and Benefits Committee of the Board of Directors.

BECTON, DICKINSON AND COMPANY

1996 DIRECTORS' DEFERRAL PLAN

Adopted As Of November 1, 1996
And Amended As of November 24, 2003

ARTICLE I

Definitions

1.1 "Accrued Pension" means the U.S. dollar amount of the actuarially-determined present value of the accrued and unpaid past service pension benefits under the Directors' Nonqualified Pension Arrangements of a Director acting as such at and as of June 30, 1996, as calculated by Kwasha Lipton as of the Termination Date, taking into account the Director's age and years and months of past service and such other assumptions as shall be reasonable and uniformly applied to all Directors.

1.2 "Additional Deferral Election" means the election by a participant under Section 3.6(b) to further defer the date payment otherwise would be made (or begin to be made) from a participant's Deferred Account.

1.3 "Annual Share Amount" means the number of shares of Common Stock (which is set as of the date hereof at 400 shares) that the Board, from time to time, may agree to credit to Deferred Stock Accounts as compensation to continuing Directors.

1.4 "Board" means the Board of Directors of the Company.

1.5 "Change-of-Form Election" means the election by a participant under Section 3.6(a) to change the form of distribution from any of his or her Deferred Accounts.

1.6 "Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

1.7 "Committee" means the Committee on Directors of the Board, or such other committee as may be designated by the Board to be responsible for administering the Plan.

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

1.9 "Company" means Becton, Dickinson and Company, and any successor thereto.

1.10 "Conversion Election" means the election by a participant under Section 3.5(a) to convert some or all of his or her Deferred Retainer Account balance, Deferred Fees Account balance and/or Deferred Dividends Account balance from a cash balance into a Deferred Stock Account balance.

1.11 "Deferral Election" means a Deferred Pension Election, Restricted Stock Election, Deferred Dividends Election, Deferred Retainer Election, Deferred Fees Election and/or a form-of-distribution election under Section 3.4(e).

1.12 "Deferred Account" means the participant's Deferred Pension Account, Deferred Dividends Account, Deferred Retainer Account, Deferred Fees Account, Deferred Cash Account and/or Deferred Stock Account.

1.13 "Deferred Cash Account" means the bookkeeping account established under Section 3.5(b) on behalf of a participant, and includes any Interest Return credited thereto pursuant to Section 3.7(a).

1.14 "Deferred Dividends" means the amount of cash dividends on his or her Restricted Stock that a participant has elected to defer until a later year pursuant to an election under Section 3.2 (c).

1.15 "Deferred Dividends Account" means the bookkeeping account established under Section 3.2(c) on behalf of a participant, and includes any Interest Return credited thereto pursuant to Section 3.7(a).

1.16 "Deferred Dividends Election" means the election by a participant under Section 3.2(c) to defer until a later year receipt of some or all of the dividends payable in the following year on his or her Restricted Stock.

1.17 "Deferred Fees" means the amount of a participant's fees (other than the participant's annual Board retainer fees) that such participant has elected to defer until a later year pursuant to an election under Section 3.3(a).

1.18 "Deferred Fees Account" means the bookkeeping account established under Section 3.3 on behalf of a participant, and includes any Interest Return credited thereto pursuant to Section 3.7(a).

1.19 "Deferred Fees Election" means the election by a participant under Section 3.3 to defer until a later year receipt of some or all of his or her fees (other than annual Board retainer).

1.20 "Deferred Pension" means the amount of a participant's Accrued Pension that such participant has elected to defer until a later year pursuant to an election under Section 3.1.

1.21 "Deferred Pension Account" means the bookkeeping Account established under Section 3.1 on behalf of a participant, and includes any Interest Return credited thereto pursuant to Section 3.7(a).

1.22 "Deferred Pension Election" means the election by a participant under Section 3.1 to defer until a later year receipt of some or all of his or her Accrued Pension.

1.23 "Deferred Retainer" means the amount of a participant's annual Board retainer fees that such participant has elected to defer until a later year pursuant to an election under Section 3.3(a).

1.24 "Deferred Retainer Account" means the bookkeeping account established under Section 3.3 on behalf of a participant, and includes any Interest Return credited thereto pursuant to Section 3.7(a).

1.25 "Deferred Retainer Election" means the election by a participant under Section 3.3(a) to defer until a later year receipt of some or all of his or her annual Board retainer.

1.26 "Deferred Stock Account" means the bookkeeping account established under Sections 3.2, 3.4 and/or 3.5 on behalf of a participant and includes, in addition to amounts stated in those Sections, all Dividend Reinvestment Returns credited thereto pursuant to Section 3.7(b).

1.27 "Deferred Stock Election" means the election by a participant under Section 3.4(a) and/or (c) to have his or her Deferred Pension, Deferred Dividends, Deferred Retainer and/or Deferred Fees credited in the form of Common Stock to the participant's Deferred Stock Account.

1.28 "Director" means a member of the Board.

1.29 "Directors' Nonqualified Pension Arrangements" means the unfunded pension benefits payable to Directors pursuant to resolutions of the Board dated November 24, 1981 and March 28, 1995.

1.30 "Directors' Stock Trust" means the Becton, Dickinson and Company 1996 Directors' Deferral Trust established as of November 15, 1996 between the Company and Wachovia Bank of North Carolina, N.A.

1.31 "Dividend Reinvestment Return" means the amounts which are credited to each participant's Deferred Stock Account pursuant to Section 3.7(b) to reflect dividends declared and paid by the Company on its Common Stock.

1.32 "Effective Date" means the effective date of the Plan set forth in Section 5.4.

1.33 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

1.34 "Interest Return" means the amounts which are credited from time to time to each participant's Deferred Pension Account, Deferred Dividends Account, Deferred Retainer Account, Deferred Fees Account and/or Deferred Cash Account pursuant to Section 3.7(a).

1.35 "NYSE" means The New York Stock Exchange.

1.36 "Payment Date" means the last day of January, April, July or October of each calendar year on which the Directors are paid their compensation for the immediately preceding three (3) month period.

1.37 "Plan" means the Becton, Dickinson and Company 1996 Directors' Deferral Plan as from time to time in effect.

1.38 "Restricted Stock" means the shares of Common Stock issued to a Director, and bearing restrictions, pursuant to the Company's 1994 Restricted Stock Plan for Non-Employee Directors.

1.39 "Restricted Stock Election" means the election by a participant under Section 3.2(a) to surrender some or all of his or her shares of Restricted Stock to the Company and to have an equal number of shares of Common Stock credited to the participant's Deferred Stock Account.

1.40 "Reverse Conversion Election" means the election by a participant under Section 3.5(b) to convert a portion of his or her Deferred Stock Account balance into a Deferred Cash Account balance.

1.41 "Shareholders' Meeting" means the regular annual meeting of the shareholders of the Company.

1.42 "Termination Date" means December 1, 1996, the date as of which the Directors' Nonqualified Pension Arrangements will have been effectively terminated.

ARTICLE II

Participation

2.1 Participation

(a) Participation in the Plan shall be limited to an individual who, as at the Effective Date of the Plan and/or any subsequent first day of any calendar quarter, is a Director.

(b) The Committee may, consistent with Company policy:

(i) designate as ineligible particular individuals or groups of individuals who otherwise would be eligible under Section 2.1(a); or

(ii) designate as eligible particular individuals or groups of individuals who otherwise would be ineligible under Section 2.1(a).

ARTICLE III

Deferral Elections, Accounts and Distributions

3.1 Deferred Pension Election

(a) Any participant, who has an Accrued Pension as of the Termination Date, may make a single one-time election, on or before December 5, 1996 in writing and on a form to be furnished by the Committee, to convert 25%, 50%, 75% or 100% of his or her Accrued Pension into a Deferred Pension Account under the Plan. Upon making a Deferred Pension Election, a new Deferred Pension Account will be established in the participant's name and will be credited, on or about December 20, 1996, with the amount of his or her Accrued Pension so converted.

(b) Once made, a Deferred Pension Election cannot be changed or revoked except as provided herein.

(c) A Deferred Pension Election shall defer the starting date for the payment of the designated amount of the participant's Accrued Pension, and any Interest Return credited thereon pursuant to Section 3.7, until the earliest of the participant's retirement, permanent and total disability, death or involuntary termination.

(d) In the event of any such Deferred Pension Election, the form of payment of any distribution (i.e., in a lump sum or in five or in ten approximately equal annual installments) and the starting date of such distribution (i.e., as soon as practicable following the event triggering the distribution or January 31st of the calendar year immediately following such event) shall be elected at the same time. In the event that any distribution is elected to be paid in five or ten approximately equal annual installments, the participant also may elect, at the time of the Deferred Pension Election, to have the form of distribution, automatically and without further action on his or her part, converted to a lump sum payment in accordance with Section 3.8(b) in the event of such participant's death or permanent and total disability occurring prior to the expiration of the complete period of deferral. Except as herein provided, such form-of-payment election shall not be changed or revoked.

3.2 Restricted Stock Elections and Deferred Dividends Elections

(a) Any participant, who owns Restricted Stock as of the Effective Date, may make a single one-time election, on or before December 5, 1996 and on a form to be furnished by the Committee, to surrender to the Company 25%, 50%, 75% or 100% of his or her shares of Restricted Stock. Upon making such Restricted Stock Election, a new Deferred Stock Account will be established in the participant's name to which will be credited, on or about December 20, 1996, a number of shares of Common Stock equal to the number so surrendered.

(b) A participant who makes a Restricted Stock Election will defer the receipt of any balance in the participant's Deferred Stock Account, including any Dividend Reinvestment Return credited thereto pursuant to Section 3.7(b), until the earliest of the participant's (i) permanent and total disability, (ii) death and (iii) the later of (1) the date on which such shares of Restricted Stock otherwise would have vested, (2) January 2, 1998, and (3) the date of any retirement or other termination of service.

(c) Any participant, who owns Restricted Stock from time to time, also can elect, on or before December 31 of any calendar year, to defer 25%, 50%, 75% or 100% of the cash dividends otherwise payable on his or her Restricted Stock for the next succeeding calendar year. Such Deferred Dividends will be credited to the participant's Deferred Dividend Account as of each date on which cash dividends are otherwise paid on the Common Stock.

(d) A participant who makes a Deferred Dividends Election may defer the payment of any Deferred Dividends, and any Interest Return credited thereon pursuant to Section 3.7(a), until (i) the earliest of the participant's retirement, permanent and total disability, death or involuntary termination or (ii) a fixed date which is no earlier than three full calendar years after the calendar year during which the Deferred Dividends otherwise were payable and no later than ten years after the earliest date specified in (i), provided, however, that all distributions under Section 3.8(b) must be paid in full no later than ten years after the earliest of the participant's retirement, permanent and total disability, death or involuntary termination.

(e) Once made, neither a Restricted Stock Election nor a Deferred Dividends Election can be changed or revoked except as provided herein.

(f) In the event of any such Restricted Stock Election or Deferred Dividends Election, the form of payment of any distribution (i.e., in a lump sum or in five or in ten approximately equal annual installments) and the starting date of such distribution (i.e., as soon as practicable following the event causing the distribution or January 31st of the calendar year immediately following such event) shall be elected at the same time. In the event that any distribution is elected to be paid in five or ten approximately equal annual installments, the participant also may elect, at the time of the Restricted Stock Election or Deferred Dividends Election, to have the form of distribution, automatically and without further action on his or her part, converted to a lump sum payment in accordance with Section 3.8(b) in the event of such participant's death or permanent and total disability occurring prior to the expiration of the complete period of deferral. Except as herein provided, such form-of-payment election shall not be changed or revoked.

3.3 Deferred Retainer Elections and Deferred Fees Elections

(a) With respect to an individual who is eligible to participate in this Plan in accordance with Section 2.1, elections of Deferred Retainer and/or Deferred Fees shall be made in writing on forms to be furnished by the Committee. A Deferred Retainer Election and/or a Deferred Fees Election shall apply only to the Director's annual retainer or fees, as the case may be, for the particular calendar year specified in the election. A participant may elect to defer from 25% of his or her annual retainer to 100% of that retainer (in increments of 10%) and/or 50% or 100% of his or her other fees.

(b) A Deferred Retainer Election and/or Deferred Fees Election with respect to payments for a particular calendar year (i) must be made on or before the December 31 preceding such calendar year or, in the case of a newly-elected Director, within thirty (30) days following the Shareholders' Meeting at which he or she was elected, and (ii) once made, cannot be changed or revoked except as provided herein. Such Deferred Retainer shall be credited to the participant's Deferred Retainer Account (or, if none, to a new such account established in the participant's name) and his

or her Deferred Fees shall be credited to the participant's Deferred Fees Account (or, if none, to a new such account established in the participant's name) as of each quarterly Payment Date. Revocation of any Deferred Retainer Election or Deferred Fees Election during a calendar year shall only affect future payments and shall reduce the participant's deferral percentage to zero for the remainder of that calendar year. Notice of revocation must be filed with the Committee by the fifteenth day of the month before the beginning of the next three-month period ending on a Payment Date. Such revocation shall not affect any balances credited to the participant's Deferred Retainer Account or Deferred Fees Account, as the case may be, before the effective date of the revocation of the election.

(c) A participant who makes a Deferred Retainer Election or a Deferred Fees Election may defer the payment of any retainer and/or fees, and any Interest Return credited thereon pursuant to Section 3.7(a), until (i) the earliest of the participant's retirement, permanent and total disability, death or involuntary termination or (ii) a fixed date which is no earlier than three full calendar years after the calendar year during which the Deferred Retainer or Deferred Fees otherwise were payable and no later than ten years after the earliest date specified in (i), provided, however, that all distributions under Section 3.8(b) must be paid in full no later than ten years after the earliest of the participant's retirement, permanent and total disability, death or involuntary termination.

(d) In the event of any such Deferred Retainer Election or Deferred Fees Election, the form of payment of any distribution (i.e., in a lump sum or in five or ten approximately equal annual installments) and the starting date of such distribution (i.e., as soon as practicable following the event causing the distribution or January 31st of the calendar year immediately following such event) shall be elected at the same time. In the event that any distribution is elected to be paid in five or ten approximately equal annual installments, the participant also may elect, at the time of the Deferred Retainer Election and/or Deferred Fees Election, to have the form of distribution, automatically and without any further action on his or her part, converted to a lump sum payment in accordance with Section 3.8(b) in the event of such participant's death or permanent and total disability occurring prior to the expiration of the complete period of deferral. Except as herein provided, such form-of-payment election shall not be changed or revoked.

3.4 Deferred Stock Elections

(a) Instead of being credited to the participant's Deferred Pension Account, each participant who makes a Deferred Pension Election also may elect to have 25%, 50%, 75% or 100% of the amount otherwise creditable to his or her Deferred Pension Account instead credited in the form of Common Stock to a new Deferred Stock Account established in the participant's name.

(b) When a Deferred Stock Election is made in connection with a Deferred Pension Election, the participant's Deferred Stock Account will be credited on or about December 20, 1996, with the number of shares of Common Stock (rounded to the nearest one-one hundredth of a share) determined by dividing the amount of the participant's Accrued Pension with respect to which the Deferred Stock Election applies, by the average price paid by the Trustee of the Directors' Stock Trust for shares of Common Stock with respect to such date or, if the Trustee shall not purchase shares of Common Stock equal to the number of shares of Common Stock creditable to all participants' Deferred Stock Accounts on such date, then, to the extent of such shortfall, such price shall be the average of the high and low NYSE market price for the Common Stock on such date and the portion of the participant's Deferred Pension Account balance used in such calculation shall be proportionate to such shortfall amount. At the same time, the participant's Deferred Pension Account will be debited by the amount so credited to the Participant's new Deferred Stock Account.

(c) Instead of being credited to the participant's Deferred Dividends Account, Deferred Retainer Account or Deferred Fees Account, each participant also may elect to have 25%, 50%, 75% or 100% of his or her Deferred Dividends, Deferred Retainer and/or Deferred Fees credited in the form of Common Stock to the participant's Deferred Stock Account. Except as provided in Section 3.5, an election to have Deferred Dividends, Deferred Retainer or Deferred Fees credited to the participant's Deferred Stock Account must be made concurrently with the Deferred Dividends Election, Deferred Retainer Election or Deferred Fees Election, as the case may be.

(d) A participant's Deferred Stock Account will be credited:

i) regularly, as of each date on which dividends are paid on the Common Stock, with the number of shares of Common Stock (rounded to the nearest one-one hundredth of a share) determined by dividing the portion of the participant's Deferred Dividends for such dividend payment date subject to the Deferred Stock Election by the average price paid by the Trustee of the Director's Stock Trust for shares of Common Stock with respect to such dividend payment date or, if the Trustee shall not at such time purchase any shares of Common Stock, then the price shall be the average of the high and low NYSE market price for the Common Stock on such date;

ii) quarterly, as of each Payment Date, with the number of shares of Common Stock (rounded to the nearest one-one hundredth of a share) determined by dividing the portion of the participant's Deferred Retainer and/or Deferred Fees accumulated during the preceding fiscal quarter and which are subject to the Deferred Stock Election by the average price paid by the Trustee of the Director's Stock Trust for shares of Common Stock with respect to such Payment Date or, if the Trustee shall not at such time purchase any shares of Common Stock, then the price shall be the average of the high and low NYSE market price for the Common Stock on such date; and

iii) annually, as of the day after the Shareholders' Meeting with the Annual Share Amount, if, after such meetings the participant was elected or continued to serve as a Director of the Company.

(e) Each participant who has a Deferred Stock Account shall receive distributions from such Account attributable to his or her Annual Share Amounts, and any Dividend Reinvestment Return credited thereon pursuant to Section 3.7(b), upon the earliest of the participant's retirement, permanent and total disability, death or involuntary termination. Such participant, within thirty (30) days after his or her Deferred Stock Account is credited with an Annual Share Amount, shall elect the form of payment of any such distribution (i.e., in a lump sum or in five or in ten approximately equal annual installments) and the starting date of such distribution (i.e., as soon as practicable following the event triggering the distribution or January 31st of the calendar year immediately following such event).

In the event that any distribution is elected to be paid in five or ten approximately equal annual installments, the participant also may elect, at the time of the initial form-of-distribution election, to have the form of distribution, automatically and without further action on his or her part, converted to a lump sum payment in accordance with Section 3.8(b) in the event of such participant's death or permanent and total disability occurring prior to the expiration of the complete period of deferral. Except as herein provided, such form-of-distribution election shall not be changed or revoked.

(f) If the Company enters into transactions involving stock splits, stock dividends, reverse splits or any other recapitalization transactions, the number of shares of Common Stock credited to a participant's Deferred Stock Account will be adjusted (rounded to the nearest one-one hundredth of a share) so that the participant's Deferred Stock Account reflects the same equity percentage increase in the Company after the recapitalization as was the case before such transaction.

(g) If at least a majority of the Company's stock is sold or exchanged by its Shareholders pursuant to an integrated plan for cash or property (including Stock of another corporation) or if substantially all of the assets of the Company are disposed of and, as a consequence thereof, cash or property is distributed to the Company's shareholders, each participant's Deferred Stock Account will, to the extent not already so credited under Section 3.7(b), be (i) credited with the amount of cash or property receivable by a Company shareholder directly holding the same number of shares of Common Stock as is credited to such participant's Deferred Stock Account and (ii) debited by that number of shares of Common Stock surrendered by such equivalent Company shareholder.

(h) Each participant who has a Deferred Stock Account also shall be entitled to provide directions to the Committee to cause the Committee to similarly direct the Trustee of the Trust to vote, on any matter presented for a vote to the shareholders of the Company, that number of shares of Common Stock held by the Trust equivalent to the number of shares of Common Stock credited to the participant's Deferred Stock Account. The Committee shall arrange for distribution to all participants in a timely manner of all communications directed generally to the shareholders of the Company as to which their votes are solicited.

3.5 Conversion Elections and Reverse Conversion Elections

(a) Any individual who has a Deferred Dividends Account, Deferred Fees Account, Deferred Retainer Account and/or a Deferred Cash Account may make, on or before December 31 of any calendar year and as to any one or more of such Deferred Accounts, an additional election, to convert 25%, 50%, 75% or 100% of the participant's Deferred Account balance as of such December 31 from a cash balance into a Common Stock balance which would be credited to his or her Deferred Stock Account (or, if none, to a new such account established in the participant's name). During any three (3) calendar years, only one such Conversion Election may be made by a participant with respect to each Account; provided, however, that no such Conversion Election will be effective with respect to a participant's Deferred Dividends Account, Deferred Retainer Account, Deferred Fees Account or Deferred Cash Account until such account shall have been in existence for at least two (2) calendar years.

(b) Any individual who has a Deferred Stock Account may make an additional election, a Reverse Conversion Election, on or before December 31 of any calendar year, to convert 25%, 50%, 75% or 100% of his or her Deferred Stock Account balance as of such December 31 from a Common Stock balance into a cash balance which would be credited to a new Deferred Cash Account established in the participant's name; provided, however, that no such Reverse Conversion Election shall apply to the shares of Common Stock, or to any Dividend Reinvestment Return credited thereon pursuant to Section 3.7(b), credited to a participant's Deferred Stock Account either by reason of a Restricted Stock Election or as Annual Share Amounts. During any three (3) calendar years, only one such Reverse Conversion Election may be made by a participant with respect to his or her Deferred Stock Account; provided, however, that no such Reverse Conversion Election shall be effective until the participant's Deferred Stock Account shall have been in existence for at least two (2) calendar years.

(c) When a Conversion Election is made, the participant's Deferred Stock Account will be credited, on or about January 2nd of the year following the election, with the number of shares of Common Stock (rounded to the nearest one-one hundredth of a share) determined by dividing the balance in the participant's Deferred Dividends Account, Deferred Retainer Account, Deferred Fees Account, and/or Deferred Cash Account by the average price paid by the Trustee of the Directors' Stock Trust for shares of Common Stock with respect to such date, or, if the Trustee shall not purchase shares of Common Stock equal to the number of shares of Common Stock creditable to all participants' Deferred Stock Accounts on such date, then, to the extent of such shortfall, such price shall be the average of the high and low NYSE market price for the Common Stock on such date and the portion of the participant's Deferred Dividends Account balance, Deferred Retainer Account balance, Deferred Fees Account balance and/or Deferred Cash Account balance used in such calculation shall be proportionate to such shortfall amount. At the same time, the participant's Deferred Dividends Account, Deferred Retainer Account, Deferred Fees Account and/or Deferred Cash Account, as the case may be, will be debited by an amount equal to the amount so credited to the participant's Deferred Stock Account.

(d) When a Reverse Conversion Election is made, the participant's Deferred Cash Account will be credited on or about January 2nd of the year following the election with the amount of cash determined by multiplying the number of shares of Common Stock (rounded to the nearest one-one hundredth of a share), computed to have been converted by reason of the participant's election, by the average of the high and low NYSE market price for the Common Stock on the first business day in January of such year. At the same time, the participant's Deferred Stock Account will be debited by the number of shares of Common Stock so deemed converted.

3.6 Change-of-Form Elections and Additional Deferral Elections

(a) Any participant, who has made a Deferral Election, may make an additional election to change the form of distribution of the balance in any of his or her Deferred Accounts to one of the three acceptable forms of distributions under Section 3.8(b). Only one Change-of-Form Election may be made by any participant with respect to the balance in any Deferred Account attributable to any individual Deferred Election during any three (3) calendar years; provided, however, that no such Change-in-Form Election will be effective with respect to any balance in any participant's Deferred Account, unless made in connection with the establishment of the Deferred Account, until such balance has been in such Deferred Account for at least two (2) calendar years.

(b) Any participant who has made a Restricted Stock Election, Deferred Dividends Election, Deferred Retainer Election or Deferred Fees Election may make an additional election to further postpone the initial starting date for distributions of the balance in his or her Deferred Dividends Account, Deferred Retainer Account, Deferred Fees Account or Deferred Stock Account (to the extent attributable to a Deferred Stock Election or Conversion Election with respect to a Restricted Stock Election, Deferred Dividends Election, Deferred Retainer Election and/or Deferred Fees Election) to a date no earlier than three full calendar years thereafter and no later than the latest date that would have been permitted under Sections 3.2(d) or 3.3(c), as the case may be, for the initial Deferral Election; provided, however, that only one such Additional Deferral Election may be made with respect to the balance in any Deferred Account attributable to any individual Deferral Election.

3.7 Investment Return on Deferred Accounts

(a) The Committee shall credit the balance of each participant's Deferred Pension Account, Deferred Dividends Account, Deferred Retainer Account, Deferred Fees Account and Deferred Cash Account during the calendar year with an Interest Return equal to interest thereon. Such balances shall include all Interest Returns previously credited to the account. The Interest Return to be credited for each calendar year shall be calculated by multiplying the average daily balance in each such Deferred Account by the Moody's Seasoned Aaa Corporate Bond Rate in effect on the first business day of September of the previous calendar year, as published in the weekly Federal Reserve Statistical Release (Publication H.15).

(b) Each time the Company declares a dividend on its Common Stock, each participant's Deferred Stock Account will be credited with a Dividend Reinvestment Return equal to that number of shares of Common Stock (rounded to the nearest one-one hundredth of a share) determined by dividing (i) the amount that would have been paid (or the fair market value thereof, if the dividend is not paid in cash) to the participant on the total number of shares of Common Stock credited to the participant's Deferred Stock Account had that number of shares of Common Stock been held by such participant by (ii) the average price paid by the Trustee of the Stock Trust for shares of Common Stock with respect to the dividend payment date or, if the Trustee shall not at such time purchase any shares of Common Stock, then the price shall be the average of the high and low NYSE market price for the Common Stock on such date.

(c) Within 60 days following the end of each calendar year, the Committee shall furnish each participant with a statement of account which shall set forth the balance in each of the individual's Deferred Accounts as of the end of such calendar year, inclusive of cumulative Interest Return and/or Dividend Reinvestment Return.

3.8 Distributions

(a) Upon occurrence of an event specified in the participant's Deferral Election, as modified by any Change-in-Form Election, the amount of a participant's Deferred Pension Account, Deferred Dividends Account, Deferred Retainer Account, Deferred Fees Account and/or Deferred Cash Account shall be paid in cash and the amount of a participant's Deferred Stock Account shall, except as otherwise provided in Section 3.4(g) or 3.9 or to the extent the Company is otherwise, in the reasonable judgment of the Committee, precluded from doing so, be paid in shares of Common Stock (with any fractional share interest therein paid in cash to the extent of the then fair market value thereof), in each case to the participant or his or her beneficiary, as applicable. Such payment(s) shall be from the general assets of the Company (including the Directors' Stock Trust) in accordance with this Section 3.8.

(b) Unless other arrangements are specified by the Committee on a uniform and nondiscriminatory basis, deferred amounts shall be paid in the form of (i) a lump sum payment, (ii) in five approximately equal annual installments or (iii) in ten approximately equal annual installments, as elected by the participant at the time of his or her Deferral Election and as modified by any applicable subsequent Change-in-Form Election; provided, however, that payments shall be made only in a single lump sum if payment commences due to termination for cause. Such payments shall be made (or begin to be made) as soon as practicable following the occurrence of the event making payment necessary or, if so elected in the Deferral Election, on the January 31st of the calendar year immediately following such event.

(c) In case of an unforeseeable emergency, a participant may request the Committee, on a form to be provided by the Committee, that payment be made earlier than the date to which it was deferred; provided, however, that no such acceleration of the distribution date(s) shall apply to that portion of the balance(s) in the participant's Deferred Accounts either attributable to Annual Share Amounts, and any Dividend Reinvestment Return credited thereon pursuant to Section 3.7(b), or to a Deferred Pension Election, and any Interest Return or Dividend Reinvestment Return credited thereon pursuant to Section 3.7.

For purposes of this Section 3.8(c), an "unforeseeable emergency" shall be limited to a severe financial hardship to the participant resulting from a sudden and unexpected illness or accident of the participant or of a dependent (as defined in section 152(a) of the Code) of the participant, loss of the participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant. The circumstances that will constitute an unforeseeable emergency will depend upon the facts of each case, but, in any case, payment may not be made to the extent that such hardship is or may be relieved: (i) through reimbursement or compensation by available insurance or otherwise, (ii) by liquidation of the participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship or (iii) by cessation of deferrals under the Plan.

The Committee shall consider any requests for payment under this Section 3.8(c) on a uniform and nondiscriminatory basis and in accordance with the standards of interpretation described in section 457 of the Code and the regulations thereunder.

(d) The Company shall deduct from all payments under the Plan federal, State and local income and employment taxes, as required by applicable law. No participant or beneficiary shall be entitled to receive any distribution of shares of Common Stock credited to a participant's Deferred Stock Account until the Company has received full payment of such withholding obligations in cash.

3.9 General Provisions

(a) The Company shall make no provision for the funding of any Deferred Accounts payable hereunder that (i) would cause the Plan to be a funded plan for purposes of section 404(a)(5) of the Code or (ii) would cause the Plan to be other than an "unfunded and unsecured promise to pay money or other property in the future" under Treasury Regulations Section 1.83-3(e); and, except to the extent specified in the Directors' Stock Trust following a "change of control" (as defined in the Directors' Stock Trust) of the Company, the Company shall have no obligation to make any arrangement for the accumulation of funds to pay any amounts under this Plan. Subject to the restrictions of the preceding sentence and in Section 3.9(c), the Company, in its sole discretion, may establish one or more grantor trusts described in Treasury Regulations Section 1.677(a)-1(d) to accumulate funds and/or shares of Common Stock to pay amounts under this Plan, provided that the assets of such trust(s) shall be required to be used to satisfy the claims of the Company's general creditors in the event of the Company's bankruptcy or insolvency.

(b) In the event that the Company shall decide to establish an advance accrual reserve on its books against the future expense of payments from any Deferred Account, such reserve shall not under any circumstances be deemed to be an asset of this Plan but, at all times, shall remain a part of the general assets of the Company, subject to claims of the Company's creditors.

(c) A person entitled to any amount under this Plan shall be a general unsecured creditor of the Company with respect to such amount. Furthermore, a person entitled to a payment or distribution with respect to a Deferred Account, shall have a claim upon the Company only to the extent of the balance(s) in his or her Deferred Accounts.

(d) The participant's beneficiary under this Plan with respect to the balance(s) in his or her Deferred Accounts shall be the person designated to receive benefits on account of the participant's death on a form provided by the Committee.

(e) All commissions, fees and expenses that may be incurred in operating the Plan and any related trust(s) established in accordance with Section 3.9(a) (including the Directors' Stock Trust) will be paid by the Company.

(f) Notwithstanding any other provision of this Plan: (i) elections under this Plan may only be made by participants while they are directors of the Company; (ii) no Conversion Election, Reverse Conversion Election, Change-of-Form Election or Additional Deferral Election shall be effective if made within six (6) months prior to the earlier of (1) the date of the participant's scheduled retirement or (2) the date the participant voluntarily terminates service on the Board; (iii) no Change-of-Form Election or Additional Deferral Election shall be effective with respect to any balance in any Deferred Account that is scheduled to be paid (or to begin to be paid) within six (6) months after the date of such election; and (iv) distributions otherwise payable to a participant in the form of Common Stock shall be delayed and/or instead paid in cash in an amount equal to the fair market value thereof if such payment in Common Stock would violate any federal or State securities laws (including Section 16(b) of the Securities Exchange Act of 1934, as amended) and/or rules and regulations promulgated thereunder.

3.10 Non-Assignability

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

ARTICLE IV

Administration

4.1 Plan Administrator

Subject to the express provisions of the Plan, the Committee shall have the exclusive right to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations necessary or advisable for the administration of the Plan. The decisions, actions and records of the Committee shall be conclusive and binding upon the Company and all persons having or claiming to have any right or interest in or under the Plan.

The Committee may delegate to such officers, employees or departments of the Company such authority, duties, and responsibilities of the Committee as it, in its sole discretion, considers necessary or appropriate for the proper and efficient operation of the Plan, including, without limitation, (i) interpretation of the Plan, (ii) approval and payment of claims, and (iii) establishment of procedures for administration of the Plan.

ARTICLE V

Amendment, Termination and Effective Date

5.1 Amendment of the Plan

Subject to the provisions of Section 5.3, the Plan may be wholly or partially amended or otherwise modified at any time by written action of the Board of Directors.

5.2 Termination of the Plan

Subject to the provisions of Section 5.3, the Plan may be terminated at any time by written action of the Board of Directors.

5.3 No Impairment of Benefits

Notwithstanding the provisions of Sections 5.1 and 5.2, no amendment to or termination of the Plan shall impair any rights to benefits which have accrued hereunder.

5.4 Effective Date

The Plan is effective as of November 1, 1996.

AMENDMENT DATED APRIL 24, 2000:

WHEREAS, the Board of Directors of Becton, Dickinson and Company (the "Corporation") deems it to be in the best interests of the Corporation to amend the Corporation's Salary and Bonus Deferral Plan and Directors' Deferral Plan to clarify and more clearly delineate the rights of holders of options under each of such plans in the event of certain corporate events involving the Corporation;

NOW, THEREFORE, BE IT:

RESOLVED, that Section 3.3 (d) of the Corporation's Salary and Bonus Deferral Plan, as amended and restated as of August 15, 1996, and Section 3.4 (f) of the 1996 Directors' Deferral Plan adopted as of November 1, 1996, each are, hereby amended and restated to read in their entirety as follows:

> In the event of any merger, consolidation, reorganization, recapitalization, stock dividend (including without limitation, stock dividends consisting of securities other than the shares of Common Stock), distribution (other than regular cash dividends), stock split, reverse stock split, separation, spin-off, split-off or other distribution of stock or property of the Company, or other change in the corporate structure or capitalization, there shall be appropriate adjustment made by the Board in the number and kind of shares (rounded to the nearest one-one hundredth of a share) or other property that shall be credited in the aggregate and to individual participants' deferred stock accounts under the Plan, so that the participants' Deferred Stock Accounts reflect the same equity percentage interest in the Company after the transaction as was the case before such transaction, and so that each share of Common Stock credited to a

> participant's Deferred Stock Account before a transaction accrues the same benefits after the transaction as does each share of Common Stock outstanding before such transaction.

RESOLVED, that the appropriate officers of the Company be, and each of them hereby is, authorized and directed to execute any documents and do any acts as they deem necessary or appropriate to effectuate the amendment and restatement contemplated by these resolutions.

Summary

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

	2003	2002	2001	2000
Operations				
Revenues	$4,527.9	$4,033.1	$3,746.2	$3,618.3
Research and Development Expense	235.1	220.2	211.8	223.8
Operating Income	749.1	675.7	637.8	514.8
Interest Expense, Net	36.6	33.3	55.4	74.2
Income Before Income Taxes and Cumulative Effect of Accounting Changes	709.7	628.6	576.8	519.9
Income Tax Provision	162.7	148.6	138.3	127.0
Net Income	547.1	480.0	401.7(A)	392.9
Basic Earnings Per Share	2.14	1.85	1.55(A)	1.54
Diluted Earnings Per Share	2.07	1.79	1.49(A)	1.49
Dividends Per Common Share	.40	.39	.38	.37
Financial Position				
Current Assets	$2,338.6	$1,917.2(E)	$1,751.4(E)	$1,660.7
Current Liabilities	1,043.4	1,248.1(E)	1,260.3(E)	1,353.5
Property, Plant and Equipment, Net	1,844.8	1,765.7	1,716.0	1,576.1
Total Assets	5,572.3	5,029.0(E)	4,790.8(E)	4,505.1
Long-Term Debt	1,184.0	803.0	783.0	779.6
Shareholders' Equity	2,897.0	2,480.9(E)	2,321.7(E)	1,956.0
Book Value Per Common Share	11.54	9.71(E)	8.96(E)	7.72
Financial Relationships				
Gross Profit Margin	48.4%	48.3%	48.9%	48.9%
Return on Revenues	12.1%	11.9%	11.7%(C)	10.9%
Return on Total Assets(B)	14.2%	13.6%(E)	13.8%(E)	13.6%
Return on Equity	20.3%	20.0%(E)	20.4%(C)(E)	21.1%
Debt to Capitalization(D)	30.4%	32.6%(E)	33.9%(E)	41.4%
Additional Data				
Number of Employees	24,800	25,200	24,800	25,000
Number of Shareholders	9,868	10,050	10,329	10,822
Average Common and Common Equivalent Shares Outstanding-Assuming Dilution (millions)	263.6	268.2	268.8	263.2
Depreciation and Amortization	$ 344.5	$ 304.6	$ 305.7	$ 288.3
Capital Expenditures	261.0	259.7	370.8	376.4

(A) Includes cumulative effect of accounting change of $36.8 ($.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) Restated to reflect the change from the LIFO to FIFO inventory valuation method in 2003.

1999	1998	1997	1996	1995	1994
$3,418.4	$3,116.9	$2,810.5	$2,769.8	$2,712.5	$2,559.5
254.0	217.9	180.6	154.2	144.2	144.2
445.2	405.4	450.5	431.2	396.7	325.0

72.1	56.3	39.4	37.4	42.8	47.6
372.7	340.9	422.6	393.7	349.6	296.2
96.9	104.3	122.6	110.2	97.9	69.0
275.7	236.6	300.1	283.4	251.7	227.2
1.09	.95	1.21	1.10	.92	.77
1.04	.90	1.15	1.05	.89	.76
.34	.29	.26	.23	.21	.19
$1,683.7	$1,542.8	$1,312.6	$1,276.8	$1,327.5	$1,326.6
1,329.3	1,091.9	678.2	766.1	720.0	678.3
1,431.1	1,302.7	1,250.7	1,244.1	1,281.0	1,376.3
4,437.0	3,846.0	3,080.3	2,889.8	2,999.5	3,159.5
954.2	765.2	665.4	468.2	557.6	669.2
1,768.7	1,613.8	1,385.4	1,325.2	1,398.4	1,481.7
7.05	6.51	5.68	5.36	5.37	5.27
49.9%	50.6%	49.7%	48.4%	47.0%	45.3%
8.1%	7.6%	10.7%	10.2%	9.3%	8.9%
10.9%	11.7%	15.9%	15.2%	13.3%	11.5%
16.3%	15.8%	22.1%	20.8%	17.5%	15.5%
47.2%	41.4%	36.3%	34.3%	35.2%	36.1%
24,000	21,700	18,900	17,900	18,100	18,600
11,433	9,784	8,944	8,027	7,712	7,489
264.6	262.1	259.6	267.6	280.4	298.6
$ 258.9	$ 228.7	$ 209.8	$ 200.5	$ 207.8	$ 203.7
311.5	181.4	170.3	145.9	123.8	123.0

</TABLE>

Financial Review

Company Overview

Becton, Dickinson and Company ("BD") is a medical technology company that serves healthcare institutions, life science researchers, clinical laboratories, industry and the general public. BD manufactures and sells a broad range of medical supplies, devices, laboratory equipment and diagnostic products. We focus strategically on achieving growth in three worldwide business segments-BD Medical ("Medical"), formerly BD Medical Systems; BD Diagnostics ("Diagnostics"), formerly BD Clinical Laboratory Solutions; and BD Biosciences ("Biosciences"). Our products are marketed in the United States and internationally through independent distribution channels, directly to end users and by sales representatives. The following references to years relate to our fiscal year, which ends on September 30.

Accounting Change

During the fourth quarter, we changed our method of determining cost for inventory previously determined under the last-in, first-out ("LIFO") method to the first-in, first-out ("FIFO") method. As further discussed in Note 2 of the Notes to Consolidated Financial Statements, the change to the FIFO method has been retroactively applied by restating the accompanying financial statements.

Revenues and Earnings

Worldwide revenues in 2003 were $4.5 billion, an increase of 12% over 2002. Underlying revenue growth of 8%, which excludes the estimated favorable impact of foreign currency translation of 4%, resulted primarily from volume increases in all segments.

Medical revenues in 2003 of $2.5 billion increased 14% over 2002 or 10%, excluding the estimated impact of favorable foreign currency translation of 4%. Revenue growth in the Medical Surgical Systems unit of this segment accounted for approximately 4 points of the underlying growth and included U.S. safety-engineered product sales of $407 million compared with $353 million in the prior year. This growth was partly offset by reduced sales of conventional devices in the United States. Revenue growth in the Pharmaceutical Systems unit contributed approximately 3 points of the underlying growth rate. Sales of BD Bifurcated Needles used in the administration of smallpox vaccines and auto-disable devices to non-U.S. governments also contributed to the growth rate of these units, representing approximately 1 point of the overall underlying growth rate of the Medical segment. Revenue growth in the Diabetes Care unit, which accounted for approximately 2 points of the underlying growth, benefited from a favorable comparison with the prior year. Prior year revenues reflected the unfavorable effects of redirecting promotional efforts towards branded insulin syringe sales at the retail level for U.S. Diabetes Care products and revisions to sales and inventory estimates provided to us from distribution channel partners. See additional discussion on revenue recognition in "Critical Accounting Policies" below. Revenue growth in this unit included sales of $15 million related to the launch of blood glucose monitoring meters, test strips, and related disposables, in the United States and Canada.

Medical operating income was $556 million in 2003 compared with $470 million in 2002. The increase in Medical operating income reflected gross profit margin improvement resulting from continued conversion to safety-engineered devices from conventional products. The Medical operating income growth rate also benefited from a favorable comparison to the prior year, which included $23 million of special charges, net of reversals, and $7 million of other manufacturing restructuring costs, as discussed below, as well as the impact of the above-mentioned factors affecting the Diabetes Care unit. Partially offsetting the growth in Medical operating income was higher incremental spending for the launch of the blood glucose monitoring product line.

Diagnostics revenues in 2003 of $1.4 billion rose 11% over 2002, or 7% excluding the estimated impact of favorable foreign currency translation of 4%. Revenues in the Preanalytical Systems unit and the Diagnostic Systems unit each contributed about one-half of the underlying revenue growth. Revenues in the Preanalytical Systems unit included U.S. safety-engineered device sales of $272 million compared with $220 million in the prior year. This growth was partly offset by reduced sales of conventional devices in the United States. Revenues in the Diagnostics Systems unit reflected strong worldwide sales of its molecular diagnostic platform, BD ProbeTec ET, which reported incremental sales of $29 million over 2002, and good worldwide performance in the more traditional infectious disease categories.

Diagnostics operating income was $302 million in 2003 compared with $251 million in 2002. This increase reflected gross profit margin improvement resulting from increased sales of products that have higher overall gross profit margins, including safety-engineered products and the BD ProbeTec ET platform.

Biosciences revenues in 2003 of $697 million increased 8% over 2002, or 3% excluding the estimated impact of favorable foreign currency translation of 5%. The primary growth driver was Immunocytometry Systems unit revenues, which included sales of the BD FACSAria cell sorter, which replaced the BD FACSVantage cell sorter upon launch in March 2003. Clontech revenues declined due to continued weakness in demand for certain reagent products and the shift of research spending away from gene identification programs to gene function and other related studies.

Biosciences operating income was $89 million in 2003 compared with $117 million in 2002. Excluding the $27 million of impairment charges, as discussed below, operating income was slightly below the prior year. Higher gross profit margins from strong sales of flow cytometry reagents and instruments, compared to the prior year, was offset by inventory writedowns, as discussed below.

On a geographic basis, revenues outside the United States in 2003 increased 17% to $2.2 billion. Excluding the estimated impact of favorable foreign currency translation of 9%, underlying revenue growth outside the United States was 8%. Revenues in Europe accounted for approximately 4 points of the underlying revenue growth, led by strong sales of prefillable syringes, BD Bifurcated Needles and hypodermic products.

Revenues in Japan contributed approximately 2 points of the underlying revenue growth, led by strong sales growth of prefillable syringes. Revenue growth was adversely impacted by unfavorable economic conditions in Latin America.

Revenues in the United States in 2003 of $2.3 billion increased 8%, primarily from strong sales of safety-engineered devices. This growth was partly upset by reduced sales of conventional devices. Revenue growth in the Diabetes Care unit included sales of $13 million related to the launch of blood glucose monitoring meters, test strips, and related disposables, and benefited from a favorable comparison with the prior year, which reflected the impact of the above-mentioned factors affecting the Diabetes Care unit. U.S. revenue growth was partially offset by lower sales of Clontech reagent revenues, as discussed above.

We recorded non-cash charges of $34 million in the third quarter of 2003 in cost of products sold. The majority of these charges resulted from the decision to discontinue the development of certain products and product applications associated with the BD IMAGN instrument platform in the Biosciences segment. As a result, we recorded an impairment charge of $27 million for the related intangible assets and inventory. In addition, as the result of a review of under-performing portions of its Clontech product line, the Biosciences segment also wrote down the value of related inventory and intellectual property by $7 million. See Note 2 of the Notes to Consolidated Financial Statements for further discussion of the write-down of the intangible assets.

Gross profit margin was 48.4% in 2003 compared with 48.3% in 2002. Excluding the aforementioned impairment charges of $27 million in 2003, the increase in gross profit margin primarily reflected increased sales of safety-engineered products, which have higher overall gross profit margins, compared to the prior year. Such increase was unfavorably impacted by increased costs associated with our blood glucose monitoring products.

Selling and administrative expense of $1.2 billion in 2003 was 26.7% of revenues, compared to $1 billion in 2002, or 25.6% of revenues. This increase was primarily the result of incremental spending on key initiatives, including our enterprise-wide program to upgrade our business information systems and processes, and the launch of our blood glucose monitoring products.

Investment in research and development in 2003 was $235 million, or 5.2% of revenues, compared with $220 million, or 5.5% of revenues, in 2002. Incremental spending was concentrated primarily in key initiatives, including blood glucose monitoring, ophthalmic systems and advanced drug delivery systems.

We recorded special charges of $22 million in 2002. Included in these charges were $26 million of charges related to a manufacturing restructuring program in the Medical segment, as more fully described in Note 5 of the Notes to Consolidated Financial Statements. Special charges were net of the reversal of $4 million of fiscal 2000 special charges, primarily due to lower than anticipated employee severance and lease cancellation costs. Fiscal 2002 results also reflect $7 million of other manufacturing costs, primarily accelerated depreciation related to the restructuring program that are included in cost of products sold. Beginning in 2004, we expect to achieve annual savings of approximately $15 million related to this restructuring program.

Operating margin in 2003 was 16.5% of revenues, compared with 16.8% in 2002. Operating income in 2003 of $749 million included $34 million of non-cash charges, as discussed earlier. Operating income in 2002 of $676 million included $22 million of special charges, as discussed earlier. Excluding these charges, operating margin was about the same in both years.

Net interest expense was $37 million in 2003, compared with $33 million in 2002. This increase was primarily due to higher long-term debt levels and a reduction in capitalized interest, partially offset by lower short-term interest rates.

Other expense, net of $3 million in 2003 consisted primarily of write-downs of investments and intangible assets of $5 million, which were partially offset by foreign exchange gains of $2 million. Other expense, net of $14 million in 2002 included net losses on investments of $19 million, which reflect declines in fair values that were deemed other than temporary. Also included in other expense, net in 2002 were foreign exchange gains of $16 million that were substantially offset by write-downs of assets held for sale and asset abandonments of $14 million.

The effective tax rate in 2003 was 22.9%, which includes the impact from the 2003 non-cash charges, compared to 23.6% in 2002, which includes the impact from the 2002 special charges.

Net income and diluted earnings per share in 2003 were $547 million and $2.07 respectively. Non-cash charges in 2003, as discussed earlier, reduced net income by $20 million and diluted earnings per share by 8 cents. Net income and diluted earnings per share in 2002 were $480 million and $1.79, respectively. Special charges reduced net income by $17 million and diluted earnings per share by 6 cents in 2002.

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.

Our foreign currency exposure is concentrated in Western Europe, Asia Pacific, 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 the period. We purchase option and forward contracts to partially protect against adverse foreign exchange rate movements. 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 one-time

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, 2003, a 10% appreciation of the U.S. dollar over a one-year period would increase pre-tax earnings by $73 million, while a 10% depreciation of the U.S. dollar would decrease pre-tax earnings by $37 million. Comparatively, considering our derivative instruments outstanding at September 30, 2002, a 10% appreciation of the U.S. dollar over a one-year period would have increased pre-tax earnings by $27 million, while a 10% depreciation of the U.S. dollar would have decreased pre-tax earnings by $15 million. These calculations do not reflect the impact of exchange gains or losses on the underlying positions that would partially 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 portfolio at September 30, 2003, is primarily U.S. dollar-denominated, with less than 2% being foreign denominated. Therefore, transaction and translation exposure relating to our debt portfolio is minimal. In an effort to manage interest rate exposures, we strive to achieve an acceptable balance between fixed and floating rate debt and may enter into interest rate swaps to help maintain that balance. For interest rate derivative instruments, market risk is determined by calculating the impact to fair value of an assumed one-time change in interest rates across all maturities. Fair values were estimated based on dealer quotes. A change in interest rates on short-term debt 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 rates are fixed. See Note 9 of the Notes to Consolidated Financial Statements for additional discussion of our debt portfolio. Based on our overall interest rate exposure at September 30, 2003 and 2002, 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, 2003 and 2002 by approximately $35 million and $27 million, respectively. A 10% decrease in interest rates would increase the fair value of our long-term debt and interest rate swaps at both September 30, 2003 and 2002 by approximately $39 million and $30 million, respectively.

See Note 10 of the Notes to Consolidated Financial Statements for additional discussion of our outstanding forward exchange contracts, currency options and interest rate swaps at September 30, 2003.

Liquidity and Capital Resources

Cash provided by operations, which continues to be our primary source of funds to finance operating needs and capital expenditures, was $906 million in 2003 compared to $836 million in 2002. Cash provided by operations was reduced by $100 million in both 2003 and 2002, reflecting the impact of cash contributions to the U.S. pension plan. Inventories increased by $109 million during 2003 to $795 million, due primarily to foreign currency translation adjustments and inventory of blood glucose monitoring products in anticipation of future sales.

Capital expenditures were $261 million in 2003, compared to $260 million in the prior year. Medical and Diagnostics capital spending, which totaled $167 million and $62 million, respectively in 2003, included spending for various capacity expansions as well as safety-engineered devices. Biosciences capital spending, which totaled $22 million in 2003, included spending on new products and manufacturing capacity expansions.

Net cash used for financing activities was $292 million in 2003 as compared to $314 million during 2002. At September 30, 2003, 3.6 million common shares remained under a January 2003 Board of Directors' resolution that authorized the repurchase of up to 10 million common shares. Total debt at September 30, 2003, was $1.3 billion compared with $1.2 billion at September 30, 2002. Short-term debt declined to 9% of total debt at year-end, from 35% at the end of 2002. This change was attributable to the issuance to the public in April 2003 of $200 million of 10-year 4.55% Notes and $200 million of 15-year 4.9% Notes, the net proceeds from which were used to repay commercial paper. Floating rate debt was 55% of total debt at the end of 2003 and 59% of total debt at the end of 2002. Our weighted average cost of total debt at the end of 2003 was 3.8%, down slightly from 4% at the end of last year due to lower short-term interest rates. Debt-to-capitalization at year-end improved to 30.4% from 32.6% last year. Cash and equivalents were $520 million and $243 million at September 30, 2003 and 2002, respectively.

We use commercial paper to meet our short-term financing needs, including working capital requirements. We have available a $900 million syndicated credit facility, consisting of a $450 million five-year line of credit maturing in August 2006 and a $450 million 364-day line of credit maturing in August 2004. The facility contains a single financial covenant relating to our interest coverage ratio. It can be used to support our commercial paper program, under which there was $100 million outstanding at September 30, 2003, or for other general corporate purposes. There were no borrowings outstanding under the facility at September 30, 2003. In addition, we have informal lines of credit outside the United States. At September 30, 2003, 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 these 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.

Return on equity was 20.3% in 2003 compared with 20.0% in 2002.

Other Matters

We believe that the non-discretionary nature of our core products, our international diversification, and our ability to meet

the needs of the worldwide healthcare industry with cost-effective and innovative products will continue to cushion the long-term impact on BD of potential economic and political dislocations in the countries in which we do business, including the effects of possible healthcare system reforms. In 2003, inflation did not have a material impact on our overall operations.

Use of Non-GAAP Financial Measures

When discussing our financial performance, we at times will present certain non-GAAP (generally accepted accounting principles) financial measures, as follows:

o We present revenue growth rates at constant foreign exchange rates. We believe that presenting growth rates at constant foreign exchange rates allows investors to view the actual operating results of BD and of its segments without the impact of fluctuations in foreign currency exchange rates, thereby facilitating comparisons to prior periods.

o We present earnings per share and other financial measures after excluding the impact of significant charges, and the impact of unusual or non-recurring items. We believe that excluding such impact from these financial measures allows investors to more easily compare BD's financial performance to prior periods and to understand the operating results of BD without the effects of these significant charges and unusual or non-recurring items.

BD's management considers these non-GAAP financial measures internally in evaluating BD's performance. Investors should consider these non-GAAP measures in addition to, not as a substitute for or as superior to, measures of financial performance prepared in accordance with GAAP.

Litigation-Other than Environmental

In 1986, we acquired a business that manufactured, among other things, latex surgical gloves. In 1995, we divested this glove business. We, along with a number of other manufacturers, have been named as a defendant in approximately 523 product liability lawsuits related to natural rubber latex that have been filed in various state and Federal courts. 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, 367 of these cases have been closed with no liability to BD (313 of which were closed with prejudice), and 28 cases have been settled for an aggregate de minimis amount. We are vigorously defending these remaining lawsuits.

We, along with another manufacturer and several medical product distributors, are named as a defendant in four product liability lawsuits relating to healthcare workers who allegedly sustained accidental needlesticks, but have not become infected with any disease. Generally, the remaining 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. Several actions additionally allege that the healthcare workers have sustained mental anguish. Plaintiffs seek money damages in all of these actions. We had previously been named as a defendant in seven 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 four pending suits:

o In Ohio, Grant vs. Becton Dickinson et al. (Case No. 98CVB075616, Franklin County Court), which was filed on July 22, 1998, the Court of Appeals, by order dated June 3, 2003, reversed the trial court's granting of class certification and remanded the case for a determination of whether the class can be redefined, or the action should be dismissed.

o In Illinois, McCaster vs. Becton Dickinson et al. (Case No. 98L09478, Cook County Circuit Court), which was filed on August 13, 1998, the court issued an order on November 22, 2002, denying plaintiff's renewed motion for class certification. The plaintiff has voluntarily dismissed the action without prejudice and with leave to re-file within one year.

o 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.

We continue to oppose class action certification in these cases and will continue to vigorously defend these lawsuits, including pursuing all appropriate rights of appeal.

BD has insurance policies in place, and believes that a substantial portion of potential liability, if any, in the latex and class action matters will be covered by insurance. In order to protect our rights to additional coverage, we filed an action for declaratory judgement under the caption Becton Dickinson and Company vs. Adriatic Insurance Company et al. (Docket No. MID-L-3649-99MT, Middlesex County Superior Court) in New Jersey state court. We have withdrawn this action, with the right to re-file, so that settlement discussions with the insurance companies may proceed. We have established reserves to cover reasonably anticipated legal defense costs in all product liability lawsuits, including the needlestick class action and latex matters. With regard to the latex matters, we recorded special charges in 2000 and 1998 of $20 million and $12 million, respectively. Based on a review of available information at that time, these charges were recorded to reflect the minimum amount within the then most probable range of current estimates of litigation defense costs. We do not anticipate incurring significant one-time charges, similar to 2000 and 1998, relating to the latex matters in future years.

On November 6, 2003, a class action complaint was filed against BD in the Supreme Court of British Columbia under the caption Danielle Cardozo, by her litigation guardian Darlene Cardozo v. Becton, Dickinson and Company (Civil

Action No. S83059) alleging personal injury to all persons in British Columbia that received test results generated by the BD ProbeTec ET instrument. Plaintiffs seek money damages in an as yet undisclosed amount. We are assessing this action, and intend to vigorously defend this matter.

On January 17, 2003, Retractable Technologies, Inc. ("RTI" or "plaintiff") filed a third amended complaint against BD, another manufacturer and two group purchasing organizations ("GPO's") under the caption Retractable Technologies, Inc. vs. Becton Dickinson and Company, et al. (Civil Action No. 501 CV 036, United States District Court, Eastern District of Texas). Plaintiff alleges that BD and other defendants conspired to exclude it from the market and to maintain BD's market share by entering into long-term contracts in violation of state and Federal antitrust laws. Plaintiff also has asserted claims for business disparagement, common law conspiracy, and tortious interference with business relationships. Plaintiff seeks money damages in an as yet undisclosed amount. On October 6, 2003, BD filed a motion for summary judgment. Argument of that motion has been scheduled for December 11, 2003, and a trial date has been set for February 3, 2004. We continue to vigorously defend this matter.

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

We currently are engaged in discovery or are otherwise in the early stages with respect to certain of the litigation to which we are a party, and therefore, it is difficult to predict the outcome of such litigation. In addition, given the uncertain nature of litigation generally and of the current litigation environment, it is difficult to predict the outcome of any litigation regardless of its stage. A number of the cases pending against BD present complex factual and legal issues and are subject to a number of variables, including, but not limited to, the facts and circumstances of each particular case, the jurisdiction in which each suit is brought, and differences in applicable law. As a result, we are not able to estimate the amount or range of loss that could result from an unfavorable outcome of such matters. In accordance with generally accepted accounting principles, we establish reserves to the extent probable future losses are estimable. While we believe that the claims against BD are without merit and, upon resolution, should not have a material adverse effect on BD, in view of the uncertainties discussed above, we could incur charges in excess of currently established reserves 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 in the period or periods in which they are recorded or paid. We continue to believe that we have a number of valid defenses to each of the suits pending against BD and are engaged in a vigorous defense of each of these matters.

Environmental Matters

We believe that our operations comply in all material respects with applicable laws and regulations. We are 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. For all sites, there are other potentially responsible parties that may be jointly or severally liable to pay all cleanup costs. We accrue costs for estimated environmental liabilities based upon our best estimate within the range of probable losses, without considering possible third-party recoveries. While we believe that, upon resolution, the environmental claims against BD should not have a material adverse effect on BD, we could incur charges in excess of presently established reserves 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 in the period or periods in which they are recorded or paid.

2002 Compared With 2001

Worldwide revenues in 2002 were $4 billion, an increase of 8% over 2001 and resulted primarily from volume increases in all segments. Sales of safety-engineered devices grew 38% to $573 million.

Medical revenues in 2002 of $2.2 billion increased 7% over 2001 or 8%, excluding the effect of unfavorable foreign currency translation of 1%. The primary growth drivers were the conversion to safety-engineered devices, which accounted for $353 million in revenues compared with $253 million in the prior year. Also contributing to the growth of this segment were sales of worldwide prefillable drug delivery devices, which grew $48 million or 17%. Medical revenue growth was partly offset by reduced sales of conventional devices in the United States due to the transition to safety-engineered devices and, to a lesser extent, by lower U.S. sales of Diabetes Care products, reflecting the unfavorable effects of redirecting promotional efforts toward branded insulin syringe sales at the retail level and revisions to sales and inventory estimates provided to us from distribution channel partners.

Medical operating income was $470 million in 2002 compared with $447 million in 2001. Medical operating income in 2002 included $23 million of special charges, net of reversals, and $7 million of related manufacturing restructuring costs, as discussed above. Medical operating income in 2001 included $17 million of goodwill amortization recorded prior to the adoption of SFAS Nos. 141 and 142, as discussed below. Excluding these items in both years, the increase in Medical operating income reflects gross profit margin improvement resulting from continued conversion to safety-engineered devices from conventional products. Medical operating income was negatively impacted by economic conditions in Latin America and the impact of the above-mentioned factors affecting the Diabetes Care unit.

Diagnostics revenues in 2002 of $1.2 billion rose 7% over 2001 or 8%, excluding the effect of unfavorable foreign currency translation of 1%. Major elements comprising this underlying revenue growth were the continued conversion to safety-engineered products in the Preanalytical Systems unit of the segment, which accounted for $220 million in revenues compared with $163 million in 2001. Diagnostics revenue growth was partly offset by reduced sales of conventional devices in the United States. Revenue growth was favorably impacted by incremental BD ProbeTec ET system sales of $19 million over 2001 in the Diagnostic Systems unit of the segment.

Diagnostics operating income was $251 million in 2002 compared with $213 million in 2001. Excluding goodwill amortization of $6 million in 2001, the increase in Diagnostics operating income reflects gross profit margin improvement resulting from continued conversion to safety-engineered devices from conventional products and the improved profitability of the BD ProbeTec ET platform.

Biosciences revenues in 2002 of $645 million increased 9% over 2001 or 10%, excluding the effect of unfavorable foreign currency translation of 1%. This growth was led by sales of Immunocytometry Systems products, particularly BD FACS flow cytometry systems, which contributed approximately 5 points of the underlying revenue growth. In addition, sales in the Discovery Labware and Pharmingen units each contributed about 3 points of the underlying revenue growth. Clontech unit revenues decreased about $6 million from 2001 due to continued weakness in some portions of the molecular biology market, largely due to a softness in pharmaceutical/biotech research and development spending, and a shift in pharmaceutical focus from early stage drug target identification to later stage drug development.

Biosciences operating income in 2002 was $117 million compared with $97 million in 2001. Excluding goodwill amortization of $13 million in 2001, the increase in Biosciences operating income reflects improved gross profit margins on Pharmingen reagents and Discovery Labware products due to lower manufacturing costs and shifts to sales of products with higher gross profit margins than the mix of products sold in 2001. Biosciences operating income was negatively impacted primarily by lower margins on Clontech reagents due to the market weakness described above and to a lesser extent by lower margins on flow cytometry products due to competitive pricing pressures and higher manufacturing costs.

On a geographic basis, revenues outside the United States in 2002 increased 7% to $ 1.9 billion. Excluding the estimated impact of unfavorable foreign currency translation of 2%, underlying revenue growth outside the United States was 9%. Revenues in Europe accounted for approximately 5 points of the underlying revenue growth and were led by strong sales of prefillable syringes, BD FACS flow cytometry systems and hypodermic products. Revenues in the Asia Pacific region contributed about 2 points of the underlying revenue growth and were led by strong sales growth of Immunocytometry Systems products and I.V. catheters. As indicated earlier, revenues were adversely impacted by economic conditions in Latin America.

Revenues in the United States in 2002 of $2.2 billion increased 8%, primarily from strong sales of safety-engineered devices. This growth was partly offset by reduced sales of conventional devices. Revenue growth was offset by lower sales of Diabetes Care products and Clontech reagent revenues, as discussed above.

Gross profit margin was 48.3% in 2002, compared with 48.9% in 2001. Higher gross margins from sales of our safety-engineered products were more than offset by lower sales of products with overall higher gross profit margins, including insulin syringes and products in the Biosciences segment, as discussed earlier.

Selling and administrative expense of $1 billion in 2002 was 25.6% of revenues, compared to $983 million in 2001, or 26.2% of revenues. Selling and administrative expense in 2001 included $32 million of goodwill amortization.

Investment in research and development in 2002 was $220 million, or 5.5% of revenues, compared with $212 million, or 5.7% of revenues in 2001. Incremental spending was concentrated primarily in the Biosciences segment and in key initiatives, including blood glucose monitoring.

Operating margin in 2002 was 16.8% of revenues, compared with 17% in 2001. Operating income in 2002 of $676 million included $22 million of special charges and $7 million of other manufacturing restructuring charges. Operating income in 2001 of $638 million included $36 million of goodwill amortization. Excluding these items, the decline in operating margin reflected the decrease in gross profit margin.

Net interest expense of $33 million in 2002 was $22 million lower than in 2001, primarily due to lower interest rates.

Other expense, net of $14 million in 2002 included net losses on investments of $19 million, which reflect declines in fair values that were deemed other than temporary. Also included in other expense, net in 2002 were foreign exchange gains of $16 million that were substantially offset by write-downs of assets held for sale and asset abandonments of $14 million. Other expense, net in 2001 of $6 million, included write-downs of equity investments to fair value of $6 million.

The effective tax rate in 2002 was 23.6% compared to 24.0% in 2001.

Net income and diluted earnings per share in 2002 were $480 million, or $1.79, respectively, compared with $438 million, or $1.63 in 2001, before the cumulative effect of accounting change, as described below. Special charges in 2002 reduced net income and diluted earnings per share, before the cumulative effect of accounting change by $17 million and 6 cents, respectively. In 2001, goodwill amortization reduced net income and diluted earnings per share, before the cumulative effect of accounting change by $28 million and 10 cents, respectively.

We adopted the provisions of Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements," ("SAB 101") in the fourth quarter of 2001 and, as a result, recorded the following accounting changes, described below, effective October 1, 2000. We changed our method of accounting for revenue related to branded insulin syringe products that were sold under incentive programs to distributors in the U.S. consumer trade channel. We concluded that the preferable method is to defer revenue recognition until such product is sold by the distributor to the end customer using inventories reported by such distributors. We also changed our accounting method for certain Biosciences instruments to defer revenue from these products until completion of installation at the customer's site. As a result of these accounting changes, we recorded a total cumulative effect of change in accounting principle of $37 million, net of tax in 2001. See Note 2 of the Notes to Consolidated

Financial Statements for additional discussion of the accounting change. Net income and diluted earnings per share in 2001 were $402 million, or $1.49 per share, after reflecting the after-tax cumulative effect of accounting change of $.14 per share.

Cash provided by operations, which continued to be our primary source of funds to finance operating needs and capital expenditures, was $836 million compared to $779 million in 2001. The increase in cash provided by changes in working capital reflects lower trade receivables and inventory levels in 2002.

Capital expenditures were $260 million in 2002, compared to $371 million in 2001. This decline reflects an overall reduction of spending relative to the peak period of capital intensity relating to the conversion of safety-engineered devices. Medical, Diagnostics and Biosciences capital spending totaled $182 million, $42 million and $23 million, respectively in 2002.

Net cash used for financing activities was $314 million in 2002 as compared to $201 million during 2001. The increase in cash used for financing activities was due primarily to the repurchase of 6.6 million shares of our common stock for $224 million during 2002. Total debt at September 30, 2002, remained virtually unchanged from the prior year. Short-term debt was 35% of total debt at year-end, compared to 37% at the end of 2001. Floating rate debt was 59% of total debt at the end of 2002 and 69% of total debt at the end of 2001. Our weighted average cost of total debt at the end of 2002 was 4%, down from 4.8% at the end of 2001 due to lower short-term interest rates.

Future Impact of Currently Known Trends

Pension Plan Assets and Assumptions-In order to mitigate a reduction in the market value of assets held by our U.S. pension plan during fiscal years 2002 and 2001, resulting from overall declines in the U.S. equity markets, we made funding contributions of $100 million in both fiscal 2003 and 2002 to this plan. Despite these contributions, such market value decline is expected to continue to negatively impact pension expense in 2004. In addition, based on an annual internal study of actuarial assumptions, the discount rate was reduced to 6.25% from 6.75% and the rate of compensation was increased to 4.25% from 4.00%. As a result of these and other developments, the 2004 net periodic benefit cost for the U.S. pension plan is anticipated to be approximately $18 million higher than in 2003.

Pending Adoption of New Accounting Standards-In January 2003, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"). FIN 46 significantly changes whether entities included in its scope are consolidated by their sponsors, transferors or investors. The Interpretation introduces a new consolidation model, "the variable interests model," which determines control based on potential variability in gains and losses of the entity being evaluated for consolidation. Under FIN 46, variable interest entities are to be consolidated if certain conditions are met. Variable interests are contractual, ownership or other interests in an entity that expose their holders to the risks and rewards of the variable interest entity. Variable interests include equity investments, leases, derivatives, guarantees and other instruments whose values change with changes in the variable interest entity's assets. The provisions of the Interpretation, as amended by FIN 46-6, "Effective Date of FASB Interpretation No. 46, Consolidation of Variable Interest Entities," are effective for BD as of March 31, 2004, for variable interest entities acquired before February 1, 2003 and immediately for any variable interest entities acquired after January 31, 2003. We are in the process of evaluating the applicability and impact of FIN 46 to certain interests entered into prior to February 1, 2003, although we do not expect that FIN 46 will have a material impact on our consolidated financial position or results of operations in 2004.

On April 30, 2003, the FASB issued Statement No. 149, "Amendment of Statement No. 133 on Derivative Instruments and Hedging Activities." This Statement amends and clarifies the financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities." Statement No. 149 includes decisions made as part of the Derivatives Implementation Group process that effectively required amendments to Statement No. 133. Statement No. 149 is effective for contracts entered into or modified after June 30, 2003, and for hedging relationships designated after June 30, 2003. The provisions of Statement No. 149 that relate to Statement No. 133 implementation issues and that have been effective for fiscal quarters that began prior to June 15, 2003, will continue to be applied in accordance with their respective effective dates. This Statement did not impact our consolidated financial position or result of operations in 2003.

Critical Accounting Policies

The Financial Review discusses our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make 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 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, there may also be other estimates or assumptions that are reasonable. However, we believe that given the current facts and circumstances, it is unlikely that applying any such alternative judgments would materially impact the accompanying financial statements. Management believes the following critical accounting policies affect the more significant judgments and estimates used in the preparation of BD's consolidated financial statements.

Revenue Recognition-We defer revenue recognition related to branded insulin syringe products that are sold under incentive programs to distributors in the U.S. consumer trade channel. These distributors have implied rights of return on unsold merchandise held by them. We recognize revenue on these products upon the sell-through of the respective product from the distribution channel partner to its end customer. In determining the amount of sales to record each quarter, we rely on independent sales and inventory data provided to us from distribution channel partners. We recognize revenue for certain instruments sold from the Biosciences segment upon installation at the customer's site. In other instances in the Biosciences segment, based upon terms of the sales agreements, we recognize 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 at the completion of each deliverable. Substantially all other revenue is recognized when products are shipped to customers.

Impairment of Assets-Pursuant to FASB Statement No. 142, goodwill is subject to impairment reviews at least annually, or whenever indicators of impairment arise. Intangible assets other than goodwill and other long-lived assets are reviewed for impairment in accordance with FASB Statement No. 144. Refer to Note 1 of the Notes to Consolidated Financial Statements for further information.

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 minority interests in companies having operations or technology in areas within or adjacent to BD's strategic focus. Some of these companies are publicly traded, and for them share prices are available. Some, however, are non-publicly traded and their 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.

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 and environmental matters, as further discussed in Note 13 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 generally accepted accounting principles, we establish reserves to the extent probable future losses are estimable. A determination of the amount of reserves, 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 reserves may change in the future due to new developments in each matter or changes in our strategy in dealing with these matters.

Benefit Plans-We have significant pension and post-retirement benefit costs and credits that are developed from actuarial valuations. Inherent in these valuations are key assumptions including discount rates and expected return on plan assets. We consider current market conditions, including changes in interest rates and market returns, in selecting these assumptions. Changes in the related pension and post-retirement benefit costs or credits may occur in the future due to changes in the assumptions. See additional discussion above concerning our U.S. pension plan.

Stock-Based Compensation-As permitted by SFAS No. 123, "Accounting for Stock-Based Compensation," we currently account for stock options by the disclosure-only provision of this Statement, and, therefore, we use the intrinsic value method as prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," for accounting for stock-based compensation. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of our stock at the date of the option grant over the exercise price. We have not incurred any such compensation expense during the last three fiscal years.

If we had elected to account for our stock-based compensation awards issued subsequent to October 1, 1995, using the fair value method, the estimated fair value of awards would have been charged against income on a straight-line basis over the vesting period which generally ranges from zero to four years. For the year ended September 30, 2003, our net income and diluted earnings per share would have been lower by an estimated $36 million and 12 cents, respectively, under the fair value method. This effect may not be representative of the pro forma effect on net income in future years.

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

The Private Securities Litigation Reform Act of 1995 (the "Act") provides a safe harbor for forward-looking statements made by or on behalf of BD. BD and its representatives may from time to time make certain forward-looking statements 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 shareowners. Forward-looking statements may be identified by the use of words like "plan," "expect," "believe," "intend," "will," "anticipate," "estimate" and other words of similar meaning in conjunction with, among other things, discussions of future operations and financial performance, as well as our strategy for growth, product development, regulatory approvals, market position and

expenditures. All statements 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 within the meaning of the Act.

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

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

- Regional, national and foreign economic factors, including inflation and fluctuations in interest rates and foreign currency exchange rates and the potential effect of such fluctuations on revenues, expenses and resulting margins.

- Competitive product and pricing pressures and our ability to gain or maintain market share in the global market as a result of actions by competitors, including technological advances achieved and patents attained by competitors, particularly as patents on our products expire. While we believe our opportunities for sustained, profitable growth are considerable, actions of competitors could impact our earnings, share of sales and volume growth.

- Changes in domestic and foreign healthcare resulting in 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 relating to U.S. Congressional hearings regarding the business practices of group purchasing organizations, which negotiate product prices on behalf of their member hospitals with BD and other suppliers.

- Fluctuations in the cost and availability of raw materials and the ability to maintain favorable supplier arrangements and relationships.

- Our ability to obtain the anticipated benefits of any restructuring programs that we may undertake.

- Adoption of or changes in government laws and regulations affecting domestic and foreign operations, including those relating to trade, monetary and fiscal policies, taxation, environmental matters, sales practices, price controls, licensing and regulatory approval of new products, or changes in enforcement practices with respect to any such laws and regulations.

- The effects, if any, of the Severe Acute Respiratory Syndrome ("SARS") epidemic.

- Difficulties inherent in product development, including the potential inability to successfully continue technological innovation, complete clinical trials, obtain regulatory approvals in the United States and abroad, or gain and maintain market approval of products, as well as the possibility of encountering infringement claims by competitors with respect to patent or other intellectual property rights, all of which can preclude or delay commercialization of a product.

- Significant litigation adverse to BD, including product liability claims, patent infringement claims and antitrust claims, as well as other risks and uncertainties detailed from time to time in our Securities and Exchange Commission filings.

- The effects, if any, of adverse media exposure or other publicity regarding BD's business, operations or allegations made or related to litigation pending against BD.

- Our ability to achieve earnings forecasts, which are generated based on projected volumes and sales of many product types, some of which are more profitable than others. There can be no assurance that we will achieve the projected level or mix of product sales.

- The effect of market fluctuations on the value of assets in BD's pension plans and the possibility that BD may need to make additional contributions to the plans as a result of any decline in the value of such assets.

- Our ability to effect infrastructure enhancements and incorporate new systems technologies into our operations.

- Product efficacy or safety concerns resulting in product recalls, regulatory action on the part of the Food and Drug Administration (or foreign counterparts) or declining sales.

- Economic and political conditions in international markets, including civil unrest, governmental changes and restrictions on the ability to transfer capital across borders.

- 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 American Institute of Certified Public Accountants, the Financial Accounting Standards Board, the Securities and Exchange Commission or the Public Company Accounting Oversight Board.

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.

Report of Management

The following consolidated financial statements have been prepared by management in conformity with accounting principles generally accepted in the United States 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 consolidated financial statements have been audited by Ernst & Young LLP, independent auditors, whose report follows. Their audits were conducted in accordance with auditing standards generally accepted in the United States and included a review and evaluation of the Company's internal accounting controls to the extent they considered necessary for the purpose of expressing an opinion on the consolidated financial statements. This, together with other audit procedures and tests, was sufficient to provide reasonable assurance as to the fairness of the information included in the consolidated financial statements and to support their opinion thereon.

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

Edward J. Ludwig

Edward J. Ludwig
Chairman, President

and Chief Executive Officer

John R. Considine

John R. Considine
Executive Vice President
and Chief Financial Officer

William A. Tozzi

William A. Tozzi
Vice President
and Controller

Report of Ernst & Young LLP, Independent Auditors

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

We have audited the accompanying consolidated balance sheets of Becton, Dickinson and Company as of September 30, 2003 and 2002, and the related consolidated statements of income, comprehensive income, and cash flows for each of the three years in the period ended September 30, 2003. 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 auditing standards generally accepted in the 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, 2003 and 2002, and the consolidated results of its operations and its cash flows for each of the three years in the period ended September 30, 2003, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 2 to the financial statements, on January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," (SFAS No. 142) to change its method of accounting for goodwill and other intangible assets.

As discussed in Note 2 to the financial statements, in fiscal year 2001 the Company changed its method of accounting for revenue recognition in accordance with guidance provided in Securities and Exchange Commission Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements."

Ernst & Young LLP

New York, New York
November 6, 2003

Financial Statements

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

<TABLE>
<CAPTION>

<S>	2003 <C>	2002 <C>	2001 <C>
Operations			
Revenues	$4,527,940	$4,033,069	$3,746,182

Cost of products sold	2,336,290	2,083,669	1,913,292
Selling and administrative expense	1,207,464	1,032,043	983,296
Research and development expense	235,060	220,186	211,834
Special charges	--	21,508	--
Total Operating Costs and Expenses	3,778,814	3,357,406	3,108,422
Operating Income	749,126	675,663	637,760
Interest expense, net	(36,560)	(33,304)	(55,414)
Other expense, net	(2,860)	(13,770)	(5,596)
Income Before Income Taxes and Cumulative Effect of Change in Accounting Principle	709,706	628,589	576,750
Income tax provision	162,650	148,607	138,348
Income Before Cumulative Effect of Change in Accounting Principle	547,056	479,982	438,402
Cumulative effect of change in accounting principle, net of tax	--	--	(36,750)
Net Income	$ 547,056	$ 479,982	$ 401,652
Basic Earnings Per Share			
Before Cumulative Effect of Change in Accounting Principle	$ 2.14	$ 1.85	$ 1.69
Cumulative effect of change in accounting principle, net of tax	--	--	(0.14)
Basic Earnings Per Share	$ 2.14	$ 1.85	$ 1.55
Diluted Earnings Per Share			
Before Cumulative Effect of Change in Accounting Principle	$ 2.07	$ 1.79	$ 1.63
Cumulative effect of change in accounting principle, net of tax	--	--	(0.14)
Diluted Earnings Per Share	$ 2.07	$ 1.79	$ 1.49

</TABLE>

See notes to consolidated financial statements

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

<TABLE>
<CAPTION>

<S>	2003 <C>	2002 <C>	2001 <C>
Net Income	$547,056	$479,982	$401,652
Other Comprehensive Income (Loss), Net of Tax			
Foreign currency translation adjustments	207,107	16,472	(38,704)
Minimum pension liability adjustment	(9,248)	(77,661)	--
Unrealized gains (losses) on investments, net of amounts recognized	9,653	4,005	(3,616)
Unrealized losses on cash flow hedges, net of amounts realized	(5,499)	(380)	(4,013)
Other Comprehensive Income (Loss), Net of Tax	202,013	(57,564)	(46,333)
Comprehensive Income	$749,069	$422,418	$355,319

</TABLE>

See notes to consolidated financial statements

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

<TABLE>
<CAPTION>

<S>	2003 <C>	2002 <C>
Assets		
Current Assets		
Cash and equivalents	$ 519,886	$ 243,115
Short-term investments	--	1,850
Trade receivables, net	781,342	745,998
Inventories	795,014	686,219
Prepaid expenses, deferred taxes and other	242,327	240,048
Total Current Assets	2,338,569	1,917,230
Property, Plant and Equipment, Net	1,844,771	1,765,730
Goodwill, Net	536,788	492,327
Core and Developed Technology, Net	242,683	283,166
Other Intangibles, Net	111,713	126,758
Capitalized Software, Net	305,608	284,109
Other	192,121	159,663
Total Assets	$ 5,572,253	$ 5,028,983
Liabilities		
Current Liabilities		
Short-term debt	$ 121,920	$ 434,642
Accounts payable	221,462	224,645
Accrued expenses	362,862	310,238
Salaries, wages and related items	262,144	225,694
Income taxes	74,986	52,873
Total Current Liabilities	1,043,374	1,248,092
Long-Term Debt	1,184,031	802,967
Long-Term Employee Benefit Obligations	328,807	391,607
Deferred Income Taxes and Other	119,087	105,459
Commitments and Contingencies	--	--
Shareholders' Equity		
ESOP convertible preferred stock-$1 par value: authorized-1,016,949 shares; issued and outstanding-583,753 shares in 2003 and 639,262 shares in 2002	34,448	37,945
Preferred stock, series A-$1 par value: authorized-500,000 shares; none issued	--	--
Common stock-$1 par value: authorized-640,000,000 shares; issued-332,662,160 shares in 2003 and 2002	332,662	332,662
Capital in excess of par value	257,178	185,122
Retained earnings	3,950,592	3,507,349
Unearned ESOP compensation	(3,693)	(7,847)
Deferred compensation	8,974	8,496
Common shares in treasury-at cost-81,528,882 shares in 2003 and 77,132,248 shares in 2002	(1,439,934)	(1,137,583)
Accumulated other comprehensive loss	(243,273)	(445,286)
Total Shareholders' Equity	2,896,954	2,480,858
Total Liabilities and Shareholders' Equity	$ 5,572,253	$ 5,028,983

</TABLE>

See notes to consolidated financial statements

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

<TABLE>
<CAPTION>

<S>	2003 <C>	2002 <C>	2001 <C>
Operating Activities			
Net income	$ 547,056	$ 479,982	$ 401,652
Adjustments to net income to derive net cash provided by operating activities:			
Depreciation and amortization	344,456	304,865	305,700
Pension contribution	(100,000)	(100,000)	--
Deferred income taxes	(1,029)	57,202	37,400
Losses on investments	4,116	18,576	--
Impairment of intangible assets	30,138	--	--
Cumulative effect of change in accounting principle, net of tax	--	--	36,750
Non-cash special charges	--	6,526	--
Change in operating assets (excludes impact of acquisitions):			
Trade receivables	33,168	32,585	(34,063)
Inventories	(43,818)	21,112	(32,290)
Prepaid expenses, deferred taxes and other	10,160	(222)	(18,652)
Accounts payable, income taxes and other liabilities	64,454	(1,241)	67,519
Other, net	16,999	16,648	14,629
Net Cash Provided by Operating Activities	905,700	836,033	778,645
Investing Activities			
Capital expenditures	(261,043)	(259,703)	(370,754)
Capitalized software	(64,776)	(81,376)	(72,231)
Proceeds (purchases) of short-term investments, net	1,975	3,054	(530)
Purchases of long-term investments	(4,399)	(3,397)	(24,938)
Acquisitions of businesses, net of cash acquired	--	--	(30,953)
Proceeds from sales of long-term investments	--	4,598	7,632
Other, net	(21,112)	(24,297)	(50,155)
Net Cash Used for Investing Activities	(349,355)	(361,121)	(541,929)
Financing Activities			
Change in short-term debt	(320,765)	(18,819)	(82,600)
Proceeds of long-term debt	404,683	4,526	2,987
Payment of long-term debt	(8,055)	(11,096)	(103,104)
Repurchase of common stock	(349,998)	(223,961)	--
Issuance of common stock	86,618	38,069	82,925
Dividends paid	(104,148)	(102,459)	(101,329)
Net Cash Used for Financing Activities	(291,665)	(313,740)	(201,121)
Effect of exchange rate changes on cash and equivalents	12,091	(186)	(2,662)
Net Increase in Cash and Equivalents	276,771	160,986	32,933
Opening Cash and Equivalents	243,115	82,129	49,196
Closing Cash and Equivalents	$ 519,886	$ 243,115	$ 82,129

</TABLE>

See notes to consolidated financial statements

Notes to Consolidated Financial Statements

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

<TABLE>
<CAPTION>
Index

</TABLE>

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 ("Company") after the elimination of intercompany transactions.

Reclassifications

The Company has reclassified certain prior year information to conform with the current year presentation.

Cash Equivalents

Cash equivalents are stated at cost plus accrued interest, which approximates market. The Company considers all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents.

Inventories

Inventories are stated at the lower of cost or market. During the fourth quarter of 2003, the Company changed its method of determining cost for inventory previously determined under the last-in, first-out ("LIFO") method to the first-in, first-out ("FIFO") method, as discussed in Note 2.

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 20 years for leasehold improvements. Depreciation expense was $221,235, $201,558, and $179,411 in fiscal 2003, 2002, and 2001, respectively.

Intangibles

The Company adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," effective October 1, 2001, as discussed in Note 2. As a result, goodwill is no longer amortized, but instead is reviewed annually for impairment in accordance with the provisions of the Statement. In reviewing goodwill for impairment, potential impairment is identified by comparing the fair value of a reporting unit with its carrying value. Core and developed technology continues to be 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 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 fair value, an impairment loss is recognized in operating results. Other intangibles also include certain trademarks that are considered to have indefinite lives, as they are expected to generate cash flows indefinitely. Therefore, in accordance with the provisions of SFAS No. 142, these trademarks are no longer amortized but are reviewed annually for impairment. See Note 2 for further discussion.

Capitalized Software

Capitalized software primarily represents costs associated with our enterprise-wide program to upgrade our business information systems, known internally as ("Genesis"). The costs associated with the Genesis program will be fully amortized by 2009, with amortization expense being primarily reported as Selling and administrative expense. Amortization expense was $52,642, $31,330 and $18,525 for 2003, 2002 and 2001, 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 cumulative currency translation adjustments in Accumulated other comprehensive loss.

Revenue Recognition

Revenue is recognized on the sale of certain instruments in the Biosciences segment upon completion of installation at the customer's site. In other instances in the Biosciences segment, based upon the terms of sales arrangements entered into beginning in the fourth quarter of 2003, the Company began to recognize revenue in accordance with Emerging Issues Task Force ("EITF") 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 is recognized at the completion of each deliverable.

The Company defers revenue recognition related to branded insulin syringe products that are sold under incentive programs to distributors in the U.S. consumer trade channel. These distributors have implied rights of return on unsold merchandise held by them. Revenue is recognized for these sales upon the sell-through of such product from the distribution channel partner to the end customer. See Note 2 for additional discussion.

Substantially all other revenue is recognized when products are shipped to customers.

Shipping and Handling Costs

Shipping and handling costs are included in Selling and administrative expense. Shipping expense was $191,048, $174,942, and $164,401 in 2003, 2002, and 2001, respectively.

Warranty

Estimated future warranty obligations related to applicable products are provided by charges to operations in the period in which the related revenue is recognized.

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. See Note 10 for additional discussion on financial instruments.

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, interest rate caps, interest rate collars, 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 substantially all undistributed earnings of foreign subsidiaries since the subsidiaries reinvest such earnings or remit them to the Company without tax consequence. Income taxes are provided and tax credits are recognized based on tax laws enacted at the dates of the financial statements.

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 accounting principles generally accepted in the United States requires management to make estimates and assumptions. These estimates or assumptions affect reported assets, liabilities, revenues and expenses as reflected in the financial statements. Actual results could differ from these estimates.

Stock-Based Compensation

Under the provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," the Company accounts for stock-based employee compensation using the intrinsic value method prescribed by Accounting Principles Board Opinion ("APB") No. 25, "Accounting for Stock Issued to Employees," and related interpretations. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the exercise price.

The following pro-forma net income and earnings per share information has been determined as if the Company had accounted for its stock-based compensation awards issued subsequent to October 1, 1995 using the fair value method. Under the fair value method, the estimated fair value of awards would be charged against income on a straight-line basis over the vesting period which generally ranges from zero to four years. The pro-forma effect on net income for 2003, 2002, and 2001 may not be representative of the pro-forma effect on net income in future years since compensation cost is allocated on a straight-line basis over the vesting periods of the grants, which extends beyond the reported years.

<TABLE>
<CAPTION>

	Twelve months ended September 30		
	2003	2002	2001
Net Income, as reported	$547,056	$479,982	$401,652
Less stock-based compensation expense, net of tax	35,941	34,890	33,517
Pro-forma net income	$511,115	$445,092	$368,135
Reported earnings per share:			
Basic	$ 2.14	$ 1.85	$ 1.55
Diluted	$ 2.07	$ 1.79	$ 1.49
Pro-forma earnings per share:			
Basic	$ 2.00	$ 1.72	$ 1.42
Diluted	$ 1.95	$ 1.66	$ 1.37

</TABLE>

The pro-forma amounts and fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants in 2003, 2002, and 2001: risk free interest rates of 3.66%, 4.50%, and 5.57%, respectively; expected volatility of 33.2%, 33.0%, and 32.8%, respectively; expected dividend yields of 1.21%, 1.16% and 1.09%, respectively; and expected lives of six years for each year presented.

2 Accounting Changes

Inventories

During the fourth quarter of 2003, the Company changed its method of determining cost for its inventory previously determined under the LIFO method to the FIFO method. As a result of operating efficiencies and cost reductions, the Company believes that the FIFO method is preferable because it better measures the current cost of such inventories and provides a more appropriate matching of revenues and expenses. The change to the FIFO method has been retroactively applied by restating the accompanying financial statements. There was no impact to the Consolidated Statements of Income for all periods presented. The Consolidated Balance Sheets have been restated to reflect a reduction in inventories of $11,477, a reduction in retained earnings of $7,116 and a reduction in deferred tax liabilities of $4,361 for all periods presented.

Goodwill and Other Intangible Assets

Effective October 1, 2001, the Company adopted the provisions of SFAS No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141, among other things, changes the criteria for recognizing intangible assets apart from goodwill. SFAS No. 142 stipulates that goodwill and indefinite-lived intangible assets will no longer be amortized, but instead will be periodically reviewed for impairment. Diluted earnings per share for fiscal 2002 reflect an approximate ten-cent benefit from the adoption of SFAS No. 142.

Upon adoption of these Statements, the Company reclassified approximately $28,500 of assets from Other Intangibles, Net to Goodwill, Net, primarily related to assembled workforce. These assets did not meet the criteria for recognition apart from goodwill under SFAS No. 141. Of this amount, approximately $18,400 related to the Biosciences segment and approximately $10,100 related to the Medical segment. The Company also ceased amortizing certain trademarks that were deemed to have indefinite lives as they are expected to generate cash flows indefinitely. The following table reconciles reported net income to that which would have been reported if the current method of accounting for goodwill and indefinite-lived asset amortization was used for the year ended September 30, 2001:

	2003	2002	2001
Reported Net Income	$547,056	$479,982	$401,652
Goodwill Amortization	--	--	25,943
Amortization of Indefinite-Lived Intangible Assets	--	--	1,307
Adjusted Net Income	$547,056	$479,982	$428,902
Basic Earnings Per Share	$ 2.14	$ 1.85	$ 1.55
Goodwill Amortization	--	--	.10
Amortization of Indefinite-Lived Intangible Assets	--	--	.01
Adjusted Basic Earnings Per Share	$ 2.14	$ 1.85	$ 1.66
Diluted Earnings Per Share	$ 2.07	$ 1.79	$ 1.49
Goodwill Amortization	--	--	.10
Amortization of Indefinite-Lived Intangible Assets	--	--	--
Adjusted Diluted Earnings Per Share	$ 2.07	$ 1.79	$ 1.59

Intangible amortization expense was $36,388, $37,753 and $73,985 in 2003, 2002 and 2001, respectively. The estimated aggregate amortization expense for the fiscal years ending September 30, 2004 to 2008 are as follows: 2004-$34,100; 2005-$32,700; 2006-$30,000; 2007-$29,800; 2008-$28,900.

Intangible assets at September 30 consisted of:

	2003		2002	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets				
Core and Developed Technology	$352,372	$109,689	$370,044	$ 86,878
Patents, Trademarks, & Other	314,211	217,635	308,202	199,065
Total	$666,583	$327,324	$678,246	$285,943
Unamortized intangible assets				
Goodwill(a)	$536,788		$492,327	

Trademarks(b)	15,137	17,621
Total	$551,925	$509,948

</TABLE>

(a) Net of accumulated amortization of $187,340 in 2003 and $175,903 in 2002

(b) Net of accumulated amortization of $6,175 in 2003 and 2002

The change in the carrying amount of goodwill for the year ended September 30, 2003 relates to foreign currency translation adjustments.

During the third quarter of fiscal 2003, the Company decided to discontinue the development of certain products and product applications associated with the BD IMAGN instrument platform in the Biosciences segment. As a result, the Company recorded an impairment loss of $26,717 in cost of products sold. This loss included the write-down of $25,230 of core and developed technology, $960 of indefinite-lived trademarks, and $527 of licenses. The impairment loss was calculated in accordance with SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets." During 2003, additional asset impairment losses of indefinite-lived trademarks amounted to $1,524.

Revenue Recognition

Effective October 1, 2000, the Company changed its method of revenue recognition for certain products in accordance with Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements," ("SAB 101"). As a result, the Company recorded the following accounting changes.

The Company changed its accounting method for revenue recognition related to branded insulin syringe products that are sold to distributors in the U.S. consumer trade channel. These products were predominately sold under incentive programs, and these distributors have implied rights of return on unsold merchandise held by them. The Company previously recognized this revenue upon shipment to these distributors, net of appropriate allowances for sales returns. Effective October 1, 2000, the Company changed its method of accounting for revenue related to these product sales to recognize such revenues upon the sell-through of the respective product from the distribution channel partner to the end customer using inventories reported by such distributors. The Company believes this change in accounting principle is the preferable method. The cumulative effect of this change in accounting method was a charge of $52,184 or $30,789, net of taxes.

The Company also changed its accounting method for recognizing revenue on certain instruments in the Biosciences segment. Prior to the adoption of SAB 101, the Company's accounting policy was to recognize revenue upon delivery of instruments to customers but prior to installation at the customer's site. The Company had routinely completed such installation services successfully in the past, but a substantive effort is required for the installation of these instruments and only the Company can perform the service. Therefore, effective October 1, 2000, the Company began to recognize revenues for these instruments upon completion of installation at the customer's site. The cumulative effect of this change in accounting method was a charge of $9,772, or $5,961 net of taxes.

The total cumulative effect of these accounting changes on prior years resulted in an after-tax charge to income of $36,750 for the year ended September 30, 2001. Of the $80,700 of revenues included in the cumulative effect adjustment, $44,300 and $28,500 were included in the restated revenues for the first and second quarters of fiscal 2001, respectively, with the remainder substantially recognized by the end of the third quarter. The adoption of SAB 101 increased Biosciences revenues for 2001 by approximately $3,400 and decreased Medical revenues for 2001 by about $3,100. Consequently, the adoption of SAB 101 did not have a material effect on revenues for the year ended September 30, 2001.

As of September 30, 2003 and 2002, the deferred profit balances recorded as Accrued Expenses were $14,474 and $10,807, respectively.

Adoption of New Accounting Standards

On April 30, 2003, the FASB issued Statement No. 149, "Amendment of Statement No. 133 on Derivative Instruments and Hedging Activities." This Statement amends and clarifies the financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under Statement No. 133, "Accounting for Derivative

Instruments and Hedging Activities." Statement No. 149 includes decisions made as part of the Derivatives Implementation Group process that effectively required amendments to Statement No. 133. Statement No. 149 is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. The provisions of Statement No. 149 that relate to Statement No. 133 implementation issues and that have been effective for fiscal quarters that began prior to June 15, 2003 will continue to be applied in accordance with their respective effective dates. This Statement had no impact on the Company's consolidated financial position or results of operations in 2003.

In January 2003, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"). FIN 46 significantly changes whether entities included in its scope are consolidated by their sponsors, transferors or investors. The Interpretation introduces a new consolidation model, "the variable interests model," which determines control based on potential variability in gains and losses of the entity being evaluated for consolidation. Under FIN 46, variable interest entities are to be consolidated if certain conditions are met. Variable interests are contractual, ownership or other interests in an entity that expose their holders to the risks and rewards of the variable interest entity. Variable interests include equity investments, leases, derivatives, guarantees and other instruments whose values change with changes in the variable interest entity's assets. The provisions of the Interpretation, as amended by FIN 46-6 "Effective Date of FASB Interpretation No. 46, Consolidation of Variable Interest Entities," are effective for the Company as of March 31, 2004, for variable interest entities acquired before February 1, 2003 and immediately for any variable interest entities acquired after January 31, 2003. The Company is in the process of evaluating the applicability and impact of FIN 46 to certain interests entered into prior to February 1, 2003, although the Company does not expect that FIN 46 will have a material impact on its consolidated financial position or results of operations in 2004.

3 Employee Stock Ownership Plan/ Savings Incentive Plan

The Company has an Employee Stock Ownership Plan ("ESOP") as part of its voluntary defined contribution plan (Savings Incentive Plan) covering most domestic employees. The ESOP is intended to satisfy all or part of the Company's obligation to match 50% of employees' contributions, up to a maximum of 3% of each participant's salary. To accomplish this, in 1990, the ESOP borrowed $60,000 in a private debt offering and used the proceeds to buy the Company's ESOP convertible preferred stock. Each share of preferred stock has a guaranteed liquidation value of $59 per share and is convertible into 6.4 shares of the Company's common stock. The preferred stock pays an annual dividend of $3.835 per share, a portion of which is used by the ESOP, together with the Company's contributions, to repay the ESOP debt. Since the ESOP debt is guaranteed by the Company, it is reflected on the consolidated balance sheet as short-term and long-term debt with a related amount shown in the shareholders' equity section as Unearned ESOP compensation.

The amount of ESOP expense recognized is equal to the cost of the preferred shares allocated to plan participants and the ESOP interest expense for the year, reduced by the amount of dividends paid on the preferred stock.

Selected financial data pertaining to the ESOP/Savings Incentive Plan follows:

	2003	2002	2001
Total expense of the Savings Incentive Plan	$ 2,626	$ 2,737	$ 2,989
Compensation expense (included in total expense above)	$ 2,168	$ 1,863	$ 1,855
Dividends on ESOP shares used for debt service	$ 2,344	$ 2,553	$ 2,721
Number of preferred shares allocated at September 30	500,807	476,938	457,921

The Company guarantees employees' contributions to the fixed income fund of the Savings Incentive Plan. The amount guaranteed was $120,961 at September 30, 2003.

4 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 benefit plans in foreign countries are not material.

The Company made a $100 million cash contribution to the U.S. pension plan in both 2003 and 2002. The Company made these contributions to offset the impact of the decline in the market value of pension assets during fiscal years 2002 and 2001.

The change in benefit obligation, change in plan assets, funded status and amounts recognized in the consolidated balance sheets at September 30, 2003 and 2002 for these plans were as follows:

<TABLE>
<CAPTION>

	Pension Plans		Other Postretirement Benefits	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 852,922	$ 707,392	$ 222,374	$ 200,011
Service cost	44,798	35,702	3,159	2,609
Interest cost	54,072	49,095	14,484	14,419
Plan amendments	894	4,220	--	--
Benefits paid	(49,891)	(41,064)	(15,449)	(18,497)
Actuarial loss	129,493	84,547	30,538	23,832
Other, includes translation	26,357	13,030	--	--
Benefit obligation at end of year	$1,058,645	$ 852,922	$ 255,106	$ 222,374
Change in plan assets:				
Fair value of plan assets at beginning of year	$ 519,161	$ 490,913	--	$ --
Actual return on plan assets	82,973	(50,215)	--	--
Employer contribution	112,132	110,325	--	--
Benefits paid	(49,891)	(41,064)	--	--
Other, includes translation	21,210	9,202	--	--
Fair value of plan assets at end of year	$ 685,585	$ 519,161	--	$ --
Funded status:				
Unfunded benefit obligation	$ (373,060)	$(333,761)	$(255,106)	$(222,374)
Unrecognized net transition obligation	1,308	1,241	--	--
Unrecognized prior service cost	3,236	2,992	(31,619)	(37,919)
Unrecognized net actuarial loss	392,912	307,067	88,297	61,904
Prepaid (accrued) benefit cost	$ 24,396	$ (22,461)	$(198,428)	$(198,389)
Amounts recognized in the consolidated balance sheets consisted of:				
Prepaid benefit cost	$ 13,684	$ 13,258	$ --	$ --
Accrued benefit liability	(132,220)	(168,907)	(198,428)	(198,389)
Intangible asset	3,156	2,918	--	--
Accumulated other comprehensive income before income taxes	139,776	130,270	--	--
Net amount recognized	$ 24,396	$ (22,461)	$(198,428)	$(198,389)

</TABLE>

Foreign pension plan assets at fair value included in the preceding table were $169,473 and $134,300 at September 30, 2003 and 2002, respectively. The foreign pension plan projected benefit obligations were $232,560 and $189,066 at September 30, 2003 and 2002, 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 $1,058,645, $798,059, and $685,585, respectively as of September 30, 2003 and $771,060, $613,018, and $446,908, respectively as of September 30, 2002.

Net pension and postretirement expense included the following components:

	Pension Plans			Other Postretirement Benefits		
	2003	2002	2001	2003	2002	2001
Components of net pension and postretirement costs:						
Service cost	$ 44,798	$ 35,702	$ 33,121	$ 3,159	$ 2,609	$ 2,418
Interest cost	54,072	49,095	46,344	14,484	14,419	13,841
Expected return on plan assets	(47,190)	(52,560)	(58,203)	--	--	--
Amortization of prior service cost	85	(136)	(282)	(6,233)	(6,233)	(6,017)
Amortization of (gain) loss	13,121	3,064	(268)	3,342	1,626	363
Amortization of net obligation	11	12	22	--	--	--
Net curtailment gain	(147)	--	--	--	--	--
Net pension and postretirement costs	$ 64,750	$ 35,177	$ 20,734	$14,752	$12,421	$10,605

Net pension expense attributable to foreign plans included in the preceding table was $13,302, $8,478, and $7,189 in 2003, 2002, and 2001, respectively.

The assumptions used in determining benefit obligations were as follows:

	Pension Plans		Other Postretirement Benefits	
	2003	2002	2003	2002
Discount rate:				
U.S. plans	6.25%	6.75%	6.25%	6.75%
Foreign plans (average)	4.90%	5.18%	--	--
Expected return on plan assets(A):				
U.S. plans	8.00%	8.00%	--	--
Foreign plans (average)	6.72%	7.15%	--	--
Rate of compensation increase:				
U.S. plans	4.25%	4.00%	4.25%	4.00%
Foreign plans (average)	2.92%	3.17%	--	--

(A) Used in the determination of the subsequent year's net pension expense.

At September 30, 2003 the assumed healthcare trend rates were 9% pre and post age 65, decreasing to an ultimate rate of 5% beginning in 2008. At September 30, 2002 the corresponding assumed healthcare trend rates were 10% pre and post age 65 and an ultimate rate of 5% beginning in 2008. A one percentage point increase in assumed healthcare cost trend rates in each year would increase the accumulated postretire-ment benefit obligation as of September 30, 2003 by $11,865 and the aggregate of the service cost and interest cost components of 2003 annual expense by $782. 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, 2003 by $10,226 and the aggregate of the 2003 service cost and interest cost by $676.

The Company utilizes a service-based approach in applying the provisions of SFAS No. 112, "Employers' Accounting For Postemployment Benefits," for most of its postemployment benefits. Such an approach recognizes that actuarial gains and losses may result from experience that differs from baseline assumptions. Postemployment benefit costs were $13,974, $13,599, and $15,107 in 2003, 2002, and 2001, respectively.

5 Special Charges

The Company recorded special charges of $21,508, $57,514, and $90,945 in fiscal years 2002, 2000, and 1998, respectively.

Fiscal Year 2002

The Company recorded special charges of $9,937 and $15,760 during the second and third quarters of fiscal 2002, respectively, related to a manufacturing restructuring program in the BD Medical ("Medical") segment that is aimed at optimizing manufacturing efficiencies and improving the Company's competitiveness in the different markets in which it operates. Offsetting special charges in the third quarter of 2002 were $4,189 of reversals of fiscal

2000 special charges. Of these charges, $19,171 represented exit costs, which included $18,533 related to severance costs. This program involves the termination of 533 employees in China, France, Germany, Ireland, Mexico, and the United States. As of September 30, 2003, 15 employees remain to be severed. The Company expects the remaining terminations to be completed and the related accrued severance to be substantially paid by June 2004.

A summary of the 2002 special charge accrual activity follows:

	Severance	Restructuring
Accrual Balance at September 30, 2002	$ 13,400	$ 600
Payments	(11,600)	(500)
Accrual Balance at September 30, 2003	$ 1,800	$ 100

Fiscal Year 2000

The Company developed a worldwide organizational restructuring plan to align its existing infrastructure with its projected growth programs. This plan included the elimination of open positions and employee terminations from all businesses, functional areas and regions for the sole purpose of cost reduction. As a result of the approval of this plan in September 2000, the Company recorded $33,000 of exit costs, of which $31,700 related to severance costs. At September 30, 2003, all employee terminations have been completed and accruals have been paid relating to the 2000 special charge.

Fiscal Year 1998

In an effort to improve manufacturing efficiencies at certain of its locations, the Company initiated in 1998 two restructuring plans: the closing of a surgical blade plant in Hancock, New York and the consolidation of other production functions in Brazil, Spain, Australia and France. Total charges of $35,300 were recorded in 1998 relating to these restructuring plans, primarily in the Medical segment, and consisted of $15,400 relating to severance and other employee termination costs, $15,400 relating to manufacturing equipment write-offs and $4,500 relating to remaining lease obligations.

The Company also recorded $37,800 of special charges to recognize impairment losses on other non-manufacturing assets. Approximately $25,600 of this charge related to the write-down of goodwill and other assets associated with prior acquisitions in the area of manual microbiology. The impairment loss was recorded as a result of the carrying value of these assets exceeding their fair value, calculated on the basis of discounted estimated future cash flows. The carrying amount of such goodwill and other intangibles was $24,000. The balance of the impairment loss of $1,600 was recognized as a write-down of related fixed assets. Also included in the $37,800 charge was a $4,700 write-down of a facility held for sale, which was subsequently sold in fiscal 2000 at its adjusted book value.

The remaining special charges of $17,845 primarily consisted of $12,300 of estimated litigation defense costs associated with the Company's latex glove business, which was divested in 1995, as well as a number of miscellaneous asset write-downs.

As of September 30, 2003, all employee terminations have been completed and all accruals have been paid relating to the 1998 special charge.

6 Acquisitions

In January 2001, the Company completed its acquisition of Gentest Corporation, a privately-held company serving the life sciences market in the areas of drug metabolism and toxicology testing of pharmaceutical candidates. The purchase price was approximately $29,000 in cash. Unaudited pro-forma consolidated results, after giving effect to this acquisition, would not have been materially different from the reported amounts for 2001.

This acquisition was recorded under the purchase method of accounting and, therefore, the purchase price has been allocated to assets acquired and liabilities assumed based on estimated fair values. The results of operations of the acquired company were included in the consolidated results of the Company from the acquisition date.

7 Income Taxes

The provision for income taxes is composed of the following charges (benefits):

<TABLE>
<CAPTION>

	2003	2002	2001
<S>	<C>	<C>	<C>
Current:			
Domestic:			
Federal	$103,469	$ 33,016	$ 49,053
State and local, including Puerto Rico	3,880	7,900	7,728
Foreign	56,330	50,489	44,167
	163,679	91,405	100,948
Deferred:			
Domestic	(741)	57,651	29,342
Foreign	(288)	(449)	8,058
	(1,029)	57,202	37,400
	$162,650	$148,607	$138,348

</TABLE>

In accordance with SFAS No. 109, "Accounting for Income Taxes," deferred tax assets and liabilities are netted on the balance sheet by separate tax jurisdictions. At September 30, 2003 and 2002, net current deferred tax assets of $85,068 and $71,362, respectively, were included in Prepaid expenses, deferred taxes and other. There were no net non-current deferred tax assets in 2003 and 2002. Net current deferred tax liabilities of $3,385 and $4,635, respectively, were included in Current Liabilities-Income taxes. Net non-current deferred tax liabilities of $91,088 and $77,249, respectively, were included in Deferred Income Taxes and Other. Deferred taxes are not provided on substantially all undistributed earnings of foreign subsidiaries. At September 30, 2003, the cumulative amount of such undistributed earnings approximated $1,798,581 against which substantial tax credits are available. Determining the tax liability that would arise if these earnings were remitted is not practicable.

Deferred income taxes at September 30 consisted of:

<TABLE>
<CAPTION>

	2003		2002	
	Assets	Liabilities	Assets	Liabilities
<S>	<C>	<C>	<C>	<C>
Compensation and benefits	$149,470	$ --	$161,574	$ --
Property and equipment	--	136,633	--	124,718
Purchase acquisition adjustments	--	46,013	--	70,656
Other	130,551	104,694	159,546	134,182
	280,021	287,340	321,120	329,556
Valuation allowance	(2,086)	--	(2,086)	--
	$277,935	$287,340	$319,034	$329,556

</TABLE>

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

<TABLE>
<CAPTION>

	2003	2002	2001
<S>	<C>	<C>	<C>
Federal statutory tax rate	35.0%	35.0%	35.0%
State and local income taxes,			

net of federal tax benefit	.4	1.2	.6
Effect of foreign and Puerto Rican income and foreign tax credits	(8.5)	(9.3)	(8.2)
Effect of Research, Empowerment Zone, Foreign Sales Corporation/ Extraterritorial Income tax benefits	(3.0)	(2.2)	(3.0)
Other, net	(1.0)	(1.1)	(.4)
	22.9%	23.6%	24.0%

</TABLE>

The approximate dollar and diluted per-share amounts of tax reductions related to tax holidays in various countries in which the Company does business were: 2003-$42,050 and $.16; 2002-$40,860 and $.15; and 2001-$43,275 and $.16. The tax holidays expire at various dates through 2018.

The Company made income tax payments, net of refunds, of $110,739 in 2003, $52,603 in 2002, and $53,498 in 2001.

The components of Income Before Income Taxes and Cumulative Effect of Change in Accounting Principle follow:

<TABLE>
<CAPTION>

<S>	2003 <C>	2002 <C>	2001 <C>
Domestic, including Puerto Rico	$334,806	$336,596	$340,073
Foreign	374,900	291,993	236,677
	$709,706	$628,589	$576,750

</TABLE>

8 Supplemental Financial Information

Other (Expense) Income, Net

Other expense, net in 2003 totaled $2,860 which included write-downs of certain investments of $3,030 and the write-off of intangible assets of $1,841. These charges were partially offset by foreign exchange gains of $1,875 (net of hedging costs).

Other expense, net in 2002 included net losses on investments of $18,576. Included in these charges was a $9,725 loss on an equity investment in a publicly traded company. This investment had been trading below its original cost basis of $15,350 since the end of January 2002. As a result, the Company had deemed this decline in value as being other than temporary and had written down this investment to its fair value as of September 30, 2002. Other expense, net in 2002 also included write-down of assets held for sale and asset abandonments of $14,149. These charges were partially offset by foreign exchange gains of $15,596, net of hedging costs.

Other expense, net in 2001 included foreign exchange losses of $8,762, including net hedging costs, and write-downs of investments to market value of $6,401.

Trade Receivables

Allowances for doubtful accounts and cash discounts netted against trade receivables were $47,160 and $38,019 at September 30, 2003 and 2002, respectively.

<TABLE>
<CAPTION>

Inventories <S>	2003 <C>	2002 <C>
Materials	$129,958	$137,688
Work in process	145,500	132,051
Finished products	519,556	416,480
	$795,014	$686,219

</TABLE>

<TABLE>
<CAPTION>

Property, Plant and Equipment <S>	2003 <C>	2002 <C>
Land	$ 62,442	$ 61,756
Buildings	1,135,177	1,071,799

Machinery, equipment and fixtures	2,636,475	2,430,456
Leasehold improvements	71,061	57,350
	3,905,155	3,621,361
Less allowances for depreciation and amortization	2,060,384	1,855,631
	$1,844,771	$1,765,730

</TABLE>

Supplemental Cash Flow Information

Noncash investing activities for the years ended September 30:

<TABLE>
<CAPTION>

	2003	2002	2001
Stock issued for business acquisitions	$97	$241	$243

</TABLE>

9 Debt

The components of Short-term debt follow:

<TABLE>
<CAPTION>

	2003	2002
Loans payable:		
Domestic	$100,000	$415,131
Foreign	5,015	9,280
Current portion of long-term debt	16,905	10,231
	$121,920	$434,642

</TABLE>

Domestic loans payable consist of commercial paper. Foreign loans payable consist of short-term borrowings from financial institutions. The weighted average interest rates for loans payable were 1.6% and 2.0% at September 30, 2003 and 2002, respectively. The Company has in place a $900 million syndicated credit facility, consisting of a $450 million 364-day line of credit expiring in August 2004 and a $450 million five-year line of credit expiring in August 2006. The facility is available to support the Company's commercial paper borrowing program and for other general corporate purposes. Restrictive covenants include a minimum interest coverage ratio. There were no borrowings outstanding under the facility at September 30, 2003. In addition, the Company had short-term foreign lines of credit pursuant to informal arrangements of approximately $225,000 at September 30, 2003, of which $222,000 was unused.

The components of Long-Term Debt follow:

<TABLE>
<CAPTION>

	2003	2002
Domestic notes due through 2015 (average year-end interest rate: 4.4%-2003; 4.8%-2002)	$ 16,389	$ 17,923
Foreign notes due through 2011 (average year-end interest rate: 19.1%-2003; 4.8%-2002)	47	9,965
9.45% Guaranteed ESOP Notes due through July 1, 2004	--	3,715
6.90% Notes due October 1, 2006	105,073	104,945
7.15% Notes due October 1, 2009	226,092	225,686
4.55% Notes due April 15, 2013	198,032	--
4.90% Notes due April 15, 2018	198,124	--
8.70% Debentures due January 15, 2025	105,224	105,683
7.00% Debentures due August 1, 2027	168,000	168,000

6.70% Debentures due August 1, 2028	167,050	167,050
	$1,184,031	$802,967

</TABLE>

In April 2003, the Company issued $200,000 of 4.55% Notes due on April 15, 2013 and $200,000 of 4.9% Notes due on April 15, 2018. The effective yields of these note issues were 4.71% and 5.03%, respectively, including the results of interest rate hedging activity and other financing costs.

The April 2003 note issues were offered under a registration statement filed in March 2003 with the Securities and Exchange Commission using a "shelf" registration process. This registration was for one or more offerings of debt securities, common stock, warrants, purchase contracts and units, up to a total dollar amount of $750,000, including $100,000 of securities carried forward from a registration filed in October 1997. The remaining availability under the March 2003 shelf registration is $350,000.

Long-term debt balances as of September 30, 2003 and 2002 have been impacted by certain interest rate swaps that have been designated as fair value hedges, as discussed in Note 10.

The aggregate annual maturities of long-term debt during the fiscal years ending September 30, 2005 to 2008 are as follows: 2005-$5,252; 2006-$384; 2007-$100,405; 2008-$427.

The Company capitalizes interest costs as a component of the cost of construction in progress. The following is a summary of interest costs:

<TABLE>
<CAPTION>

<S>	2003 <C>	2002 <C>	2001 <C>
Charged to operations	$43,488	$40,269	$61,585
Capitalized	10,346	17,952	28,625
	$53,834	$58,221	$90,210

</TABLE>

Interest paid, net of amounts capitalized, was $32,649 in 2003, $39,153 in 2002, and $63,760 in 2001.

10 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, third party product sales, and investments in foreign subsidiaries. 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 primarily in Western Europe, Asia Pacific, 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 under SFAS No. 133.

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, as defined by SFAS No. 133, 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 to revenues. The Company recorded hedge net losses of

$1,732 and net gains of $3,502 to revenues in fiscal 2003 and 2002, respectively.

Fiscal 2003, 2002 and 2001 revenues are net of hedging costs of $9,876, $10,612 and $8,121, respectively, related to the purchased option contracts. The Company records in Other expense, net, the premium on the forward contracts, which is excluded from the assessment of hedge effectiveness. This premium was $993 and $2,209 in fiscal 2003 and 2002, respectively. All outstanding contracts that were designated as cash flow hedges as of September 30, 2003 will mature by September 30, 2004. As of September 30, 2003, Other Comprehensive Income included an unrealized loss of $7,883, net of tax relating to foreign exchange derivatives that have been designated as cash flow hedges.

The Company enters into forward exchange contracts to hedge its net investments in certain foreign subsidiaries. These forward contracts are designated and effective as net investment hedges, as defined by SFAS No. 133. The Company recorded losses of $15,304 and $1,071 in fiscal 2003 and 2002, respectively, to foreign currency translation adjustments in other comprehensive income for the change in the fair value of the contracts.

Interest Rate Derivatives

The Company's policy is to manage interest cost using a mix of fixed and floating 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, as defined by SFAS No. 133. 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 changes in other comprehensive income. There was no ineffective portion to the hedges recognized in earnings during the period.

In addition, the Company entered into forward rate agreements in order to reduce its exposure to changing interest rates during the period leading up to the issuance of long term debt. These transactions were designated as "highly effective" cash flow hedges, as defined by SFAS No. 133. Upon issuance of the long term debt, a realized loss was recorded in other comprehensive income, which will be reclassified into Interest expense, net over the life of the hedged debt issues. The amount of the loss to be reclassified into earnings within the next 12 months is $59.

For the year ended September 30, 2003, other comprehensive income included an unrealized loss of $2,009, 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. Other investments 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, net of taxes. Losses on available-for-sale securities are recognized when a loss is determined to be other than temporary or when realized. In accordance with the provisions of SFAS No. 133, forward exchange contracts and currency options are recorded at fair value. Fair values 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, 2003 and 2002 were as follows:

<TABLE>
<CAPTION>

	2003		2002	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<S>	<C>	<C>	<C>	<C>
Assets:				
Other investments (non-current)(A)	$ 5,706	$ 22,194	$ 6,431	$ 6,337
Currency options(B)	9,394	9,394	6,878	6,878
Forward exchange contracts(B)	--	--	3,480	3,480
Interest rate swaps(B)	36,881	36,881	36,314	36,314
Liabilities:				
Forward exchange contracts(C)	22,474	22,474	--	--
Long-term debt	1,184,031	1,252,785	802,967	855,331
Interest rate swaps(C)	2,569	2,569	1,677	1,677

</TABLE>

(A) Included in Other non-current assets.

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

(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.

11 Shareholders' Equity

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

<TABLE>
<CAPTION>

	Series B, ESOP Preferred Stock Issued	Common Stock Issued at Par Value	Capital in Excess of Par Value	Retained Earnings	Unearned ESOP Compensation	Deferred Compensation
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at October 1, 2000	$43,570	$332,662	$ 75,075	$2,835,908	$(16,155)	$6,490
Restatement (see Note 2)				(7,116)		
Balance at October 1, 2000 (restated)	43,570	332,662	75,075	2,828,792	(16,155)	6,490
Net income				401,652		
Cash dividends:						
Common ($.38 per share)				(97,897)		
Preferred ($3.835 per share), net of tax benefits				(2,359)		
Common stock issued for:						
Employee stock plans, net			72,745			
Business acquisitions			215			
Common stock held in trusts						606
Reduction in unearned ESOP compensation for the year					4,154	
Adjustment for redemption provisions	(3,042)		655			
Balance at September 30, 2001	40,528	332,662	148,690	3,130,188	(12,001)	7,096
Net income				479,982		
Cash dividends:						
Common ($.39 per share)				(100,521)		
Preferred ($3.835 per share), net of tax benefits				(2,300)		
Common stock issued for:						
Employee stock plans, net			35,679			
Business acquisitions			198			
Common stock held in trusts						1,400
Reduction in unearned ESOP compensation for the year					4,154	
Repurchase of common stock						
Adjustment for redemption provisions	(2,583)		555			
Balance at September 30, 2002	37,945	332,662	185,122	3,507,349	(7,847)	8,496
Net income				547,056		
Cash dividends:						
Common ($.40 per share)				(101,612)		
Preferred ($3.835 per						

share), net of tax benefits				(2,201)		
Common stock issued for:						
Employee stock plans, net			71,206			
Business acquisitions			97			
Common stock held in trusts						478
Reduction in unearned ESOP compensation for the year					4,154	
Repurchase of common stock						
Adjustment for redemption provisions	(3,497)		753			
Balance at September 30, 2003	$34,448	$332,662	$257,178	$3,950,592	$(3,693)	$8,974

<CAPTION>

	Treasury Stock	
	Shares	Amount
<S>	<C>	<C>
Balance at October 1, 2000	(79,165,708)	$ (980,163)
Restatement (see Note 2)		
Balance at October 1, 2000 (restated)	(79,165,708)	(980,163)
Net income		
Cash dividends:		
Common ($.38 per share)		
Preferred ($3.835 per share), net of tax benefits		
Common stock issued for:		
Employee stock plans, net	5,423,069	40,564
Business acquisitions	3,630	28
Common stock held in trusts	(16,346)	(606)
Reduction in unearned ESOP compensation for the year		
Adjustment for redemption provisions	329,877	2,387
Balance at September 30, 2001	(73,425,478)	(937,790)
Net income		
Cash dividends:		
Common ($.39 per share)		
Preferred ($3.835 per share), net of tax benefits		
Common stock issued for:		
Employee stock plans, net	2,634,109	23,497
Business acquisitions	4,767	43
Common stock held in trusts	(42,141)	(1,400)
Reduction in unearned ESOP compensation for the year		
Repurchase of common stock	(6,607,800)	(223,961)
Adjustment for redemption provisions	304,295	2,028
Balance at September 30, 2002	(77,132,248)	(1,137,583)
Net income		
Cash dividends:		
Common ($.40 per share)		
Preferred ($3.835 per share), net of tax benefits		
Common stock issued for:		
Employee stock plans, net	5,048,394	45,841
Business acquisitions	2,487	
Common stock held in trusts	(18,440)	(478)
Reduction in unearned ESOP compensation for the year		
Repurchase of common stock	(9,784,200)	(349,998)
Adjustment for redemption provisions	355,125	2,284

Balance at September 30, 2003	(81,528,882)	$(1,439,934)

Common stock held in trusts represents rabbi trusts in connection with the Company's employee salary and bonus deferral plan and Directors' deferral plan.

Preferred Stock Purchase Rights

In accordance with the Company's shareholder rights plan, each certificate representing a share of outstanding common stock of the Company also represents one Preferred Stock Purchase Right (a "Right"). Each whole Right entitles the registered holder to purchase from the Company one eight-hundredths of a share of Preferred Stock, Series A, par value $1.00 per share, at a price of $67.50. The Rights will not become exercisable unless and until, among other things, a third party acquires 15% or more of the Company's outstanding common stock. The Rights are redeemable under certain circumstances at $.01 per Right and will expire, unless earlier redeemed, on April 25, 2006. There are 500,000 shares of preferred stock designated Series A, none of which has been issued.

12 Other Comprehensive Income (Loss)

The components of Accumulated other comprehensive loss are as follows:

	2003	2002
Foreign currency translation adjustments	$(156,193)	$(363,300)
Minimum pension liability adjustment	(86,909)	(77,661)
Unrealized gains on investments	9,721	68
Unrealized losses on cash flow hedges	(9,892)	(4,393)
	$(243,273)	$(445,286)

The income tax provision recorded in fiscal year 2003 and 2002 for the unrealized gains on investments was $6,700 and $2,800. The income tax benefits recorded in fiscal years 2003 and 2002 for cash flow hedges were $5,500 and $1,900, respectively. The income tax benefit amounts recorded in fiscal years 2003 and 2002 for the minimum pension liability adjustment was $300 and $52,600, respectively. Income taxes are generally not provided for translation adjustments.

The unrealized gains on investments included in other comprehensive loss for 2002 are net of reclassification adjustments of $8,000, net of tax, for recognized losses as defined by SFAS No. 115. The tax expense associated with these reclassification adjustments was $5,600.

The unrealized losses on cash flow hedges included in other comprehensive loss for 2003 and 2002 are net of reclassification adjustments of $6,800 and $4,200, net of tax, respectively, for realized hedge gains recorded to revenues. These amounts had been included in Accumulated other comprehensive loss in prior periods. The tax expense associated with these reclassification adjustments in 2003 and 2002 was $4,800 and $2,900, respectively.

13 Commitments and Contingencies

Commitments

Rental expense for all operating leases amounted to $56,400 in 2003, $52,600 in 2002, and $49,600 in 2001. Future minimum rental commitments on noncancelable leases are as follows: 2004-$38,900; 2005-$32,500; 2006-$27,500; 2007-$21,100; 2008-$13,800 and an aggregate of $30,900 thereafter.

As of September 30, 2003, the Company has certain future capital commitments aggregating approximately $82,300, which will be expended over the next several years.

Contingencies

Litigation-Other Environmental-In 1986, the Company acquired a business that manufactured, among other things, latex surgical gloves. In 1995, the Company divested this glove business. The Company, along with a number of other manufacturers, has been named as a defendant in approximately 523 product liability lawsuits related to natural rubber latex that have been filed in various state and Federal courts. 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, 367 of these cases have been closed with no liability to the Company (313 of which were closed with prejudice), and 28 cases have been settled for an aggregate de minimis amount. The Company is vigorously defending these remaining lawsuits.

The Company, along with another manufacturer and several medical product distributors, is named as a defendant in four product liability lawsuits relating to healthcare workers who allegedly sustained accidental needlesticks, but have not become infected with any disease. Generally, the remaining 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. Several 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 seven 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 four pending suits:

- In Ohio, Grant vs. Becton Dickinson et al. (Case No. 98CVB075616, Franklin County Court), which was filed on July 22, 1998, the Court of Appeals, by order dated June 3, 2003, reversed the trial court's granting of class certification and remanded the case for a determination of whether the class can be redefined, or the action should be dismissed.

- In Illinois, McCaster vs. Becton Dickinson et al. (Case No. 98L09478, Cook County Circuit Court), which was filed on August 13, 1998, the court issued an order on November 22, 2002, denying plaintiff's renewed motion for class certification. The plaintiff has voluntarily dismissed the action without prejudice and with leave to re-file within one year.

- 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 and will continue to vigorously defend these lawsuits, including pursuing all appropriate rights of appeal.

The Company has insurance policies in place, and believes that a substantial portion of the potential liability, if any, in the latex and class action matters would be covered by insurance. In order to protect its rights to additional coverage, the Company has filed an action for declaratory judgment under the caption Becton Dickinson and Company vs. Adriatic Insurance Company et al. (Docket No. MID-L-3649-99 MT, Middlesex County Superior Court) in New Jersey state court. The Company has withdrawn this action, with the right to refile, so that settlement discussions with the insurance companies may proceed. The Company has established reserves to cover reasonably anticipated legal defense costs in all product liability lawsuits, including the needlestick class action and latex matters. With regard to the latex matters, we recorded special charges in 2000 and 1998 of $20 million and $12 million, respectively. Based on a review of available information at that time, these charges were recorded to reflect the minimum amount within the then most probable range of current estimates of litigation defense costs. We do not anticipate incurring significant one-time charges, similar to 2000 and 1998, relating to the latex matters in future years.

On November 6, 2003, a class action complaint was filed against the Company in the Supreme Court of British Columbia under the caption Danielle Cardozo, by her litigation guardian Darlene Cardozo v. Becton, Dickinson and Company (Civil Action No. S83059) alleging personal injury to all persons in British Columbia that received test results generated by the BD ProbeTec ET instrument.

Plaintiffs seek money damages in an as yet undisclosed amount. The Company is assessing this action, and intends to vigorously defend this matter.

On January 17, 2003, Retractable Technologies, Inc. ("plaintiff") filed a third amended complaint against the Company, another manufacturer and two group purchasing organizations ("GPOs") under the caption Retractable Technologies, Inc. vs. Becton Dickinson and Company, et al. (Civil Action No. 501 CV 036, United States District Court, Eastern District of Texas). Plaintiff alleges that the Company and other defendants conspired to exclude it from the market and to maintain the Company's market share by entering into long-term contracts in violation of state and Federal antitrust laws. Plaintiff also has asserted claims for business disparagement, common law conspiracy, and tortious interference with business relationships. Plaintiff seeks money damages in an as yet undisclosed amount. On October 6, 2003, the Company filed a motion for summary judgment. Argument of that motion has been scheduled for December 11, 2003, and a trial date has been set for February 3, 2004. The Company continues to vigorously defend this matter.

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

The Company currently is engaged in discovery or is otherwise in the early stages with respect to certain of the litigation to which it is a party, and therefore, it is difficult to predict the outcome of such litigation. In addition, given the uncertain nature of litigation generally and of the current litigation environment, it is difficult to predict the outcome of any litigation regardless of its stage. A number of the cases pending against the Company present complex factual and legal issues and are subject to a number of variables, including, but not limited to, the facts and circumstances of each particular case, the jurisdiction in which each suit is brought, and differences in applicable law. As a result, the Company is not able to estimate the amount or range of loss that could result from an unfavorable outcome of such matters. In accordance with generally accepted accounting principles, we establish reserves to the extent probable future losses are estimable. While the Company believes that the claims against it are without merit and, upon resolution, should not have a material adverse effect on the Company, in view of the uncertainties discussed above, the Company could incur charges in excess of currently established reserves 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 the Company's consolidated results of operations and consolidated net cash flows in the period or periods in which they are recorded or paid. The Company continues to believe that it has a number of valid defenses to each of the suits pending against it and is engaged in a vigorous defense of each of these matters.

Environmental Matters

The Company also 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. For all sites, there are other potentially responsible parties that may be jointly or severally liable to pay all cleanup costs. The Company accrues costs for estimated environmental liabilities based upon its best estimate within the range of probable losses, without considering possible third-party recoveries. While the Company believes that, upon resolution of such matters, the claims against it should not have a material adverse effect on it, the Company could incur charges in excess of presently established reserves 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 the Company's consolidated results of operations and consolidated net cash flows in the period or periods in which they are recorded or paid.

14 Stock Plans

Stock Option Plans

The Company has stock option plans under which options have been granted to purchase shares of the Company's common stock at prices established by the Compensation and Benefits Committee of the Board of Directors. The 1995, 1998 and 2002 Stock Option Plans made available 24,000,000, 10,000,000 and 12,500,000 shares, respectively, of the Company's common stock for the granting of options to employees. At September 30, 2003, shares available for future grant under the 1995, 1998 and 2002 Plans were 664,970, 476,730 and 9,248,366, respectively. The Non-Employee Directors 2000 Stock Option Plan made available 1,000,000 common shares for the granting of options, of which 899,690 remained available for future grant as of September 30, 2003.

A summary of changes in outstanding options is as follows:

<TABLE>
<CAPTION>

	2003		2002		2001	
	Options for Shares	Weighted Average Exercise Price	Options for Shares	Weighted Average Exercise Price	Options for Shares	Weighted Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at October 1	30,388,618	$26.02	28,271,329	$23.80	30,516,315	$21.29
Granted	5,391,172	30.02	5,460,162	32.45	4,635,232	31.90
Exercised	(5,004,027)	17.26	(2,570,626)	13.53	(5,354,447)	15.34
Forfeited, canceled or expired	(659,462)	31.59	(772,247)	31.98	(1,525,771)	28.20
Balance at September 30	30,116,301	$28.07	30,388,618	$26.02	28,271,329	$23.80
Exercisable at September 30	19,389,311	$26.33	19,682,329	$22.92	20,534,073	$21.30
Weighted average fair value of options granted	$ 10.20		$ 11.59		$ 12.08	
Available for grant at September 30	11,289,756		16,020,386		8,246,462	

</TABLE>

The maximum term of options is ten years. Options outstanding as of September 30, 2003 expire on various dates from January 2004 through September 2013.

<TABLE>
<CAPTION>

	September 30, 2003				
	Options Outstanding			Options Exercisable	
Range Of Option Exercise Price	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number Exercisable	Weighted Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>
$ 8.64-$12.55	1,791,082	$11.47	1.1 Years	1,791,082	$11.47
18.83- 25.63	6,942,444	22.91	3.0 Years	6,942,444	22.91
27.25- 34.96	19,172,717	30.66	7.4 Years	8,533,370	30.04
35.03- 41.56	2,210,058	35.19	5.5 Years	2,122,415	35.12
	30,116,301	$28.07	6.3 Years	19,389,311	$26.33

</TABLE>

As permitted by SFAS No. 123, "Accounting for Stock-Based Compensation," the Company has adopted the disclosure-only provision of the Statement and applies APB Opinion No. 25 and related interpretations in accounting for its employee stock plans.

The 1990 Plan has a provision whereby unqualified options may be granted at, below, or above market value of the Company's stock. If the option price is less than the market value of the Company's stock on the date of grant, the discount is recorded as compensation expense over the service period in accordance with the provisions of APB Opinion No. 25. There was no such compensation expense in 2003, 2002, or 2001.

Under certain circumstances, the stock option plans permit the optionee the right to receive cash and/or stock at the Company's discretion equal to the difference between the market value on the date of exercise and the option price. This difference would be recorded as compensation expense over the vesting period.

Other Stock Plans

The Company has a compensatory Stock Award Plan which allows for grants of common shares to certain key employees. Distribution of 25% or more of each award, as elected by the grantee, is deferred until after retirement or involuntary termination. Commencing on the first anniversary of a grant following retirement, the remainder is distributable in five equal annual installments. During 2003, 60,684 shares were distributed. No awards were granted in 2003, 2002, or 2001. At September 30, 2003, 2,260,389 shares were reserved for future issuance, of which awards for 159,001 shares have been granted.

The Company has a compensatory Restricted Stock Plan for Non-Employee Directors which reserves for issuance 300,000 shares of the Company's common stock. No restricted shares were issued in 2003, 2002, or 2001.

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, 2003, 149,996 shares were held in trust, of which 9,049 shares represented Directors' compensation in 2003, in accordance with the provisions of the Plan. Under the Plan, which is unfunded, directors have an unsecured contractual commitment from the Company to pay directors the amounts due to them under the Plan.

The Company also has a Deferred Compensation Plan that allows certain highly-compensated employees, including executive officers, to defer salary and annual incentive awards. As of September 30, 2003, 165,100 shares were issuable under this plan.

15 Earnings Per Share

For the years ended September 30, 2003, 2002, and 2001, the following table sets forth the computations of basic and diluted earnings per share, before the cumulative effect of accounting change (shares in thousands):

<TABLE>
<CAPTION>

	2003	2002	2001
<S>	<C>	<C>	<C>
Income before cumulative effect of accounting change	$547,056	$479,982	$438,402
Preferred stock dividends	(2,344)	(2,553)	(2,721)
Income available to common shareholders(A)	544,712	477,429	435,681
Preferred stock dividends-using "if converted" method	2,344	2,553	2,721
Additional ESOP contribution-using "if converted" method	(502)	(613)	(645)
Income available to common shareholders after assumed conversions(B)	$546,554	$479,369	$437,757
Average common shares outstanding(C)	254,497	258,016	257,128
Dilutive stock equivalents from stock plans	5,402	6,076	7,309
Shares issuable upon conversion of preferred stock	3,736	4,091	4,396
Average common and common equivalent shares outstanding-assuming dilution(D)	263,635	268,183	268,833
Basic earnings per share before cumulative effect of change in accounting principle(A/C)	$ 2.14	$ 1.85	$ 1.69
Diluted earnings per share before cumulative effect of change in accounting principle(B/D)	$ 2.07	$ 1.79	$ 1.63

</TABLE>

16 Segment Data

The Company's organizational structure is based upon its three principal business segments: BD Medical (formerly "BD Medical Systems") ("Medical"), BD Diagnostics (formerly "BD Clinical Laboratory Solutions") ("Diagnostics"), and

BD Biosciences ("Biosciences").

The major products in the Medical segment are hypodermic products, specially designed devices for diabetes care, prefillable drug delivery systems, infusion therapy products, elastic support products and thermometers. The Medical segment also includes disposable scrubs, specialty needles, and surgical blades. The major products in the Diagnostics segment are clinical and industrial microbiology products, sample collection products, specimen management systems, hematology instruments, and other diagnostic systems, including immunodiagnostic test kits. This segment also includes consulting services and customized, automated barcode systems for use in laboratories. The major products in the Biosciences segment are flow cytometry systems for cellular analysis, reagents and tissue culture labware.

The Company evaluates performance based upon operating income. Segment operating income represents revenues reduced by product costs and operating expenses. The calculations of segment operating income and assets are in accordance with the accounting policies described in Note 1.

Distribution of products is both through distributors and directly to hospitals, laboratories and other end users. Sales to a distributor which supplies the Company's products to many end users accounted for approximately 11% of revenues in 2003, 2002 and 2001, respectively, and included products from the Medical and Diagnostics segments. No other customer accounted for 10% or more of revenues in each of the three years presented.

<TABLE>
<CAPTION>

Revenues	2003	2002	2001
<S>	<C>	<C>	<C>
Medical	$2,456,876	$2,151,374	$2,004,626
Diagnostics	1,373,651	1,236,319	1,151,517
Biosciences	697,413	645,376	590,039
Total(A)	$4,527,940	$4,033,069	$3,746,182
Segment Operating Income			
Medical	$ 556,284	$ 470,168(C)	$ 446,940
Diagnostics	302,071	251,004(D)	212,837
Biosciences	88,885(B)	116,926(E)	97,293
Total Segment Operating Income	947,240	838,098	757,070
Unallocated Expenses(F)	(237,534)	(209,509)	(180,320)
Income Before Income Taxes and Cumulative Effect of Change in Accounting Principle	$ 709,706	$ 628,589	$ 576,750
Segment Assets			
Medical	$2,738,082	$2,536,185	$2,431,709
Diagnostics	1,128,878	1,187,710	1,091,063
Biosciences	912,758(B)	930,836	822,745
Total Segment Assets	4,779,718	4,654,731	4,345,517
Corporate and All Other(G)	792,535	374,252	445,293
Total	$5,572,253	$5,028,983	$4,790,810
Capital Expenditures			
Medical	$ 167,165	$ 182,479	$ 265,531
Diagnostics	61,589	41,774	62,009
Biosciences	22,116	22,747	24,083
Corporate and All Other	10,173	12,703	19,131
Total	$ 261,043	$ 259,703	$ 370,754
Depreciation and Amortization			
Medical	$ 174,701	$ 150,849	$ 145,702
Diagnostics	86,879	89,275	89,117
Biosciences	64,605	50,587	58,204
Corporate and All Other	18,271	14,154	12,677
Total	$ 344,456	$ 304,865	$ 305,700

</TABLE>

(A) Intersegment revenues are not material.

(B) Includes $26,717 in 2003 of impairment charges discussed in Note 2.

(C) Includes $22,600 in 2002 for special charges discussed in Note 5.

(D) Includes $(468) in 2002 for special charge reversals discussed in Note 5.

(E) Includes $(447) in 2002 for special charge reversals discussed in Note 5.

(F) Includes interest, net; foreign exchange; corporate expenses; gains on sales of investments; and certain legal defense costs. Also includes special charge reversals of $(177) in 2002, as discussed in Note 5.

(G) Includes cash and investments and corporate assets.

Revenues by Organizational Units	2003	2002	2001
BD Medical			
Medical Surgical Systems	$1,426,202	$1,299,229	$1,192,340
Diabetes Care	542,327	473,825	483,053
Pharmaceutical Systems	435,624	326,346	278,309
Ophthalmic Systems	52,723	51,974	50,924
	$2,456,876	$2,151,374	$2,004,626
BD Diagnostics			
Preanalytical Systems	$ 707,079	$ 637,194	$ 584,277
Diagnostic Systems	666,572	599,125	567,240
	$1,373,651	$1,236,319	$1,151,517
BD Biosciences			
Immunocytometry Systems	$ 332,505	$ 294,718	$ 265,365
Clontech	64,312	72,710	78,607
Pharmingen	121,173	110,125	94,776
Discovery Labware	179,423	167,823	151,291
	$ 697,413	$ 645,376	$ 590,039
Total	$4,527,940	$4,033,069	$3,746,182

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, and International, which is composed of Europe, 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. Intangible assets are not included since, by their nature, they do not have a physical or geographic location.

	2003	2002	2001
Revenues			
United States	$2,328,246	$2,158,275	$2,001,341
International	2,199,694	1,874,794	1,744,841
Total	$4,527,940	$4,033,069	$3,746,182
Long-Lived Assets			
United States	$ 979,735	$ 974,797	$ 956,138
International	724,100	653,464	633,671
Corporate	140,936	137,469	126,214

Total	$1,844,771	$1,765,730	$1,716,023

</TABLE>

Quarterly Data (Unaudited)
Thousands of dollars, except per-share amounts

<TABLE>
<CAPTION>

2003	1st	2nd	3rd	4th	Year
Revenues	$1,051,648	$1,134,041	$1,165,369	$1,176,882	$4,527,940
Gross Profit	501,609	555,613	542,982	591,446	2,191,650(B)
Net Income	113,638	142,040	130,018	161,360	547,056(B)
Earnings Per Share:					
Basic	.44	.56	.51	.64	2.14
Diluted	.43	.54	.49	.61	2.07

<CAPTION>

2002	1st	2nd	3rd	4th	Year
Revenues	$944,946	$1,012,971	$998,460	$1,076,692	$4,033,069
Gross Profit	445,184	489,838	484,389	529,989	1,949,400
Net Income	99,673	129,188	119,725	131,396	479,982(A)
Earnings Per Share:					
Basic	.38	.50	.46	.51	1.85
Diluted	.37	.48	.44	.50	1.79

</TABLE>

(A) Includes $9,937 and $11,571 of special charges in the second and third quarters, respectively, as discussed in Note 5.

(B) Includes $26,717 of impairment charges in the third quarter, as discussed in Note 2.

Corporate Information

Annual Meeting

2:00 p.m.
Wednesday, February 11, 2004
Woodcliff Lake Hilton
200 Tice Boulevard
Woodcliff Lake, NJ 07675

Direct Stock Purchase Plan

The Direct Stock Purchase Plan established through EquiServe Trust Company, N.A., enhances the services provided to existing shareholders and facilitates initial investments in BD shares. Additional information may be obtained by calling EquiServe Trust Company, N.A. at 1-866-238-5345.

NYSE Symbol

BDX

Transfer Agent and Registrar

EquiServe Trust Company, N.A.
P.O. Box 2500
Jersey City, NJ 07303-2500
Phone: 1-800-519-3111
E-mail: equiserve@equiserve.com
Internet: www.equiserve.com

Shareholder Information

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, and BD's reports and statements filed with or furnished to the Securities and Exchange Commission, are posted on BD's Web site at www.bd.com/investors/.

Shareholders may receive, without charge, printed copies of these documents, including BD's 2003 Annual Report to the Securities and Exchange Commission 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 10086-6530
Phone: 212-773-3000
Internet: www.ey.com

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Certain BD Biosciences products are intended for research use only, and not for use in diagnostic or therapeutic procedures.

'c'2003 BD

Common Stock Prices and Dividends

By Quarter	2003			2002		
	High	Low	Dividends	High	Low	Dividends
First	$31.70	$28.56	$0.100	$38.11	$32.02	$0.0975
Second	35.77	29.45	0.100	37.72	32.15	0.0975
Third	40.43	31.90	0.100	38.47	33.66	0.0975
Fourth	40.00	35.49	0.100	33.78	25.01	0.0975

STATEMENT OF DIFFERENCES

The copyright symbol shall be expressed as.............................. 'c'

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Exhibit 18

November 6, 2003

Mr. John Considine
Executive Vice President and Chief Financial Officer
Becton, Dickinson and Company
1 Becton Drive
Franklin Lakes, NJ 07417

Dear Mr. Considine:

Note 2 of the Notes to Consolidated Financial Statements of Becton, Dickinson and Company included in its Annual Report to Shareholders, incorporated by reference in its Annual Report (Form 10-K), for the period ended September 30, 2003 describes a change in the inventory cost method from the last in, first out ("LIFO") method to the first in, first out ("FIFO") method. There are no authoritative criteria for determining a 'preferable' method based on the particular circumstances; however, we conclude that such change in the method of accounting is to an acceptable alternative method which, based on your business judgment to make this change and for the stated reasons, is preferable in your circumstances.

Very truly yours,

/s/ Ernst & Young LLP

EXHIBIT 21

SUBSIDIARIES OF BECTON, DICKINSON AND COMPANY
EXHIBIT 21 TO FORM 10-K FILED DECEMBER 23, 2003

<Table>
<Caption>

NAME OF SUBSIDIARY	STATE OF JURISDICTION OF INCORPORATION	PERCENTAGE OF VOTING SECURITIES OWNED
<S>	<C>	<C>
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 Ophthalmic Systems Limited	United Kingdom	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 Cellular Imaging Systems B.V.	Netherlands	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 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 GmbH	Germany	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)
Becton Dickinson Infusion Therapy UK	United Kingdom	100%(1)
Becton Dickinson Infusion Therapy Systems Inc.	Delaware	100%

</Table>

<Table>
<Caption>

NAME OF SUBSIDIARY	STATE OF JURISDICTION OF INCORPORATION	PERCENTAGE OF VOTING SECURITIES OWNED
<S>	<C>	<C>
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 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.	99%
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 Ltd. 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 (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 Worldwide, Inc.	Delaware	100%
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.	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 Ltd.	Bermuda	100%(1)
Bedins Vermont Indemnity Company	Vermont	100%
Benex Ltd.	Ireland	100%(1)
Boin Medica Co., Ltd.	Korea	100%(1)
BTP Immunization Systems, LLC	New Jersey	100%

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NAME OF SUBSIDIARY	STATE OF JURISDICTION OF INCORPORATION	PERCENTAGE OF VOTING SECURITIES OWNED
<S>	<C>	<C>
Clontech Laboratories, Inc.	Delaware	100%
Clontech Laboratories UK Limited	United Kingdom	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%
Healthcare Holdings in Sweden AB	Sweden	100%(1)
IBD Holdings LLC	Delaware	50%(1)
Johnston Laboratories, Inc.	Maryland	100%
Life Science Support & Service Company, Ltd.	Japan	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)
PreAnalytiX GmbH	Switzerland	50%(1)
Promedicor de Mexico, S.A. de C.V.	Mexico	100%(1)
Saf-T-Med Inc.	Delaware	100%
Tru-Fit Marketing Corporation	Massachusetts	100%
Visitec Limited		

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

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statement Nos. 33-23055, 33-33791, 33-40787, 33-53375, 33-58367, 33-64115, 333-11885, 333-16091, 333-46089, 333-59238 and 333-108052 on Form S-8, Registration Statement Nos. 333-23559, 333-38193 and 333-104019 on Form S-3 and the related Prospectuses, and this Annual Report (Form 10-K) of our report dated November 6, 2003, with respect to the consolidated financial statements of Becton, Dickinson and Company included in the 2003 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(a). This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, 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.

/s/ ERNST & YOUNG, LLP
....
Ernst & Young, LLP

New York, New York
December 22, 2003

EXHIBIT 31

CERTIFICATIONS

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) [Paragraph omitted pursuant to SEC Release Nos. 33-8238 and 34-47986]

(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: December 23, 2003

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

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 officers 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) [Paragraph omitted pursuant to SEC Release Nos. 33-8238 and 34-47986]

(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 officers 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: December 23, 2003

/s/ JOHN R. CONSIDINE

John R. Considine
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, 2003 (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: December 23, 2003

/s/ EDWARD J. LUDWIG
- -----------------------
Edward J. Ludwig
Chief Executive Officer

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, 2003 (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: December 23, 2003

/s/ JOHN R. CONSIDINE
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John R. Considine
Chief Financial Officer