FORM 10-Q

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

(Mark One)

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

For the quarterly period ended December 31, 2005

OR

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

For the transition period from ___________________________________ to ________

Commission file number 001-4802

Becton, Dickinson and Company

(Exact name of registrant as specified in its charter)

New Jersey	22-0760120
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1 Becton Drive, Franklin Lakes, New Jersey 07417-1880

(Address of principal executive offices)
(Zip Code)

(201) 847-6800

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year,
if changed since last report)

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

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer x Accelerated filer o Non-accelerated filer o

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

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

Class of Common Stock	Shares Outstanding as of December 31, 2005
Common stock, par value $1.00	247,336,480

BECTON, DICKINSON AND COMPANY
FORM 10-Q
For the quarterly period ended December 31, 2005

TABLE OF CONTENTS

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

	December 31, 2005	September 30, 2005
	(Unaudited)	
Assets		
Current Assets:		
Cash and equivalents	$ 1,168,973	$ 1,042,890
Short-term investments	88,375	86,808
Trade receivables, net	853,934	842,806
Inventories:		
Materials	106,550	93,963
Work in process	144,246	139,772
Finished products	560,608	542,214
	811,404	775,949
Prepaid expenses, deferred taxes and other	223,779	226,861
Total Current Assets	3,146,465	2,975,314
Property, plant and equipment	4,341,029	4,305,129
Less allowances for depreciation and amortization	2,413,557	2,371,411
	1,927,472	1,933,718
Goodwill	471,121	470,049
Core and Developed Technology, Net	159,507	165,381
Other Intangibles, Net	101,292	101,558
Capitalized Software, Net	216,064	229,793
Other	208,835	196,156
Total Assets	$ 6,230,756	$ 6,071,969
Liabilities and Shareholders’ Equity		
Current Liabilities:		
Short-term debt	$ 405,652	$ 206,509
Payables and accrued expenses	1,146,584	1,092,866
Total Current Liabilities	1,552,236	1,299,375
Long-Term Debt	958,885	1,060,833
Long-Term Employee Benefit Obligations	185,196	301,933
Deferred Income Taxes and Other	129,039	125,876
Commitments and Contingencies		
Shareholders’ Equity:		
Common stock	332,662	332,662
Capital in excess of par value	687,536	615,846
Retained earnings	4,969,430	4,805,852
Deferred compensation	10,176	10,280
Common shares in treasury – at cost	(2,384,559)	(2,297,493)
Accumulated other comprehensive loss	(209,845)	(183,195)
Total Shareholders’ Equity	3,405,400	3,283,952
Total Liabilities and Shareholders’ Equity	$ 6,230,756	$ 6,071,969

See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Thousands of Dollars, Except Per-share Data
(Unaudited)

	Three Months Ended December 31, 2005	Three Months Ended December 31, 2004
Revenues	$ 1,414,061	$ 1,288,369
Cost of products sold	675,741	634,501
Selling and administrative	367,874	341,088
Research and development	69,325	62,083
Total Operating Costs and Expenses	1,112,940	1,037,672
Operating Income	301,121	250,697
Interest expense	(16,760)	(14,327)
Interest income	14,671	5,205
Other expense, net	(1,163)	(2,861)
Income From Continuing Operations Before Income Taxes	297,869	238,714
Income tax provision	80,009	44,316
Income From Continuing Operations	217,860	194,398
Income from Discontinued Operations, net	—	953
Net Income	$ 217,860	$ 195,351
Basic Earnings Per Share:		
Income from Continuing Operations	$ 0.88	$ 0.77
Income from Discontinued Operations	$ —	$ —
Basic Earnings Per Share (A)	$ 0.88	$ 0.78
Diluted Earnings Per Share:		
Income from Continuing Operations	$ 0.85	$ 0.74
Income from Discontinued Operations	$ —	$ —
Diluted Earnings Per Share (A)	$ 0.85	$ 0.75
Dividends Per Common Share	$ 0.215	$ 0.18

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

See notes to condensed consolidated financial statements

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

	Three Months Ended December 31, 2005	Three Months Ended December 31, 2004
Operating Activities		
Net income	$ 217,860	$ 195,351
Income from discontinued operations, net	—	(953)
Income from continuing operations	217,860	194,398
Adjustments to income from continuing operations to derive net cash provided by operating activities:		
Depreciation and amortization	99,688	94,686
Share-based compensation	34,643	11,590
Change in working capital	(62,176)	14,687
Pension obligation	(126,707)	(47,835)
Other, net	7,841	(3,234)
Net Cash Provided by Continuing Operating Activities	171,149	264,292
Investing Activities		
Capital expenditures	(64,330)	(49,932)
Capitalized software	(3,568)	(5,042)
Purchases of investments, net	(7,668)	(18,254)
Other, net	(16,702)	(6,233)
Net Cash Used for Continuing Investing Activities	(92,268)	(79,461)
Financing Activities		
Change in short-term debt	99,484	(44,953)
Payments of long-term debt	(99)	(357)
Repurchase of common stock	(100,547)	(112,460)
Issuance of common stock from treasury	38,493	58,643
Excess tax benefit from stock option exercises	9,876	14,514
Dividends paid	—	(251)
Net Cash Provided by (Used for) Continuing Financing Activities	47,207	(84,864)
Net Cash Used for Discontinued Operations	—	(1,517)
Effect of exchange rate changes on cash and equivalents	(5)	4,209
Net increase in cash and equivalents	126,083	102,659
Opening Cash and Equivalents	1,042,890	719,378
Closing Cash and Equivalents	$ 1,168,973	$ 822,037

See notes to condensed consolidated financial statements

Dollar and Share Amounts in Thousands, Except Per-share Data

Note 1 - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, in the opinion of the management of the Company, include all adjustments which are of a normal recurring nature, necessary for a fair presentation of the financial position and the results of operations and cash flows for the periods presented. However, the financial statements do not include all information and footnotes required for a presentation in accordance with U.S. generally accepted accounting principles. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included or incorporated by reference in the Company's 2005 Annual Report on Form 10-K. The results of operations for the interim periods are not necessarily indicative of the results of operations to be expected for the full year. Certain reclassifications have been made to prior year amounts to conform to current year presentation.

Note 2 – Comprehensive Income

Comprehensive income was comprised of the following:

	Three Months Ended December 31,	
	2005	**2004**
Net Income	$ 217,860	$ 195,351
Other Comprehensive (Loss) Income, Net of Tax		
Foreign currency translation adjustments	(27,605)	149,931
Unrealized (losses) gains on investments, net of amounts recognized	(1,779)	1,360
Unrealized gains (losses) on cash flow Hedges, net of amounts realized	2,734	(5,665)
Comprehensive Income	$ 191,210	$ 340,977

The amount of unrealized gains or losses on investments and cash flow hedges in comprehensive income has been adjusted to reflect any realized gains and recognized losses included in net income during the three months ended December 31, 2005 and 2004.

Note 3 - Earnings per Share

The computations of basic and diluted earnings per share (shares in thousands) were as follows:

	Three Months Ended December 31,	
	2005	2004
Income from continuing operations	$ 217,860	$ 194,398
Preferred stock dividends	—	(367)
Income from continuing operations available to common shareholders (A)	217,860	194,031
Preferred stock dividends – using “if converted” method	—	367
Income from continuing operations available to common shareholders after assumed conversions (B)	$ 217,860	$ 194,398
Average common shares outstanding (C)	248,046	251,232
Dilutive stock equivalents from stock plans	7,805	8,309
Shares issuable upon conversion of preferred stock	—	2,429
Average common and common equivalent shares outstanding – assuming dilution (D)	255,851	261,970
Basic earnings per share – income from continuing operations (A/C)	$ .88	$ .77
Diluted earnings per share – income from continuing operations (B/D)	$ .85	$ .74

Note 4 - Contingencies

The Company is involved, both as a plaintiff and a defendant, in various legal proceedings and claims which arise in the ordinary course of business.

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

Note 5 – Segment Data

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

	Three Months Ended December 31,	
	2005	**2004**
Revenues		
Medical	$ 770,700	$ 693,822
Diagnostics	443,854	413,783
Biosciences	199,507	180,764
Total Revenues (A)	$ 1,414,061	$ 1,288,369

	Three Months Ended December 31,	
	2005	2004
Segment Operating Income		
Medical	$ 213,123	$ 163,321
Diagnostics	121,518	102,895
Biosciences	47,054	37,299
Total Segment Operating Income	381,695	303,515
Unallocated Items (B)	(83,826)	(64,801)
Income from Continuing Operations Before Income Taxes	$ 297,869	$ 238,714

	Three Months Ended December 31,	
	2005	2004
Revenues by Organizational Units		
BD Medical		
Medical Surgical Systems	$ 428,163	$ 409,564
Diabetes Care	183,696	158,678
Pharmaceutical Systems	143,763	110,685
Ophthalmic Systems	15,078	14,895
	$ 770,700	$ 693,822
BD Diagnostics		
Preanalytical Systems	$ 222,163	$ 208,521
Diagnostic Systems	221,691	205,262
	$ 443,854	$ 413,783
BD Biosciences		
Immunocytometry Systems	$ 112,852	$ 100,100
Pharmingen	36,946	33,701
Discovery Labware	49,709	46,963
	$ 199,507	$ 180,764
Total	$ 1,414,061	$ 1,288,369

(A) Intersegment revenues are not material.
(B) Includes primarily share-based compensation expense; interest, net; foreign exchange; and corporate expenses.

Note 6 – Share-Based Compensation

The Company grants share-based awards under the 2004 Employee and Director Equity-Based Compensation Plan (the "2004 Plan"), which provides for long-term incentive compensation to employees and directors. The Company believes such awards align the interest of its employees and directors with those of its shareholders and encourage employees and directors to act as equity owners of the Company.

Beginning with the annual share-based grant in November 2005 under the 2004 Plan, the Company granted stock appreciation rights ("SARs") in addition to performance-based restricted stock units and time-vested restricted stock units, and discontinued the issuance of stock options. SARs vest over a four-year period and have a ten-year term, similar to the previously granted stock options. SARs represent the right to receive, upon exercise, shares of common stock having a value equal to the difference between the market price of common stock on the date of exercise and the exercise price on the date of grant.

Compensation expense relating to share-based payments is recognized in net income using a fair-value measurement method. Under the fair value method, the estimated fair value of awards is charged to income on a straight-line basis over the requisite service period, which is generally the vesting period.

Share-based compensation expense reduced the Company's results of operations as follows:

	Three Months Ended December 31,		
	2005	2004	
Selling and administrative expense	$ 25,002	$ 9,108	
Cost of products sold	5,852	1,548	
Research and development expense	3,789	934	
Income From Continuing Operations Before Income Taxes	$ 34,643	$ 11,590	
Net Income	$ 23,211	$ 8,494	(A)

(A) Share-based compensation attributable to discontinued operations was not material.

The increase in share-based compensation is primarily attributable to higher expense associated with certain fiscal 2005 and fiscal 2006 grants. These grants reflect a shortened requisite service period resulting from such awards being recognized as of the earlier of the employees' retirement eligibility date or the vesting date, whereas grants prior to the fiscal 2005 grant were recognized through the vesting date. In addition, these grants include a higher percentage of restricted stock units that have a shorter vesting period than previous grants.

The amount of unrecognized compensation expense for all non-vested share-based awards as of December 31, 2005 was approximately $182,200, which is expected to be recognized over a weighted-average remaining life of approximately 2.5 years.

The fair values of SARs granted during the first quarter of 2006 and stock options granted during the first quarter of 2005 were estimated on the date of grant using a lattice-based binomial valuation model based on the following assumptions: risk-free interest rates of 4.48% and 3.93%, respectively; expected volatility of 28% and 29%, respectively; expected dividend yield of 1.46% and 1.28%, respectively; and expected life of 6.5 years for both periods.

Note 7 – Benefit Plans

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

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

	Pension Plans		Other Postretirement Benefits	
	2005	2004	2005	2004
Service cost	$ 17,635	$ 15,294	$ 1,017	$ 913
Interest cost	17,249	16,698	3,716	3,832
Expected return on plan assets	(19,143)	(14,710)	—	—
Amortization of prior service cost	45	83	(1,558)	(1,558)
Amortization of loss	6,796	5,708	1,753	1,520
Other	—	—	16	16
Net pension and postretirement cost	$ 22,582	$ 23,073	$ 4,944	$ 4,723

Net pension cost attributable to foreign plans included in the preceding table was $4,581 and $4,102 for the three months ended December 31, 2005 and 2004, respectively.

The Company made discretionary contributions to its U.S. pension plan of $150,000 and $50,000 during the three months ended December 31, 2005 and 2004, respectively. In addition, the Company made a discretionary contribution to a foreign pension plan of approximately $18,000 during the three months ended December 31, 2004.

Note 8 – Discontinued Operations

On August 31, 2005, the Company completed the sale of the Clontech unit of the Biosciences segment. Clontech's results of operations are reported separately as discontinued operations.

Results of discontinued operations for the three months ended December 31 were as follows:

	2004
Revenues	$ 13,439
Income from discontinued operations	
Before income tax provision	1,576
Income tax provision	(623)
Income from discontinued operations, net	$ 953

Note 9 – Subsequent Event

On January 9, 2006, the Company entered into an agreement to acquire GeneOhm Sciences, Inc. ("GeneOhm Sciences"), a privately held company that develops molecular diagnostic testing for the rapid detection of bacterial organisms, including those known to cause healthcare-associated infections. The Company has agreed to pay $230 million, plus up to $25 million of additional contingent payments, for GeneOhm Sciences. The acquisition is expected to close during the fiscal quarter ending March 31, 2006.

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

Company Overview

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

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

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

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

The results of our strategies are reflected in our first quarter 2006 financial and operational performance. BD reported first quarter revenues of $1.414 billion, an increase of 10% from the same period a year ago, and reflected volume increases of approximately 10%, a decrease due to unfavorable foreign currency translation of approximately 1%, and price increases of less than 1%. Sales in the United States of safety-engineered devices grew 8% to $228 million in the first quarter of 2006. International sales of safety-engineered devices grew 21% to $74 million in the first quarter of 2006. Overall, international revenue growth of 10% for the three-month period included a 2% unfavorable impact of foreign currency translation for the three-month period. As further discussed in our 2005 Annual Report on Form 10-K, we face currency exposure that arises from translating the results of our worldwide operations to the U.S. dollar at exchange rates that have fluctuated from the beginning of the period. We purchase option and forward contracts to partially protect against adverse foreign exchange rate movements.

Our balance sheet remains strong with net cash provided by continuing operations at approximately $171 million for the three months ended December 31, 2005, and our debt-to-capitalization ratio (shareholders' equity, net non-current deferred income tax liabilities, and debt) slightly increasing to 28.0% at December 31, 2005 from 27.3% at September 30, 2005.

Our ability to sustain our long-term growth will depend on a number of factors, including our ability to expand our core business (including geographical expansion), develop innovative new products with higher gross profit margins across our business segments, and continue to improve operating efficiency and organizational effectiveness. Numerous factors can affect our ability to achieve these goals, including without limitation, U.S. and global economic conditions, increased competition and healthcare cost containment initiatives. We believe that there are several important factors relating to our business that tend to reduce the impact on BD of any potential economic or political events in countries in which we do business, including the effects of possible healthcare system reforms. These include the non-discretionary nature of the demand for many of our core products, which may reduce the impact of economic downturns, the international nature of our business and our ability to meet the needs of the worldwide healthcare industry with cost-effective and innovative products.

Our anticipated revenue growth over the next three years, excluding any impact relating to foreign exchange, is expected to come from the following:

- Core business growth and expansion, including the continued transition to safety-engineered devices; and
- Development in each business segment of new products and services that provide increased benefits to patients, healthcare workers and researchers.

On January 9, 2006, BD entered into an agreement to acquire GeneOhm Sciences, a privately held company that has developed molecular diagnostic testing for the rapid detection of bacterial organisms, including those known to cause healthcare-associated infections. The acquisition, which is expected to close in the fiscal quarter ending March 31, 2006, is expected to be dilutive to earnings per share by an estimated 1 cent for the second quarter and 7 cents for the full fiscal year 2006. Upon closing, the Company will also record, in that particular quarter, an in-process R&D charge, resulting in an estimated impact between 20 to 25 cents on diluted earnings per share from continuing operations in 2006.

Results of Operations

Revenues

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

Medical Segment – First quarter revenues of $771 million represented an increase of $77 million, or 11%, from the prior year's quarter, including an estimated $6 million or a 1% unfavorable impact due to foreign currency translation. Primary drivers of this growth were strong sales in the Diabetes Care and Pharmaceutical Systems units, combined with increases in sales of prefilled flush syringes and immunization products. Sales in the Diabetes Care unit were driven by increases in sales of pen needles of $12 million and increases in blood glucose monitoring (“BGM”) sales of $8 million. Increases in sales of Pharmaceutical Systems products were partially driven by demand from pharmaceutical companies preparing for major product launches in the United States and Europe, as well as comparison to a weak prior year’s quarter. Medical revenues also reflect the continued conversion in the United States to safety-engineered products, which accounted for sales of $132 million, as compared with $126 million in the prior year’s quarter. In the prior year, Medical experienced inventory builds at a major distributor in the first quarter, which included safety-engineered products and resulted in inventory reductions by that distributor in the prior year’s second quarter. Included in Medical revenues were international sales of safety-engineered products of $22 million, compared with $18 million in the prior year’s quarter.

Diagnostics Segment – First quarter revenues of $444 million represented an increase of $30 million, or 7%, over the prior year quarter, including an estimated $6 million, or 1%, unfavorable impact due to foreign currency translation. The Diagnostic Systems unit of the segment reported revenue growth of 8%, due primarily to strong sales of flu diagnostic tests to distributors in Japan, which built inventory in anticipation of the flu season. Overall, flu product sales totaled $27 million, compared with $18 million in the prior year’s period. Solid sales growth from the *BD ProbeTec* and *BD Phoenix* instrument platforms also contributed to growth. The Preanalytical Systems unit of the segment reported revenue growth of 7 percent over the prior year’s quarter. U.S. sales of safety-engineered products totaled $96 million, compared with $86 million in the prior year’s quarter, due in large part to the continued success of the *BD Vacutainer* Push Button Blood Collection Set. International sales of safety-engineered products totaled $52 million, compared with $42 million in the prior year’s quarter.

Biosciences Segment – First quarter revenues of $200 million represented an increase of $19 million or 10% over the prior year’s quarter, including an estimated $4 million, or 2%, unfavorable impact due to foreign currency translation. Research instruments and reagent sales continued to be the primary growth contributors, driven by increased demand for both research analyzers and sorters.

Segment Operating Income

Medical Segment
Segment operating income for the first quarter was $213 million, or 27.7% of Medical revenues, compared to $163 million, or 23.5%, in the prior year’s quarter. Operating income as a percentage of revenues in fiscal 2006 reflects gross profit improvement from increased sales of products that have higher overall gross profit margins, in particular insulin delivery and immunization products, and improved manufacturing efficiencies which more than offset higher raw material costs associated with resin-based products. See further discussion on gross profit margin improvement below. Selling and administrative expense as a percent of Medical revenues in the first quarter of 2006 was slightly lower compared with the first quarter of 2005. Certain incremental investments to support the BGM initiative were more than offset by tight controls on base spending. Research and development expenses for the quarter grew 2.3% as the segment continues to invest in the development of innovative products, particularly in the areas of next generation safety-engineered products, diabetes care products, including BGM and other initiatives offset by reductions associated with discontinued and completed projects.

Diagnostics Segment
Segment operating income for the first quarter was $122 million, or approximately 27.4% of Diagnostics revenues, compared to $103 million, or approximately 24.9%, in the prior year's quarter. The increase in operating income as a percentage of revenues, reflects gross profit improvement from increased sales of products that have higher overall gross profit margins, in particular, safety-engineered product, flu diagnostic tests, and the *BD ProbeTec* ET platform. See further discussion on gross profit margin improvement below. Selling and administrative expense as a percentage of Diagnostics revenues in the first quarter of 2006 was slightly lower compared with the first quarter of 2005 primarily due to tight controls on spending. Research and development expenses in the first quarter of 2006 increased $1 million, or 5.6%.

Biosciences Segment
Segment operating income for the first quarter was $47 million, or 23.6% of Biosciences revenues, compared to $37 million, or 20.6%, in the prior year's quarter. The increase in operating income as a percentage of revenues reflects gross profit improvement from increased sales of products that have higher overall gross profit margins, in particular, research instruments and reagents. See further discussion on gross profit margin improvement below. Selling and administrative expense as a percent of Biosciences revenues for the quarter was 26.2% versus 27.3% in the prior year's quarter. This decrease was attributable to revenue growth as well as continued effective spending control. Research and development expenses in the prior year's quarter increased $0.9 million, or 7.0%, reflecting spending on new product development, particularly in the Immunocytometry Systems unit.

Gross Profit Margin
Gross profit margin was 52.2% for the first quarter, compared with 50.8% for the prior year period. Gross profit margin in the first quarter of fiscal 2006 as compared to the prior period reflected an estimated 1.1% improvement relating to increased sales of products with higher margins, an estimated 0.7% improvement associated primarily with productivity gains, with the remaining 0.3% improvement resulting from stronger currency. These gross profit margin improvements were partially offset by an estimated 0.4% relating to higher raw material costs, primarily petroleum-based resins, and an increase in share-based compensation of 0.3%. We expect gross profit margin to improve, on a reported basis, by about 50 basis points in fiscal 2006 (before taking into account the impact of the anticipated acquisition of GeneOhm Sciences, Inc. ("GeneOhm Sciences"), as further discussed above).

Selling and Administrative Expense
Selling and administrative expense was 26.0% of revenues for the first quarter, compared with 26.5% for the prior year's period. Aggregate expenses for the current period reflect increases in share-based compensation expense of $16 million, in base spending of $15 million, in line with inflation, and in expenses related to the BGM initiative of $8 million. These increases in selling and administrative expense were partially offset by proceeds from an insurance settlement of $7 million and a favorable foreign exchange impact of $5 million. Selling and administrative expense as a percentage of revenues is expected to decrease, on a reported basis, by about 50 to 60 basis points in fiscal 2006 (before taking into account the impact of the anticipated acquisition of GeneOhm Sciences, as further discussed above).

Research and Development Expense
Research and development expense was $69 million, or 4.9% of revenues for the first quarter,

compared with the prior year's amount of $62 million, or 4.8% of revenues. The increase in research and development expenditures reflects increased spending for new programs in each of our segments and an increase in share-based compensation of $3 million. We anticipate research and development expense to increase, on a reported basis, about 12% to 13% for fiscal 2006 (before taking into account the impact of the anticipated acquisition of GeneOhm Sciences, as further discussed above).

Non-Operating Expense and Income

Interest expense increased to $17 million in the current quarter from $14 million in the prior year's quarter and reflects higher debt levels and the impact of higher interest rates on floating rate debt and on interest rate swap transactions, consisting of fair value hedges of certain fixed-rate debt instruments, under which the difference between fixed and floating interest rates is exchanged at specified intervals. Interest income increased to $15 million in the current quarter from $5 million in the prior year's period, and reflects higher interest rates and cash balances.

Income Taxes

The income tax rate was 26.9% for the first quarter, compared with the prior year's rate of 18.6%. The prior year's rate reflected an estimated 6.8% benefit due to the reversal of tax reserves in connection with the conclusion of tax examinations in four non-U.S. jurisdictions as well as certain tax-related events that caused the first fiscal quarter 2005 tax rate to vary from the then expected tax rate for fiscal 2005. The Company expects the reported tax rate for the full year to be approximately 26% (before taking into account the impact of the anticipated acquisition of GeneOhm Sciences, as further discussed above).

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

Income from continuing operations and diluted earnings per share from continuing operations for the first quarter of 2006 were $218 million and 85 cents, respectively. Proceeds from an insurance settlement increased income from continuing operations by $4 million and diluted earnings per share from continuing operations by 2 cents. This compared with income from continuing operations and diluted earnings per share from continuing operations for the prior year's first quarter of $194 million and 74 cents, respectively. The prior year's quarter included the effect of the reversal of tax reserves, as described above, which increased income from continuing operations by $11 million and diluted earnings per share from continuing operations by 4 cents.

Liquidity and Capital Resources

Net cash provided by continuing operating activities, which continues to be our primary source of funds to finance operating needs and capital expenditures, was $171 million during the first quarter of fiscal 2006, and $264 million in the same period in fiscal 2005. Net cash provided by operations was reduced by a change in the pension obligation of $127 million, which reflected a discretionary cash contribution of $150 million. BD's funding policy for its defined benefit pension plans is to contribute amounts sufficient to meet the minimum funding requirement of the Employee Retirement Income Security Act of 1974, plus any additional amounts that management may determine to be appropriate considering the funded status of the plans, tax deductibility, cash flows, and other factors.

Net cash used for continuing investing activities for the first quarter of the current year was $92 million, compared to $79 million in the same period a year ago. Capital expenditures were $64 million in the first quarter of fiscal 2006 and $50 million in the same period in fiscal 2005. We expect capital spending for fiscal 2006 to be in the $400 million range.

Net cash provided by continuing financing activities in the first quarter of the current year was $47 million, compared to net cash used for continuing financing activities of $85 million in the prior year period. As of December 31, 2005, total debt of $1.4 billion represented 28.0% of total capital (shareholders' equity, net non-current deferred income tax liabilities, and debt), versus 27.3% at September 30, 2005. Short-term debt increased to 30% of total debt at the end of the fiscal quarter, from 16% at September 30, 2005.

For the first quarter of the current year, the Company repurchased approximately $101 million of its common stock compared with approximately $112 million in the prior year period. At December 31, 2005, 2.6 million common shares remained available for purchase pursuant to a repurchase program for 10 million shares authorized by the Board of Directors (the "Board") in November 2004. The Board authorized an additional repurchase program for 10 million shares on November 22, 2005. Stock repurchases were offset, in part, by the issuance of common stock from treasury due to the exercising of stock options by employees.

We have in place a commercial paper borrowing program that is available to meet our short-term financing needs, including working capital requirements. Borrowings outstanding under this program were approximately $299 million at December 31, 2005. We maintain a $900 million syndicated credit facility in order to provide backup support for our commercial paper program and for other general corporate purposes. This credit facility expires in August 2009 and includes a single financial covenant that requires BD to maintain an interest expense coverage ratio (ratio of earnings before income taxes, depreciation and amortization to interest expense) of not less than 5-to-1 for the most recent four consecutive fiscal quarters. On the last eight measurement dates, this ratio had ranged from 18-to-1 to 21-to-1. The facility, under which there were no borrowings outstanding at December 31, 2005, can be used to support the commercial paper program or for general corporate purposes. In addition, we have informal lines of credit outside the United States.

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

We will repatriate a total of approximately $1.3 billion of foreign earnings during fiscal 2006 pursuant to our approved plan under the American Jobs Creation Act of 2004.

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

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

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

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

- Regional, national and foreign economic factors, including inflation and fluctuations in interest rates and foreign currency exchange rates and the potential effect of such fluctuations on revenues, expenses and resulting margins.
- We operate in a highly competitive environment. New product introductions by our current or future competitors could adversely affect our ability to compete in the global market. Patents attained by competitors, particularly as patents on our products expire, may also adversely impact our competitive position.
- Recently, the U.S. Food and Drug Administration ("FDA") and European authorities have approved a new inhaled form of insulin for adults, which could adversely impact sales of our insulin injection devices.

- Changes in domestic and foreign healthcare industry practices and regulations resulting in increased pricing pressures, including the continued consolidation among healthcare providers; trends toward managed care and healthcare cost containment and government laws and regulations relating to sales and promotion, reimbursement and pricing generally.
- The effects, if any, of governmental and media activities 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 (particularly with respect to sole-source suppliers) and the potential adverse effects of any disruption in the availability of such raw materials.
- Our ability to obtain the anticipated benefits of any restructuring programs, if any, that we may undertake.
- Adoption of or changes in government laws and regulations affecting domestic and foreign operations, including those relating to trade, monetary and fiscal policies, taxation, environmental matters, sales practices, price controls, licensing and regulatory approval of new products, or changes in enforcement practices with respect to any such laws and regulations.
- Fluctuations in U.S. and international governmental funding and policies for life science research.
- Difficulties inherent in product development, including the potential inability to successfully continue technological innovation, complete clinical trials, obtain regulatory approvals in the United States and abroad, or gain and maintain market approval of products, as well as the possibility of encountering infringement claims by competitors with respect to patent or other intellectual property rights, all of which can preclude or delay commercialization of a product.
- Pending and potential litigation or other proceedings adverse to BD, including antitrust claims, product liability claims, and patent infringement claims, as well as other risks and uncertainties detailed from time to time in our SEC filings.
- The effects, if any, of adverse media exposure or other publicity regarding BD's business or operations.
- Our ability to achieve earnings forecasts, which are generated based on projected volumes and sales of many product types, some of which are more profitable than others. There can be no assurance that we will achieve the projected level or mix of product sales.
- The effect of market fluctuations on the value of assets in BD's pension plans and the possibility that BD may need to make additional contributions to the plans as a result of any decline in the value of such assets.

- Our ability to effect infrastructure enhancements and incorporate new systems technologies into our operations.
- Product efficacy or safety concerns resulting in product recalls, regulatory action on the part of the FDA (or foreign counterparts) or declining sales.
- Economic and political conditions in international markets, including civil unrest, governmental changes and restrictions on the ability to transfer capital across borders.
- The effects of natural disasters, including hurricanes or pandemic diseases, on our ability to manufacture our products, particularly where production of a product line is concentrated in one or more plants, or on our ability to source components from suppliers that are needed for such manufacturing.
- Our ability to penetrate developing and emerging markets, which also depends on economic and political conditions, and how well we are able to acquire or form strategic business alliances with local companies and make necessary infrastructure enhancements to production facilities, distribution networks, sales equipment and technology.
- The impact of business combinations, including acquisitions and divestitures, both internally for BD and externally, in the healthcare industry.
- Issuance of new or revised accounting standards by the Financial Accounting Standards Board or the SEC.

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in information reported since the end of the fiscal year ended September 30, 2005.

Item 4. Controls and Procedures

An evaluation was carried out by BD’s management, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of BD’s disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of December 31, 2005. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were, as of the end of the period covered by this report, adequate and effective to ensure that material information relating to BD and its consolidated subsidiaries would be made known to them by others within these entities. There were no changes in our internal control over financial reporting during the fiscal quarter ended December 31, 2005 identified in connection with the above-referenced evaluation that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are involved, both as a plaintiff and a defendant, in various legal proceedings which arise in the ordinary course of business, including product liability and environmental matters. A more complete description of legal proceedings has been set forth in our 2005 Annual Report on Form 10-K (the "10-K"). Since the beginning of the quarter ended December 31, 2005, the following changes have occurred.

Antitrust Class Actions
On January 17, 2006, Drug Mart Tallman filed a purported class action lawsuit against BD in the United States District Court in Newark, New Jersey (Drug Mart Tallman, Inc., et al v. Becton Dickinson and Company, Case No. 2:06-CV-00174). The complaint alleges that BD violated federal and various state antitrust laws, resulting in the charging of higher prices for certain BD products to plaintiff and other indirect purchasers of BD products. BD believes that it has meritorious defenses to this suit and intends to defend this suit vigorously. The above action is the seventh antitrust class action suit brought against BD by either direct or indirect purchasers of BD's products. These antitrust class action lawsuits, including the above action, have been consolidated for pre-trial purposes in a Multi-District Litigation (MDL) in federal court in New Jersey.

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

Item 1A. Risk Factors

Not applicable.

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

The table below sets forth certain information regarding our purchases of common stock of BD during the fiscal quarter ended December 31, 2005.

Issuer Purchases of Equity Securities

For the three months ended December 31, 2005	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
October 1 – 31, 2005	4,033	$ 50.68	—	4,344,914
November 1 – 30, 2005	600,639	$ 58.65	600,000	13,744,914
December 1 – 31, 2005	1,115,117	$ 59.42	1,100,000	12,644,914
Total	1,719,789	$ 59.13	1,700,000	12,644,914

(1) Includes for the quarter 18,049 shares purchased in open market transactions by the trustee under BD's Deferred Compensation Plan and 1996 Directors' Deferral Plan. Also includes 1,740 shares delivered to the Company in connection with stock option exercises.

(2) These repurchases were made pursuant to a repurchase program for 10 million shares announced on November 23, 2004 (the "2004 Program"). There is no expiration date for the 2004 Program. On November 22, 2005, the Board of Directors of BD authorized an additional repurchase program for 10 million shares.

I tem 3. Defaults Upon Senior Securities.

Not applicable.

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

There were no matters submitted to a vote of security holders during the fiscal quarter ended December 31, 2005.

Our Annual Meeting of Shareholders was held on January 31, 2006, at which the following matters were voted upon:

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

		Votes	
Nominee	Term	For	Withheld
Edward J. Ludwig	3 Years	208,868,737	6,905,452
Willard J. Overlock, Jr.	3 Years	212,162,197	3,611,992
Bertram L. Scott	3 Years	209,297,765	6,476,424

The directors whose term of office as a director continued after the meeting are: Basil L. Anderson, Henry P. Becton, Jr., Edward F. DeGraan,Gary A. Mecklenburg, James F. Orr, James E. Perrella, Alfred Sommer and Margaretha af Ugglas.

ii.) A management proposal to ratify the selection of Ernst & Young LLP as independent registered public accounting firm for the fiscal year ending September 30, 2006 was voted upon. 211,302,059 shares were voted for the proposal, 2,964,216 shares were voted against, and 1,507,914 shares abstained.

iii.) A shareholder proposal requesting that the Board of Directors publish a report evaluating the Company's policies on brominated flame retardants and other toxic chemicals was voted upon. 14,393,882 shares were voted for the proposal, 150,699,713 shares were voted against, 26,390,342 shares abstained, and there were 24,290,252 broker non-votes.

iv.) A shareholder proposal requesting that the Board of Directors take the necessary steps to provide for cumulative voting in the election of directors was voted upon. 74,079,013 shares were voted for the proposal, 97,376,269 shares were voted against, 20,028,655 shares abstained, and there were 24,290,252 broker non-votes.

Item 5. Other Information.

As was disclosed in BD's proxy statement for its 2006 annual meeting of shareholders (the "Proxy Statement"), on December 7, 2005, BD and Edward J. Ludwig, the Chairman, President and Chief Executive Officer of BD, entered into a time sharing agreement under which Mr. Ludwig will make lease payments to BD for his personal use of the BD corporate aircraft, up to the maximum amount permitted by Federal Aviation Administration regulations.

As was also disclosed in the Proxy Statement, during the period covered by this report, BD entered into change of control employment agreements with each of its executive officers and with other corporate officers that provide for the continued employment of such persons for a period of time following a change of control of BD.

The time sharing agreement with Mr. Ludwig and the forms of the change of control employment agreements described above were filed as exhibits to BD's Annual Report on Form 10-K for the fiscal year ended September 30, 2005.

Item 6. Exhibits

Exhibit 10(a)	Stock Award Plan, as amended and restated as of January 31, 2006.
Exhibit 31	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to SEC Rule 13a - 14(a).
Exhibit 32	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to Rule 13a - 14(b) and Section 1350 of Chapter 63 of Title 18 of the U.S. Code.

SIGNATURES

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

Becton, Dickinson and Company

(Registrant)

Dated: February 8, 2006

/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
(Chief Accounting Officer)

INDEX TO EXHIBITS

Exhibit Number	Description of Exhibits
10(a)	Stock Award Plan, as amended and restated as of January 31, 2006.
31	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to SEC Rule 13a - 14(a).
32	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to Rule 13a - 14(b) and Section 1350 of Chapter 63 of Title 18 of the U.S. Code.

BECTON, DICKINSON AND COMPANY

STOCK AWARD PLAN

AS AMENDED AND RESTATED AS OF JANUARY 31 2006

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 at any time prior to the third anniversary of the Granting Date voluntarily resigns or is discharged for cause, automatically forfeits any undistributed shares in the current 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. A Grantee who voluntarily resigns or is discharged for cause automatically forfeits 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 receive the shares issuable pursuant to such Awards. Such distribution shall be made immediately upon the occurrence of a change in control of the Company.

(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.

CERTIFICATIONS

I, Edward J. Ludwig, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Becton, Dickinson and Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 8, 2006

/s/ Edward J. Ludwig

Edward J. Ludwig
Chairman, President and
Chief Executive Officer

I, John R. Considine, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Becton, Dickinson and Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 8, 2006

/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 Quarterly Report on Form 10-Q of Becton, Dickinson and Company for the quarter ended December 31, 2005 (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.

February 8, 2006

/s/ Edward J. Ludwig

Name: Edward J. Ludwig
Chief Executive Officer

The certification set forth below is being submitted in connection with the Quarterly Report on Form 10-Q of Becton, Dickinson and Company for the quarter ended December 31, 2005 (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.

February 8, 2006

/s/ John R. Considine

Name: John R. Considine
Chief Financial Officer