FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

(Mark One	e)	
	RTERLY REPORT PURSUANT TO SECTION HANGE ACT OF 1934	N 13 OR 15(d) OF THE SECURITIES
For the o		March 31, 1994
	Ol	₹
	NSITION REPORT PURSUANT TO SECTION INSTRUMENTAL PROPERTY OF 1934	ON 13 OR 15(d) OF THE SECURITIES
For the t	transition period from	to
Commissio	on file number 1-4802	
	Becton, Dickinso	
	(Exact name of registrant as	specified in its charter)
1	New Jersey	22-0760120
(State o	r other jurisdiction of tration or organization)	(I.R.S. Employer Identification No.)
	1 Becton Drive Franklin Lakes,	New Jersey 07417-1880
	(Address of principal (Zip Co	executive offices)
	(201) 84	
	(Registrant's telephone numb	per, including area code)
	27 (
	N/ <i>i</i>	
	(Former name, former address if changed since	
required 1934 duri registrar	to be filed by Section 13 or 15 ing the preceding 12 months (or :	orts), and (2) has been subject to such
	licate the number of shares outstand in stock, as of the latest praction	anding of each of the issuer's classes cable date.
		ares Outstanding as of April 30, 1994
	n stock, par value \$1.00	71,678,462
	Page 1 of 13 Pages (Exhib:	it Index is on Page 12)
	PART I - FINANC	IAL INFORMATION
Item 1.	Financial Statements.	
	Condensed Consolidated Balance S	Sheets at March 31, 1994 and September
	Condensed Consolidated Statement month periods ended March 31,	ts of Operations for the three and six 1994 and 1993
	Condensed Consolidated Statement ended March 31, 1994 and 1993	ts of Cash Flows for the six months

Notes to Condensed Consolidated Financial Statements

<TABLE> <CAPTION>

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

Case	Assets	March 31, 1994	
Cach and equivalents \$ 31,008 \$ 39,126 Short-term investments 18,597 25,753 Trade receivables, net 509,846 557,803 Trade receivables, net 70,805 70,80	<s></s>	(Unaudited)	
Short-term investments	Current Assets:		
Short-term investments	Cash and equivalents	\$ 31,008	\$ 39,126
Naterials	Short-term investments	18,597	25 , 753
Materials 87,298 89,549 Work in process 67,845 67,257 Finished products 290,351 289,071 Prepaid expenses, deferred taxes and other 76,174 82,183 Total Current Assets 1,081,119 1,150,742 Investments in marketable securities 123,597 133,605 Property, plant and equipment 2,410,655 2,363,856 Less allowances for depreciation and amortization 1,030,529 960,786 Intangibles, net 106,555 110,820 Patents and other 106,555 110,820 Goodwill 101,535 105,272 Other 198,269 194,056 Total Assets \$ 2,991,201 \$ 3,087,565 Liabilities and Shareholders' Equity \$ 187,064 \$ 206,763 Payables and other liabilities 380,264 429,299 Total Current Liabilities 567,328 636,062 Long-term employee benefit obligations 298,229 294,054 Deferred income taxes and other 23,968 19,915 Sharehol	Trade receivables, net	509,846	557,803
Work in process	Inventories (Note 2):		
Finished products 290,351 289,071 445,494 445,877 76174 82,183 Total Current Assets 1,081,119 1,150,742 Investments in marketable securities 123,597 123,605 Property, plant and equipment 2,410,655 2,363,856 Less allowances for depreciation and amortization 1,030,529 960,786 Intangibles, net 910,555 110,820 Goodwill 101,535 105,272 Other 198,269 194,056 Total Assets \$2,991,201 \$3,087,565 Liabilities and Shareholders' Equity Current Liabilities: Short-term debt 380,264 429,299 Total Current Liabilities 567,328 636,062 Long-term debt 704,537 680,581 Long-term employee benefit obligations 298,229 294,054 Deferred income taxes and other 23,968 19,915 Shareholders' Equity: Preferred stock 85,349 85,349 Common stock 85,349 85,349 Capital in excess of par value (27,687) (22,048) Retailed earnings 1,635,646 1,581,196 Uncarned ESOP compensation 445,6953 Total Shareholders' Equity 1,397,139 1,456,953 Total Liabilities and Shareholders' Equity \$2,991,201 \$3,007,565	Materials	87 , 298	89 , 549
Prepaid expenses, deferred taxes and other	Work in process	67 , 845	67 , 257
Prepaid expenses, deferred taxes and other 76,174 82,183 76,174 7	Finished products		
Prepaid expenses, deferred taxes and other			
Total Current Assets			445,877
Total Current Assets	Prepaid expenses, deferred taxes and other	76,174	
Property, plant and equipment Less allowances for depreciation and amortization Less allowances for depreciation and amortization 1,300,529 960,786 1,380,126 1,403,070 Intangibles, net Patents and other Goodwill 101,535 110,820 Goodwill 101,535 105,272 Other Total Assets \$ 2,991,201 \$ 3,087,565	Total Current Assets		
Property, plant and equipment Less allowances for depreciation and amortization Less allowances for depreciation and amortization 1,300,529 960,786 1,380,126 1,403,070 Intangibles, net Patents and other Goodwill 101,535 110,820 Goodwill 101,535 105,272 Other Total Assets \$ 2,991,201 \$ 3,087,565			
Less allowances for depreciation and amortization 1,030,529 960,786	Investments in marketable securities	123,597	123,605
Less allowances for depreciation and amortization 1,030,529 960,786	Droporty plant and equipment	2 /10 655	3 363 056
Total Assets		2,410,633	2,363,636
1,380,126 1,403,070 101,505 110,820 200,000 101,505 105,272 200,000	Less allowances for depreciation and amortization		960,766
Intangibles, net			
### Patents and other Goodwill 106,555 110,820 105,272 Common taxes and other employee benefit obligations before the methodox of Common stock Compensation stock Read and stock compensation stock Compen	Intangibles, net	1,000,120	1,100,010
Goodwill 101,535 105,272 Other 198,269 194,056 Total Assets \$ 2,991,201 \$ 3,087,565 Liabilities and Shareholders' Equity Current Liabilities: Short-term debt \$ 187,064 \$ 206,763 Payables and other liabilities 380,264 429,299 Total Current Liabilities 567,328 636,062 Long-term debt 704,537 680,581 Long-term employee benefit obligations 298,229 294,054 Deferred income taxes and other 23,968 19,915 Shareholders' Equity: Freferred stock 57,403 58,108 Common stock 85,349 85,349 Capital in excess of par value 105,105 104,954 Cumulative currency translation adjustments (27,687) (22,048) Retained earnings 1,635,646 1,581,196 Unearned ESOP compensation (44,687) (45,249) Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity 1,397,139 1,456,953 <t< td=""><td></td><td>106,555</td><td>110.820</td></t<>		106,555	110.820
Other 198,269 194,056 Total Assets \$ 2,991,201 \$ 3,087,565 Liabilities and Shareholders' Equity *** Short-term debt \$ 187,064 \$ 206,763 Payables and other liabilities 380,264 429,299 Total Current Liabilities 567,328 636,062 Long-term debt 704,537 680,581 Long-term employee benefit obligations 298,229 294,054 Deferred income taxes and other 23,968 19,915 Shareholders' Equity: *** *** Preferred stock 57,403 58,108 Common stock 85,349 85,349 Capital in excess of par value 105,105 104,954 Cumulative currency translation adjustments (27,687) (22,048) Retained earnings 1,635,646 1,581,196 Unearned ESOP compensation (44,687) (45,249) Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity 1,337,139 1,456,953 Total Liabilities and Shareholders' Equity \$ 2,991,201			
Total Assets \$ 2,991,201 \$ 3,087,565 Liabilities and Shareholders' Equity Current Liabilities: Short-term debt \$ 187,064 \$ 206,763		•	•
Total Assets \$ 2,991,201 \$ 3,087,565	Other		
Liabilities and Shareholders' Equity Current Liabilities: Short-term debt	Motal Accets		
Current Liabilities: Short-term debt Payables and other liabilities Total Current Liabilities Soft,328 Competerm debt Competerm debt Deferred income taxes and other Preferred stock Common stock	Total Assets		
Short-term debt \$ 187,064 \$ 206,763 Payables and other liabilities 380,264 429,299 Total Current Liabilities 567,328 636,062 Long-term debt 704,537 680,581 Long-term employee benefit obligations 298,229 294,054 Deferred income taxes and other 23,968 19,915 Shareholders' Equity: 77,403 58,108 Common stock 85,349 85,349 Capital in excess of par value 105,105 104,954 Cumulative currency translation adjustments (27,687) (22,048) Retained earnings 1,635,646 1,581,196 Unearned ESOP compensation (44,687) (45,249) Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity 1,397,139 1,456,953 Total Liabilities and Shareholders' Equity \$ 2,991,201 \$ 3,087,565	Liabilities and Shareholders' Equity		
Short-term debt \$ 187,064 \$ 206,763 Payables and other liabilities 380,264 429,299 Total Current Liabilities 567,328 636,062 Long-term debt 704,537 680,581 Long-term employee benefit obligations 298,229 294,054 Deferred income taxes and other 23,968 19,915 Shareholders' Equity: 77,403 58,108 Common stock 85,349 85,349 Capital in excess of par value 105,105 104,954 Cumulative currency translation adjustments (27,687) (22,048) Retained earnings 1,635,646 1,581,196 Unearned ESOP compensation (44,687) (45,249) Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity 1,397,139 1,456,953 Total Liabilities and Shareholders' Equity \$ 2,991,201 \$ 3,087,565	Current Liabilities.		
Payables and other liabilities 380,264 429,299 Total Current Liabilities 567,328 636,062 Long-term debt 704,537 680,581 Long-term employee benefit obligations 298,229 294,054 Deferred income taxes and other 23,968 19,915 Shareholders' Equity: \$7,403 58,108 Common stock 57,403 58,108 Common stock 85,349 85,349 Capital in excess of par value 105,105 104,954 Cumulative currency translation adjustments (27,687) (22,048) Retained earnings 1,635,646 1,581,196 Unearned ESOP compensation (44,687) (45,249) Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity 1,397,139 1,456,953 Total Liabilities and Shareholders' Equity \$ 2,991,201 \$ 3,087,565		\$ 187 064	\$ 206.763
Total Current Liabilities 567,328 636,062 Long-term debt 704,537 680,581 Long-term employee benefit obligations 298,229 294,054 Deferred income taxes and other 23,968 19,915 Shareholders' Equity: Preferred stock 57,403 58,108 Common stock 85,349 85,349 Capital in excess of par value 105,105 104,954 Cumulative currency translation adjustments (27,687) (22,048) Retained earnings 1,635,646 1,581,196 Unearned ESOP compensation (44,687) (45,249) Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity \$2,991,201 \$3,087,565			
Total Current Liabilities	rayables and other frabilities		
Long-term debt 704,537 680,581 Long-term employee benefit obligations 298,229 294,054 Deferred income taxes and other 23,968 19,915 Shareholders' Equity: Preferred stock 57,403 58,108 Common stock 85,349 85,349 Capital in excess of par value 105,105 104,954 Cumulative currency translation adjustments (27,687) (22,048) Retained earnings 1,635,646 1,581,196 Unearned ESOP compensation (44,687) (45,249) Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity \$2,991,201 \$3,087,565	Total Current Liabilities		
Long-term employee benefit obligations 298,229 294,054 Deferred income taxes and other 23,968 19,915 Shareholders' Equity: Preferred stock 57,403 58,108 Common stock 85,349 85,349 Capital in excess of par value 105,105 104,954 Cumulative currency translation adjustments (27,687) (22,048) Retained earnings 1,635,646 1,581,196 Unearned ESOP compensation (44,687) (45,249) Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity 1,397,139 1,456,953 Total Liabilities and Shareholders' Equity \$2,991,201 \$3,087,565		,	,
Deferred income taxes and other 23,968 19,915 Shareholders' Equity: Preferred stock 57,403 58,108 Common stock 85,349 85,349 Capital in excess of par value 105,105 104,954 Cumulative currency translation adjustments (27,687) (22,048) Retained earnings 1,635,646 1,581,196 Unearned ESOP compensation (44,687) (45,249) Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity 1,397,139 1,456,953 Total Liabilities and Shareholders' Equity \$ 2,991,201 \$ 3,087,565	Long-term debt	704,537	680,581
Deferred income taxes and other 23,968 19,915 Shareholders' Equity: Preferred stock 57,403 58,108 Common stock 85,349 85,349 Capital in excess of par value 105,105 104,954 Cumulative currency translation adjustments (27,687) (22,048) Retained earnings 1,635,646 1,581,196 Unearned ESOP compensation (44,687) (45,249) Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity 1,397,139 1,456,953 Total Liabilities and Shareholders' Equity \$ 2,991,201 \$ 3,087,565			
Shareholders' Equity: Preferred stock Common stock Capital in excess of par value Cumulative currency translation adjustments Retained earnings Unearned ESOP compensation Shares in treasury - at cost Total Shareholders' Equity Total Liabilities and Shareholders' Equity 57,403 85,108 85,349 85,349 (27,687) (22,048) 1,635,646 1,581,196 (44,687) (44,687) (45,249) 305,357) 1,456,953	Long-term employee benefit obligations	298,229	294,054
Shareholders' Equity: Preferred stock Common stock Capital in excess of par value Cumulative currency translation adjustments Retained earnings Unearned ESOP compensation Shares in treasury - at cost Total Shareholders' Equity Total Liabilities and Shareholders' Equity 57,403 85,108 85,349 85,349 (27,687) (22,048) 1,635,646 1,581,196 (44,687) (44,687) (45,249) 305,357) 1,456,953	Deferred income taxes and other	23 968	19 915
Preferred stock 57,403 58,108 Common stock 85,349 85,349 Capital in excess of par value 105,105 104,954 Cumulative currency translation adjustments (27,687) (22,048) Retained earnings 1,635,646 1,581,196 Unearned ESOP compensation (44,687) (45,249) Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity 1,397,139 1,456,953 Total Liabilities and Shareholders' Equity \$ 2,991,201 \$ 3,087,565	beferred income taxes and other	23,300	19,919
Preferred stock 57,403 58,108 Common stock 85,349 85,349 Capital in excess of par value 105,105 104,954 Cumulative currency translation adjustments (27,687) (22,048) Retained earnings 1,635,646 1,581,196 Unearned ESOP compensation (44,687) (45,249) Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity 1,397,139 1,456,953 Total Liabilities and Shareholders' Equity \$ 2,991,201 \$ 3,087,565	Shareholders' Equity:		
Capital in excess of par value 105,105 104,954 Cumulative currency translation adjustments (27,687) (22,048) Retained earnings 1,635,646 1,581,196 Unearned ESOP compensation (44,687) (45,249) Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity 1,397,139 1,456,953 Total Liabilities and Shareholders' Equity \$ 2,991,201 \$ 3,087,565		57,403	58,108
Capital in excess of par value 105,105 104,954 Cumulative currency translation adjustments (27,687) (22,048) Retained earnings 1,635,646 1,581,196 Unearned ESOP compensation (44,687) (45,249) Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity 1,397,139 1,456,953 Total Liabilities and Shareholders' Equity \$ 2,991,201 \$ 3,087,565	Common stock	85,349	85 , 349
Cumulative currency translation adjustments (27,687) (22,048) Retained earnings 1,635,646 1,581,196 Unearned ESOP compensation (44,687) (45,249) Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity 1,397,139 1,456,953 Total Liabilities and Shareholders' Equity \$ 2,991,201 \$ 3,087,565			
Retained earnings 1,635,646 1,581,196 Unearned ESOP compensation (44,687) (45,249) Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity 1,397,139 1,456,953 Total Liabilities and Shareholders' Equity \$ 2,991,201 \$ 3,087,565			
Unearned ESOP compensation (44,687) (45,249) Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity 1,397,139 1,456,953 Total Liabilities and Shareholders' Equity \$ 2,991,201 \$ 3,087,565			
Shares in treasury - at cost (413,990) (305,357) Total Shareholders' Equity 1,397,139 1,456,953 Total Liabilities and Shareholders' Equity \$ 2,991,201 \$ 3,087,565			
Total Shareholders' Equity 1,397,139 1,456,953			
Total Liabilities and Shareholders' Equity \$ 2,991,201 \$ 3,087,565	Total Sharoholdara! Equity		
Total Liabilities and Shareholders' Equity \$ 2,991,201 \$ 3,087,565	iocai phatehorders Edurch		
	Total Liabilities and Shareholders' Equity		\$ 3,087,565
	-	========	=========

</TABLE>

See notes to condensed consolidated financial statements

-3-

BECTON DICKINSON AND COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Thousands of Dollars, Except Per Share Data
(Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,					
	19	994		1993*		1994		1993*
<s> REVENUES</s>	<c></c>		<c< th=""><th>> 612,534</th><th><c></c></th><th>,188,894</th><th><c:< th=""><th>></th></c:<></th></c<>	> 612 , 534	<c></c>	,188,894	<c:< th=""><th>></th></c:<>	>
Cost of products sold Selling and administrative Research and development	162 35	2,617		340,249 163,254 34,084		655,964 319,993 70,487		321,795 66,772
TOTAL OPERATING COSTS AND EXPENSES				537,587		,046,444		L,047,924
OPERATING INCOME	93	3,431		74,947		142,450		125,072
Interest expense, net Other (expense) income, net	(4			(14,019) 8,309		(24,498) (9,019)		1,563
INCOME BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF ACCOUNTING CHANGES	75	5,123		69,237		108,933		99,673
Income tax provision		3,030		13,241		26,144		20,333
INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES						82 , 789		79 , 340
Cumulative effect of accounting changes, net of taxes				-				(141,057)
NET INCOME (LOSS)	\$ 57	7 , 093	\$	55 , 996	\$	82 , 789		(61,717)
EARNINGS (LOSS) PER SHARE								
INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES	\$.76	\$.71	\$	1.09	\$	1.01
Cumulative effect of accounting changes net of taxes		_		-		-		(1.83)
NET INCOME (LOSS)	\$.76	\$.71	\$	1.09	\$	(.82)
DIVIDENDS PER SHARE	Ś	.185	Ś	.165	Ś	.37	\$.33
Average common and common equivalent shares outstanding	73					74,148		

</TABLE>

See notes to condensed consolidated financial statements

-4-

<TABLE> <CAPTION>

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

	Six Months Ended March 31,		
	1994	1993*	
<\$>	<c></c>	<c></c>	
Operating Activities:			
Net income (loss) Adjustments to net income (loss) to derive net cash provided by operating activities:	\$ 82,789	\$ (61,717)	
Cumulative effect of accounting changes, net of taxes	-	141,057	
Depreciation and amortization	99 , 756	93,475	
Change in working capital	230	(8,603)	
Other, net	13,378	(948)	
Net cash provided by operating activities	196,153	163,264	

 $^{^\}star$ Restated to reflect adoption of SFAS Nos. 106, 109, and 112 in the fourth quarter of fiscal 1993 retroactive to October 1, 1992.

Investing Activities:

Capital expenditures Change in investments, net Other, net	·	(81,283) (4,475) (23,075)
Net cash used for investing activities	(69,062)	(108,833)
Financing Activities:		
Change in short-term debt Proceeds of long-term debt Payments of long-term debt Issuance of common stock Repurchase of common stock Dividends paid	5,754 (114,387)	(22,347) 39,012 (1,432) 11,313 (10,385) (27,109)
Net cash used for financing activities	(134,698)	(10,948)
Effect of Exchange Rate Changes on Cash and Equivalents	(511)	(3,400)
Net (decrease) increase in cash and equivalents	(8,118)	40,083
Opening Cash and Equivalents	39,126	56,631
Closing Cash and Equivalents	\$ 31,008 ======	\$ 96,714 ======

</TABLE>

See notes to condensed consolidated financial statements

-5-

BECTON, DICKINSON AND COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1994

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 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 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 1993 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.

Note 2 - Inventory Valuation

An actual valuation of inventory under the LIFO method can be made only at the end of each fiscal year based on the inventory levels and costs at that time. Accordingly, interim LIFO calculations are based on management's estimates of expected year-end inventory levels and costs.

-6-

ITEM 2. MANAGEMENT'S DISCUSSION AND
ANALYSIS OF FINANCIAL CONDITION AND RESULTS
OF OPERATIONS.

Results of Operations

- - -----

Second Quarter 1994 vs. Second Quarter 1993

Second quarter revenues of \$635 million exceeded the prior year's revenues of \$613 million by 4%. Revenues would have increased 6% after excluding the estimated \$12 million adverse impact of foreign currency translation. Orders

^{*} Restated to reflect the adoption of SFAS Nos. 106, 109 and 112 in the fourth quarter of fiscal 1993 retroactive to October 1, 1992.

for high volume Medical and Diagnostic products in the Company's core businesses in the United States and Europe continued to be at expected growth rates, confirming that there does not seem to be an adverse effect from the uncertainty about health care reform. The Company's growth in core businesses continues to be driven by the heightened concern for safety for health care workers. Medical Supplies and Devices segment revenues of \$352 million increased 5% and Diagnostic Systems segment revenues of \$283 million increased 2%, but would have increased 8% and 3%, respectively, after excluding the estimated adverse impact of foreign currency translation.

Domestic Medical segment revenues increased 4%. International Medical segment revenues increased 6.5% but would have increased 11.5% after excluding the estimated adverse impact of foreign currency translation. The growth rates reflect strong sales of safety products, and of diabetic and prefillable syringes.

Domestic Diagnostic segment revenues increased 2%. International Diagnostic segment revenues increased 2%, or 5% after excluding the estimated adverse impact of foreign currency translation. In comparison with last year, revenue growth was adversely affected by prior year amounts which reflected shipments of new systems after a period of pent-up demand. International revenues were also affected by the continuing economic weakness in European countries, especially Italy and Spain. Good growth rates continued in Japan and Latin America.

The gross profit margin of 46.0% was substantially higher than last year's second quarter rate of 44.5%. The mix of product revenues, as well as productivity improvements, were the principal reasons for the improvement. Selling and administrative expense was 25.6% of revenues, which was more than a full percentage point better than last year's second quarter ratio of 26.7%, reflecting tight spending controls and cost reduction programs. Reported expense of \$163 million was about the same as last year's second quarter expense. Investment of \$36 million in research and development increased 5% over last year's second quarter expenditures. As a percent of revenues, research and development expense was 5.6%, the same as in last year's second quarter.

Operating income of \$93 million increased 25% from last year's second quarter amount of \$75 million despite the adverse effect of a stronger dollar. The improvement of the operating margin from 12.2% in the second quarter last year to 14.7% in the current quarter reflects productivity improvements in both manufacturing and operating expenses.

Net interest expense of \$14 million was about the same as last year's second quarter amount. Lower interest rates offset a reduction in capitalized interest.

-7-

Other (expense) income, net was \$13 million unfavorable compared with last year's second quarter. \$5 million of the change was due to a capital gain recorded in last year's second quarter in connection with the February 18, 1993 merger of Applied Biosystems, Inc. with The Perkin-Elmer Corporation as well as the Company's share of earnings of Applied Biosystems, Inc. In addition, higher charges related to foreign exchange in the current quarter resulted in an unfavorable comparison of \$5 million with the prior year's second quarter.

The income tax rate of 24.0%, compared with last year's second quarter rate of 19.1%, resulted from the projected mix of income from the various tax rate jurisdictions in which the Company operates.

Earnings per share were \$.76, an increase of 7% over last year's \$.71 which included a gain of \$.04 related to the Perkin-Elmer transaction. Foreign currency translation decreased earnings per share by an estimated \$.03. Without the estimated adverse impact from foreign currency translation and the gain related to the Perkin-Elmer transaction, earnings per share would have increased 18%.

Six Months 1994 vs. Six Months 1993

Reported revenues of \$1.189 billion exceeded the prior year level of \$1.173 billion by 1%. Revenues would have increased 4% without the estimated adverse impact of foreign currency translation. Medical Supplies and Devices segment revenues increased 2% to \$648 million. Diagnostic Systems segment revenues were \$541 million, an increase of 1%. Geographically, domestic revenues increased 2% to \$664 million and international revenues increased less than 1% to \$525 million, but would have increased 7% after excluding the estimated adverse impact of foreign currency translation.

The gross profit margin of 44.8% was higher than last year's rate of 43.8%. Selling and administrative expense was 26.9%, lower than last year's rate of 27.4%, reflecting effective spending controls and cost reduction programs. Investment of \$70 million in research and development expense increased 6% over last year's expenditures. As a percent of revenues, research and development expense was 5.9%, compared with last year's 5.7%.

Operating income of \$142 million increased \$17 million over last year. As a percent of revenues, operating income was 12.0% compared with last year's 10.7%, resulting from productivity improvements in both manufacturing and operating expenses.

Other (expense) income, net was \$11 million unfavorable compared with last year. The change is principally due to the absence of a capital gain recorded last year in connection with the Perkin-Elmer transaction, as well as the Company's share of earnings of Applied Biosystems, Inc., in the amount of \$6 million, and miscellaneous other income.

The income tax rate of 24.0%, compared with last year's rate of 20.4%, resulted from the projected mix of income from the various tax rate jurisdictions in which the Company operates.

Income before cumulative effect of accounting changes was \$83 million compared with \$79 million last year, an increase of 4%. Net income was \$83 million, compared with a net loss of \$62 million last year which included an after-tax charge of \$141 million, or \$1.83 per share, representing the cumulative effect of accounting changes adopted in 1993.

-8-

Earnings per share were \$1.09, an increase of 8% over last year's \$1.01 before the cumulative effect of accounting changes, which included a gain of \$.04 related to the Perkin-Elmer transaction. Foreign currency translation decreased earnings per share by an estimated \$.07.

Financial Condition

- - ------

During the first six months of 1994, cash provided by operations was \$196 million, compared with \$163 million during the first six months of last year.

Debt remained basically unchanged during the first six months of 1994. The percentage of debt to capitalization (defined as the sum of shareholders' equity, net non-current deferred income tax liabilities, and debt) was 38.8%, lower than 39.7% a year ago. Last year's ratio has been restated to reflect the cumulative effect of accounting changes referred to previously.

Capital expenditures for the six months were \$57 million compared with \$81 million during the first six months of last year, due to the absence of any major projects. For the full year, capital expenditures are expected to be less than \$150 million.

Because of its strong credit ratings, the Company believes it has the capacity to arrange significant additional borrowings should the need arise.

During the first six months of 1994, the Company repurchased 3.1 million shares of its common stock for a total cost of \$114 million. At March 31, 1994, authorizations from the Board of Directors remained outstanding to acquire an additional 2.1 million shares.

-9-

PART II - OTHER INFORMATION

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

- a) The Annual Meeting of Shareholders of the Company was held on February 8, 1994.
- c) (i) A management proposal for the election of three directors for the terms indicated below was voted upon as follows:

<TABLE> <CAPTION>

Nominee	Term	Votes For	Votes Withheld
<s></s>	<c></c>	<c></c>	<c></c>
Harry N. Beaty	3 Years	63,560,587	853 , 690
Raymond V.			
Gilmartin	3 Years	63,566,402	847 , 875
Frank A. Olson	3 Years	63,561,381	852 , 896

</TABLE>

(ii) A management proposal to ratify the selection of Ernst & Young as independent auditors for fiscal year 1994 was voted upon. 64,050,033 shares were voted for the proposal, 149,243 shares were voted against and 215,001 shares abstained.

- (iii) A management proposal to approve the 1994 Restricted Stock Plan for Non-Employee Directors was voted upon. 61,287,700 shares were voted for the proposal, 2,543,258 shares were voted against and 583,319 shares abstained.
- (iv) A shareholder proposal to recommend that the Company disclose in newspapers of general publication a detailed statement of political contributions made by the Company was voted upon. 3,361,576 shares were voted for the proposal, 54,014,055 shares were voted against and 2,436,775 shares abstained.

Item 6. Exhibits and Reports on Form 8-K.

- a) Exhibits
 - 11 Computation of Earnings Per Share.
- b) Reports on Form 8-K

There were no reports on Form 8-K filed for the quarter ended March 31, 1994.

-10-

SIGNATURE

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)

Date May 12, 1994

/s/Robert A. Reynolds

Robert A. Reynolds

Vice President - Finance and Controller (Principal Financial and Accounting Officer)

-11-

EXHIBIT INDEX

<TABLE>

Exhibit Number	Description	Method of Filing	Sequential Page Number
<s></s>	<c></c>	<c></c>	<c></c>
11	Computation of Earnings Per Share	Filed with this report	13

 | | |

BECTON, DICKINSON AND COMPANY COMPUTATION OF EARNINGS PER SHARE (All amounts in thousands, except per share data)

<TABLE> <CAPTION>

Six Months Ended March 31,

Net Income Income before cumulative effect of accounting changes prize that the state of accounting changes applicable to common stock state of accounting changes applicable to common stock state of accounting changes applicable to common stock state of taxes accounting changes applicable to common stock state of taxes accounting changes applicable to common stock state of taxes accounting changes applicable to common stock state of taxes accounting changes applicable to common stock state of taxes accounting changes applicable to common stock state of accounting changes applicable to common stock state of accounting changes applicable to common acquivalent shares outstanding accounting changes applicable to accounting changes, net of taxes accounting changes applicable to accounting changes, net of taxes accounting changes applicable to common stock state of accounting changes applicable to common stock accounting changes for fully diluted earnings per share accounting changes changes applicable to common stock accounting changes for fully diluted earnings per share accounting changes for fully diluted earnings per share accounting changes acc	PRIMARY EARNINGS PER SHARE		1993 *
Net Income Community September Sep			
Less preferred stock dividends (1.877) (1.909) Income before cumulative effect of accounting changes, net of taxes - (141,057) Net income (loss) applicable to common stock \$80,912 77,431 Cumulative effect of accounting changes, net of taxes - (141,057) Net income (loss) applicable to common stock \$80,912 \$ (63,626) Shares: Average shares cutstanding 73,165 76,185 Add dilutive stock equivalents from stock plans 933 1,200 Weighted average number of common and common equivalent shares outstanding during the year 74,148 77,475 Earnings per share: Income before cumulative effect of accounting changes, net of taxes - (1.83) Net income(loss) \$ 1.09 \$ 1.01 Cumulative effect of accounting changes, net of taxes - (1.83) Net income (loss) \$ 1.09 \$ (.82) FULLY DILUTED EARNINGS PER SHARE Net Income before cumulative effect of accounting changes applicable to common stock \$80,912 \$ 77,431 Add preferred stock dividends method 1,877 1,909 Less additional ESOP contributions method (767) (572) Income before cumulative effect of accounting changes for fully diluted earnings per share \$82,022 \$ 78,769 Cumulative effect of accounting changes, net of taxes - (141,057) Net income (loss) for fully diluted earnings per share \$82,022 \$ 78,769 Cumulative stock equivalents from stock plans 1,032 1,290 Shares: Average shares outstanding 73,165 76,185 Add: Dilutive stock equivalents from stock plans 1,032 1,290 Shares instable upon conversion of preferred stock 1,557 1,588 Weighted average number of common shares used in calculating fully diluted earnings per share 75,734 79,063 Fully diluted earnings per share: Income before cumulative effect of accounting changes		<c></c>	<c></c>
Income before cumulative effect of accounting changes, net of taxes Net income left of accounting changes, net of taxes Net income (loss) applicable to common stock Selarus: Average shares outstanding Add dilutive stock equivalents from stock plans Weighted average number of common and common equivalent shares outstanding during the year Income before cumulative effect of accounting changes, net of taxes FULLY DILUTED EARNINGS PER SHARE Net income (loss) FULLY DILUTED EARNINGS PER SHARE Income before cumulative effect of accounting changes applicable to common stock Income before cumulative effect of accounting changes applicable to common stock Add preferred stock dividends using the "if converted" method Less additional ESOP contribution, using the "if converted" method Cumulative effect of accounting changes, net of taxes Cumulative effect of accounting changes, net of taxes Pully diluted earnings per share Selector cumulative effect of accounting changes for fully diluted earnings per share Selector cumulative effect of accounting changes for fully diluted earnings per share Selector cumulative effect of accounting changes for fully diluted earnings per share Selector cumulative effect of accounting changes for fully diluted earnings per share Selector cumulative effect of accounting changes for fully diluted earnings per share Shares: Average shares outstanding Add: Dilutive stock equivalents from stock plans Shares issuable upon conversion of preferred stock Weighted average number of common shares used in calculating fully diluted earnings per share Income before cumulative effect of accounting changes, net of taxes Income before cumulative effect of accounting changes, net of taxes Income before cumulative effect of accounting changes, net of taxes Income before cumulative effect of accounting changes, net of taxes Income before cumulative effect of accounting changes, net of taxes Income before cumulative effect of accounting changes, net of taxes Income before cumulati		\$ 82,789	\$ 79,340
Income before cumulative effect of accounting changes applicable to common stock 80,912 77,431 Cumulative effect of accounting changes, net of taxes - (141,057) Net income(loss) applicable to common stock 8 80,912 8 (63,626) Shares: Average shares outstanding 73,165 76,185 Add dilutive stock equivalents from stock plans 993 1,290 Weighted average number of common and common equivalent shares outstanding during the year 74,148 77,475 Earnings per share: Income before cumulative effect of accounting changes, net of taxes - (1.83) Net income(loss) \$ 1.09 \$ 1.01 Cumulative effect of accounting changes, net of taxes - (1.83) Net income before cumulative effect of accounting changes applicable to common stock 8 80,912 \$ 77,431 Add preferred stock dividends 9 1,877 1,909 Less additional ESOP contribution, using the "if converted" method 1,877 1,909 Less additional ESOP contribution, using the "if converted" method (767) (571) Income before cumulative effect of accounting changes for fully diluted earnings per share 8 82,022 \$ 78,769 Cumulative effect of accounting changes, net of taxes - (141,057) Net income(loss) for fully diluted earnings per share 8 82,022 \$ (62,288) Shares: Average shares outstanding 73,165 76,185 Add: Dilutive stock equivalents from stock plans 1,032 1,290 Weighted average number of common shares used in calculating fully diluted earnings per share 75,754 79,063		(1,877)	(1,909)
Cumulative effect of accounting changes, net of taxes - (141,057) Net income(loss) applicable to common stock \$80,912 \$ (63,626) Shares: Average shares outstanding 73,165 76,185 Add dilutive stock equivalents from stock plans 983 1,290 Weighted average number of common and common equivalent shares outstanding during the year 74,148 77,475 Earnings per share: Income before cumulative effect of accounting changes, net of taxes - (1.83) Net income(loss) \$1.09 \$ 1.01 Cumulative effect of accounting changes, net of taxes - (1.83) Net income (loss) \$1.09 \$ (.82) FULLY DILUTED EARNINGS PER SHARE Net Income before cumulative effect of accounting changes applicable to common stock \$80,912 \$ 77,431 Add preferred stock dividends using the "if converted" method 1,877 1,909 Less additional ESOF contribution, using the "if converted" method (767) (571) Theome before cumulative effect of accounting changes for fully diluted earnings per share \$82,022 \$ 78,769 Cumulative effect of accounting changes, net of taxes - (141,057) Net income (loss) for fully diluted earnings per share \$82,022 \$ (62,288) Shares: Average shares outstanding 73,165 76,185 Add: Dilutive stock equivalents from stock plans Shares issuable upon conversion of preferred stock plans Shares issuable upon conversion of preferred stock forms shares used in calculating fully diluted earnings per share 75,754 79,063 Fully diluted earnings per share: Income before cumulative effect of accounting changes \$ 1.08 \$ 1.00 Cumulative effect of accounting changes, net of taxes - (1.78) Net income lefore cumulative effect of accounting changes \$ 1.08 \$ 1.00 Cumulative effect of accounting changes, net of taxes - (1.78) Net income before cumulative effect of accounting changes \$ 1.08 \$ 1.08 Cumulative effect of accounting changes, net of taxes - (1.78)			
Net income (loss) applicable to common stock Shares: Average shares outstanding Add dilutive stock equivalents from stock plans Weighted average number of common and common equivalent shares outstanding during the year Fully Diluted Earnings per share: Income before cumulative effect of accounting changes, net of taxes FULLY DILUTED EARNINGS PER SHARE Net income: Income before cumulative effect of accounting changes applicable to common stock Add preferred stock dividends using the "if converted" method Income before cumulative effect of accounting changes applicable to common stock Shares: Average shares outstanding Add: Dilutive effect of accounting changes, net of taxes Fully Diluted Earnings per share Net income Income before cumulative effect of accounting changes applicable to common stock Shares: Add preferred stock dividends using the "if converted" method The "if converted			
Shares: Average shares outstanding Add dilutive stock equivalents from stock plans Add dilutive stock equivalents from stock plans Weighted average number of common and common equivalent shares outstanding during the year Earnings per share: Income before cumulative effect of accounting changes Net income (loss) FULLY DILUTED EARNINGS PER SHARE Net Income: Income before cumulative effect of accounting changes applicable to common stock Add preferred stock dividends using the "if converted" method 1,877 Less additional ESOF contribution, using the "if converted" method Income before cumulative effect of accounting changes for fully diluted earnings per share Shares: Average shares outstanding Add: Dilutive stock equivalents from stock plans Shares issuable upon conversion of preferred stock Weighted average number of common shares used in calculating fully diluted earnings per share Income before cumulative effect of accounting changes for fully diluted earnings per share Shares: Average shares outstanding Add: Dilutive stock equivalents from stock plans Shares issuable upon conversion of preferred stock Weighted average number of common shares used in calculating fully diluted earnings per share Income before cumulative effect of accounting changes Fully diluted earnings per share: Income before cumulative effect of accounting changes, net of taxes Income before cumulative effect of accounting changes, net of taxes Income before cumulative effect of accounting changes, net of taxes Income before cumulative effect of accounting changes, net of taxes Income before cumulative effect of accounting changes, net of taxes Income before cumulative effect of accounting changes, net of taxes Income before cumulative effect of accounting changes, net of taxes Income before cumulative effect of accounting changes, net of taxes Income before cumulative effect of accounting changes, net of taxes Income before cumulative effect of accounting changes, net of taxes Income before cumulative effect of acc	Cumulative effect of accounting changes, net of taxes		
Average shares outstanding Add dilutive stock equivalents from stock plans 983 1,290 Weighted average number of common and common equivalent shares outstanding during the year 74,148 77,475 Earnings per share: Income before cumulative effect of accounting changes, net of taxes - (1.83) Net income(loss) \$1.09 \$1.01 Cumulative effect of accounting changes, net of taxes - (1.83) Net income before cumulative effect of accounting changes 91.09 \$1.09 FULLY DILUTED EARNINGS PER SHARE Net Income hanges applicable to common stock 91.09 \$77,431 Add preferred stock dividends 91.877 1,909 Less additional ESOP contribution, using 1.877 1,909 Less additional ESOP contribution, using 1.870 contribution, using 1.871 converted" method 1.877 1,909 Loss additional ESOP contribution shares 91.00 \$82,022 \$78,769 Cumulative effect of accounting changes, net of taxes - (141,057) Net income (loss) for fully diluted earnings per share 82,022 \$ (62,288) Shares: Average shares outstanding 73,165 76,185 Add: Dilutive stock equivalents from stock plans 1,032 1,290 Shares issuable upon conversion of preferred stock 1,557 1,588 Weighted average number of common shares used in calculating fully diluted earnings per share 75,754 79,063 Fully diluted earnings per share: Income before cumulative effect of accounting changes, net of taxes - (1.78) Fully diluted earnings per share: Income before cumulative effect of accounting changes, net of taxes - (1.78) Fully diluted earnings per share: Income before cumulative effect of accounting changes, net of taxes - (1.78) Cumulative effect of accounting changes, net of taxes - (1.78) Net income (loss) \$ 1.08 \$ 1.00	Net income(loss) applicable to common stock	•	
Meighted average number of common and common equivalent shares outstanding during the year 74,148 77,475 Earnings per share: Income before cumulative effect of accounting changes, net of taxes - (1.83) Net income(loss) \$ 1.09 \$ (.82) FULLY DILUTED EARNINGS PER SHARE Net Income before cumulative effect of accounting changes applicable to common stock Add preferred stock dividends using the "if converted" method 1,877 1,909 Less additional ESOP contribution, using the "if converted" method (767) (571) Income before cumulative effect of accounting changes for fully diluted earnings per share 882,022 \$ 78,769 Cumulative effect of accounting changes, net of taxes - (141,057) Net income (loss) for fully diluted earnings per share 82,022 \$ 662,288 Shares: Average shares outstanding Add: Dilutive stock equivalents from stock plans 1,032 1,290 Shares issuable upon conversion of preferred stock Weighted average number of common shares used in calculating fully diluted earnings per share 75,754 79,063 Fully diluted earnings per share: Income before cumulative effect of accounting changes \$ 1.08 \$ 1.00 Cumulative effect of accounting changes, net of taxes - (75,754 79,063) Fully diluted earnings per share: Income before cumulative effect of accounting changes \$ 1.08 \$ 1.00 Cumulative effect of accounting changes, net of taxes - (75,754 79,063)		72 165	76 105
Weighted average number of common and common equivalent shares outstanding during the year 74,148 77,475 equivalent shares outstanding during the year 74,148 77,475 equivalent shares outstanding during the year 74,148 77,475 equivalent shares of accounting changes \$1.09 \$1.01 Cumulative effect of accounting changes, net of taxes - (1.83) Net income(loss) \$1.09 \$(.82) equivalent shares PULLY DILUTED EARNINGS PER SHARE Net Income: Income before cumulative effect of accounting changes applicable to common stock Add preferred stock dividends using the "if converted" method 1,877 1,909 Less additional ESOP contribution, using the "if converted" method (767) (571) Income before cumulative effect of accounting changes for fully diluted earnings per share \$82,022 \$78,769 Cumulative effect of accounting changes, net of taxes - (141,057) Net income (loss) for fully diluted earnings per share \$82,022 \$(62,288) Shares: Average shares outstanding 73,165 76,185 Add: Dilutive stock equivalents from stock plans 1,032 1,290 Shares issuable upon conversion of preferred stock weighted average number of common shares used in calculating fully diluted earnings per share 75,754 79,063 Fully diluted earnings per share: Income before cumulative effect of accounting changes \$1.08 \$1.08 \$1.00 Cumulative effect of accounting changes, net of taxes - (1.78) Physical Pully diluted earnings per share (1.78) Physi		983	1,290
Earnings per share: Income before cumulative effect of accounting changes, net of taxes - (1.83) Net income(loss) \$ 1.09 \$ (.82) FULLY DILUTED EARNINGS PER SHARE Net Income: Income before cumulative effect of accounting changes applicable to common stock additional ESOF contribution, using the "if converted" method 1,877 1,909 Less additional ESOF contribution, using the "if converted" method (767) (571) Income before cumulative effect of accounting changes for fully diluted earnings per share \$ 82,022 \$ 78,769 Cumulative effect of accounting changes, net of taxes - (141,057) Net income(loss) for fully diluted earnings per share \$ 82,022 \$ (62,288) Shares: Average shares outstanding Add: Dilutive stock equivalents from stock plans 1,032 1,290 Shares issuable upon conversion of preferred stock Weighted average number of common shares used in calculating fully diluted earnings per share 75,754 79,063 Fully diluted earnings per share: Income before cumulative effect of accounting changes, net of taxes - (17,78) Fully diluted earnings per share: Income before cumulative effect of accounting changes, net of taxes - (1,78) Ret income (loss) \$ 1.08 \$ 1.00 Cumulative effect of accounting changes, net of taxes - (1,78)	Weighted average number of common and common		
Income before cumulative effect of accounting changes, net of taxes - (1.83) Net income(loss) \$ 1.09 \$ (.82) FULLY DILUTED EARNINGS PER SHARE Net Income: Income before cumulative effect of accounting changes applicable to common stock a using the "if converted" method using the "if converted" method (767) (571) Income before cumulative effect of accounting changes for fully diluted earnings per share \$ 82,022 \$ 78,769 Cumulative effect of accounting changes, net of taxes - (141,057) Net income(loss) for fully diluted earnings per share \$ 82,022 \$ (62,288) Shares: Average shares outstanding 73,165 76,185 Add: Dilutive stock equivalents from stock plans 1,032 1,290 Shares issuable upon conversion of preferred stock Weighted average number of common shares used in calculating fully diluted earnings per share 75,754 79,063 Fully diluted earnings per share: Income before cumulative effect of accounting changes, net of taxes - 75,754 79,063 Fully diluted earnings per share: Income before cumulating fully diluted earnings per share 75,754 79,063 Fully diluted earnings per share: Income before cumulative effect of accounting changes, net of taxes - (1.78) Cumulative effect of accounting changes, net of taxes - (1.78) Net income (loss) \$ 1.08 \$ 1.00	equivalent shares outstanding during the year	•	•
Cumulative effect of accounting changes, net of taxes - (1.83) Net income(loss) \$ 1.09 \$ (.82) FULLY DILUTED EARNINGS PER SHARE Net Income: Income before cumulative effect of accounting changes applicable to common stock ausing the "if converted" method using the "if converted" method (767) (571) Income before cumulative effect of accounting thanges for fully diluted earnings per share \$ 82,022 \$ 78,769 Cumulative effect of accounting changes, net of taxes - (141,057) Net income (loss) for fully diluted earnings per share \$ 82,022 \$ (62,288) Shares: Average shares outstanding 73,165 76,185 Add: Dilutive stock equivalents from stock plans 1,032 1,290 Shares issuable upon conversion of preferred stock Weighted average number of common shares used in calculating fully diluted earnings per share 75,754 79,063 Fully diluted earnings per share: Income before cumulative effect of accounting changes, net of taxes - (1.78) Net income (loss) \$ 1.08 \$ 1.00 Cumulative effect of accounting changes, net of taxes - (1.78) Net income before cumulative effect of accounting changes, net of taxes - (1.78) Net income (loss) \$ 1.08 \$ (.78)			
FULLY DILUTED EARNINGS PER SHARE FULLY DILUTED EARNINGS PER SHARE Income before cumulative effect of accounting changes applicable to common stock ausing the "if converted" method ausing the "if converted" method ausing the "if converted" method ausing the "if converted method accounting changes for fully diluted earnings per share selected accounting changes for fully diluted earnings per share selected accounting changes, net of taxes - (141,057) Net income (loss) for fully diluted earnings per share selected accounting changes, net of taxes and accounting changes and accounting changes and accounting changes and accounting accounting changes and accounting changes and accounting changes and accounting changes are selected accounting accounting accounting accounts and account accoun		\$ 1.09	\$ 1.01
FULLY DILUTED EARNINGS PER SHARE FULLY DILUTED EARNINGS PER SHARE Net Income: Income before cumulative effect of accounting changes applicable to common stock Add preferred stock dividends using the "if converted" method 1,877 1,909 Less additional ESOP contribution, using the "if converted" method (767) (571) Income before cumulative effect of accounting changes for fully diluted earnings per share \$82,022 \$78,769 Cumulative effect of accounting changes, net of taxes (141,057) Net income(loss) for fully diluted earnings per share \$82,022 \$(62,288) Shares: Average shares outstanding 73,165 76,185 Add: Dilutive stock equivalents from stock plans 1,032 1,290 Shares issuable upon conversion of preferred stock 1,557 1,588 Weighted average number of common shares used in calculating fully diluted earnings per share 75,754 79,063 Fully diluted earnings per share: Income before cumulative effect of accounting changes, net of taxes - (1.78) Cumulative effect of accounting changes, net of taxes - (1.78) Net income (loss) \$ 1.08 \$ 1.00	Cumulative effect of accounting changes, net of taxes	-	
Net Income: Income before cumulative effect of accounting changes applicable to common stock (767) Add preferred stock dividends using the "if converted" method (767) (571) Income before cumulative effect of accounting changes for fully diluted earnings per share (141,057) Net income(loss) for fully diluted earnings per share (82,022 (62,288)) Shares: Average shares outstanding Add: Dilutive stock equivalents from stock plans (75,754 (79,063)) Weighted average number of common shares used in calculating fully diluted earnings per share (75,754 (79,063)) Fully diluted earnings per share (75,754 (79,063)) Fully diluted earnings per share (17,78) Net income (loss) (77,81) Net income effect of accounting changes, net of taxes (75,754 (79,063)) Fully diluted earnings per share (17,78) Net income (loss) (7,78)	Net income(loss)		
Net Income: Income before cumulative effect of accounting changes applicable to common stock Add preferred stock dividends using the "if converted" method I.877 1,909 Less additional ESOP contribution, using the "if converted" method I.877 (571) Income before cumulative effect of accounting changes for fully diluted earnings per share Shares: Average shares outstanding Add: Dilutive stock equivalents from stock plans Shares issuable upon conversion of preferred stock Weighted average number of common shares used in calculating fully diluted earnings per share Income before cumulative effect of accounting changes are shares Fully diluted earnings per share Income before cumulative effect of accounting changes, net of taxes Income before cumulative effect of accounting changes, net of taxes Income before cumulative effect of accounting changes, net of taxes		=======	=======
Net Income before cumulative effect of accounting changes applicable to common stock (1,80,912 stock). Add preferred stock dividends using the "if converted" method (1,877 stock). Less additional ESOP contribution, using the "if converted" method (767) (571). Income before cumulative effect of accounting changes for fully diluted earnings per share (141,057). Net income (loss) for fully diluted earnings per share (141,057). Net income (loss) for fully diluted earnings per share (141,057). Net income (loss) for fully diluted earnings per share (141,057). Net income (loss) for fully diluted earnings per share (141,057). Net income (loss) for fully diluted earnings per share (141,057). Net income (loss) for fully diluted earnings per share (141,057). Net income (loss) for fully diluted earnings per share (141,057). Net income stock equivalents from stock plans (1,032 stock). Net income (loss) (1,588). Net income (loss) (1,588). Net income (loss) (1,788). Net income (loss) (1,788). Net income (loss) (1,788).			
changes applicable to common stock Add preferred stock dividends using the "if converted" method Less additional ESOP contribution, using the "if converted" method Tincome before cumulative effect of accounting changes for fully diluted earnings per share Cumulative effect of accounting changes, net of taxes Average shares outstanding Add: Dilutive stock equivalents from stock plans Of preferred stock Weighted average number of common shares used in calculating fully diluted earnings per share Income before cumulative effect of accounting changes, net of taxes Fully diluted earnings per share Tincome before cumulative effect of accounting changes, net of taxes Fully diluted earnings per share Tincome before cumulative effect of accounting changes, net of taxes Fully diluted earnings per share: Tincome before cumulative effect of accounting changes, net of taxes Fully diluted effect of accounting changes, net of taxes Ful			
Add preferred stock dividends using the "if converted" method Less additional ESOP contribution, using the "if converted" method The "if converted method The		\$ 80,912	\$ 77,431
Less additional ESOP contribution, using the "if converted" method (767) (571) Income before cumulative effect of accounting changes for fully diluted earnings per share \$82,022 \$78,769 Cumulative effect of accounting changes, net of taxes - (141,057) Net income(loss) for fully diluted earnings per share \$82,022 \$(62,288) Shares: Average shares outstanding 73,165 76,185 Add: Dilutive stock equivalents from stock plans 1,032 1,290 Shares issuable upon conversion of preferred stock 1,557 1,588 Weighted average number of common shares used in calculating fully diluted earnings per share 75,754 79,063 Fully diluted earnings per share: Income before cumulative effect of accounting changes \$1.08 \$1.00 Cumulative effect of accounting changes, net of taxes - (1.78) Net income (loss) \$1.08 \$ (.78)	Add preferred stock dividends	1.877	1.909
Income before cumulative effect of accounting changes for fully diluted earnings per share Cumulative effect of accounting changes, net of taxes Cumulative effect of accounting changes, net of taxes Net income(loss) for fully diluted earnings per share Shares: Average shares outstanding Add: Dilutive stock equivalents from stock plans Shares issuable upon conversion of preferred stock Weighted average number of common shares used in calculating fully diluted earnings per share Fully diluted earnings per share: Income before cumulative effect of accounting changes Net income (loss) \$ 1.08 \$ 1.00 Cumulative effect of accounting changes, net of taxes \$ 1.08 \$ (.78)	Less additional ESOP contribution, using		
Cumulative effect of accounting changes, net of taxes Cumulative effect of accounting changes, net of taxes Net income(loss) for fully diluted earnings per share Shares: Average shares outstanding Add: Dilutive stock equivalents from stock plans Shares issuable upon conversion of preferred stock Weighted average number of common shares used in calculating fully diluted earnings per share Tincome before cumulative effect of accounting changes Net income (loss) Shares issuable upon conversion of preferred stock 1,557 1,588 75,754 79,063 100 100 100 100 100 100 100			
Net income (loss) for fully diluted earnings per share \$ 82,022 \$ (62,288) =		\$ 82 , 022	\$ 78,769
Net income (loss) for fully diluted earnings per share \$ 82,022 \$ (62,288) =	Cumulative effect of accounting changes, net of taxes	_	(141,057)
Shares: Average shares outstanding Add: Dilutive stock equivalents from stock plans Shares issuable upon conversion of preferred stock Weighted average number of common shares used in calculating fully diluted earnings per share Fully diluted earnings per share: Income before cumulative effect of accounting changes Net income (loss) \$ 1.08 \$ (.78)	Not income(loss) for fully diluted earnings nor share		
Average shares outstanding Add: Dilutive stock equivalents from stock plans Shares issuable upon conversion of preferred stock Weighted average number of common shares used in calculating fully diluted earnings per share Fully diluted earnings per share: Income before cumulative effect of accounting changes Net income (loss) Add: 75,185 76,1	Net income(1033) for fully diffuted earnings per share	•	
Add: Dilutive stock equivalents from stock plans Shares issuable upon conversion of preferred stock Weighted average number of common shares used in calculating fully diluted earnings per share Fully diluted earnings per share: Income before cumulative effect of accounting changes Net income (loss) 1,032 1,290 1,557 1,588 7,754 79,063	Shares:		
Shares issuable upon conversion of preferred stock Weighted average number of common shares used in calculating fully diluted earnings per share Fully diluted earnings per share: Income before cumulative effect of accounting changes Cumulative effect of accounting changes, net of taxes Net income (loss) \$ 1.08 \$ (.78)		73,165	76,185
of preferred stock 1,557 1,588 Weighted average number of common shares used in calculating fully diluted earnings per share 75,754 79,063 Fully diluted earnings per share: Income before cumulative effect of accounting changes \$ 1.08 \$ 1.00 Cumulative effect of accounting changes, net of taxes - (1.78) Net income (loss) \$ 1.08 \$ (.78)		1,032	1,290
Weighted average number of common shares used in calculating fully diluted earnings per share Fully diluted earnings per share: Income before cumulative effect of accounting changes \$ 1.08 \$ 1.00 Cumulative effect of accounting changes, net of taxes - (1.78) Net income (loss) \$ 1.08 \$ (.78)	-		
Fully diluted earnings per share: Income before cumulative effect of accounting changes \$ 1.08 \$ 1.00 Cumulative effect of accounting changes, net of taxes - (1.78) Net income (loss) \$ 1.08 \$ (.78)			
Income before cumulative effect of accounting changes \$ 1.08 \$ 1.00 Cumulative effect of accounting changes, net of taxes - (1.78) Net income (loss) \$ 1.08 \$ (.78) ===================================	in calculating fully diluted earnings per share	•	•
Cumulative effect of accounting changes \$ 1.08 \$ 1.00 Cumulative effect of accounting changes, net of taxes - (1.78) Net income (loss) \$ 1.08 \$ (.78) ===================================	Fully diluted earnings per share:		
Net income (loss) \$ 1.08 \$ (.78) ====================================		\$ 1.08	\$ 1.00
Net income (loss) \$ 1.08 \$ (.78) ====================================	Cumulative effect of accounting changes, net of taxes	_	(1.78)
=======================================			
		=======	=======

^{*} Restated to reflect adoption of SFAS Nos. 106, 109 and 112 in the fourth quarter of fiscal 1993 retroactive to October 1, 1992.