FORM 10-Q

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, 1994

OR

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

For the transition period from ____________ to ____________

Commission file number 1-4802

Becton, Dickinson and Company

(Exact name of registrant as specified in its charter)

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

1 Becton Drive Franklin Lakes, New Jersey 07417-1880

(Address of principal executive offices)
(Zip Code)

(201) 847-6800

(Registrant's telephone number, including area code)

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 .

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 January 31, 1995
Common stock, par value $1.00	67,182,892

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

Condensed Consolidated Balance Sheets at December 31, 1994 and September 30, 1994

Condensed Consolidated Statements of Income for the three months ended December 31, 1994 and 1993

Condensed Consolidated Statements of Cash Flows for the three months ended December 31, 1994 and 1993

Notes to Condensed Consolidated Financial Statements

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

<TABLE>
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Assets	December 31, 1994 (Unaudited)	September 30, 1994
<S>	<C>	<C>
Current Assets:		
Cash and equivalents	$ 119,037	$ 94,913
Short-term investments	62,802	83,854
Trade receivables, net	491,127	589,918
Inventories (Note 2):		
Materials	83,916	85,303
Work in process	66,732	69,696
Finished products	271,708	265,002
	422,356	420,001
Prepaid expenses, deferred taxes and other	140,203	137,865
Total Current Assets	1,235,525	1,326,551
Investments in Marketable Securities	71,527	71,527
Property, plant and equipment	2,456,438	2,479,936
Less allowances for depreciation and amortization	1,115,623	1,103,587
	1,340,815	1,376,349
Intangibles, Net		
Patents and other	100,227	103,882
Goodwill	111,423	113,843
Other	164,366	167,381
Total Assets	$3,023,883	$3,159,533
Liabilities and Shareholders' Equity		
Current Liabilities:		
Short-term debt	$ 218,663	$ 173,228
Payables and accrued expenses	464,045	505,093
Total Current Liabilities	682,708	678,321
Long-Term Debt	685,531	669,157
Long-Term Employee Benefit Obligations	300,207	297,644
Deferred Income Taxes and Other	33,824	32,717
Commitments and Contingencies	--	--
Shareholders' Equity:		
Preferred stock	55,945	56,331
Common stock	85,349	85,349
Capital in excess of par value	112,505	111,600
Cumulative currency translation adjustments	(23,056)	8,573
Retained earnings	1,771,226	1,752,360
Unearned ESOP compensation	(40,890)	(41,096)
Shares in treasury - at cost	(639,466)	(491,423)
Total Shareholders' Equity	1,321,613	1,481,694
Total Liabilities and Shareholders' Equity	$3,023,883	$3,159,533

</TABLE>

See notes to condensed consolidated financial statements

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BECTON, DICKINSON AND COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

Thousands of Dollars, Except Per Share Data
(Unaudited)

<S> <C> <C>

	Three Months Ended December 31, 1994	Three Months Ended December 31, 1993
REVENUES	$593,476	$554,080
Cost of products sold	327,065	312,882
Selling and administrative	171,606	157,376
Research and development	35,223	34,803
TOTAL OPERATING COSTS AND EXPENSES	533,894	505,061
OPERATING INCOME	59,582	49,019
Interest expense, net	(10,554)	(10,843)
Other expense, net	(1,382)	(4,366)
INCOME BEFORE INCOME TAXES	47,646	33,810
Income tax provision	14,102	8,114
NET INCOME	$ 33,544	$ 25,696
EARNINGS PER SHARE	$ .46	$ .33
DIVIDENDS PER SHARE	$ .205	$ .185
Average common and common equivalent shares outstanding	70,411	74,805

</TABLE>

See notes to condensed consolidated financial statements

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

<TABLE>
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	Three Months Ended December 31, 1994	Three Months Ended December 31, 1993
Operating Activities:		
Net income	$ 33,544	$ 25,696
Adjustments to net income to derive net cash provided by operating activities:		
Depreciation and amortization	50,270	49,725
Change in working capital	20,470	29,882
Other, net	1,231	9,258
Net cash provided by operating activities	105,515	114,561
Investing Activities:		
Capital expenditures	(22,938)	(29,606)
Change in investments, net	21,174	(28,310)
Other, net	4,926	(11,875)
Net cash provided by (used for) investing activities	3,162	(69,791)
Financing Activities:		

Change in short-term debt	66,199	(16,041)
Proceeds of long-term debt	--	22,917
Payments of long-term debt	(1,626)	(1,952)
Issuance of common stock	2,623	1,920
Repurchase of common stock	(150,147)	(61,566)
Dividends paid	(915)	(949)
Net cash used for financing activities	(83,866)	(55,671)
Effect of exchange rate changes on cash and equivalents	(687)	(558)
Net increase (decrease) in cash and equivalents	24,124	(11,459)
Opening Cash and Equivalents	94,913	39,126
Closing Cash and Equivalents	$ 119,037	$ 27,667

</TABLE>

See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 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 1994 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.

Note 3 - Subsequent Event

In January 1995, the Company issued $100,000 of 8.70% Debentures with an effective yield of 8.90% which mature on January 15, 2025. Interest on the Debentures is payable on January 15 and July 15 of each year, commencing July 15, 1995. The Debentures are redeemable in whole or in part at the option of the Company at any time on or after January 15, 2005 at specified redemption prices. The Debentures are not entitled to any sinking fund. The Company used the net proceeds to repay a portion of its outstanding commercial paper.

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

Results of Operations

First quarter reported revenues of $593 million exceeded the prior year's revenues by 7%. The favorable effect of a weaker dollar versus the prior year added an estimated $18 million to revenues, or 3 percentage points. Medical Supplies and Devices segment revenues of $320 million increased 8%, or 5% after excluding the estimated $9 million favorable impact from foreign currency translation. Sales of the Company's drug delivery products, particularly safety products, and diabetes care products continued to be strong worldwide. Diagnostic Systems segment revenues of $274 million increased 6%, which included an estimated $9 million or 3 percentage point favorable impact from foreign currency translation. Worldwide sales in the segment's core businesses remained satisfactory with sales of blood collection products showing strong growth reflecting continued increases in demand for safety products.

Domestic Medical segment revenues were slightly above last year with good growth in core businesses and lower growth, principally due to timing, in some of the segment's non-core medical device businesses. International Medical segment revenues increased 17%, or 10% after excluding the estimated favorable impact of foreign currency translation, reflecting good growth in most geographic regions.

Domestic Diagnostic segment revenues increased 2% and International Diagnostic segment revenues increased 12%, or 4% after excluding the estimated favorable impact from foreign currency translation. Although the rate of growth of traditional microbiology products was slower than historical levels as a result of some adjustments being made in microbiology test protocols due to cost containment initiatives in the United States and Europe, good growth was achieved in most geographic regions in the segment's core businesses.

The gross profit margin of 44.9% was 1.4 percentage points higher than last year's first quarter rate of 43.5%. This improvement is primarily the result of a more profitable mix of products sold and productivity improvements. Selling and administrative expense of $172 million was 28.9% of revenues and increased 9%, or 5% excluding the estimated unfavorable impact of foreign currency translation. Investment of $35 million in research and development increased slightly over last year's first quarter expenditures.

Operating income of $60 million increased 22% from last year's first quarter amount of $49 million, primarily reflecting the improved gross profit margin and productivity improvements. No significant adjustments have been made in this quarter with regard to estimates used to record the special charges established in the fourth quarter of fiscal 1994. These special charges were primarily associated with decisions made to exit specific product lines and refocus certain businesses.

Net interest expense of $11 million was the same as last year. Other expense, net was $1 million which was $3 million favorable to last year, principally due to lower charges related to foreign exchange. The first quarter income tax rate was 29.6%, compared with last year's first quarter rate of 24.0%. This increase is the result of increased U.S. taxes on earnings from operations in Puerto Rico and shifts in income between tax jurisdictions compared to the prior year.

Net income was $34 million compared with $26 million last year, an increase of 31%. This increase reflects strong growth in operating income and an overall reduction of Other expense, net which was partially offset by an increase in the tax rate.

Earnings per share of $.46 increased 39% over last year's $.33, or 30% after excluding the estimated $.03 favorable impact of foreign currency translation compared with the prior year. The Company's continuation of the share repurchase program contributed to this favorable earnings per share growth trend.

Financial Condition

During the first quarter of 1995, cash provided by operations was $106 million, compared with $115 million during the first quarter of last year. Debt increased $62 million during the first quarter of 1995 primarily due to increased short-term borrowings. The percentage of debt to capitalization (wherein capitalization is defined as the sum of shareholders' equity, net non-current deferred income tax liabilities, and debt) was 40.4%, higher than 38.7% a year ago principally due to the impact of share repurchases in the first quarter of 1995.

Capital expenditures for the quarter were $23 million compared with $30 million during the first quarter of last year. For the full year, capital expenditures are expected to be approximately the same as last year's $123 million.

In January 1995, the Company issued $100 million of 8.70% Debentures with an effective yield of 8.90% which mature on January 15, 2025 (see Note 3 to Condensed Consolidated Financial Statements). 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 quarter of 1995, the Company repurchased 3.2 million shares of its common stock at an average cost of $47.63. At December 31, 1994, authorization from the Board of Directors remained outstanding to acquire an additional 6.7 million shares.

At its November 1994 meeting, the Board of Directors increased the Company's quarterly dividend from $.185 to $.205 per common share.

The Company has operations in Mexico representing approximately $100 million of the Company's $2.6 billion annual revenues. The impact on the Company's operations from the recent devaluation of the Mexican peso was not significant to the first quarters' results. The Company expects the unfavorable impact on the total year earnings per share from lower revenues and income from its Mexico operations and losses on the balance sheet exposure in Mexico to be approximately $.05.

PART II - OTHER INFORMATION

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

a) Exhibits

10 - 1995 Stock Option Plan.
11 - Computation of Earnings Per Share.
27 - Financial Data Schedule.

b) Reports on Form 8-K

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

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 February 13, 1995

/s/ Edward J. Ludwig
Edward J. Ludwig
Vice President - Finance and
Controller (Principal Financial
and Accounting Officer)

EXHIBIT INDEX

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Exhibit Number	Description	Method of Filing
<S>	<C>	<C>
10	1995 Stock Option Plan	Incorporated by reference to Exhibit A to the registrant's Proxy Statement dated December 29, 1994
11	Computation of Earnings Per Share	Filed with this report
27	Financial Data Schedule	Filed with this report

</TABLE>

Exhibit 11

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

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PRIMARY EARNINGS PER SHARE	Three Months Ended December 31, 1994	1993
<S>	<C>	<C>
Net Income	$33,544	$25,696
Less preferred stock dividends	(909)	(939)
Net income applicable to common stock	$32,635	$24,757
Shares:		
Average shares outstanding	68,689	73,888
Add dilutive stock equivalents from stock plans	1,722	917
Weighted average number of common and common equivalent shares outstanding during the year	70,411	74,805
Earnings per share	$.46	$.33

</TABLE>

FULLY DILUTED EARNINGS PER SHARE

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<S>	<C>	<C>
Net income applicable to common stock	$32,635	$24,757
Add preferred stock dividends using the "if converted" method	909	939
Less additional ESOP contribution, using the "if converted" method	(359)	(390)
Net income for fully diluted earnings per share	$33,185	$25,306
Shares:		
Average shares outstanding	68,689	73,888
Add:		
Dilutive stock equivalents from stock plans	1,763	917
Shares issuable upon conversion of preferred stock	1,517	1,568
Weighted average number of common shares used in calculating fully diluted earnings per share	71,969	76,373
Fully diluted earnings per share	$.46	$.33

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The Schedule contains summary financial information extracted from the Company's
Condensed Consolidated Financial Statements for the three months ended December
31, 1994, and is qualified in its entirety by reference to such financial
statements.
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