As filed with the Securities and Exchange Commission on December 10, 1999

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 1999   Commission file number 1-4802

Becton, Dickinson and Company
(Exact name of registrant as specified in its charter)

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

1 Becton Drive	
Franklin Lakes, New Jersey	07417-1880
(Address of principal executive offices)	(Zip code)

(201) 847-6800
(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO
SECTION 12(b) OF THE ACT:

Title of each class	Name of each exchange on which registered
Common Stock, Par Value $1.00	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO
SECTION 12(g) OF THE ACT:

None

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

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

As of November 30, 1999, 251,227,907 shares of the registrant's common stock were outstanding and the aggregate market value of such common stock held by nonaffiliates of the registrant was approximately $6,849,829,412.

DOCUMENTS INCORPORATED BY REFERENCE

(1) Portions of the registrant's Annual Report to Shareholders for the fiscal year ended September 30, 1999 are incorporated by reference into Parts I and II hereof.

(2) Portions of the registrant's Proxy Statement for the Annual Meeting of Shareholders to be held February 8, 2000 are incorporated by reference into Part III hereof.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, including information incorporated herein by reference, contains certain forward-looking statements (as defined under Federal securities laws) regarding the performance of Becton, Dickinson and Company (BD), including future revenues, products and income or events or developments that BD expects to occur or anticipates occurring in the future. All such statements are based upon current expectations of BD and involve a number of business risks and uncertainties. Actual results could vary materially from anticipated results described in any forward-looking statement. Factors that could cause actual results to vary materially from any forward-looking statement include, but are not limited to, competitive factors, changes in regional, national or foreign economic conditions, changes in interest or foreign currency exchange rates, delays in product introductions, Year 2000 issues, and changes in health care or other governmental regulation, as well as other factors discussed herein and in BD's filings with the Securities and Exchange Commission.

PART I

Item 1. Business.

General

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

BD is engaged principally in the manufacture and sale of a broad line of supplies, devices and systems used by health care professionals, medical research institutions and the general public.

Business Segments

BD's operations consist of three worldwide business segments: Medical Systems, Biosciences, and Preanalytical Solutions. Information with respect to the Company's business segments appears on page 47 of the Company's Annual Report to Shareholders for the fiscal year ended September 30, 1999 (the "1999 Annual Report"), and is incorporated herein by reference as part of Exhibit 13.

Medical Systems

The major products in this segment are hypodermic products, specially designed devices for diabetes care, prefillable drug delivery systems and infusion therapy products. This segment also includes anesthesia and surgical products, ophthalmic surgery devices, critical care systems, elastic support products and thermometers.

Biosciences

The major products in this segment are clinical and industrial microbiology products, cellular analysis systems, research and clinical reagents for cellular and nucleic acid analysis, cell culture labware, and growth media, hematology instruments and other diagnostic systems, including immunodiagnostic test kits.

Preanalytical Solutions

The major products in this segment are specimen collection products and services, including specimen management systems. This segment also includes consulting services and customized, automated bar-code systems for patient identification and point-of-care data capture.

Acquisition of Businesses

During fiscal 1999, BD acquired ten businesses, including the following:

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<S>	<C>
. December 1998	Glentech, Inc., a developer and manufacturer of monoclonal antibodies used for researchers studying signal transduction and cell signaling biology;
. January 1999	Luther Medical Products, Inc., a manufacturer of extended dwell peripheral catheters;
. February 1999	Biometric Imaging, Inc., a manufacturer of cellular analysis systems;
. June 1999	Critical Device Corporation, a manufacturer of needleless intravenous access products;
. July 1999	SAF-T-MED, Inc., a developer of safety-needle technology; and

. August 1999   Clontech Laboratories, Inc., a developer and manufacturer of reagents for gene-based drug discovery technology and molecular biology research.
</TABLE>

The operating results of these businesses, from their respective dates of acquisition, are reflected in the Consolidated Financial Statements incorporated by reference as part of Exhibit 13.

Foreign Operations

BD's products are manufactured and sold worldwide. The principal markets for the Company's products outside the United States are Europe, Japan, Mexico, Asia Pacific, Canada and Brazil. The principal products sold by BD outside of the United States are hypodermic needles and syringes, diagnostic systems, VACUTAINER(R) brand blood collection products, HYPAK(R) brand prefillable syringe systems, and infusion therapy products. BD has manufacturing operations outside the United States in Brazil, China, France, Germany, India, Ireland, Japan, Korea, Mexico, Pakistan, Singapore, Spain, Sweden and the United Kingdom. Information with respect to the Company's geographic areas appears on page 48 of the 1999 Annual Report, and is incorporated herein by reference as part of Exhibit 13.

Foreign economic conditions and exchange rate fluctuations have caused the profitability from foreign revenues to fluctuate more than the profitability from domestic revenues. BD believes its activities in some countries outside of the United States involve greater risk than its domestic business due to the foregoing factors, as well as local commercial and economic policies and political uncertainties.

Revenues and Distribution

BD's products and services are marketed in the United States both through independent distribution channels and directly to end-users. BD's products are marketed outside the United States through independent distributors and sales representatives, and, in some markets, directly to end-users. Sales to a distributor, which supplies the Company's products from all business segments to many end-users, accounted for approximately 11% of total Company revenues in fiscal 1999. Order backlog is not material to BD's business inasmuch as orders for BD products generally are received and filled on a current basis, except for items temporarily out of stock. Substantially all revenue is recognized when products are shipped to customers.

Research and Development

BD conducts its research and development activities at its operating units, at Becton Dickinson Technologies in Research Triangle Park, North Carolina and in collaboration with selected universities, medical centers and other entities. BD also retains individual consultants to support its efforts in specialized fields. The Company spent $254,016,000 on research and development during the fiscal year ended September 30, 1999, and $217,900,000 and $180,626,000, respectively, during the two immediately preceding fiscal years. Research and development spending in fiscal years 1999, 1998 and 1997 included the write-off of acquired in-process research and development of $48,800,000, $30,000,000 and $14,750,000, respectively. Information with respect to the Company's write-off of acquired in-process research and development appears on pages 33 and 34 of the 1999 Annual Report, and is incorporated herein by reference as part of Exhibit 13.

Competition

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

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

Intellectual Property and Licenses

BD owns significant intellectual property, including patents, patent applications, technology, trade secrets, know-how, copyrights and trademarks in the United States and other countries. BD is also licensed under domestic and foreign patents, patent applications, technology, trade secrets, know-how, copyrights and trademarks owned by others. In the aggregate, these intellectual property assets and licenses are of material importance to the Company's business. BD does not believe, however, that any single patent, technology, trademark, intellectual property asset or license is material in relation to BD's business as a whole.

Raw Materials

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

Regulation

BD's medical technology products and operations are subject to regulation by the federal Food and Drug Administration and various other federal and state agencies, as well as by a number of foreign governmental agencies. BD believes it is in compliance in all material respects with the regulations promulgated by such agencies, and that such compliance has not had, and is not expected to have, a material adverse effect on its business.

BD also believes that its operations comply in all material respects with applicable environmental laws and regulations. Such compliance has not had, and is not expected to have, a material adverse effect on the Company's capital expenditures, earnings or competitive position.

Employees

As of September 30, 1999, BD had approximately 24,000 employees, of whom approximately 10,700 were employed in the United States. BD believes that its employee relations are satisfactory.

Item 2. Properties.

The executive offices of the Company are located in Franklin Lakes, New Jersey. BD owns and leases approximately 12,858,043 square feet of manufacturing, warehousing, administrative and research facilities throughout the world. The domestic facilities, including Puerto Rico, comprise approximately 5,380,525 square

feet of owned and 1,928,445 square feet of leased space. The foreign facilities comprise approximately 3,853,883 square feet of owned and 1,695,190 square feet of leased space. Sales offices and distribution centers included in the total square footage are also located throughout the world.

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

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

The domestic facilities include facilities in Arizona, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, Missouri, Nebraska, New Jersey, New York, North Carolina, Ohio, South Carolina, Tennessee, Texas, Utah, Virginia, Wisconsin, and Puerto Rico.

The foreign facilities are grouped as follows:

--Canada includes approximately 105,866 square feet of leased space.

--Europe and Eastern Europe, Middle East and Africa include facilities in Austria, Belgium, the Czech Republic, Denmark, Egypt, England, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Ivory Coast, Kenya, the Netherlands, Poland, Russia, South Africa, Spain, Sweden, Switzerland, Turkey, and the United Arab Emirates and are comprised of approximately 1,712,871 square feet of owned and 862,688 square feet of leased space.

--Latin America includes facilities in Argentina, Bolivia, Brazil, Chile, Colombia, Guatemala, Mexico, Panama, Paraguay, Peru, Uruguay, and Venezuela and is comprised of approximately 1,158,014 square feet of owned and 333,037 square feet of leased space.

--Asia Pacific includes facilities in Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, South Korea, Taiwan, Thailand, and Vietnam and is comprised of approximately 982,998 square feet of owned and 393,599 square feet of leased space.

The table below summarizes property information by business segment:

<TABLE>
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Category	Corporate	Biosciences	Medical Systems	Preanalystical Solutions	Mixed(A)	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Leased						
Facilities............	3	19	124	3	9	158
Square feet...........	45,055	548,628	1,829,153	7,558	1,193,241	3,623,635
Manufacturing square footage..............	--	38,378	334,103	--	--	372,481
Manufacturing facilities...........	--	5	9	--	--	14
Owned						
Facilities............	3	21	24	3	9	60
Square feet...........	471,260	2,051,974	4,310,882	650,643	1,749,649	9,234,408
Manufacturing square footage..............	--	884,850	2,603,060	397,327	512,720	4,397,957
Manufacturing facilities...........	--	16	23	3	4	46
Total						
Facilities............	6	40	148	6	18	218
Square feet...........	516,315	2,600,602	6,140,035	658,201	2,942,890	12,858,043
Manufacturing square footage..............	--	923,228	2,937,163	397,327	512,720	4,770,438
Manufacturing facilities...........	--	21	32	3	4	60

</TABLE>

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(A) Facilities used by all business segments.

Item 3. Legal Proceedings.

BD, along with a number of other manufacturers, has been named as a defendant in approximately 310 product liability lawsuits related to natural rubber latex that have been filed in various state and Federal courts. Cases pending in Federal Court are being coordinated under the matter In re Latex Gloves Products Liability Litigation (MDL Docket No. 1148) in Philadelphia, and analogous procedures have been implemented in the state courts of California, Pennsylvania, New Jersey and New York. Generally, these actions allege that medical personnel have suffered allergic reactions ranging from skin irritation to anaphylaxis as a result of exposure to medical gloves containing natural rubber latex. In 1986, the Company acquired a business which manufactured, among other things, latex surgical gloves. In 1995, the Company divested this glove business. The Company is vigorously defending these lawsuits.

BD, along with another manufacturer and several medical products distributors, has been named as a defendant in eleven product liability lawsuits relating to health care workers who allegedly sustained accidental needle sticks, but have not become infected with any disease. The case brought in California under the caption Chavez vs. Becton Dickinson (Case No. 722978, San Diego County Superior Court), filed on August 4, 1998 was dismissed in a judgment filed March 19, 1999 which has been appealed by plaintiffs. The Case brought in Florida under the caption Delgado vs. Becton Dickinson et al. (Case No. 98-5608, Hillsborough County Circuit Court) filed on July 24, 1998 was voluntarily withdrawn by the plaintiffs on March 8, 1999. Cases have been filed on behalf of an unspecified number of health care workers in nine other states, seeking class action certification under the laws of these states. To date, no class has been certified in any of these cases. The nine remaining actions are pending in state court in Texas, under the caption Usrey vs. Becton Dickinson et al. (Case No. 342-173329-98, Tarrant County District Court), filed on April 9, 1998; in Federal Court in Ohio, under the caption Grant vs. Becton Dickinson et al. (Case No. C2 98-844, Southern District of Ohio), filed on July 22, 1998; in state court in Illinois, under the caption McCaster vs. Becton Dickinson et al. (Case No. 98L09478, Cook County Circuit Court), filed on August 13, 1998; in state court in Oklahoma, under the caption Palmer vs. Becton Dickinson et al. (Case No. CJ-98-685, Sequoyah County District Court), filed on October 27, 1998; in state court in Alabama, under the caption Daniels vs. Becton Dickinson et al. (Case No. CV 1998 2757, Montgomery County Circuit Court), filed on October 30, 1998; in state court in South Carolina, under the caption Bales vs. Becton Dickinson et al. (Case No. 98-CP-40-4343, Richland County Court of Common Pleas), filed on November 25, 1998; in state court in Pennsylvania, under the caption Brown vs. Becton Dickinson et al. (Case No. 03474, Philadelphia County Court of Common Pleas) filed on November 27, 1998; and in state court in New Jersey, under the caption Pollak Swartley vs. Becton Dickinson et al. (Case No. L-9449-98, Camden County Superior Court), filed on December 7, 1998; and in state court in New York, under the caption Benner vs. Becton Dickinson et al. (Case No. 99-111372, Supreme Court of the State of New York) filed on June 1, 1999.

Generally, these remaining actions allege that health care workers have sustained needle sticks using hollow-bore needle devices manufactured by the Company and, as a result, require medical testing, counseling and/or treatment. Several actions additionally allege that the health care workers have sustained mental anguish. Plaintiffs seek money damages in all remaining actions.

In June 1999, a class certification hearing was held in the matter of Usrey vs. Becton, Dickinson et al., which was first filed in Texas state court on April 9, 1998, under the caption Calvin vs. Becton Dickinson et al. The Court has advised the parties by letter received October 27, 1999 that it believes that it is appropriate to address the issues in the case by way of a class action under Texas procedural law. The Court has scheduled a meeting with the parties' counsel in mid-December to discuss the wording of an appropriate order.

BD continues to oppose class action certification in this and the other remaining cases and will continue vigorously to defend these lawsuits, including pursuing all appropriate rights of appeal.

BD, along with another manufacturer, a group purchasing organization ("GPO") and three hospitals, has been named as a defendant in an antitrust action brought pursuant to the Texas Free Enterprise Act ("TFEA"). The action is pending in state court in Texas, under the caption Retractable Technologies Inc. vs. Becton

Dickinson and Company et al. (Case No. 533*JG98, Brazoria County District Court), filed on August 4, 1998. Plaintiff, a manufacturer of retractable syringes, alleges that the Company's contracts with GPOs exclude plaintiff from the market in syringes and blood collection products, in violation of the TFEA. Plaintiff also alleges that the Company has conspired with other manufacturers to maintain its market share in these products. Plaintiff seeks money damages. The pending action is in preliminary stages. The Company intends to mount a vigorous defense in this action.

BD is a party to a number of federal proceedings in the United States brought under the Comprehensive Environmental Response, Compensation and Liability Act, also known as Superfund, and similar state laws. The Company also is involved in other legal proceedings and claims which arise in the ordinary course of business, both as a plaintiff and a defendant.

In the opinion of the Company, the results of the above matters, individually and in the aggregate, are not expected to have a material effect on its results of operations, financial condition or cash flows.

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

Not applicable.

Executive Officers of the Registrant (as of December 1, 1999)

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

<TABLE>
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Name	Age	Position
Clateo Castellini................	64	Director, Chairman of the Board, and Chief Executive Officer since June 1994; Director, Chairman of the Board, President and Chief Executive Officer from June 1994 to May 1999; and prior thereto, Sector President--Medical.
John W. Galiardo.................	65	Director, Vice Chairman of the Board and General Counsel since June 1994, and prior thereto, Vice President and General Counsel.
Richard O. Brajer................	39	President--Worldwide Preanalytical Solutions since July 1999; President--Worldwide Sample Collection from October 1998 to July 1999; President--Infusion Therapy Europe from February 1998 to September 1998; Vice

		President/General Manager--Consumer Products Europe from October 1995 to January 1998; Director, North America Marketing, Diabetes Health Care from October 1994 to September 1995; and prior thereto, Director, Corporate Strategic Planning.
Gary M. Cohen....................	40	President--Worldwide Medical Systems since May 1999; Executive Vice President from July 1998 to May 1999; President--Becton Dickinson Europe and Worldwide Sample Collection from October 1997 to June 1998; President--Worldwide Sample Collection from October 1996 to September 1997; President--Becton Dickinson Division/Worldwide Hypodermic from August 1994 to September 1996; Vice President, Marketing and Development from July 1993 to July 1994; and prior thereto, Director of Marketing.

</TABLE>

<TABLE>
<CAPTION>

Name	Age	Position
Vincent A. Forlenza..............	46	Senior Vice President-Technology, Strategy and Development since February 1999; President--Worldwide Microbiology Systems from October 1996 to January 1999; President--Diagnostic Instrument Systems from October 1995 to September 1996; and prior thereto, Division President--Becton Dickinson Advanced Diagnostics.
James V. Jerbasi.................	61	Vice President--Human Resources since February 1999, and prior thereto, Director of International Human Resources.
Edward J. Ludwig.................	48	President since May 1999; Executive Vice President from July 1998 to May 1999; Senior Vice President--Finance and Chief Financial Officer from July 1995 to June 1998; Vice President--Finance from May 1995 to June 1995; Vice President--Finance and Controller from January 1995 to May 1995; and prior thereto, President--Becton Dickinson Diagnostic Instrument Systems.
Deborah J. Neff..................	46	President--Worldwide Biosciences since February 1999; President--Worldwide Immunocytometry Systems from October 1996 to January 1999; President--Becton Dickinson Immunocytometry Systems from January 1995 to September 1996; Vice President--General Manager from October 1992 to December 1994; and prior thereto, Vice President--Operations.

</TABLE>

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

BD's common stock is listed on the New York Stock Exchange. As of November 30, 1999, there were approximately 11,500 shareholders of record. The balance of the information required by this item appears under the caption "Common Stock Prices and Dividends" on the inside back cover of the Company's 1999 Annual Report and is incorporated herein by reference as part of Exhibit 13.

Pursuant to the terms of the Stock Purchase Agreement and Plan of Merger and Reorganization dated September 3, 1997 (the "Merger Agreement") entered into by the Company in connection with the acquisition of Critical Device Corporation, a California corporation ("CDC"), on June 22, 1999 (the "Closing

Date") the former shareholders of CDC received 327,767 shares of the Company's common stock, par value $1.00 per share ("Common Stock"). An additional 29,755 shares of Common Stock was deposited in escrow to secure the indemnification and other obligations of the former shareholders of CDC. Pursuant to the terms of the Merger Agreement, the former shareholders of CDC may receive up to an additional $10,000,000 in shares of Company Common Stock during the ten year period after the Closing Date based upon sales of certain products.

The Common Stock issued to the former shareholders of CDC was offered and sold pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"), for transactions not involving a public offering of securities. In connection with the offer and sale, the Company relied upon the fact that the offering was made to only three offerees (the former shareholders of CDC) and did not involve any general advertising or solicitation, the offerees were sophisticated investors, the size of the offering was small in relation to the Company's market capitalization, and the Company had taken reasonable steps to prevent resale of the Common Stock by the former shareholders of CDC in violation of the Securities Act.

Item 6. Selected Financial Data.

The information required by this item is included under the caption "Eight-Year Summary of Selected Financial Data" on page 26 of the Company's 1999 Annual Report and is incorporated herein by reference as part of Exhibit 13.

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

The information required by this item is included in the text contained under the caption "Financial Review" on pages 18-25 of the Company's 1999 Annual Report and is incorporated herein by reference as part of Exhibit 13.

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

The information required by this item is included in the text contained on page 20 of the "Financial Review" section of the Company's 1999 Annual Report, and in Notes 1 and 10 to the consolidated financial statements contained in the Company's 1999 Annual Report, and each is incorporated herein by reference as part of Exhibit 13.

Item 8. Financial Statements and Supplementary Data.

The information required by this item is included on page 13 herein and on pages 28-48 of the Company's 1999 Annual Report and is incorporated herein by reference as part of Exhibit 13.

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

Not applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant.

The information relating to directors required by this item will be contained under the captions "Board of Directors", "Election of Directors" and "Continuing Directors" in a definitive Proxy Statement involving the election of directors which the registrant will file with the Securities and Exchange Commission not later than 120 days after September 30, 1999 (the "Proxy Statement"), and such information is incorporated herein by reference.

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

The information required pursuant to Item 405 of Regulation S-K will be contained under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in the Company's Proxy Statement, and such information is incorporated herein by reference.

Item 11. Executive Compensation.

The information required by this item will be contained under the captions "Board of Directors" and "Executive Compensation" in the Company's Proxy Statement, and such information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The information required by this item will be contained under the caption "Share Ownership of Management and Certain Beneficial Owners" in the Company's Proxy Statement, and such information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions.

Not applicable.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a)(1) Financial Statements

The following consolidated financial statements of BD included in the Company's 1999 Annual Report at the pages indicated in parentheses, are incorporated by reference in Item 8 hereof:

Consolidated Statements of Income--Years ended September 30, 1999, 1998 and 1997 (page 28)

Consolidated Statements of Comprehensive Income--Years ended September 30, 1999, 1998 and 1997 (page 29)

Consolidated Balance Sheets--September 30, 1999 and 1998 (page 30)

Consolidated Statements of Cash Flows--Years ended September 30, 1999, 1998 and 1997 (page 31)

Notes to Consolidated Financial Statements (pages 32-48)

(a)(2) Financial Statement Schedules

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

Schedule II--Valuation and Qualifying Accounts (page 14)

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

(a)(3) Exhibits

See Exhibit Index on pages 15, 16 and 17 hereof for a list of all management contracts, compensatory plans and arrangements required by this item (Exhibit Nos. 10(a)(i) through 10(n)), and all other Exhibits filed or incorporated by reference as a part of this report.

(b) Reports on Form 8-K

On September 30, 1999 the registrant filed a report on Form 8-K for purposes of filing certain agreements and instruments executed in connection with a public offering by the registrant of its 7.15% Notes due October 1, 2009. On September 29, 1999, the registrant filed a report on Form 8-K for purposes of reporting an amendment to its by-laws. On August 27, 1999 the registrant filed a report on Form 8-K for purposes of reporting the completion of the acquisition of Clontech Laboratories, Inc. On August 10, 1999 the registrant filed a report on Form 8-K for purposes of reporting the revised agreement for the acquisition of Clontech Laboratories, Inc. On July 22, 1999 the registrant filed a report on Form 8-K for purposes of reporting its results of operations for the third quarter ended June 30, 1999.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Becton, Dickinson and Company

By: /s/ John W. Galiardo

John W. Galiardo
Vice Chairman of the Board and
General Counsel

Dated: December 10, 1999

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on the 10th day of December, 1999 by the following persons on behalf of the registrant and in the capacities indicated.

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<S> <C>

Name	Capacity
/s/ Clateo Castellini Clateo Castellini	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Edward J. Ludwig Edward J. Ludwig	Director and President
/s/ Richard M. Hyne Richard M. Hyne	Vice President and Controller (Principal Financial and Accounting Officer)
/s/ Harry N. Beaty, M.D. Harry N. Beaty, M.D.	Director
/s/ Henry P. Becton, Jr. Henry P. Becton, Jr.	Director
/s/ Albert J. Costello Albert J. Costello	Director
/s/ Gerald M. Edelman, M.D. Gerald M. Edelman, M.D.	Director
/s/ John W. Galiardo John W. Galiardo	Director

</TABLE>

<TABLE>
<CAPTION>

<S> <C>

Name	Capacity
/s/ Richard W. Hanselman Richard W. Hanselman	Director
/s/ Frank A. Olson Frank A. Olson	Director
/s/ Willard J. Overlock, Jr. Willard J. Overlock, Jr.	Director
/s/ James E. Perrella James E. Perrella	Director
/s/ Alfred Sommer Alfred Sommer	Director
/s/ Raymond S. Troubh Raymond S. Troubh	Director
/s/ Margaretha af Ugglas Margaretha af Ugglas	Director

</TABLE>

REPORT OF INDEPENDENT AUDITORS

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

We have audited the consolidated financial statements and related schedule of Becton, Dickinson and Company listed in the accompanying index to financial statements (Item 14(a)). These financial statements and related schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and related schedule based on our audits.

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

In our opinion, the financial statements listed in the accompanying index to financial statements (Item 14(a)) present fairly, in all material respects, the consolidated financial position of Becton, Dickinson and Company at September 30, 1999 and 1998, and the consolidated results of its operations and its cash flows for each of the three years in the period ended September 30, 1999, in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

Ernst & Young LLP

New York, New York
November 4, 1999

BECTON, DICKINSON AND COMPANY

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS

YEARS ENDED SEPTEMBER 30, 1999, 1998, and 1997
(Thousands of dollars)

<TABLE>
<CAPTION>

Col. A	Col. B	Col. C	Col. D	Col. E
Description	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Deductions	Balance at End of Period
<S>	<C>	<C>	<C>	<C>
1999				
Against trade receivables:				
For doubtful accounts...........	$24,739	$13,244	$ 3,208(A)	$34,775
For cash discounts.............	10,779	38,292	34,810	14,261
Total.........................	$35,518	$51,536	$38,018	$49,036
1998				
Against trade receivables:				
For doubtful accounts...........	$20,234	$ 9,406	$ 4,901(A)	$24,739
For cash discounts.............	8,499	33,646	31,366	10,779
Total.........................	$28,733	$43,052	$36,267	$35,518
1997				
Against trade receivables:				
For doubtful accounts...........	$19,608	$ 3,289	$ 2,663(A)	$20,234
For cash discounts.............	8,448	30,532	30,481	8,499
Total.........................	$28,056	$33,821	$33,144	$28,733

</TABLE>

(A) Accounts written off.

EXHIBIT INDEX

<TABLE>
<CAPTION>

Exhibit Number	Description	Method of Filing
<C>	<S>	<C>
3(a)(i)	Restated Certificate of Incorporation, as amended January 22, 1990	Incorporated by reference to Exhibit 3(a) to the registrant's Annual Report on Form 10-K for the fiscal year ended

		September 30, 1990
3(a)(ii)	Amendment to the Restated Certificate of Incorporation, as of August 5, 1996	Incorporated by reference to Exhibit 3(a) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 1996
3(a)(iii)	Amendment to the Restated Certificate of Incorporation, as of August 10, 1998	Incorporated by reference to Exhibit 3(a)(iii) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 1998
3(b)	By-Laws, as amended as of November 23, 1999	Filed with this report
4(a)	Indenture, dated as of December 1, 1982, between the registrant and Manufacturers Hanover Trust Company	Incorporated by reference to Exhibit 4 to Registration Statement No. 2-80707 on Form S-3 filed by the registrant
4(b)	First Supplemental Indenture, dated as of May 15, 1986, between the registrant and Manufacturers Hanover Trust Company	Incorporated by reference to Exhibit 4(b) to Registration Statement No. 33-5663 on Form S-3 filed by the registrant
4(c)	Second Supplemental Indenture, dated as of January 10, 1995, between the registrant and The Chase Manhattan Bank (formerly known as Chemical Bank, the successor by merger to Manufacturers Hanover Trust Company)	Incorporated by reference to Exhibit 4(c) to Form 8-K filed by the registrant on January 12, 1995
4(d)	Indenture, dated as of March 1, 1997, between the registrant and The Chase Manhattan Bank	Incorporated by reference to Exhibit 4(a) to Form 8-K filed by the registrant on July 31, 1997 (the registrant hereby agrees to furnish to the Commission upon request a copy of any other instruments which define the rights of holders of long-term debt of the registrant)
4(e)	Rights Agreement, dated as of November 28, 1995, between the registrant and First Chicago Trust Company of New York, which includes as Exhibit A thereto, the Form of Right Certificate	Incorporated by reference to Exhibit 1 to Form 8-K filed by the registrant on December 14, 1995
10(a)(i)	Employment Agreement, dated June 18, 1986, between the registrant and Clateo Castellini	Incorporated by reference to Exhibit 10(b)(i) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1986
10(a)(ii)	Employment Agreement, dated June 18, 1986, between the registrant and John W. Galiardo	Incorporated by reference to Exhibit 10(b)(ii) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1986

</TABLE>

<TABLE>
<CAPTION>

Exhibit Number	Description	Method of Filing
<C>	<S>	<C>
10(b)	Certified Resolution authorizing certain payments to certain corporate officers in the event of a discharge, resignation due to removal from position or a significant change in such officers' respective duties within two years after a	Incorporated by reference to Exhibit 10(k) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1986

	change in control of the registrant	
10(c)(i)	Form of Split Dollar Agreement and related Collateral Assignment covering the providing to certain corporate officers of a life insurance policy in an amount equal to two times base salary in lieu of full participation in the registrant's group life insurance program	Incorporated by reference to Exhibit 10(e) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1987
10(c)(ii)	Form of Endorsement Method Split Dollar Agreement covering the providing to certain corporate officers of a life insurance policy in an amount equal to two times base salary in lieu of full participation in the registrant's group life insurance program	Filed with this report
10(d)	Stock Award Plan, as amended and restated effective February 11, 1992	Incorporated by reference to Exhibit 10(d) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1992
10(e)	1997 Management Incentive Plan	Incorporated by reference to Exhibit 10(e) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1997
10(f)	1982 Unqualified Stock Option Plan, as amended and restated February 8, 1994	Incorporated by reference to Exhibit 10(g) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1994
10(g)(i)	Salary and Bonus Deferral Plan, as amended and restated as of August 15, 1996	Incorporated by reference to Exhibit 4 to Registration Statement No. 333-11885 on Form S-8 filed by the registrant
10(g)(ii)	1996 Directors' Deferral Plan	Incorporated by reference to Exhibit 4 to Registration Statement No. 333-16091 on Form S-8 filed by the registrant
10(h)	1990 Stock Option Plan, as amended and restated February 8, 1994	Incorporated by reference to Exhibit 10(i) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1994
10(i)	Retirement Benefit Restoration Plan and related Benefit Restoration Plan Trust, as amended and restated as of November 22, 1994	Incorporated by reference to Exhibit 10(i) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1998.
10(j)(i)	1994 Restricted Stock Plan for Non-Employee Directors	Incorporated by reference to Exhibit A to the registrant's Proxy Statement dated January 5, 1994
10(j)(ii)	Amendment to the 1994 Restricted Stock Plan for Non-Employee Directors as of November 26, 1996	Incorporated by reference to Exhibit 10(j)(ii) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1996

</TABLE>

<TABLE>
<CAPTION>

Exhibit Number	Description	Method of Filing
<C>	<S>	<C>
10(k)	1995 Stock Option Plan, as amended and restated January 27, 1998	Incorporated by reference to Exhibit 10(k) to the registrant's Annual

		Report on Form 10-K for the fiscal year ended September 30, 1998
10(l)	1998 Stock Option Plan	Incorporated by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q/A for the period ended March 31, 1998
10(m)	Australian, French and Spanish addenda to the Becton, Dickinson and Company Stock Option Plans	Incorporated by reference to Exhibit 10(m) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1998
10(n)	Indian addendum to the Becton, Dickinson and Company Stock Option Plans	Filed with this report
13	Portions of the registrant's Annual Report to Shareholders for fiscal year 1999	Filed with this report
21	Subsidiaries of the registrant	Filed with this report
23	Consent of independent auditors	Filed with this report
27	Financial Data Schedule	Filed with this report

</TABLE>

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

BY-LAWS
of
BECTON, DICKINSON AND COMPANY
A New Jersey Corporation
as Amended November 23, 1999

ARTICLE I
Offices

The registered office of Becton, Dickinson and Company ("Company") shall be in the Borough of Paramus, County of Bergen, State of New Jersey or such other place within or without the State of New Jersey as the Board of Directors may designate. The Company may also establish and have such other offices within or without the State of New Jersey, as the Board of Directors may designate or its business may require.

ARTICLE II
Meetings of Shareholders

SECTION 1. PLACE OF MEETINGS. Meetings of the shareholders shall be held at the registered office of the Company in New Jersey, or at such other place, within or without the State of New Jersey, as may be designated by the Board of Directors and stated in the notice of the meeting.

SECTION 2.A. ANNUAL MEETINGS. The annual meeting of shareholders for the election of directors and the transaction of such other business as may be related to the purposes set forth in the notice of the meeting shall be held at such time as may be fixed by the Board of Directors.

B. SPECIAL MEETING FOR ELECTION OF DIRECTORS. If the annual meeting of shareholders is not held on the date designated, the Board of Directors may call a special meeting of the shareholders for the election of directors and the transaction of other business.

C. SPECIAL MEETINGS. Special meetings of the shareholders may be called by the Board of Directors or by the Chairman of the Board or by the President, and shall be called by the Chairman of the Board or by the President upon written request of a majority of the Directors then in office, which request shall state the time, place and purpose of the meeting.

D. ADVANCE NOTICE OF BUSINESS TO BE TRANSACTED AT ANNUAL MEETINGS OF SHAREHOLDERS. No business may be transacted at an annual meeting of shareholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (c) otherwise properly brought before the annual meeting by any shareholder of the Company (i) who is a

shareholder of record on the date of the giving of the notice provided for in this Section 2.D. and on the record date for the determination of shareholders entitled to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section 2.D.

In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a shareholder, such shareholder must have given timely notice thereof in proper written form to the Secretary of the Company.

To be timely, a shareholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Company not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of shareholders; <u>provided however</u>, that in the event that the annual meeting is called for on a date that is not within 30 days before or after such anniversary date, notice by the shareholder in order to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs.

To be in proper written form, a shareholder's notice to the Secretary must set forth as to each matter such shareholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the name and record address of such shareholder, (c) the class or series and number of shares of capital stock of the Company that are owned beneficially or of record by such shareholder, (d) a description of all arrangements or understandings between such shareholder and any other person or persons (including their names) in connection with the proposal of such business by such shareholder and any material interest of such shareholder in such business and (e) a representation that such shareholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

No business shall be conducted at the annual meeting of shareholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 2.D, provided, however, that, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in Section 2.D, shall be deemed to preclude discussion by any shareholder of any such business. If the Chairman of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

SECTION 3. QUORUM. The presence, in person or by proxy, of the holders of shares representing a majority of the votes entitled to be cast at a meeting shall constitute a quorum. The shareholders present in person or by proxy at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. If a quorum not be present or represented at any meeting, the shareholders present in person, or by proxy, shall have power to adjourn the meeting without notice until the required voting shares shall be represented. At such adjourned meeting with the requisite amount

of voting shares represented, any business may be transacted which might have been transacted at the meeting as originally notified.

SECTION 4. NOTICE OF MEETINGS. A written notice of each annual or special meeting of the shareholders of the Company, signed by the Chairman of the Board or the President or the Secretary, which shall state the time, place and purpose of such meeting, shall be delivered personally or mailed, not less than 10 days nor more than 60 days before the date of any such meeting, to each shareholder of record entitled to vote at such meeting. If mailed, the notice shall be directed to the shareholder at his address as it appears on the records of the stock transfer agent. Any shareholder, in person or by proxy, may at any time by a duly signed statement in writing to that effect, waive any statutory or other notice of any meeting, whether such statement be signed before or after such meeting.

SECTION 5. VOTING. At all meetings of the shareholders, each holder of common stock having the right to vote, and present at the meeting in person or by proxy, shall be entitled to one vote for each full share of common stock of the Company entitled to vote and registered in his name. Each holder of preferred stock of any series shall have such voting powers, if any, as the Board of Directors shall have fixed by resolution prior to the issuance of any shares of such series. Whenever any action is to be taken by vote of the shareholders, it shall be authorized by a majority of the votes cast at a meeting of the shareholders by the holders of shares entitled to vote, unless a greater plurality is required by law or the Certificate of Incorporation.

SECTION 6. PROXIES. Any shareholder of record entitled to vote may be represented at any annual or special meeting of the shareholders by a duly appointed proxy. All proxies shall be written and properly signed, but shall require no other attestation, and shall be filed with the Secretary of the meeting before being voted.

SECTION 7. ORGANIZATION. The Chairman of the Board, or in the absence of the Chairman of the Board, the Vice Chairman or the President, shall act as chairman of the meeting at all meetings of the shareholders. The Secretary, or in his absence one of the Assistant Secretaries, shall act as secretary of the meeting. In case none of the officers above designated to act as Chairman or Secretary of the meeting shall be present, a chairman or a secretary of the meeting, as the case may be, shall be chosen by a vote of the shareholders.

SECTION 8. ORDER OF BUSINESS. The order of business at all meetings of the shareholders shall be as determined by the Chairman of the meeting, but the order of business to be followed at any meeting at which a quorum is present may be changed by a vote of the shareholders.

ARTICLE III
Directors

SECTION 1. QUALIFICATIONS. Each Director shall be at least 21 years of age, a shareholder of record of the Company, and shall be elected in the manner provided by these By-Laws.

SECTION 2. DUTIES AND POWERS. The Board of Directors shall control and manage the business and affairs of the Company, and shall exercise all powers of the Company and perform all acts which are not required to be exercised or performed by the shareholders. The Directors may adopt such rules and regulations for the conduct of their meetings and the management of the Company as they may deem proper.

SECTION 3. PLACE OF MEETINGS. Meetings of the Board of Directors shall be held at the principal office of the Company or at such other place within or without the State of New Jersey, as the Chairman of the Board or the Board may designate.

SECTION 4. TELEPHONE MEETINGS. Any or all Directors may participate in a meeting of the Board or a committee of the Board by means of conference telephone or any means of communication by which all persons participating in the meeting are able to hear each other.

SECTION 5. NOTICE OF MEETINGS There shall be an annual meeting of the Board of Directors held without notice immediately following the annual meeting of shareholders, or as soon thereafter as convenient, at the same place as the annual meeting of shareholders unless some other location is designated by the Chairman of the Board or by the President. Regular meetings, without notice, may be held at such time and place as the Board of Directors may designate. The Chairman of the Board or the President may call any special meeting of the Board of Directors, and shall do so whenever requested in writing by at least one-third of the Directors. Notice of each special meeting shall be mailed to each director at least four days before the date on which the meeting is to be held, or be telephoned or sent to each Director by telegraph, telex, TWX, cable, wireless or similar means of communication, or be delivered in person, not later than the day before the date on which such meeting is to be held. The Board of Directors may meet to transact business at any time and place without notice, provided that each director shall be present, or that any Director or Directors not present shall waive notice in writing, either before or after such meeting. The attendance of any Director at a meeting without protesting prior to the conclusion of the meeting the lack of notice of such meeting shall constitute a waiver of notice by him. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting. Notice of an adjourned meeting need not be given if the time and place are fixed at the meeting adjourning and if the period of adjournment does not exceed 10 days in any one adjournment.

SECTION 6. QUORUM. A majority of the Directors then in office shall constitute a quorum for the transaction of business, but the Director or Directors present, if less than a quorum, may adjourn any meeting from time to time until such quorum shall be present. All

questions coming before the Board of Directors shall be determined and decided by a majority vote of the Directors present, unless the vote of a greater number is required by statute, the Certificate of Incorporation or these By-Laws.

SECTION 7. ACTION WITHOUT A MEETING. The Board of Directors may act without a meeting if, prior or subsequent to such action, each Director shall consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

SECTION 8. COMPENSATION OF DIRECTORS. The Board may, by the affirmative vote of a majority of the Directors then in office, fix reasonable fees or compensation of the Directors for services to the Company, including attendance at meetings of the Board of Directors or Committees of the Board. Nothing herein contained shall be construed to preclude any Director from serving the Company in any other capacity and receiving compensation therefor. Each Director shall be entitled to receive reimbursement for reasonable expenses incurred in the performance of his duties.

ARTICLE IV
Committees

SECTION 1. HOW CONSTITUTED AND POWERS. The Board of Directors, by resolution of a majority of the Directors then in office, shall appoint from among its members the committees enumerated in the By-laws and may appoint one or more other committees. The Board shall designate one member of each committee its chairman. To the extent provided in the By-law or any resolution conferring or limiting its powers each committee shall have and may exercise all the authority of the Board, except that no committee shall:

(a) make, alter, or repeal any By-law of the Company;

(b) elect, appoint or remove any Director, or elect, appoint or remove any corporate officer;

(c) submit to shareholders any action that requires approval of shareholders;

(d) amend or repeal any resolution adopted by the Board of Directors which by its terms is amendable or repealable only by the Board;

(e) act on matters assigned to other committees appointed by the Board of Directors;

(f) declare or pay any dividends or issue any additional shares of authorized and unissued capital stock; or

(g) create, dissolve or fill any vacancy on any committee appointed by the Board of Directors.

The Board, by resolution of a majority of the Directors then in office may fill any vacancy in any committee; appoint one or more alternate members of any committee to act in the absence or disability of members of such committees with all the powers of such absent or disabled members; or remove any director from membership on any committee.

SECTION 2. EXECUTIVE COMMITTEE. The Executive Committee shall consist of not less than 3 members. During the intervals between meetings of the Board of Directors and subject to Section 1 of this Article, the Executive Committee shall possess and may exercise all the powers and authority of the Board of Directors in the control and management of the business and affairs of the Company.

SECTION 3. FINANCE AND INVESTMENT COMMITTEE. The Finance and Investment Committee shall consist of not less than four members. The Finance and Investment Committee shall regularly review the financial and accounting affairs of the Company and shall:

(i) monitor the Company's financial structure and recommend to the Board appropriate debt or equity financing to meet the Company's long-term objectives;

(ii) review and approve the Company's dividend policy and recommend to the Board appropriate dividend action;

(iii) review and approve financial plans, capital expenditure budgets and capital expenditures (including leases) that on an individual basis exceed $10 million and that are not included in the capital expenditure budget;

(iv) review and approve purchases and dispositions of real property; provided, that notwithstanding the foregoing or anything contained in clause (iii) above to the contrary, any two executive officers of the Company acting together shall have the power, without the need for any approval of the Finance and Investment Committee or the Board, to approve, execute and effect from time to time (A) acquisitions of real property that on an individual basis have purchase prices of up to and including $25 million, and (B) dispositions of real property that on an individual basis have sale prices of up to and including $25 million and do not result in a pre-tax loss of $5 million or more on the consolidated books of the Company;

(v) review and recommend appropriate Board action with respect to acquisitions and divestitures of assets (including, without limitation, stock and other equity interests in corporations, partnerships or other entities and intellectual property rights, but excluding individual purchases and dispositions of real property and acquisitions of assets approved pursuant to clause (iii) above) that, individually or in the aggregate, in one or more of a series of related transactions, have a purchase or sale price, as applicable, equal to or greater than $10 million; and

(vi) review and approve (A) the establishment of a subsidiary in a country in which the Company has no other subsidiary if the operation of such subsidiary would involve an investment of more than $2.5 million, (B) the dissolution of a subsidiary that would result in a pre-tax loss of $5 million or more on the consolidated books of the Company, (C) the establishment of a subsidiary in a country in which the Company has an existing subsidiary if the operation of such new subsidiary would involve an investment of more than $25 million, and (D) any change in capital of a subsidiary that exceeds $25 million or that would result in a pre-tax charge of $5 million or more on the consolidated books of the Company.

The Finance and Investment Committee also shall (i) act as fiduciary of the Company's employee benefit plans in the United States and Puerto Rico which require funding, and (ii) be responsible for the selection of fund managers and trustees, the establishment and implementation of funding and investment policies and guidelines, and for the fiscal management and control of all such plans of the Company and its subsidiaries in the United States and Puerto Rico.

SECTION 4. AUDIT COMMITTEE. The Audit Committee shall consist of not less than 3 members, none of whom are officers or employees of the Company or any subsidiary, and a majority of whom are not former officers of the Company or any subsidiary.

The Audit Committee shall (i) recommend to the Board of Directors each year a firm of independent accountants to be the auditors of the Company for the ensuing fiscal year; (ii) review and discuss with the auditors and report to the Board of Directors thereon, prior to the annual meeting of shareholders, the plan and results of the annual audit of the Company; (iii) review and discuss with the auditors their independence, fees, functions and responsibilities, the internal auditing, control, and accounting systems of the Company and other related matters as the Committee from time to time deems necessary or desirable; and (iv) direct and supervise investigations into matters within the scope of its duties.

SECTION 5. COMPENSATION AND BENEFITS COMMITTEE. The Compensation and Benefits Committee (the "Committee") shall consist of not less than three members, all of whom are to be "nonemployee directors" within the meaning of Rule 16b-3(b)(3) under the Securities Exchange Act of 1934.

The Compensation and Benefits Committee shall: (i) review annually the overall compensation program for the Company's corporate officers, including the executive officers; (ii) approve the compensation of the executive officers, including, but not limited to, regular or periodic compensation and additional or year-end compensation; (iii) review and approve all consulting or employment contracts of the Company or of any subsidiary with any corporate officer, including any executive officer, or with any Director, provided, that any such contract with any Director must also be approved by the Board of Directors; (iv) serve as the granting and administrative committee for the Company's stock option and stock award plans; and (v) perform such other duties as may from time to time be assigned by the Board of Directors with respect to executive compensation.

In addition, the Committee shall: (i) oversee the administration of employee benefits and benefit plans for the Company and its subsidiaries; (ii) review and approve, or recommend to the Board, new benefits or changes in existing benefits; and (iii) appoint from among the management of the Company committees to administer such employee benefits and benefit plans.

SECTION 6. CORPORATE RESPONSIBILITY COMMITTEE. The Corporate Responsibility Committee shall review the Company's policies and procedures affecting its role as a responsible corporate citizen, including, but not limited to, those relating to issues such as equal employment opportunity and community relations, to health, safety and environmental matters, and to proper business practices.

SECTION 7. CORPORATE GOVERNANCE COMMITTEE. The Corporate Governance Committee shall consist of not less than four members and shall be responsible for considering and making recommendations to the Board in its areas of responsibility, which are:

(i) To recommend to the Board candidates for election as directors at the annual meeting of shareholders or to fill vacancies on the Board;

(ii) To make recommendations concerning the composition, organization and functions of the Board and the performance, qualifications, conduct, including memberships on other boards, and compensation of directors;

(iii) To consider matters of corporate governance and board practices and develop and periodically review a Statement of Corporate Governance Principles for the Company;

(iv) To monitor and recommend the functions and charters of the various committees of the Board;

(v) To make recommendations on the structure of Board meetings;

(vi) To recommend matters for consideration by the Board;

(vii) To review periodically the Company's shareholder rights plan; and

(viii) To review periodically the Company's by-laws and certificate of incorporation.

SECTION 8. MEETINGS AND PROCEDURES. Each committee may make its own rules of procedure and shall meet as provided by such rules or by resolution of the Board of Directors, and shall also meet at the call of the chairman of the committee, the Chairman of the Board, the President, or a majority of the members of the committee.

A majority of the members of a committee shall constitute a quorum. The affirmative vote of a majority of all of the members shall be necessary for the adoption of a resolution or to approve any matter within the scope of the authority of a committee. Minutes of the proceedings

of a committee shall be recorded in a book provided for that purpose and filed with the Secretary of the Company. A committee may act without a meeting if, prior or subsequent to such action, each member shall consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the committee.

Action taken by a committee, with or without a meeting, shall be reported to the Board of Directors at its next regular meeting following such committee action; except that, when the meeting of the Board is held within 2 days after the committee action, such report, if not made at the first meeting, shall be made to the Board at its second meeting following such action.

ARTICLE V
Officers

SECTION 1. ENUMERATION, APPOINTMENT AND REMOVAL. The corporate officers of the Company shall be a Chairman of the Board, a Vice Chairman of the Board, a President, one or more Executive Vice Presidents, one or more Senior Vice Presidents, one or more Sector Presidents, one or more Group Presidents, one or more Vice Presidents, a Controller, a Treasurer, a Secretary and such other corporate officers (including assistant corporate officers) as the Board of Directors may deem necessary or desirable for the transaction of the business of the Company. In its discretion, the Board of Directors may leave unfilled any office except those of the President, Treasurer, and Secretary, and should any vacancy occur among said officers by death, resignation or otherwise, the same shall be filled at the next regular meeting of the Board of Directors or at a special meeting. Any two or more offices may be held by the same person. The Board of Directors, by resolution adopted by a majority of the Directors, then in office, shall designate the Chairman of the Board or the President to serve as the Chief Executive Officer of the Company.

The corporate officers shall be elected at the first meeting of the Board of Directors after the annual election of Directors, and shall hold office until the next succeeding annual meeting of the Board of Directors, subject to the power of the Board of Directors to remove any corporate officer at pleasure by an affirmative vote of the majority of the Directors then in office.

Every corporate officer shall have such authority and perform such duties in the management of the Company as may be provided in these By-laws, or such duties consistent with these By-laws as may be assigned by the Board of Directors or the Chief Executive Officer.

SECTION 2. CHIEF EXECUTIVE OFFICER. The Chief Executive Officer shall be elected from among the members of the Board of Directors and shall have general charge and supervision over and responsibility for the business and affairs of the Company. He shall keep the Board of Directors fully informed concerning those areas in his charge, and shall perform such other duties as may be assigned to him by the Board of Directors. In the absence or disability of the Chairman of the Board and of the Vice Chairman of the Board, the Chief Executive Officer shall have all the powers and perform all the duties of the Chairman of the Board.

SECTION 3. CHAIRMAN OF THE BOARD The Chairman of the Board shall preside at all meetings of the Board of Directors and of the shareholders and shall perform such other duties as these By-laws or the Board of Directors may prescribe.

SECTION 4. VICE CHAIRMAN OF THE BOARD. In the absence or disability of the Chairman of the Board, the Vice Chairman of the Board shall have all the powers and perform all the duties of the Chairman of the Board. He shall perform such other duties as may be assigned to him by the Board of Directors or Chairman of the Board.

SECTION 5. PRESIDENT. The President shall have such powers and perform such duties as may be provided by statute, these By-laws, and as may be assigned by the Board of Directors or the Chief Executive Officer.

SECTION 6. TREASURER. The Treasurer shall have the care and custody of the Company funds and securities, maintain banking relationships and execute credit and collection policies. He shall perform such other duties and possess such other powers as are incident to his office.

SECTION 7. SECRETARY. The Secretary shall attend all meetings of the Board of Directors and of the shareholders, and shall record all proceedings of such meetings in books to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the shareholders and the Board of Directors. He shall have the custody of the seal of the Company and shall affix the same to all instruments requiring it, and attest the same. He shall perform such other duties and possess such other powers as are incident to his office.

ARTICLE VI
Certificate of Capital Stock

SECTION 1. FORM AND TRANSFERS. The interest of each shareholder of the Company shall be evidenced by certificates for shares of capital stock, certifying the number of shares represented thereby and in such form as the Board of Directors may from time to time prescribe.

Transfers of shares of the capital stock of the Company shall be made only on the books of the Company, which shall include the books of the stock transfer agent, by the registered holder thereof, or by his attorney authorized by power of attorney duly executed and filed with the Secretary of the Company, or a transfer agent appointed as provided in Section 4 of this Article, and on surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon. The person in whose name shares of capital stock stand on the books of the Company shall be deemed the owner thereof for all purposes. The Board may, from time to time, make such additional rules and regulations as it may deem expedient concerning the issue, transfer, and registration of certificates for shares of the capital stock of the Company.

Certificates shall be signed by, or in the name of the corporation by, the Chairman or Vice Chairman of the Board, or the President or a Vice-President, and may be countersigned by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the corporation and may be sealed with the seal of the corporation or a facsimile thereof. Any or all signatures upon a certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon such certificate, shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of its issue.

SECTION 2. FIXING RECORD DATE. For the purpose of determining the shareholders entitled to notice of or to vote at any meeting of shareholders or an adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining the shareholders entitled to receive payment of any dividend or allotment of any right, or for the purpose of any other action, the Board of Directors shall fix a date not more than 60 days nor less than 10 days before the date of any such meeting, nor more than 60 days prior to any other action, as the record date for any such determination of shareholders.

SECTION 3. LOST, STOLEN, DESTROYED, OR MUTILATED CERTIFICATES. No certificate for shares of capital stock in the Company shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of evidence of such loss, destruction or theft and on delivery to the Company, if the Board of Directors shall so require, of a bond of indemnity upon such terms and secured by such surety as the Board of Directors may in its discretion require. A new certificate may be issued without requiring any bond when, in the judgment of the Board of Directors, it is proper to do so.

SECTION 4. TRANSFER AGENT AND REGISTRAR. The Board of Directors may appoint one or more transfer agents and one or more registrars, and may require all certificates of capital stock to bear the signature or signatures of any of them. One corporation may serve as both transfer agent and registrar.

SECTION 5. EXAMINATION OF BOOKS BY SHAREHOLDERS. So far as it is not inconsistent with the law of New Jersey, the Board of Directors shall have power to determine, from time to time, whether and to what extent and at what times and places and under what conditions and regulations the books and records of account, minutes of the proceedings of the shareholders, Board of Directors and any committee of the Company, and other documents of the Company, or any of them, shall be open to inspection of the shareholders.

SECTION 6. VOTING SHARES OF OTHER CORPORATIONS. Unless otherwise ordered by the Board of Directors, the Chairman of the Board and the President, or either of them, shall have full power and authority on behalf of the Company to attend and to act and to vote at any meeting of Shareholders of any corporation in which this Company may hold stock, and at any such meeting shall possess and may exercise any and all rights and powers incident to the ownership of such stock, and which, as the owner thereof, this Company might have

possessed and exercised if present. The Board of Directors, by resolution, from time to time, may confer like powers upon any other person or persons.

ARTICLE VII
Dividends

Dividends shall be declared and paid at such times and in such amounts as the Board of Directors may in its absolute discretion determine and designate, subject to the restrictions and limitations imposed by law.

ARTICLE VIII
Signatures

Unless otherwise required by law, by the Certificate of Incorporation, by these By-laws, or by resolution of the Board of Directors, the Chief Executive Officer, the President or any Executive Vice President, Senior Vice President, Sector President, Group President, or Vice President, or the Controller or the Treasurer of the Company may enter into and execute in the name of the Company, contracts or other instruments in the regular course of business, or contracts or other instruments not in the regular course of business which are authorized either generally or specifically by the Board of Directors, and the Secretary or an Assistant Secretary shall affix the Company seal thereto and attest the same, if required.

ARTICLE IX
Fiscal Year

The fiscal year of the Company shall begin on the 1st day of October in each year and end on the September 30th next succeeding.

ARTICLE X
Directors May Contract With Company

Any Director or corporate officer may be a party to or may be interested in any agreement or transaction of this Company by which he may personally benefit, with the same force and effect as if he were either an entire stranger to the Company or to the Board of Directors, provided the fact that he is so interested or may personally benefit shall be disclosed or shall have been known to the majority of the Board of Directors; and further provided that such agreement or transaction shall be approved or ratified by the affirmative vote of a majority of the Directors not so interested or benefited.

ARTICLE XI
Indemnification

The Company shall indemnify to the full extent authorized or permitted by the New Jersey Business Corporation Act, any corporate agent (as defined in said Act), or his legal representative, made, or threatened to be made, a party to any action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that he is or was a corporate agent of this Company.

ARTICLE XII
Amendments

These By-laws may be altered, amended or repealed by the shareholders or by a majority vote of the Directors then in office. Any By-law adopted, amended or repealed by the shareholders may be amended or repealed by a majority vote of the Directors then in office unless the resolution of the shareholders adopting such By-law expressly reserves the right to amend or repeal it to the shareholders.

ARTICLE XIII

Force and Effect of By-Laws

These By-laws are subject to the provisions of the New Jersey Business Corporation Act and the Company's Certificate of Incorporation, as it may be amended from time to time. If any provision in these By-laws is inconsistent with a provision in that Act or the Certificate of Incorporation, the provision of that Act or the Certificate of Incorporation shall govern to the extent of such inconsistency.

Exhibit 10cii

Endorsement Method
Split Dollar Agreement

THIS AGREEMENT, made as of this ____________ day of ____________ 1999 by and between BECTON DICKINSON AND COMPANY, a Corporation with its principal place of business at FRANKLIN LAKES, NEW JERSEY, (hereinafter referred to as the "Corporation"), and "EXECUTIVE" hereinafter referred to as the "Executive").

WHEREAS, the Executive is a valued employee of the Corporation and the Corporation wishes to secure, for itself, the benefits of a continuing association with the Executive; and

WHEREAS, the Executive is expected to perform his or her duties in a capable and efficient manner, resulting in substantial growth and productivity to the Corporation; and

WHEREAS, the experience of the Executive is such that assurance of his or her continued services is essential to the future growth and profitability of the Corporation.

Now, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

INSURANCE COVERAGE

1. The Corporation will enter into various contracts of insurance on the life of the Executive which are listed on Exhibit A. ("Policies")

PREMIUM PAYMENTS

2. On or before the due date of each premium payment on the Policies, or within the grace period provided therein, the Corporation shall pay the full amount of the premium to the insurance company providing the insurance coverage.

BENEFICIARY DESIGNATION

3. Contemporaneously with the execution of this Agreement, the Executive has executed a Beneficiary Designation form setting forth the name or names of the beneficiary or beneficiaries ("Beneficiary") entitled to receive benefits hereunder. The Executive shall have the right, from time to time, to change the Beneficiary by executing a Beneficiary Designation form and submitting it to the Corporation.

DEATH BENEFITS

4. The Executive shall be entitled to the following as a Death Benefit:

a. In the event of the Executive's death prior to Retirement (as defined in paragraph 5.), the Beneficiary shall receive from the death proceeds an amount equal to two times the Executive's current annual salary determined as of the most recent Plan Anniversary Date, less fifty thousand dollars ($50,000).

b. In the event of the Executive's death after Retirement, the Beneficiary shall receive from the death proceeds an amount equal to two times salary, determined as of the Executive's date of Retirement.

c. Notwithstanding anything herein to the contrary, if the Executive commits suicide within two (2) years of the date of purchase of the Policies, the Death Benefit, if any, to be received hereunder shall not exceed the benefit provided under the applicable Policies.

All death proceeds of the Policies remaining after the payment of Death Benefits to the Beneficiary shall be paid directly to the Corporation.

RETIREMENT

5. Retirement shall mean the first day of the month in which the Executive ceases employment with the Corporation and such termination is, under the terms of the Corporation's Pension Plan (or its successor) either:

a. on or after the Executive's normal Retirement date with a normal or late Retirement pension; or

b. on or after attaining age 55, with at least ten years of service.

PLAN ANNIVERSARY DATE

6. Plan Anniversary Date shall be every April 1, subsequent to the date this Agreement is executed.

TERMINATION OF AGREEMENT

7. This Agreement shall terminate 30 days after the first to occur of the following events; (a) upon the giving of prior written notice of termination by either party to the other party to this Agreement, with or without the consent of the other party; or (b) the date of the Executive's termination of employment for any reason other than retirement. During such 30-day period prior to the termination of this Agreement, the Executive shall have the right to purchase the Policies from the Corporation by payment of the Corporate Interest in the Policies. The Corporate Interest in the Policies shall be equal to the lesser of (a) the sum of all premiums paid by Corporation less any policy loans, cash withdrawals, or refunds of unearned premiums, or (b) the tabular cash value of the Policies at the end of the period for which premiums have been paid plus the cash value of any paid-up additions, if any. Upon receipt of the Corporate Interest in the Policies, Corporation shall execute such documents as may be required by the Insurer to transfer ownership of the Policies to Executive. Notwithstanding the first sentence of this paragraph, this Agreement shall terminate immediately upon receipt of the Corporate Interest in the Policies and transfer of ownership of the Policies to Executive. In the event of the termination of this Agreement under any circumstances whereby Executive cannot, or does not, purchase the Policies, Executive agrees to execute such documents as may be required by the Insurer to designate Corporation as sole beneficiary of the Policies (and Executive shall have no further right or interest in the Policies).

OWNERSHIP OF POLICY

8. The Corporation shall be the sole and absolute owner of the Policies, and may exercise all ownership rights granted to the owner thereof by the terms of the Policies, except as may be provided herein. In addition, the Corporation shall keep possession of the Policies, but agrees, from time to time, to make the Policies available to the Executive.

BORROWING

9. The Corporation shall not have the right to borrow the cash value of the Policies without the consent of the Executive. In any event, amounts borrowed from the cash value by the Corporation shall be limited to the amount of premiums paid by the Corporation to date and, shall not reduce the amount payable to the Beneficiary. The Corporation agrees to repay the borrowed amounts to the extent required to ensure the full payment of the Death Benefits to the Beneficiary.

STATUS OF AGREEMENT

10. The benefits payable under this Agreement shall be independent of, and in addition to, any other employment agreement that may exist from time to time between the parties hereto, or any other compensation payable by the Corporation to the Executive, whether as salary, bonus or otherwise. This Agreement shall not be deemed to constitute a contract of employment between the parties hereto, nor shall any provision hereof restrict the right of the Corporation to discharge the Executive, or restrict the right of the Executive to terminate his employment.

RELOCATION AND AMENDMENT

11. This Agreement may be revoked or be amended in whole or in part by a written agreement signed by both of the parties hereto.

CONSTRUCTION

12. This Agreement is a New Jersey contract and shall be construed and enforced in accordance with the laws of the State of New Jersey.

FIDUCIARY

13. The person serving from time to time as the [Vice President, Personnel] of the Corporation shall serve as the named Fiduciary and administrator ("Fiduciary") of the split-dollar arrangement established pursuant to this Agreement. The Fiduciary shall have full power to administer this Agreement, and the Fiduciary's actions with respect hereto shall be binding and conclusive upon all persons for all purposes; subject to Item 14. The fiduciary shall not be liable to any person for any action taken or omitted in connection with its responsibilities, rights and duties under this Agreement unless attributable to willful misconduct or lack of good faith.

CLAIMS PROCEDURE

14. Any controversy or claim arising out of or relating to this Agreement

shall be filed with the Fiduciary which shall make all determinations concerning such claim. Any decision by the Fiduciary denying such claim shall be in writing and shall be delivered to all parties in interest. Such decision shall set forth the reasons for denial in plan language. Pertinent provisions of the Agreement shall be cited and, where appropriate, an explanation as to how the Executive or the beneficiary can perfect the claim will be provided. This notice of denial of benefits will be provided within 90 days of the Fiduciary's receipt of the Executive's claim for benefits. If the Fiduciary fails to notify the Executive of the decision regarding such claim, the claim shall be considered denied, and the Executive shall then be permitted to proceed with his appeal as provided in this Section.

An Executive who has been completely or partially denied a benefit shall be entitled to appeal this denial of his claim by filing a written statement of his position with the Fiduciary no later than sixty (60) days after receipt of the written notification of such claim denial. The Fiduciary shall schedule an opportunity for a full and fair review of the issue within thirty (30) days of receipt of the appeal.

The decision on review shall set forth specific reasons for the decision, and shall cite specific references to the pertinent Agreement provisions on which the decision is based.

Following his review of any additional information submitted by the Executive, either through the hearing process or otherwise, the Fiduciary shall render a decision on his review of the denied claim in the following manner:

(a) The Fiduciary shall make his decision regarding the merits of the denied claim within 60 days following his receipt of the request for review (or within 120 days after such receipt, in a case where there are special circumstances requiring extension of time for reviewing the appealed claim). He shall deliver the decision to the claimant in writing. If an extension of time for reviewing the appealed claim is required because of special circumstances, written notice of the extension shall be furnished to the Executive prior to the commencement of the extension. If the decision on review is not furnished within the prescribed time, the claim shall be deemed denied on review.

(b) The decision on review shall set forth specific reasons for the decision, and shall cite specific references to the pertinent Agreement provisions on which the decision is based.

IN WITNESS WHEREOF, the said Corporation has caused this Agreement to be signed in its corporate name by its duly authorized officer, and properly attested to, and the said Executive has hereunto set his hand, all as of the day and year first above written.

ATTEST:

BECTON DICKINSON AND COMPANY

By:

WITNESS:

"EXECUTIVE"

BECTON, DICKINSON AND COMPANY

INDIAN ADDENDUM

This Addendum to each of the Becton, Dickinson and Company 1990 Stock Option Plan, as amended and restated, the 1995 Stock Option Plan, as amended and restated, and the 1998 Stock Option Plan (collectively, the "Plans") modifies and supplements the terms and conditions of each of such Plans with respect to the Stock Options granted to any Grantee subject to taxation by the government of India (an "Indian Optionholder"). Capitalized terms used and not otherwise defined herein shall have the same meanings as set forth in the Plans.

1. Notwithstanding anything contained in any of the Plans to the contrary, in no event shall any Indian Optionholder be permitted to exercise stock options granted to him or her under any of the Company's Plans if such exercise would involve an outward remittance of foreign exchange from India in excess of U.S. $10,000 over a five-year period, without the prior requisite approval of the Reserve Bank of India.

Company Overview

Becton Dickinson and Company ("BD") is a medical technology company that manufactures and sells a broad range of supplies, devices and systems for use by health care professionals, medical research institutions, industry and the general public. We focus strategically on achieving growth in three worldwide business segments--BD Medical Systems ("Medical"), BD Biosciences ("Biosciences") and BD Preanalytical Solutions ("Preanalytical"). Our products are marketed in the United States both through independent distribution channels and directly to end-users. Our products are marketed outside the United States through independent distribution channels and sales representatives, and, in some markets, directly to end-users.

We now generate close to 50% of our revenues outside the United States. Demand for health care products and services continues to be strong worldwide, despite the ongoing focus on health care cost containment around the world. The health care marketplace continues to be competitive and consolidation in our customer base has resulted in recent pricing pressures, particularly in the Medical segment. We will continue to manage these issues by capitalizing on our market-leading positions in many of our product offerings and by leveraging our cost structure. The health care environment favors good continued growth in medical delivery systems due to new products and opportunities. In particular, the U.S. market is poised for broad scale conversion to advanced protection devices due to the growing awareness of benefits of protecting health care workers against accidental needlesticks and a high level of current legislative and regulatory activity favoring conversion. We are a leader in a number of platforms in the Biosciences segment. In the last few years, we made key acquisitions in the areas of immunology, cell biology and molecular biology. Growth in research products is driven by the expansion in genomic research and increased pharmaceutical and government spending in this area. In the Preanalytical segment, we have strong market-leading positions. We also have opportunities for further growth in this segment. For example, nearly half of the world's population lives in medical markets that do not currently use evacuated blood collection systems, one of our principal products in this segment.

We continue to improve operating effectiveness by focusing on four key initiatives. The first is "One Company" selling which takes advantage of our broad market presence to cross-sell our products to our medical and clinical customers. The second initiative is "One Company" manufacturing, where we are leveraging our worldwide manufacturing network to improve our cost effectiveness. The third area is procurement, where we are making efforts across our operations to be more focused and systematic. Finally, efforts continue to implement an enterprise-wide program to upgrade our business information systems ("Genesis") which began in 1998 and are expected to be completed by the end of year 2001. Anticipated benefits from this project include inventory reductions, operating improvements and more complete and timely access to information throughout our enterprise.

Our financial results and the operating performance of our segments are discussed below. The following references to years relate to our fiscal year, which ends on September 30.

Special and Other Charges

We recorded special charges in 1999 and 1998 associated with two restructuring programs. The third quarter 1999 special charges of $76 million were associated with the exiting of product lines and other activities, primarily in the area of home health care, the impairment of assets, and an enhanced voluntary retirement incentive program. We also recorded charges of $27 million in cost of products sold in the third quarter of 1999 to reflect the write-off of inventories and to provide appropriate reserves for expected future returns relating to the exited product lines. We have completed implementation of the exit plans. We also reversed $6 million of 1998 special charges in the third quarter of 1999 as a result of our decision not to exit certain activities as originally planned.

The 1998 special charges of $91 million were primarily associated with the restructuring of certain manufacturing operations and the write-down of impaired assets. The plan for restructuring our manufacturing operations included the closure of a surgical blade plant in the United States, scheduled for the latter part of fiscal year 2001. We also recorded $22 million of charges in 1998 associated with the reengineering component of Genesis. The majority of these charges were included in selling and administrative expense.

For additional discussion of the above charges, see Note 5 of the Notes to Consolidated Financial Statements.

Acquisitions

During 1999, we acquired ten businesses for an aggregate of $382 million in cash and 357,522 shares of our common stock. We also granted options to purchase an aggregate of 73,074 shares of our common stock to eligible employees of one of the acquired companies. These acquisitions included the August 1999 purchase for $201 million in cash, subject to certain post-closing adjustments, of Clontech Laboratories, Inc. ("Clontech"). Clontech is a privately-held company serving the life sciences market in the areas of gene-based life science research and drug discovery. We recorded a total charge of $49 million for purchased in-process research and development in connection with the current year acquisitions, of which $32 million related to the Clontech acquisition. These charges represented the fair value of certain acquired research and development projects relating to gene chip technology, gene expression, gene cloning and fluorescent gene reporter

tools which were determined not to have reached technological feasibility and which do not have alternative future uses. During 1998, we acquired six businesses for an aggregate of $546 million in cash and 595,520 shares of our common stock. These acquisitions included the Medical Devices Division ("MDD") of the BOC Group for approximately $457 million in cash. In connection with this acquisition, we recorded a charge of $30 million in 1998 for purchased in-process research and development relating to projects associated with the development of medical catheters and other devices. All acquisitions were recorded using the purchase method of accounting and the results of operations of the acquired companies are included in our consolidated results from their respective acquisition dates.

Revenues and Earnings

Worldwide revenues in 1999 were $3.4 billion, an increase of 10% over 1998, with acquisitions contributing 5%. The impact of foreign currency translation on revenue growth was not significant. Underlying revenue growth, which excludes the effects of foreign currency translation and acquisitions in 1999 and 1998, resulted primarily from volume increases in all segments.

Medical revenues in 1999 increased 12% over 1998 to $1.9 billion with acquisitions contributing 8%. Underlying revenue growth was led by strong sales of prefillable syringes to pharmaceutical companies and increased sales of infusion therapy products, particularly advanced protection devices. Underperformance of home health care products unfavorably affected revenue growth in 1999.

Medical operating income in 1999 was $343 million, an increase of 7% compared to 1998. Excluding the impact in both years of special and other charges, and the incremental impact of acquisitions, including related charges of $30 million recorded in 1998 for purchased in-process research and development, Medical operating income increased 5%. Revenue growth and productivity improvements were partially offset by increased investment in the areas of advanced protection devices and home health care and the impact of cost containment pricing pressures. As discussed above, we decided to exit several product lines in the home health care area during the third quarter of 1999.

Biosciences revenues in 1999 increased 7% over 1998 to $986 million with acquisitions contributing 2%. Underlying revenue growth was led by market share gains in flow cytometry products fueled by the continued introduction of innovative new products. Infectious disease product revenues continue to be adversely affected by cost containment in testing in the United States.

Biosciences operating income in 1999 was $76 million, a decrease of 1% compared to 1998. Excluding the impact in both years of special and other charges, and the incremental impact of acquisitions, including related charges of $49 million recorded in 1999 for purchased in-process research and development, Biosciences operating income increased 8%. This performance reflects an improved sales mix, as well as manufacturing and operational productivity gains. These gains were partially offset by increased research and development spending, particularly in the area of genomic research, and reengineering and other costs relating to Genesis.

Preanalytical revenues in 1999 increased 6% over 1998 to $509 million. Significant volume increases in advanced protection devices were partially offset by cost containment pricing pressures in several markets.

Preanalytical operating income of $124 million in 1999 represented a 7% increase compared to 1998. Excluding the impact in both years of special and other charges, and the incremental impact of acquisitions, Preanalytical operating income increased 9% primarily due to revenue growth. Savings achieved through productivity improvements and expense control programs were partially offset by increased investment for advanced protection programs and cost containment pricing pressures.

On a geographical basis, revenues outside the United States in 1999 increased 17% to $1.7 billion with acquisitions contributing 8%. The impact of foreign currency translation on revenue growth was not significant in 1999. Underlying revenue growth was led by strong sales of prefillable syringes in Europe and FACS brand flow cytometry systems and infectious disease diagnostic products in Japan. Underlying revenue growth in the Asia Pacific region was led by strong increases in sales of hypodermic and infusion therapy products.

Revenues in the United States in 1999 were $1.7 billion, an increase of 3% over 1998. Sales of FACS brand flow cytometry systems, infusion therapy products, and sample collection devices demonstrated good growth. As mentioned above, sales of infectious disease products continued to be negatively affected by cost containment in testing. Underperformance of home health care products also unfavorably affected revenue growth.

Gross profit margin was 49.9% in 1999, compared with 50.6% last year. Excluding the impact of other charges relating to the exited product lines, as discussed above, gross profit margin was 50.7% in 1999.

Selling and administrative expense of $932 million in 1999 was 27.3% of revenues. Excluding reengineering and other charges relating to Genesis, selling and administrative expense in 1999 was 26.8% of revenues. The prior year's ratio was 27.6%, or 27.0% excluding reengineering charges for Genesis. Savings achieved through spending controls and productivity improvements offset increased investment relating to advanced protection programs and the impact of acquisitions.

Investment in research and development in 1999 increased to $254 million, or 7.4% of revenues, including the $49 million charge for purchased in-process research and development related to current year acquisitions. In 1998, we recorded a charge of $30 million for purchased in-process research and development associated with the MDD acquisition. Excluding the effect of purchased in-process research and development in both years, investment in research and development was 6% of revenues, or an increase of 9% over 1998. This increase includes additional funding directed toward the development of advanced protection devices and new diagnostic platforms.

Operating income in 1999 was $445 million, compared to last year's $405 million. Excluding the impact of special and other charges and purchased in-process research and development charges, operating income would have been 17.4% of revenues in 1999. Operating income of $405 million in 1998 also included certain charges, as discussed above.

Net interest expense of $72 million in 1999 was $16 million higher than in 1998, primarily due to additional borrowings to fund acquisitions.

"Other (expense) income, net" in 1999 was $1 million of net expense, compared to $8 million of net expense in 1998, primarily due to lower foreign exchange losses, gains on the sale of assets, as well as settlements in 1999.

The effective tax rate in 1999 was 26.0%, compared to 30.6% in 1998. The decrease is principally due to a $7 million favorable tax judgment in Brazil and a favorable mix in income among tax jurisdictions, partially offset by the lack of a tax benefit associated with a larger purchased in-process research and development charge recorded in 1999 as compared to 1998.

Net income in 1999 was $276 million, compared to $237 million in 1998. Diluted earnings per share in 1999 were $1.04, compared to $.90 in 1998. Excluding the special and other charges and purchased in-process research and development charges, diluted earnings per share in 1999 were $1.49. Diluted earnings per share of $.90 in 1998 also included certain charges, as discussed above.

Financial Instrument Market Risk

We selectively use financial instruments to manage the impact of foreign exchange rate and interest rate fluctuations on earnings. The counterparties to these contracts are highly-rated financial institutions, and we do not have significant exposure to any one counterparty. We do not enter into financial instruments for trading or speculative purposes.

Our foreign currency exposure is primarily in Western Europe, Asia Pacific, Japan, Brazil and Mexico. Foreign exchange risk arises when we enter into transactions in non-hyperinflationary countries, generally on an intercompany basis, that are denominated in currencies other than the functional currency. During 1999 and 1998, we hedged substantially all of our foreign exchange exposures primarily through the use of forward contracts and currency options. These derivative instruments typically have average maturities of less than six months. Gains or losses on these derivative instruments are largely offset by the gains or losses on the underlying hedged transactions. Therefore, with respect to derivative instruments outstanding at September 30, 1999 and 1998, a 10% appreciation or depreciation of the U.S. dollar from the September 30, 1999 and 1998 market rates would not have a material effect on our earnings.

Our primary interest rate exposure results from changes in short-term U.S. dollar interest rates. In an effort to manage interest rate exposures, we strive to achieve an acceptable balance between fixed and floating rate debt and may enter into interest rate swaps to help maintain that balance. Based on our overall interest rate exposure at September 30, 1999 and 1998, a change of 10% in interest rates would not have a material effect on our earnings or cash flows over a one-year period. An increase of 10% in interest rates would decrease the fair value of our long-term debt and interest rate swaps at September 30, 1999 and 1998 by approximately $54 million and $48 million, respectively. A 10% decrease in interest rates would increase the fair value of our long-term debt and interest rate swaps at September 30, 1999 and 1998 by approximately $61 million and $54 million, respectively.

We manufacture products in Brazil for sale in that country and for export. In addition, we import products from affiliates for distribution within Brazil. Effective January 1, 1998, we no longer considered our Brazilian business to be operating in a highly inflationary economy as defined by Statement of Financial Accounting Standard ("SFAS") No. 52 "Foreign Currency Translation." Over the course of 1999, the Brazilian Real devalued by 62%. We were able to offset the foreign exchange transaction impact of the devaluation by hedging our exposure with foreign exchange forward contracts and options. Consequently, the impact of the devaluation on our earnings was minimal. We also manufacture in Mexico and import various products from affiliates for sale in Mexico. In past years, the Mexican economy had experienced periods of high inflation, recession and currency instability. More recently, Mexico's economy and currency have shown signs of stabilizing. Effective January 1, 1999, we no longer considered our Mexican business to be operating in a highly inflationary economy as defined by SFAS No. 52.

Liquidity and Capital Resources

Cash provided by operations continued to be our primary source of funds to finance operating needs and capital expenditures. In 1999, net cash provided by operating activities was $432 million, compared to $501 million in 1998.

Capital expenditures were $312 million in 1999, compared to $181 million in the prior year. Medical capital spending, which totaled $188 million in 1999, included spending for capacity expansion for advanced protection devices and continued spending on a new syringe manufacturing facility in India. Funds also were expended for capacity expansion for prefillable syringes in Mexico and France. Biosciences capital spending, which totaled $42 million in 1999, included spending on new manufacturing facilities. Preanalytical spending, which totaled $54 million, included spending on additional capacity for advanced protection devices. Funds expended outside of the above segments included amounts related to Genesis. We expect capital expenditures to increase about 10 to 15% in 2000, primarily to fund increased capacity expansion for advanced protection devices.

Over the last three years, we have expended approximately $1.1 billion for business acquisitions. We expect our acquisition activity to slow considerably in 2000 as we focus on integrating recently acquired businesses into existing operations.

Net cash provided by financing activities was $365 million during 1999, as compared to $242 million during 1998. This change was primarily due to the elimination of common share repurchases and to increased issuance of commercial paper in 1999, compared with 1998, offset by the repayment of long-term debt.

In 1999, we did not repurchase any of our common shares, compared with repurchases totaling $44 million in 1998. This reduction in share repurchases was consistent with our long-standing strategy of allocating funds to meet the needs of businesses and to finance strategic acquisitions before funding share repurchases. In April 1999, the Executive Committee of our Board of Directors rescinded a March 24, 1998 resolution which had authorized repurchase of our stock, under which 21.3 million shares remained to be repurchased.

During 1999, total debt increased $435 million, primarily as a result of increased spending on acquisitions. Short-term debt was 40% of total debt at year end, compared to 33% at the end of 1998. The change in this percentage was principally attributable to the use of short-term debt to finance a portion of our acquisition activities. Our weighted average cost of total debt at the end of 1999 was 6.5%, compared to 7.3% at the end of last year. Debt to capitalization at year end increased to 47.2%, from 41.4% last year, due to additional borrowings related to acquisitions. We anticipate generating excess cash in 2000 which we expect to use to repay debt.

In 1999, we negotiated a new 364-day $300 million syndicated line of credit to supplement both our existing five-year, $500 million syndicated and committed revolving credit facility and an additional $100 million credit line. There were no borrowings outstanding under any of these facilities at September 30, 1999. These facilities can be used to support our commercial paper program, under which $573 million was outstanding at September 30, 1999, and for other general corporate purposes. In addition, we have informal lines of credit outside the United States. In September 1999, we issued to the public $200 million of 10-year 7.15% notes at an effective yield of 7.34%. We utilized the proceeds to repay commercial paper issued in connection with the Clontech acquisition. In September 1999, Moody's adjusted our long-term debt rating from "A1" to "A2," while reaffirming our "P-1" commercial paper rating, and characterized our ratings outlook as stable. Standard and Poor's reaffirmed our "A+" long-term debt rating and our "A-1" commercial paper rating, while changing our rating outlook to negative. We continue to have a high degree of confidence in our ability to refinance maturing short-term and long-term debt, as well as to incur substantial additional debt, if required.

Return on equity increased to 16.3% in 1999, from 15.8% in 1998.

Year 2000 Readiness Disclosure

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General

We designed and implemented a company-wide Year 2000 plan to ensure that our computer equipment and software and devices with date-sensitive embedded technology would be Year 2000-compliant. In other words, we wanted to ensure that this equipment and software and these devices would be able to distinguish between the year 1900 and the year 2000 and would function properly with respect to all dates, whether in the twentieth or twenty-first centuries.

Our plan included a series of initiatives to ensure that all of our computer equipment and software will function properly into the next millennium. Computer equipment (or hardware) and software includes systems generally thought to depend on information technology, such as accounting, data processing and telephone equipment. It also includes systems that do not obviously depend on information technology, such as manufacturing equipment, telecopier machines and security systems. Since these systems may contain embedded technology, our plan included broad identification, assessment, remediation and testing efforts.

Based upon our identification, assessment, remediation and testing efforts to date, we believe we have completed all modifications to and replacements of our computer equipment and software that are necessary to avoid any of the potential Year 2000-related disruptions or malfunctions that have been identified.

In addition, as we periodically replace computer equipment and software in the ordinary course of business, we seek to acquire only Year 2000-compliant software and hardware.

Project

Our plan includes four major areas of focus: information technology, or "IT" systems; non-IT systems; third-party considerations; and products.

The tasks common to each of these areas of focus are:

- the identification and assessment of Year 2000 issues
- prioritization of the identified issues
- assessment of compliance
- remediation
- testing
- design and implementation of contingency and business continuation plans.

We utilized, and will continue to utilize, both internal and external resources to ensure that we are Year 2000-compliant prior to any impact of the new millennium that is currently anticipated. We have completed all the tasks we have identified to date relating to the areas of focus and goals described below. Through these efforts, we have sought not only to avoid any Year 2000-related disruption of our operations but also to ensure that our products, and those of our third-party suppliers, are Year 2000-compliant.

Year 2000 Areas of Focus and Goals

IT Systems

We have reviewed our computer equipment and software to ensure that it is Year 2000-compliant, and as necessary, we have modified or replaced this equipment and software. In addition we have established contingency and business continuation plans in the event of disruption in our IT systems.

Non-IT Systems

We have sought to ensure that the hardware, software and associated embedded computer technologies that are used to operate our facilities and equipment, as well as other activities that are not related to IT systems, are Year 2000-compliant. We believe we have undertaken and completed all reasonable initiatives that are necessary or prudent to address potential Year 2000 issues affecting our non-IT systems. We have also completed contingency and business continuation planning to ensure that products and services will continue with a minimum of disruption if a problem arises that cannot be directly controlled or predicted.

Third-Party Considerations

We have identified, prioritized and communicated with critical suppliers, distributors and customers to determine the extent to which we may be vulnerable in the event those parties fail to properly identify and remediate their own Year 2000 issues. Detailed evaluations of the most critical third parties have been completed through questionnaires, interviews, on-site visits and other available means. We monitor the progress made by those parties, and we have tested critical system interfaces. We have identified alternative vendors, if available, to provide Year 2000-compliant products and services if needed. Where vendors provide services or products for which few or no alternatives are available, we have formulated contingency and business continuation plans to address potential third-party issues identified through its evaluations and assessments.

Products

Most of our products do not contain date-sensitive embedded technology. For those that do, we have performed remediation and testing efforts and will continue testing through the balance of the year, as appropriate. In addition, we have identified some of our products that are already in use by customers and that contain date-sensitive technology. For these products, we have undertaken the additional step of distributing and installing any requisite remediating product upgrades and/or replacements. We believe we have deployed approximately 100% of these customer product upgrades. Each segment of the Company has developed contingency and business continuation planning with respect to its products.

Costs

The estimated total cost of the plan is approximately $18 million, which has been, and will continue to be, funded through operating cash flows. As of September 30, 1999, we had incurred approximately $14 million in costs related to our Year 2000 project. We anticipate that the remaining costs of the plan include $2 million allocated to unanticipated contingencies and $2 million for internal and external project-related costs. Of the total remaining costs of the plan, $1 million represents the redeployment of existing resources. None of our other information technology projects has been delayed or deferred as a result of the implementation of the plan.

Risks

We believe we have an effective plan in place to anticipate and resolve any potential Year 2000 issues affecting us and our products, as well as those of third-party suppliers, in a timely manner. We cannot assure you, however, that Year 2000 issues will not materially and adversely affect our results of operations, cash flows or relationships with third parties in the event that

- we have not properly identified our Year 2000 issues or the potential business disruption among third parties with whom we conduct significant business, or
- our compliance assessment, remediation and testing activities, and our deployment of product upgrades, have not effectively addressed all relevant Year 2000 issues affecting us and our products.

In addition, disruptions in the economy generally resulting from Year 2000 issues could materially and adversely affect us. At this time we cannot reasonably estimate the amount of potential liability and lost revenue that would be reasonably

likely to result from the failure by us and certain key third parties to achieve Year 2000 compliance on a timely basis.

The estimated costs of our plan and our belief that we have completed each of the phases of the plan are based upon management's best estimates, which rely upon numerous assumptions regarding future events, including the continued availability of certain resources, third-party remediation plans and other factors. These estimates, however, may prove not to be accurate, and actual results could differ materially from those anticipated. Factors that could result in material differences include, without limitation, the availability and cost of personnel with the requisite training and experience; the ability to appropriately identify, assess, remediate and test all devices, all relevant computer codes and embedded technology; and similar uncertainties. In addition, Year 2000-related issues may lead to possible third-party claims, the impact of which we cannot yet estimate. We cannot assure you that the aggregate cost of defending and resolving such claims, if any, would not have a material adverse effect on us.

Other Matters

On January 1, 1999, eleven member countries of the European Union began the transition to the euro as a common currency. Prior to the full implementation of the new currency on January 1, 2002, there is a transition period during which parties may use either their national currencies or the euro. We have completed the necessary system modifications to accommodate euro-denominated transactions with suppliers and customers. We are continuing to convert historical information from the respective national currencies to the euro. We believe that the creation of the euro will not significantly change our foreign exchange market risk. The adoption of a common European currency may result in changes to competitive practices, product pricing and marketing strategies. Although we are unable to quantify these effects, if any, management currently does not anticipate that the euro conversion will have a material adverse impact on our results of operations, financial condition or cash flows.

We believe that the fundamentally non-cyclical nature of our core products, our international diversification and our ability to meet the needs of the worldwide health care industry for cost-effective and innovative products will continue to cushion the long-term impact on us of economic and political dislocations in the countries in which we do business, including the effects of possible health care system reforms. In 1999, inflation did not have a material impact on our overall operations.

Litigation

- --

We, along with a number of other manufacturers, have been named as a defendant in approximately 300 product liability lawsuits related to natural rubber latex that have been filed in various state and Federal courts. Cases pending in Federal court are being coordinated under the matter In re Latex Gloves Products Liability Litigation (MDL Docket No. 1148) in Philadelphia, and analogous procedures have been implemented in the state courts of California, Pennsylvania, New Jersey and New York. Generally, these actions allege that medical personnel have suffered allergic reactions ranging from skin irritation to anaphylaxis as a result of exposure to medical gloves containing natural rubber latex. In 1986, we acquired a business which manufactured, among other things, latex surgical gloves. In 1995, we divested this glove business. We are vigorously defending these lawsuits.

We, along with another manufacturer and several medical product distributors, have been named as a defendant in eleven product liability lawsuits relating to health care workers who allegedly sustained accidental needle sticks, but have not become infected with any disease. The case brought in California under the caption Chavez vs. Becton Dickinson (Case No. 722978, San Diego County Superior Court), filed on August 4, 1998 was dismissed in a judgment filed March 19, 1999 which has been appealed by plaintiffs. The case brought in Florida under the caption Delgado vs. Becton Dickinson et al. (Case No. 98-5608, Hillsborough County Circuit Court), filed on July 24, 1998 was voluntarily withdrawn by the plaintiffs on March 8, 1999. Cases have been filed on behalf of an unspecified number of health care workers in nine other states, seeking class action certification under the laws of these states. To date, no class has been certified in any of these cases. The nine remaining actions are pending in state court in Texas, under the caption Usrey vs. Becton Dickinson et al. (Case No. 342-173329-98, Tarrant County District Court), filed on April 9, 1998; in Federal court in Ohio, under the caption Grant vs. Becton Dickinson et al. (Case No. C2 98-844, Southern District of Ohio), filed on July 22, 1998; in state court in Illinois, under the caption McCaster vs. Becton Dickinson et al. (Case No. 98L09478, Cook County Circuit Court), filed on August 13, 1998; in state court in Oklahoma, under the caption Palmer vs. Becton Dickinson et al. (Case No. CJ-98-685, Sequoyah County District Court), filed on October 27, 1998; in state court in Alabama, under the caption Daniels vs. Becton Dickinson et al. (Case No. CV 1998 2757, Montgomery County Circuit Court), filed on October 30, 1998; in state court in South Carolina, under the caption Bales vs. Becton Dickinson et al. (Case No. 98-CP-40-4343, Richland County Court of Common Pleas), filed on November 25, 1998; in state court in Pennsylvania, under the caption Brown vs. Becton Dickinson et al. (Case No. 03474, Philadelphia County Court of Common Pleas), filed on November 27, 1998; in state court in New Jersey, under the caption Pollak, Swartley vs. Becton Dickinson et al. (Case No. L-9449-98, Camden County Superior Court), filed on December 7, 1998;

and in state court in New York, under the caption Benner vs. Becton Dickinson et al. (Case No. 99-111372, Supreme Court of the State of New York), filed on June 1, 1999.

Generally, these remaining actions allege that health care workers have sustained needle sticks using hollow-bore needle devices manufactured by us and, as a result, require medical testing, counseling and/or treatment. Several actions additionally allege that the health care workers have sustained mental anguish. Plaintiffs seek money damages in all remaining actions.

In June 1999, a class certification hearing was held in the matter of Usrey vs. Becton Dickinson et al. which first was filed in Texas state court on April 9, 1998, under the caption Calvin vs. Becton Dickinson et al. The Court has advised the parties by letter received on October 27, 1999, that it believes that it is appropriate to address the issues in the case by way of a class action under Texas procedural law. The Court has scheduled a meeting with the parties' counsel in mid-December to discuss the wording of an appropriate order.

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

We, along with another manufacturer, a group purchasing organization ("GPO") and three hospitals, have been named as a defendant in an antitrust action brought pursuant to the Texas Free Enterprise Act ("TFEA"). The action is pending in state court in Texas, under the caption Retractable Technologies Inc. vs. Becton Dickinson and Company et al. (Case No. 5333*JG98, Brazoria County District Court), filed on August 4, 1998. Plaintiff, a manufacturer of retractable syringes, alleges that our contracts with GPOs exclude plaintiff from the market in syringes and blood collection products, in violation of the TFEA. Plaintiff also alleges that we have conspired with other manufacturers to maintain our market share in these products. Plaintiff seeks money damages. The pending action is in preliminary stages. We intend to mount a vigorous defense in this action.

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

In our opinion, the results of the above matters, individually and in the aggregate, are not expected to have a material effect on our results of operations, financial condition or cash flows.

Environmental Matters

We believe that our operations comply in all material respects with applicable laws and regulations. We are a party to a number of Federal proceedings in the United States brought under the Comprehensive Environment Response, Compensation and Liability Act, also known as "Superfund," and similar state laws. For all sites, there are other potentially responsible parties that may be jointly or severally liable to pay all cleanup costs. We accrue costs for an estimated environmental liability based upon our best estimate within the range of probable losses, without considering possible third-party recoveries. We believe that any reasonably possible losses in excess of accruals would not have a material effect on our results of operations, financial condition, or cash flows.

Adoption of New Accounting Standards

In April 1998, the American Institute of Certified Public Accountants issued Statement of Position 98-5 "Reporting on the Costs of Start-Up Activities." We are required to adopt the provisions of this Statement no later than its fiscal year 2000. This Statement provides guidance on the financial reporting of start-up and organization costs and requires such costs, as defined, to be expensed as incurred. Adoption of this Statement is not expected to have a material impact on our results of operations or financial condition.

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." We are required to adopt the provisions of this Statement no later than the beginning of its fiscal year 2001. This Statement requires that all derivatives be recorded in the balance sheet as either an asset or liability measured at fair value and that changes in fair value be recognized currently in earnings unless specific hedge accounting criteria are met. We are in the process of evaluating this Statement and have not yet determined the future impact on our consolidated financial statements.

1998 Compared With 1997

Worldwide revenues for 1998 rose 11%, to $3.1 billion. Excluding the estimated impact of unfavorable foreign currency translation, worldwide revenues grew 14% with acquisitions contributing 7%. Underlying revenue growth, which excludes the effects of foreign currency translation and acquisitions in 1998 and 1997, resulted primarily from volume increases and an improved product mix in all segments. Medical revenues for 1998 were $1.7 billion, an increase of 14% over 1997. Underlying revenue growth in the Medical segment was led by strong sales of infusion therapy and hypodermic products and increased sales of prefillable syringes to pharmaceutical companies. Biosciences revenues for 1998 of $924 million represented an increase of 8% over 1997. Underlying revenue growth in the Biosciences segment was led by strong sales of FACS brand flow cytometry systems. Preanalytical revenues for 1998 were $478 million, an increase of 7%, primarily due to continued strong sales of sample collection devices fueled by the conversion of the market to advanced protection devices.

Gross profit margin was 50.6% in 1998, compared with 49.7% in 1997, reflecting our continued success in improving manufacturing efficiency, as well as a more profitable mix of products sold.

Selling and administrative expense of $862 million was 27.6% of revenues, compared to 27.3% in 1997, and was unfavorably affected by the 1998 reengineering charges related to Genesis. Investment in research and development in 1998 increased to $218 million, or 7.0% of revenues, including the $30 million charge for purchased in-process research and development related to the MDD acquisition. In 1997, we recorded a charge of $15 million for purchased in-process research and development associated with two acquisitions. Excluding the effect of purchased in-process research and development in both years, investment in research and development remained at 6% of revenues, or an increase of 13% over 1997. This increase includes additional funding directed toward emerging new platforms, such as DNA probe technology and other new diagnostic platforms, to support our efforts to accelerate our rate of revenue growth.

Operating income in 1998 of $405 million decreased from $451 million in 1997. Excluding the special and other charges in 1998 and purchased in-process research and development in 1998 and 1997, operating income would have been 17.6% of revenues in 1998, compared to 16.6% in 1997. This increase in operating margin resulted from an improved gross profit margin, as well as a lower selling and administrative expense ratio.

Net interest expense of $56 million in 1998 was $17 million higher than in 1997, primarily due to additional borrowings to fund acquisitions.

"Other (expense) income, net" in 1998 included foreign exchange losses of $11 million, including hedging costs, and a gain of $3 million on the sale of an investment. "Other (expense) income, net" in 1997 included $8 million of gains from the disposition of non-core business lines and a gain of $6 million on the sale of an investment. Also included in 1997 were foreign exchange losses of $5 million, including hedging costs.

The effective tax rate in 1998 was 30.6% compared to 29% in 1997. The increase is principally due to the lack of a tax benefit associated with a larger purchased in-process research and development charge recorded in 1998, as compared to 1997.

Net income in 1998 was $237 million, compared to $300 million in 1997. Diluted earnings per share were $.90, compared to $1.15 in 1997. The effects of the special and other charges and the purchased in-process research and development charge recorded in 1998 decreased diluted earnings per share by $.40, and the estimated impact of unfavorable foreign currency translation was $.07 per share. Exclusive of these items and the in-process research and development charges recorded in 1997, diluted earnings per share grew 13% over 1997.

Capital expenditures were $181 million, compared to $170 million in 1997. Medical, Biosciences and Preanalytical capital spending totaled $105 million, $38 million and $28 million, respectively, in 1998.

We expended $537 million, net of cash acquired, for business acquisitions in 1998, compared to $201 million in 1997.

Net cash provided by financing activities was $242 million during 1998 as compared with a use of cash of $92 million during 1997. This change was due primarily to a reduction in common share repurchases, as well as net proceeds received from the issuance of commercial paper in 1998 versus net repayments in 1997.

During 1998, total debt increased $352 million, primarily as a result of increased spending on acquisitions. Short-term debt was 33% of total debt at year end, compared to 17% at the end of 1997. The change in this percentage was principally attributable to the use of short-term debt to finance a portion of the MDD acquisition.

Return on equity decreased to 15.8% in 1998, from 22.1% in 1997, primarily due to the impact of special and other charges and the purchased in-process research and development charge.

Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements (as defined under Federal securities laws) made by or on behalf of BD. BD and its representatives from time to time may make certain verbal or written forward-looking statements regarding BD's performance (including future revenues, products and income), or events or developments that BD expects to occur or anticipates occurring in the future. All such statements are based upon current expectations of BD and involve a number of business risks and uncertainties. Actual results could vary materially from anticipated results described in any forward-looking statement. Factors that could cause actual results to vary materially include, but are not limited to, competitive factors, changes in regional, national or foreign economic conditions, changes in interest or foreign currency exchange rates, delays in product introductions, Year 2000 issues, and changes in health care or other governmental practices or regulation, as well as other factors discussed herein and in other of BD's filings with the Securities Exchange Commission.

<TABLE>
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Eight-Year Summary of Selected Financial Data Years Ended September 30 Dollars in millions, except per-share amounts	1999	1998	1997	1996	1995	1994	1993	1992
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Operations								
Revenues	$3,418.4	$3,116.9	$2,810.5	$2,769.8	$2,712.5	$2,559.5	$2,465.4	$2,365.3
Research and Development Expense	254.0	217.9	180.6	154.2	144.2	144.2	139.1	125.2
Operating Income	445.2	405.4	450.5	431.2	396.7	325.0	270.4	328.6
Interest Expense, Net	72.1	56.3	39.4	37.4	42.8	47.6	53.4	49.1
Income Before Income Taxes and Cumulative Effect of Accounting Changes	372.7	340.9	422.6	393.7	349.6	296.2	222.9	269.5
Income Tax Provision	96.9	104.3	122.6	110.2	97.9	69.0	10.1	68.7
Net Income	275.7	236.6	300.1	283.4	251.7	227.2	71.8(A)	200.8
Basic Earnings Per Share	1.09	.95	1.21	1.10	.92	.77	.22(A)	.65
Diluted Earnings Per Share	1.04	.90	1.15	1.05	.89	.76	.22(A)	.63
Dividends Per Common Share	.34	.29	.26	.23	.21	.19	.17	.15

Financial Position

Current Assets	$1,683.7	$1,542.8	$1,312.6	$1,276.8	$1,327.5	$1,326.6	$1,150.7	$1,221.2
Current Liabilities	1,329.3	1,091.9	678.2	766.1	720.0	678.3	636.1	713.3
Property, Plant and Equipment, Net	1,431.1	1,302.7	1,250.7	1,244.1	1,281.0	1,376.3	1,403.1	1,429.5
Total Assets	4,437.0	3,846.0	3,080.3	2,889.8	2,999.5	3,159.5	3,087.6	3,177.7
Long-Term Debt	954.2	765.2	665.4	468.2	557.6	669.2	680.6	685.1
Shareholders' Equity	1,768.7	1,613.8	1,385.4	1,325.2	1,398.4	1,481.7	1,457.0	1,594.9
Book Value Per Common Share	7.05	6.51	5.68	5.36	5.37	5.27	4.88	5.25
Financial Relationships								
Gross Profit Margin	49.9%	50.6%	49.7%	48.4%	47.0%	45.3%	44.5%	45.0%
Return on Revenues	8.1%	7.6%	10.7%	10.2%	9.3%	8.9%	8.6%(C)	8.5%
Return on Total Assets (B)	10.9%	11.7%	15.9%	15.2%	13.3%	11.5%	9.2%(C)	11.1%
Return on Equity	16.3%	15.8%	22.1%	20.8%	17.5%	15.5%	13.3%(C)	13.6%
Debt to Capitalization (D)	47.2%	41.4%	36.3%	34.3%	35.2%	36.1%	37.8%	36.1%
Additional Data								
Number of Employees	24,000	21,700	18,900	17,900	18,100	18,600	19,000	19,100
Number of Shareholders	11,433	9,784	8,944	8,027	7,712	7,489	7,463	7,086
Average Common and Common Equivalent Shares Outstanding-Assuming Dilution (millions)	264.6	262.1	259.6	267.6	280.4	298.6	313.2	313.4
Depreciation and Amortization	$258.9	$228.7	$209.8	$200.5	$207.8	$203.7	$189.8	$169.6
Capital Expenditures	311.5	181.4	170.3	145.9	123.8	123.0	184.2	185.6

</TABLE>

(A) Includes cumulative effect of accounting changes of $141.1 ($.47 per basic share; $.45 per diluted share).

(B) Earnings before interest expense and taxes as a percent of average total assets.

(C) Excludes the cumulative effect of accounting changes.

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

Report of Management

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

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

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

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

/s/ Clateo Castellini
Clateo Castellini
Chairman of the Board
and Chief Executive Officer

/s/ Edward J. Ludwig
Edward J. Ludwig
President

/s/ Richard M. Hyne
Richard M. Hyne
Vice President and Controller

Report of Ernst & Young, LLP
Independent Auditors

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

We have audited the accompanying consolidated balance sheets of Becton, Dickinson and Company as of September 30, 1999 and 1998, and the related consolidated statements of income, comprehensive income, and cash flows for each of the three years in the period ended September 30, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Becton, Dickinson and Company at September 30, 1999 and 1998, and the consolidated results of its operations and its cash flows for each of the three years in the period ended September 30, 1999, in conformity with generally accepted accounting principles.

/s/ Ernst & Young LLP

New York,New York
November 4, 1999

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Consolidated Statements of Income Years Ended September 30 Thousands of dollars, except per-share amounts	1999	1998	1997
<S>	<C>	<C>	<C>
Operations			
Revenues	$3,418,412	$3,116,873	$2,810,523
Cost of products sold	1,711,666	1,541,032	1,413,311
Selling and administrative expense	931,929	861,564	766,071
Research and development expense	254,016	217,900	180,626
Special charges	75,553	90,945	-
Total Operating Costs and Expenses	2,973,164	2,711,441	2,360,008
Operating Income	445,248	405,432	450,515
Interest expense, net	(72,052)	(56,340)	(39,373)
Other (expense) income, net	(541)	(8,226)	11,498
Income Before Income Taxes	372,655	340,866	422,640
Income tax provision	96,936	104,298	122,566
Net Income	$ 275,719	$ 236,568	$ 300,074
Earnings Per Share			
Basic	$ 1.09	$ .95	$ 1.21
Diluted	$ 1.04	$ .90	$ 1.15

</TABLE>

See notes to consolidated financial statements

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Consolidated Statements of Comprehensive Income Years Ended September 30 Thousands of dollars	1999	1998	1997
<S>	<C>	<C>	<C>
Net Income	$ 275,719	$ 236,568	$ 300,074
Other Comprehensive Income, Net of Tax			
Foreign currency translation adjustments	(96,548)	3,654	(71,911)
Unrealized losses on investments	(2,879)	-	-
Other Comprehensive Income	(99,427)	3,654	(71,911)
Comprehensive Income	$ 176,292	$ 240,222	$ 228,163

</TABLE>

See notes to consolidated financial statements.

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Consolidated Balance Sheets September 30 Thousands of dollars, except per-share amounts	1999	1998
<S>	<C>	<C>
Assets		
Current Assets		
Cash and equivalents	$ 59,932	$ 83,251
Short-term investments	4,660	7,390
Trade receivables, net	812,544	726,558
Inventories	642,533	536,791
Prepaid expenses, deferred taxes and other	164,056	188,772
Total Current Assets	1,683,725	1,542,762
Property, Plant and Equipment, Net	1,431,149	1,302,650
Goodwill, Net	526,942	412,070
Core and Developed Technology, Net	329,460	214,167
Other Intangibles, Net	178,285	120,108
Other	287,397	254,281
Total Assets	$4,436,958	$3,846,038
Liabilities		
Current Liabilities		
Short-term debt	$ 631,254	$ 385,162
Accounts payable	209,365	208,500
Accrued expenses	284,097	278,964
Salaries, wages and related items	181,203	180,854
Income taxes	23,403	38,433
Total Current Liabilities	1,329,322	1,091,913
Long-Term Debt	954,169	765,176
Long-Term Employee Benefit Obligations	344,068	326,620
Deferred Income Taxes and Other	40,711	48,509
Commitments and Contingencies	-	-
Shareholders' Equity		
ESOP convertible preferred stock-$1 par value: authorized-1,016,949 shares; issued and outstanding-791,821 shares in 1999 and 829,815 shares in 1998	46,717	48,959
Preferred stock, series A-$1 par value: authorized-500,000 shares; none issued	-	-
Common stock-$1 par value: authorized-640,000,000 shares; issued-332,662,160 shares in 1999 and 1998	332,662	332,662
Capital in excess of par value	44,626	-
Retained earnings	2,539,020	2,350,781
Unearned ESOP compensation	(20,310)	(24,463)
Deferred compensation	5,949	4,903
Common shares in treasury-at cost-81,864,329 shares in 1999 and 84,818,944 shares in 1998	(997,333)	(1,015,806)
Accumulated other comprehensive income	(182,643)	(83,216)
Total Shareholders' Equity	1,768,688	1,613,820
Total Liabilities and Shareholders' Equity	$4,436,958	$3,846,038

</TABLE>

See notes to consolidated financial statements

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

	1999	1998	1997
Operating Activities			
Net income	$ 275,719	$ 236,568	$300,074
Adjustments to net income to derive net cash provided by operating activities:			
Depreciation and amortization	258,863	228,749	209,771
Non-cash special charges	57,538	58,445	-
Deferred income taxes	4,575	(32,332)	(29,695)
Purchased in-process research and development	48,800	30,000	14,750
Change in operating assets (excludes impact of acquisitions):			
Trade receivables	(94,371)	(77,649)	(30,014)
Inventories	(131,592)	(54,066)	(24,074)
Prepaid expenses, deferred taxes and other	(24,520)	(42,378)	8,301
Accounts payable, income taxes and other liabilities	17,009	133,500	(11,760)
Other, net	19,771	19,925	5,394
Net Cash Provided by Operating Activities	431,792	500,762	442,747
Investing Activities			
Capital expenditures	(311,547)	(181,416)	(170,349)
Acquisitions of businesses, net of cash acquired	(374,221)	(536,501)	(200,832)
Proceeds from dispositions of businesses	-	-	24,343
Proceeds (purchases) of short-term investments, net	3,452	(3,197)	2,544
Proceeds from sales of long-term investments	-	26,709	31,307
Purchases of long-term investments	(25,065)	(18,925)	(6,000)
Capitalized internal-use software	(65,036)	(25,605)	-
Other, net	(43,431)	(30,833)	(45,079)
Net Cash Used for Investing Activities	(815,848)	(769,768)	(364,066)
Financing Activities			
Change in short-term debt	346,772	127,802	(77,687)
Proceeds of long-term debt	197,534	190,639	292,168
Payment of long-term debt	(118,332)	(2,951)	(118,686)
Issuance of common stock	26,803	46,013	29,393
Repurchase of common stock	-	(44,476)	(150,003)
Dividends paid	(88,050)	(75,332)	(67,161)
Net Cash Provided by (Used for) Financing Activities	364,727	241,695	(91,976)
Effect of exchange rate changes on cash and equivalents	(3,990)	(2,077)	(9,217)
Net Decrease in Cash and Equivalents	(23,319)	(29,388)	(22,512)
Opening Cash and Equivalents	83,251	112,639	135,151
Closing Cash and Equivalents	$ 59,932	$ 83,251	$112,639

</TABLE>
See notes to consolidated financial statements

Index

1 Summary of Significant Accounting Policies

Principles of Consolidation
The consolidated financial statements include the accounts of Becton, Dickinson and Company and its majority owned subsidiaries after the elimination of intercompany transactions.

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

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

Inventories
Inventories are stated at the lower of cost or market. The Company uses the last-in, first-out ("LIFO") method of determining cost for substantially all inventories in the United States. All other inventories are accounted for using the first-in, first-out ("FIFO") method.

Property, Plant and Equipment
Property, plant and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are principally provided on the straight-line basis over estimated useful lives which range from 20 to 45 years for buildings, four to 10 years for machinery and equipment and three to 20 years for leasehold improvements. Depreciation expense was $158,202, $149,957, and $148,007 in fiscal 1999, 1998, and 1997, respectively.

Intangibles
Goodwill and core and developed technology arise from acquisitions. Goodwill is amortized over periods principally ranging from 10 to 40 years, using the straight-line method. Core and developed technology is amortized over periods ranging from 15 to 20 years, using the straight-line method. Other intangibles, which include patents and other, are amortized over periods principally ranging from three to 40 years, using the straight-line method. Intangibles are periodically reviewed to assess recoverability from future operations using undiscounted cash flows. To the extent carrying values exceed fair values, an impairment loss is recognized in operating results.

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

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

Income Taxes
United States income taxes are not provided on substantially all undistributed earnings of foreign and Puerto Rican subsidiaries since the subsidiaries reinvest such earnings or remit them to the Company without tax consequence. Income taxes are provided and tax credits are recognized based on tax laws in effect at the dates of the financial statements.

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

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

Derivative Financial Instruments
Derivative financial instruments are utilized by the Company in the management of its foreign currency and interest rate exposures. The Company does not use derivative financial instruments for trading or speculative purposes.

The Company hedges its foreign currency exposures by entering into offsetting forward exchange contracts and currency options, when it deems appropriate. The Company also occasionally enters into interest rate swaps, interest rate caps, interest rate collars, and forward rate agreements in order to reduce the impact of fluctuating interest rates on its short-term debt and investments. In connection with issuances of long-term debt, the Company may also enter into forward rate agreements in order to protect itself from fluctuating interest rates during the period in which the sale of the debt is being arranged.

The Company accounts for derivative financial instruments using the deferral method of accounting when such instruments are intended to hedge an identifiable firm foreign currency commitment and are designated as, and effective as, hedges. Foreign exchange exposures arising from certain receivables, payables, and short-term borrowings that do not meet the criteria for the deferral method are marked to market. Resulting gains and losses are recognized currently in Other (expense) income, net, largely offsetting the respective losses and gains recognized on the underlying exposures.

The Company designates its interest rate hedge agreements as hedges of the underlying debt. Interest expense on the debt is adjusted to include the payments made or received under such hedge agreements.

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

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

Start-up Costs
In April 1998, the American Institute of Certified Public Accountants issued Statement of Position 98-5 "Reporting on the Costs of Start-Up Activities." The Company is required to adopt the provisions of this Statement no later than its fiscal year 2000. This Statement provides guidance on the financial reporting of start-up and organization costs and requires such costs, as defined, to be expensed as incurred. Adoption of this Statement is not expected to have a material impact on the Company's results of operations or financial condition.

2 Acquisitions

During fiscal year 1999, the Company acquired 10 businesses for an aggregate of $381,530 and 357,522 shares of the Company's stock. The Company also granted options to purchase 73,074 shares of the Company's common stock to eligible employees of one of the acquired companies. The 1999 results of operations included charges of $48,800 for purchased in-process research and development in connection with three of these acquisitions. These charges represented the fair value of certain acquired research and development projects that were determined to have not reached technological feasibility and do not have alternative future uses. Unaudited pro forma consolidated results after giving effect to the businesses acquired during fiscal 1999 would not have been materially different from the reported amounts for either 1999 or 1998.

Included in 1999 acquisitions is the purchase of Clontech Laboratories, Inc. ("Clontech"), which was completed in August, for approximately $201,000 in cash, subject to certain post-closing adjustments. In connection with this acquisition, a charge of $32,000 for purchased in-process research and development was included in the results of operations for the Biosciences segment, as noted above. The estimated fair value of assets acquired and liabilities assumed relating to the Clontech acquisition, which is subject to further refinement, is summarized below, after giving effect to the write-off of purchased in-process research and development:

Working capital	$12,518
Property, plant and equipment	7,364
Goodwill	97,336
Core and developed technology	67,940
Other intangibles	21,660
Other assets	3,630
Deferred income taxes and other	(41,821)

Intangibles related to Clontech are being amortized on a straight-line basis over their useful lives, which range from 10 to 15 years.

During fiscal year 1998, the Company acquired six businesses for an aggregate of $545,603 in cash and 595,520 shares of the Company's common stock, or 297,760 shares on a pre-split basis.Included in 1998 acquisitions is the purchase of the Medical Devices Division ("MDD") of The BOC Group for approximately $457,000 in cash. In connection with this acquisition, a charge of $30,000 for purchased in-process research and development was included in the 1998 results of operations. This charge represented the fair value of certain acquired research and development projects that were determined to have not reached technological feasibility and do not have alternative future uses. Intangibles related to MDD are being amortized on a straight-line basis over their useful lives, which range from 15 to 25 years.

The assumed liabilities for the MDD acquisition included approximately $14,300 for severance and exit costs associated with the integration of certain MDD administrative functions. As of September 30, 1999, approximately $2,200 of these reserves remained, which are expected to be substantially paid over the next six months.

The following unaudited pro forma data summarize the results of operations for the years ended September 30, 1998 and 1997 as if the MDD acquisition had been completed as of the beginning of the periods presented. The pro forma data give effect to actual operating results prior to the acquisition, adjusted to include the pro forma effect of interest expense, amortization of intangibles and income taxes. The 1998 pro forma data include the $30,000 for purchased in-process research and development. These pro forma amounts do not purport to be indicative of the results that would have actually been obtained if the acquisition occurred as of the beginning of the periods presented or that may be obtained in the future.

	1998	1997
Revenues	$3,206,837	$3,005,634
Net income	227,664	284,806
Earnings per share:		
Basic	.91	1.15
Diluted	.86	1.09

In May 1997, the Company acquired PharMingen, a manufacturer of reagents for biomedical research, and Difco Laboratories Incorporated ("Difco"), a manufacturer of microbiology media and supplies, for an aggregate of $217,370 in cash. Goodwill related to PharMingen and Difco is being amortized on a straight-line basis over 15 and 20 years, respectively. In connection with the Difco and PharMingen acquisitions, a charge of $14,750 for purchased in-process research and development was included in the 1997 results of operations. This charge represented the fair value of certain acquired research and development projects that were determined to have not reached technological feasibility and do not have alternative future uses. The assumed liabilities for these acquisitions included approximately $17,500 for severance and other exit costs associated with the closing of certain Difco facilities. As of September 30, 1999, approximately $6,100 of these reserves remained, which are expected to be substantially paid over the next six months.

All acquisitions were recorded under the purchase method of accounting and, therefore, the purchase prices have been allocated to assets acquired and liabilities assumed based on estimated fair values. The results of operations for the acquired companies were included in the consolidated results of the Company from their respective acquisition dates.

3 Employee Stock Ownership Plan Savings Incentive Plan

The Company has an Employee Stock Ownership Plan ("ESOP") as part of its voluntary defined contribution plan (Savings Incentive Plan) covering most domestic employees. The ESOP is intended to satisfy all or part of the Company's obligation to match 50% of employees' contributions, up to a maximum of 3% of each participant's salary. To accomplish this, in 1990, the ESOP borrowed

$60,000 in a private debt offering and used the proceeds to buy the Company's ESOP convertible preferred stock. Each share of preferred stock has a guaranteed liquidation value of $59 per share and is convertible into 6.4 shares of the Company's common stock. The preferred stock pays an annual dividend of $3.835 per share, a portion of which is used by the ESOP, together with the Company's contributions, to repay the ESOP debt. Since the ESOP debt is guaranteed by the Company, it is reflected on the consolidated balance sheet as short-term and long-term debt with a related amount shown in the shareholders' equity section as Unearned ESOP compensation.

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

For the plan year ended June 30, 1999, preferred shares accumulated in the trust in excess of the Company's matching obligation due to the favorable performance of the Company's common stock over the past several years. As a result, the Company matched up to an additional 1% of each eligible participant's salary. This increase in the Company's contribution was distributed in September 1999.

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

	1999	1998	1997
Total expense of the Savings Incentive Plan	$3,851	$4,183	$4,257
Compensation expense (included in total expense above)	$1,845	$1,975	$2,087
Dividends on ESOP shares used for debt service	$3,114	$3,235	$3,366
Number of preferred shares allocated at September 30	411,727	373,884	357,465

The Company guarantees employees' contributions to the fixed income fund of the Savings Incentive Plan. The amount guaranteed was $88,304 at September 30, 1999.

4 Benefit Plans

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

In January 1999, the Compensation and Benefits Committee of the Company's Board of Directors approved design changes to the U.S. pension plan to reflect a pension equity formula. As a result, the U.S. pension plan was remeasured as of January 31, 1999, and the net periodic pension cost in 1999 and the benefit obligations at September 30, 1999 reflect the adoption of this change. No changes were made in the revaluation to the economic assumptions established at September 30, 1998.

The change in benefit obligation, change in plan assets, funded status, and amounts recognized in the consolidated balance sheets at September 30, 1999 and 1998 for these plans were as follows:

<TABLE>
<CAPTION>

	Pension Plans		Other Postretirement Benefits	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 648,526	$ 560,264	$ 183,633	$ 166,140
Service cost	33,204	27,912	3,147	2,239
Interest cost	41,007	40,242	11,935	12,015
Plan amendments	(22,933)	1,573	-	3,435
Benefits paid	(63,003)	(44,318)	(12,294)	(11,267)
Actuarial (gain) loss	(18,480)	42,948	(4,591)	11,071
Acquisitions	-	17,894	-	

				-
Curtailment gain	(1,917)	-	-	-
Other, primarily translation	(1,813)	2,011	-	-
Benefit obligation at end of year	$ 614,591	$ 648,526	$ 181,830	$ 183,633
Change in plan assets:				
Fair value of plan assets at beginning of year	$ 583,963	$ 572,190	$ -	$ -
Actual return on plan assets	66,804	33,480	-	-
Employer contribution	13,789	8,917	-	-
Benefits paid	(63,003)	(44,318)	-	-
Acquisitions	-	11,199	-	-
Other, primarily translation	(3,044)	2,495	-	-
Fair value of plan assets at end of year	$ 598,509	$ 583,963	$ -	$ -
Funded status:				
Unfunded benefit obligation	$ (16,082)	$ (57,724)	$(181,830)	$(183,633)
Unrecognized net transition obligation (asset)	952	(373)	-	-
Unrecognized prior service cost	(22,213)	677	(53,664)	(59,685)
Unrecognized net actuarial (gain) loss	(58,866)	(27,795)	19,812	31,577
Accrued benefit cost	$ (96,209)	$ (85,215)	$(215,682)	$(211,741)
Amounts recognized in the consolidated balance sheets consisted of:				
Prepaid benefit cost	$ 11,161	$ 8,533	$ -	$ -
Accrued benefit cost	(107,370)	(93,748)	(215,682)	(211,741)
Net amount recognized	$ (96,209)	$ (85,215)	$(215,682)	$(211,741)

</TABLE>

Foreign pension plan assets at fair value included in the preceding table were $124,099 and $112,845 at September 30, 1999 and 1998, respectively. The foreign pension plan projected benefit obligations were $137,836 and $130,921 at September 30, 1999 and 1998, respectively.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets were $48,635, $39,809 and $20,519, respectively as of September 30, 1999, and $38,847, $33,380 and $11,389, respectively as of September 30, 1998.

Net pension and postretirement expense included the following components:

<TABLE>
<CAPTION>

	Pension Plans			Other Postretirement Benefits		
	1999	1998	1997	1999	1998	1997
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Components of net pension and postretirement costs:						

Service cost	$ 33,204	$ 27,912	$ 26,303	$ 3,147	$ 2,239	$ 2,154
Interest cost	41,007	40,242	37,370	11,935	12,015	11,467
Expected return on plan assets	(60,837)	(54,300)	(44,071)	-	-	-
Amortization of prior service cost	(687)	86	118	(6,021)	(6,312)	(6,312)
Amortization of loss (gain)	(306)	(2,331)	(34)	1,460	721	(52)
Amortization of net obligation	(598)	(626)	(773)	-	-	-
Curtailment charges	(1,917)	-	-	-	-	-
Net pension and postretirement costs	$ 9,866	$ 10,983	$ 18,913	$10,521	$ 8,663	$ 7,257

</TABLE>

Net pension expense attributable to foreign plans included in the preceding table was $8,721, $4,902 and $5,741 in 1999, 1998 and 1997, respectively.

As discussed in Note 5, the Company recorded special charges in 1999 relating to an enhanced voluntary retirement incentive program. These charges included $7,828 and $5,412 of special termination benefits relating to pension benefits and postretirement benefits, respectively.

The assumptions used in determining benefit obligations were as follows:

<TABLE>
<CAPTION>

	Pension Plans		Other Postretirement Benefits	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Discount rate:				
U.S. plans	7.75%	6.75%	7.75%	6.75%
Foreign plans (average)	6.18%	6.10%	-	-
Expected return on plan assets:				
U.S. plans	11.00%	10.00%	-	-
Foreign plans (average)	7.31%	7.23%	-	-
Rate of compensation increase:				
U.S. plans	4.25%	5.25%	4.25%	5.25%
Foreign plans (average)	3.85%	3.80%	-	-

</TABLE>

At September 30, 1999 and 1998, health care cost trends of 9% and 10%, respectively, pre-age 65 and 6% and 7%, respectively, post-age 65 were assumed in the valuation of postretirement health care benefits. These rates were assumed to decrease gradually to an ultimate rate of 6% beginning in 2003 for pre-age 65 and 2000 for post-age 65. A one percentage point increase in health care cost trend rates in each year would increase the accumulated postretirement benefit obligation as of September 30, 1999 by $6,265 and the aggregate of the service cost and interest cost components of 1999 annual expense by $489. A one percentage point decrease in the health care cost trend rates in each year would decrease the accumulated postretirement benefit obligation as of September 30, 1999 by $5,928 and the aggregate of the 1999 service cost and interest cost by $462.

The Company utilizes a service-based approach in applying the provisions of SFAS No. 112, "Employers' Accounting For Postemployment Benefits", for most of its postemployment benefits. Such an approach recognizes that actuarial gains and losses may result from experience that differs from baseline assumptions. In 1997, the Company recorded a $5,963 curtailment loss for severance in connection with productivity programs in the United States and Europe. Postemployment benefit costs were $22,842, $24,015, and $25,532 in 1999, 1998 and 1997, respectively.

5 Special and Other Charges

The Company recorded special charges in fiscal 1999 and 1998 associated with two restructuring programs, primarily designed to improve the Company's cost structure, refocus certain businesses, and write down impaired assets.

During the third quarter of 1999, the Company recorded special charges of $75,553. Of these charges, $46,125 were associated with the write-off of intangibles, as well as other costs relating to the Company's decision to exit certain product lines, primarily in the area of home health care within the BD Medical Systems segment. The Company had completed its implementation of the exit plans by year-end. The Company also reversed $6,300 of 1998 special charges in 1999 as a result of the decision not to exit certain activities as had originally been planned.

Fiscal 1999 special charges also included $17,857, primarily for the write-down of certain investment assets related to various product development ventures, primarily in the BD Medical Systems segment, that the Company will no longer pursue. The Company's decision to refocus certain businesses and the continued decline in sales volume for selected products indicated impairment, which required a reassessment of the recoverability of the underlying assets. An impairment loss was recorded as a result of the carrying amounts of these assets exceeding their recoverable values, based on discounted future cash flow estimates.

Special charges in 1999 also included $17,871 in special termination and severance benefits associated with an enhanced retirement incentive program. This program was offered in April 1999 to 176 employees meeting certain age and service requirements at selected locations. Responses to this offer were due by May 25, 1999. The related expenses for separation pay and enhanced pension and retirement benefits were recorded to special charges upon acceptance by 133 participants.

The Company also recorded $26,868 of charges in Cost of products sold in 1999, to reflect the write-off of inventories and to provide appropriate reserves for expected future returns relating to the exited product lines discussed earlier.

During 1998, the Company recorded special charges of $90,945, primarily associated with the restructuring of certain manufacturing operations and the write-down of impaired assets. The restructuring plan included approximately $35,000 in special charges related primarily to severance and other termination costs and losses from the disposal of assets. As discussed earlier, the Company reversed $6,300 of these charges in 1999 as a result of the decision not to exit certain activities as had originally been planned. As of September 30, 1999, approximately 95 positions have been eliminated, and the Company expects that an additional 150 people will be affected by this plan. The plan for restructuring the Company's manufacturing operations included the closure of a surgical blade plant in the United States, scheduled for the latter part of fiscal year 2001. The remaining 1998 restructuring accruals related to this closure consist primarily of severance.

The write-down of assets in 1998 included approximately $38,000 in special charges to recognize an impairment loss related primarily to goodwill associated with prior acquisitions in the BD Biosciences segment. The sustained decline in sales volume of manual microbiology products within this segment, combined with the Company's increased focus on new and developing alternative technologies, created an impairment indicator that required a reassessment of recoverability. An impairment loss was recorded as a result of the carrying value of these assets exceeding their fair value, calculated on the basis of discounted estimated future cash flows. The remaining special charges of approximately $18,000 consisted of various other one-time charges.

A summary of the activity for the accruals and other components of special charges follows:

<TABLE>
<CAPTION>

	Accrual Activity			Special Termination	Asset	Total Special
	Severance	Restructuring	Other	Benefits	Writedowns	Charges
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1998 Special Charges	$13,000	$4,500	$15,100	$2,400	$55,945	$90,945
Payments	(500)	(50)	(2,400)			
Accrual Balance at September 30, 1998	12,500	4,450	12,700			
1999 Special Charges(A)	5,600	11,700	2,500	$13,200	$42,553	$75,553
Payments	(5,000)	(6,900)	(9,100)			
Accrual Balance at September 30, 1999	$13,100	$9,250	$6,100			

</TABLE>

(A) Includes reversals of 1998 special charges of $1,500 for severance and $4,800 for asset writedowns.

The Company also recorded $22,000 of charges in 1998 associated with the reengineering of business processes relating to the enterprise wide program to upgrade its business systems. The majority of these charges were included in Selling and administrative expense. This program will develop a platform of common business practices for the Company and will coordinate the installation of a global software system to provide more efficient access to worldwide business information.

6 Other (Expense) Income, Net

Other (expense), net in 1999 included foreign exchange losses of $9,154, including hedging costs. Other (expense), net also included $2,654 of gains on the sale of assets and income of $2,610 associated with settlements.

Other (expense), net in 1998 included foreign exchange losses of $11,038, including hedging costs, and a gain of $2,909 on the sale of an investment.

Other income, net in 1997 included $8,191 of gains from the dispositions of non-core business lines and a gain of $5,763 on the sale of an investment. Also included in Other income, net were foreign exchange losses of $5,021, including hedging costs.

7 Income Taxes

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

	1999	1998	1997
Current:			
Domestic:			
Federal	$27,303	$ 67,740	$ 81,588
State and local, including Puerto Rico	12,127	35,078	34,442
Foreign	52,931	33,812	36,231
	92,361	136,630	152,261
Deferred:			
Domestic	15,138	(30,349)	(15,798)
Foreign	(10,563)	(1,983)	(13,897)
	4,575	(32,332)	(29,695)
	$96,936	$104,298	$122,566

In accordance with SFAS No. 109, "Accounting for Income Taxes," deferred tax assets and liabilities are netted on the balance sheet by separate tax jurisdictions. At September 30, 1999 and 1998, net current deferred tax assets of $60,119 and $70,490, respectively, were included in Prepaid expenses, deferred taxes and other. Net non-current deferred tax assets of $3,890 and $53,712, respectively, were included in Other non-current assets. Net current deferred tax liabilities of $1,067 and $3,613, respectively, were included in Current Liabilities-Income taxes. Net non-current deferred tax liabilities of $4,003 and $13,527, respectively, were included in Deferred Income Taxes and Other. Deferred taxes are not provided on substantially all undistributed earnings of foreign and Puerto Rican subsidiaries. At September 30, 1999, the cumulative amount of such undistributed earnings approximated $1,152,000 against which United States tax-free liquidation provisions or substantial tax credits are available. Determining the tax liability that would arise if these earnings were remitted is not practicable.

Deferred income taxes at September 30 consisted of:

<TABLE>
<CAPTION>

	1999		1998		1997	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Compensation and benefits	$150,214	$ -	$144,719	$ -	$143,665	$ -
Property and equipment	-	92,608	-	100,741	-	100,169
Purchase acquisition adjustments	-	104,269	-	29,618	-	21,822
Other	187,626	70,867	147,449	44,408	131,319	52,341
	337,840	267,744	292,168	174,767	274,984	174,332
Valuation allowance	(11,157)	-	(10,339)	-	(12,606)	-
	$326,683	$267,744	$281,829	$174,767	$262,378	$174,332

</TABLE>

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

	1999	1998	1997
Federal statutory tax rate	35.0%	35.0%	35.0%
State and local income taxes, net of federal tax benefit	.4	.1	1.3
Effect of foreign and Puerto Rican income and foreign tax credits	(10.8)	(6.1)	(7.6)
Research tax credit	(2.5)	(1.6)	(.3)
Purchased in-process research and development	4.6	3.1	1.2
Other, net	(.7)	.1	(.6)
	26.0%	30.6%	29.0%

The approximate dollar and diluted per-share amounts of tax reductions related to tax holidays in various countries in which the Company does business were: 1999-$30,400 and $.11; 1998-$18,000 and $.07; and 1997-$17,400 and $.07. The tax holidays expire at various dates through 2010.

The Company made income tax payments, net of refunds, of $80,334 in 1999, $117,321 in 1998, and $151,050 in 1997.

The components of Income Before Income Taxes follow:

	1999	1998	1997
Domestic, including Puerto Rico	$177,520	$238,109	$264,910
Foreign	195,135	102,757	157,730
	$372,655	$340,866	$422,640

8 Supplemental Balance Sheet Information

Trade Receivables

Allowances for doubtful accounts and cash discounts netted against trade receivables were $49,036 and $35,518 at September 30, 1999 and 1998, respectively.

Inventories	1999	1998
Materials	$160,332	$122,232
Work in process	94,627	86,239
Finished products	387,574	328,320
	$642,533	$536,791

Inventories valued under the LIFO method were $354,071 in 1999 and $285,384 in 1998. Inventories valued under the LIFO method would have been higher by approximately $17,000 in 1999 and $18,900 in 1998, if valued on a current cost basis.

Property, Plant and Equipment	1999	1998
Land	$ 64,497	$ 72,158
Buildings	938,859	916,353
Machinery, equipment and fixtures	1,888,169	1,703,788
Leasehold improvements	41,279	34,724
	2,932,804	2,727,023
Less allowances for depreciation and amortization	1,501,655	1,424,373
	$1,431,149	$1,302,650

Goodwill	1999	1998
Goodwill	$ 636,362	$ 498,012
Less accumulated amortization	109,420	85,942
	$ 526,942	$ 412,070

Core and Developed Technology	1999	1998
Core and developed technology	$ 353,207	$ 222,800

Less accumulated amortization	23,747	8,633
	$ 329,460	$ 214,167

Other Intangibles	1999	1998
Patents and other	$ 337,871	$ 266,069
Less accumulated amortization	159,586	145,961
	$ 178,285	$ 120,108

9 Debt

The components of Short-term debt follow:

	1999	1998
Loans payable:		
Domestic	$572,810	$204,875
Foreign	51,289	72,038
Current portion of long-term debt	7,155	108,249
	$631,254	$385,162

Domestic loans payable consists of commercial paper. Foreign loans payable consists of short-term borrowings from financial institutions. The weighted average interest rates for loans payable were 5.3% and 5.9% at September 30, 1999 and 1998, respectively. The Company has available a $500,000 syndicated and committed revolving credit facility, which expires in November 2001. In August 1999, the Company entered into a 364-day $300,000 committed facility. In March 1999, the Company renewed a 364-day $100,000 committed facility. All of these facilities support the Company's commercial paper borrowing program and can also be used for other general corporate purposes. Restrictive covenants under these agreements include a minimum interest coverage ratio. There were no borrowings outstanding under these facilities at September 30, 1999. In addition, the Company had unused short-term foreign lines of credit pursuant to informal arrangements of approximately $243,000 and $193,000 at September 30, 1999 and 1998, respectively.

The components of Long-Term Debt follow:

	1999	1998
Domestic notes due through 2015 (average year-end interest rate: 5.5%-1999; 5.8%-1998)	$ 16,596	$ 17,003
Foreign notes due through 2011 (average year-end interest rate: 4.6%-1999; 6.9%-1998)	14,435	19,692
8.80% Notes due March 1, 2001	100,000	100,000
9.45% Guaranteed ESOP Notes due through July 1, 2004	23,138	28,481
6.90% Notes due October 1, 2006	100,000	100,000
7.15% Debentures due October 1, 2009	200,000	-
8.70% Debentures due January 15, 2025	100,000	100,000
7.00% Debentures due August 1, 2027	200,000	200,000
6.70% Debentures due August 1, 2028	200,000	200,000
	$954,169	$765,176

In September 1999, the Company issued $200,000 of 7.15% debentures due on October 1, 2009, with an effective yield including the results of an interest rate hedge and other financing costs of 7.34%. In July 1998, the Company issued $200,000 of 6.70% debentures due on August 1, 2028. The effective yield of the debentures including the results of an interest rate hedge and other financing costs was 7.08%.

The Company has available $100,000 under a $500,000 shelf registration statement filed in October 1997 for the issuance of debt securities.

The aggregate annual maturities of long-term debt during the fiscal years ending September 30, 2001 to 2004 are as follows: 2001-$107,223; 2002-$7,509; 2003-$7,740; 2004-$4,371.

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

	1999	1998	1997

Charged to operations	$76,738	$65,584	$51,134
Capitalized	14,655	10,011	6,469
	$91,393	$75,595	$57,603

Interest paid, net of amounts capitalized, was $77,681 in 1999, $64,160 in 1998, and $48,573 in 1997.

10 Financial Instruments

Fair Value of Financial Instruments

Cash equivalents, short-term investments and short-term debt are carried at cost, which approximates fair value. Other investments are classified as available-for-sale securities. Fair values were estimated based on market prices, where available, or dealer quotes. The fair value of certain long-term debt is based on redemption value.

The estimated fair values of the Company's financial instruments at September 30, 1999 and 1998 were as follows:

<TABLE>
<CAPTION>

	1999		1998	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
<S>	<C>	<C>	<C>	<C>
Other investments (non-current) (A)	$ 15,413	$ 10,534	$ 17,125	$ 6,115
Currency options (B)	106	65	51	101
Forward exchange contracts (B)	148	158	-	-
Liabilities:				
Long-term debt	$954,169	$928,809	$765,176	$832,250
Forward exchange contracts (C)	-	-	948	393
Interest rate swaps	-	-	77	498

</TABLE>

(A) Included in Other non-current assets.

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

(C) Included in Accrued expenses.

Off-Balance Sheet Risk

The Company has certain receivables, payables and short-term borrowings denominated in currencies other than the functional currency of the Company and its subsidiaries. During the year, the Company hedged substantially all of these exposures by entering into forward exchange contracts and currency options. The Company's foreign currency risk exposure is primarily in Western Europe, Asia Pacific, Japan, Brazil and Mexico.

At September 30, the stated or notional amounts of the Company's outstanding forward exchange contracts and currency options, classified as held for purposes other than trading, were as follows:

	1999	1998
Forward exchange contracts	$396,981	$742,995
Currency options	22,000	8,500

At September 30, 1999, $346,762 of the forward exchange contracts mature within 90 days and $50,219 at various other dates in fiscal 2000. The currency options at September 30, 1999 expire within 30 days.

The Company's foreign exchange hedging activities do not generally create exchange rate risk since gains and losses on these contracts generally offset losses and gains on the related non-functional currency denominated receivables, payables and short-term borrowings.

The Company enters into interest rate swap and interest rate cap agreements, classified as held for purposes other than trading, in order to reduce the impact of fluctuating interest rates on its short-term third-party and intercompany debt and investments outside the United States. At September 30, 1998, the Company had foreign interest rate swap agreements with maturities at various dates through 1999. Under these agreements, the Company agreed with other parties to pay or receive fixed rate payments, generally on an annual basis, in exchange for paying or receiving variable rate payments, generally on a quarterly basis, calculated on an agreed-upon notional amount. The notional amounts of the Company's outstanding interest rate swap agreements were $12,000 at September 30, 1998. The Company had no interest rate swap agreements outstanding at September 30, 1999.

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This Statement requires that all derivatives be recorded in the balance sheet as either an asset or liability measured at fair value and that changes in fair value be recognized currently in earnings unless specific hedge accounting criteria are met. The Company is in the process of evaluating this Statement and has not yet determined the future impact on its consolidated financial statements. The Company is required to adopt the provisions of this Statement no later than the beginning of its fiscal year 2001.

Concentration Of Credit Risk

Substantially all of the Company's trade receivables are due from public and private entities involved in health care. Due to the large size and diversity of the Company's customer base, concentrations of credit risk with respect to trade receivables are limited. The Company does not normally require collateral. The Company is exposed to credit loss in the event of nonperformance by financial institutions with which it conducts business. The Company minimizes exposure to such risk, however, by dealing only with major international banks and financial institutions.

11 Shareholders' Equity

Changes in certain components of shareholders' equity were as follows:
<TABLE>
<CAPTION>

<S>	Series B, ESOP Preferred Stock Issued <C>	Common Stock Issued <C>	Capital in Excess of Par Value <C>	Retained Earnings <C>	Unearned ESOP Compensation <C>
Balance at October 1, 1996	$52,927	$170,484	$58,378	$2,160,279	$(32,787)
Net income				300,074	
Cash dividends:					
Common ($.26 per share)				(63,768)	
Preferred ($3.835 per share), net of tax benefits				(2,647)	
Common stock issued for employee stock plans, net			26,942		
Repurchase of common stock					
Common stock held in trusts					
Retirement of common stock		(3,239)	(2,289)	(144,475)	
Reduction in unearned ESOP compensation for the year					4,167
Adjustment for redemption provisions	(1,816)		391		
Balance at September 30, 1997	51,111	167,245	83,422	2,249,463	(28,620)
Net income				236,568	
Cash dividends:					
Common ($.29 per share)				(71,265)	
Preferred ($3.835 per share), net of tax benefits				(2,592)	
Common stock issued for:					
Employee stock plans, net			49,303		
Business acquisition			15,314		
Repurchase of common stock					
Common stock held in trusts					
Retirement of common stock		(914)	(730)	(42,832)	
Reduction in unearned ESOP compensation for the year					4,157
Adjustment for redemption provisions	(2,152)		461		
Two-for-one stock split		166,331	(147,770)	(18,561)	
Balance at September 30, 1998	48,959	332,662	-	2,350,781	(24,463)
Net income				275,719	
Cash dividends:					
Common ($.34 per share)				(84,936)	
Preferred ($3.835 per share),					

net of tax benefits				(2,544)	
Common stock issued for:					
Employee stock plans, net			33,134		
Business acquisitions			11,008		
Common stock held in trusts					
Reduction in unearned ESOP compensation for the year					4,153
Adjustment for redemption provisions	(2,242)		484		
Balance at September 30, 1999	$46,717	$332,662	$44,626	$2,539,020	$(20,310)

<CAPTION>

	Deferred Compensation	Treasury Stock Shares	Treasury Stock Amount
<S>	<C>	<C>	<C>
Balance at October 1, 1996	$ -	(46,873,585)	$(1,069,139)
Net income			
Cash dividends:			
Common ($.26 per share)			
Preferred ($3.835 per share), net of tax benefits			
Common stock issued for employee stock plans, net		1,683,547	20,513
Repurchase of common stock		(3,239,500)	(150,003)
Common stock held in trusts		(69,473)	(3,117)
Retirement of common stock		3,239,500	150,003
Reduction in unearned ESOP compensation for the year			
Adjustment for redemption provisions		98,420	1,425
Balance at September 30, 1997	-	(45,161,091)	(1,050,318)
Net income			
Cash dividends:			
Common ($.29 per share)			
Preferred ($3.835 per share), net of tax benefits			
Common stock issued for:			
Employee stock plans, net		2,469,852	29,817
Business acquisition		297,760	3,886
Repurchase of common stock		(913,500)	(44,476)
Common stock held in trusts	4,903	(14,769)	(882)
Retirement of common stock		913,500	44,476
Reduction in unearned ESOP compensation for the year			
Adjustment for redemption provisions		130,845	1,691
Two-for-one stock split		(42,541,541)	
Balance at September 30, 1998	4,903	(84,818,944)	(1,015,806)
Net income			
Cash dividends:			
Common ($.34 per share)			
Preferred ($3.835 per share), net of tax benefits			
Common stock issued for:			
Employee stock plans, net		2,382,641	15,428
Business acquisitions		357,522	2,333
Common stock held in trusts	1,046	(28,670)	(1,046)
Reduction in unearned ESOP compensation for the year			
Adjustment for redemption provisions		243,122	1,758
Balance at September 30, 1999	$5,949	(81,864,329)	$ (997,333)

</TABLE>

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

In 1998, the Board of Directors authorized a two-for-one stock split. Par value remained at $1.00 per common share, and the number of authorized common shares increased from 320,000,000 to 640,000,000 shares. The stock split was recorded by reclassifying $166,331, the par value of the additional shares resulting from the split, from Capital in excess of par value and Retained earnings to Common stock.

Preferred Stock Purchase Rights

In 1995, the Board of Directors adopted a new shareholder rights plan (the "New Plan") to replace the original rights plan upon its expiration in 1996. In accordance with the New Plan, each certificate representing a share of outstanding common stock of the Company also represents one-quarter of a Preferred Stock Purchase Right (a "Right"). Each whole Right will entitle the registered holder to purchase from the Company one two-hundredth of a share of Preferred Stock, Series A, par value $1.00 per share, at a price of $270. The Rights will not become exercisable unless and until, among other things, a third party acquires 20% or more of the Company's outstanding common stock. The Rights are redeemable under certain circumstances at $.01 per Right and will expire, unless earlier redeemed, on April 25, 2006. There are 500,000 shares of preferred stock designated Series A, none of which has been issued.

12 Comprehensive Income

Effective October 1, 1998, the Company adopted the provisions of SFAS No. 130, "Reporting Comprehensive Income." This Statement specifies the reporting requirements for comprehensive income, which consists of net income and other comprehensive income. Other comprehensive income includes foreign currency translation adjustments and unrealized gains (losses) on investments. In accordance with the provisions of this Statement, Consolidated Statements of Comprehensive Income have been included in the fiscal 1999 consolidated financial statements.

Accumulated other comprehensive income has been reported as a separate component of Shareholders' Equity, in accordance with the requirements of this Statement. The components of Accumulated other comprehensive income are as follows:

	1999	1998
Cumulative currency translation adjustments	$(179,764)	$ (83,216)
Unrealized losses on investments	(2,879)	-
	$(182,643)	$ (83,216)

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

The tax benefit on Unrealized losses on investments for 1999 was $2,000. The income taxes related to Foreign currency translation adjustments were not significant in any year presented, as income taxes were generally not provided for translation adjustments.

13 Commitments and Contingencies

Commitments

Rental expense for all operating leases amounted to $46,000 in 1999, $44,800 in 1998, and $48,200 in 1997. Future minimum rental commitments on noncancelable leases are as follows: 2000-$29,300; 2001-$26,000; 2002-$20,700; 2003-$12,600; 2004-$11,000 and an aggregate of $53,000 thereafter.

As of September 30, 1999, the Company has certain future capital commitments aggregating approximately $104,700, which will be expended over the next several years.

Contingencies

The Company believes that its operations comply in all material respects with applicable laws and regulations. The Company is a party to a number of Federal proceedings in the United States brought under the Comprehensive Environmental Response, Compensation and Liability Act, also known as "Superfund," and similar state laws. For all sites, there are other potentially responsible parties that may be jointly or severally liable to pay all cleanup costs. The Company accrues costs for an estimated environmental liability based upon its best estimate within the range of probable losses, without considering third-party recoveries. The Company believes that any reasonably possible losses in excess of accruals would be immaterial to the Company's financial condition.

The Company, along with a number of other manufacturers, has been named as a defendant in approximately 300 product liability lawsuits related to natural rubber latex that have been filed in various state and Federal courts. Cases pending in Federal court are being coordinated under the matter In re Latex Gloves Products Liability Litigation (MDL Docket No. 1148) in Philadelphia, and analogous procedures have been implemented in the state courts of California, Pennsylvania, New Jersey and New York. Generally, these actions allege that medical personnel have suffered allergic reactions ranging from skin irritation to anaphylaxis as a result of exposure to medical gloves containing natural rubber latex. In 1986, the Company acquired a business which manufactured, among other things, latex surgical gloves. In 1995, the Company divested this glove business. The Company is vigorously defending these lawsuits.

The Company, along with another manufacturer and several medical product distributors, has been named as a defendant in eleven product liability lawsuits relating to health care workers who allegedly sustained accidental needle sticks, but have not become infected with any disease. The case brought in California under the caption Chavez vs. Becton Dickinson (Case No. 722978, San Diego County Superior Court), filed on August 4, 1998 was dismissed in a judgment filed March 19, 1999 which has been appealed by plaintiffs. The case brought in Florida under the caption Delgado vs. Becton Dickinson et al. (Case No. 98-5608, Hillsborough County Circuit Court), filed on July 24, 1998 was voluntarily withdrawn by the plaintiffs on March 8,1999. Cases have been filed on behalf of an unspecified number of health care workers in nine other states, seeking class action certification under the laws of these states. To date, no class has been certified in any of these cases. The nine remaining actions are pending in state court in Texas, under the caption Usrey vs. Becton Dickinson et al. (Case No. 342-173329-98, Tarrant County District Court), filed on April 9, 1998; in Federal court in Ohio, under the caption Grant vs. Becton Dickinson et al. (Case No. C2 98-844, Southern District of Ohio), filed on July 22, 1998; in state court in Illinois, under the caption McCaster vs. Becton Dickinson et al. (Case No. 98L09478, Cook County Circuit Court), filed on August 13, 1998; in state court in Oklahoma, under the caption Palmer vs. Becton Dickinson et al. (Case No. CJ-98-685, Sequoyah County District Court), filed on October 27, 1998; in state court in Alabama, under the caption Daniels vs. Becton Dickinson et al. (Case No. CV 1998 2757, Montgomery County Circuit Court), filed on October 30, 1998; in state court in South Carolina, under the caption Bales vs. Becton Dickinson et al. (Case No. 98-CP-40-4343, Richland County Court of Common Pleas), filed on November 25, 1998; in state court in Pennsylvania, under the caption Brown vs. Becton Dickinson et al. (Case No. 03474, Philadelphia County Court of Common Pleas), filed on November 27, 1998; in state court in New Jersey, under the caption Pollak, Swartley vs. Becton Dickinson et al. (Case No. L-9449-98, Camden County Superior Court), filed on December 7, 1998; and in state court in New York, under the caption Benner vs. Becton Dickinson et al. (Case No. 99-111372, Supreme Court of the State of New York), filed on June 1, 1999.

Generally, these remaining actions allege that health care workers have sustained needle sticks using hollow-bore needle devices manufactured by the Company and, as a result, require medical testing, counseling and/or treatment. Several actions additionally allege that the health care workers have sustained mental anguish. Plaintiffs seek money damages in all remaining actions.

In June 1999, a class certification hearing was held in the matter of Usrey vs. Becton Dickinson et al., which was first filed in Texas state court on April 9, 1998, under the caption Calvin vs. Becton Dickinson et al. The Court had advised the parties by letter received on October 27, 1999 that it believes that it is appropriate to address the issues in the case by way of a class action under Texas procedural law.

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

The Company, along with another manufacturer, a group purchasing organization ("GPO") and three hospitals, has been named as a defendant in an antitrust action brought pursuant to the Texas Free Enterprise Act ("TFEA"). The action is pending in state court in Texas, under the caption Retractable Technologies Inc. vs. Becton Dickinson and Company et al. (Case No. 5333*JG98, Brazoria County District Court), filed on August 4, 1998. Plaintiff, a manufacturer of retractable syringes, alleges that the Company's contracts with GPOs exclude plaintiff from the market in syringes and blood collection products, in violation of the TFEA. Plaintiff also alleges that the Company has conspired with other manufacturers to maintain its market share in these products. Plaintiff seeks money damages. The pending action is in preliminary stages. The Company intends to mount a vigorous defense in this action.

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

In the opinion of the Company, the results of the above matters, individually and in the aggregate, are not expected to have a material effect on its results of operations, financial condition or cash flows.

14 Stock Plans

Stock Option Plans

The Company has stock option plans under which employees have been granted options to purchase shares of the Company's common stock at prices established by the Compensation and Benefits Committee of the Board of Directors. The 1990, 1995 and 1998 Stock Option Plans made available 16,000,000, 24,000,000 and 10,000,000 shares of the Company's common stock for the granting of options, respectively. At September 30, 1999, shares available for future grant under the 1990, 1995, and 1998 Plans were 175,767, 3,336,391, and 9,950,000, respectively. All stock plan data has been retroactively restated to reflect the two-for-one stock splits in 1998, 1996 and 1993, where applicable.

A summary of changes in outstanding options is as follows:

	1999		1998	
	Options for Shares	Weighted Average Exercise Price	Options for Shares	Weighted Average Exercise Price
Balance at October 1	29,904,859	$18.22	30,168,526	$15.20
Granted	3,170,821(A)	34.83	4,843,750	29.64
Exercised	(2,281,727)	11.37	(4,593,739)	9.92
Forfeited, canceled or expired	(671,679)	25.29	(513,678)	23.05
Balance at September 30	30,122,274	$20.33	29,904,859	$18.22
Exercisable at September 30	26,426,344	$18.37	23,266,773	$15.90
Weighted average fair value of options granted	$ 12.77		$ 9.40	
Available for grant at September 30	13,462,158		15,961,300	

	1997	
	Options for Shares	Weighted Average Exercise Price
Balance at October 1	27,051,424	$12.15
Granted	6,590,144	24.72
Exercised	(3,258,458)	9.05
Forfeited, canceled or expired	(214,584)	16.36
Balance at September 30	30,168,526	$15.20
Exercisable at September 30	19,100,330	$11.92
Weighted average fair value of options granted	$ 7.08	
Available for grant at September 30	10,291,372	

The maximum term of options is ten years. Options outstanding as of September 30, 1999 expire on various dates from May 2000 through March 2009.

(A) The Company granted 73,074 of options to purchase shares of the Company's common stock to eligible employees of a business acquired in fiscal 1999.

September 30, 1999					
	Options Outstanding			Options Exercisable	
Range Of Option Exercise Price	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number Exercisable	Weighted Average Exercise Price

$ 7.89 - $12.55	11,183,224	$10.25	4.2 Years	11,183,224	$10.25
17.36 - 24.81	11,349,243	22.51	6.9 Years	11,337,395	22.51
29.35 - 41.56	7,589,807	31.91	8.8 Years	3,905,725	29.60
	30,122,274	$20.33	7.1 Years	26,426,344	$18.37

</TABLE>

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

The 1990 Plan has a provision whereby unqualified options may be granted at, below, or above market value of the Company's stock. If the option price is less than the market value of the Company's stock on the date of grant, the discount is recorded as compensation expense over the service period in accordance with the provisions of APB Opinion No. 25. There was no such compensation expense in 1999, 1998 or 1997.

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

The following pro forma net income and earnings per share information has been determined as if the Company had accounted for its stock-based compensation awards issued subsequent to October 1, 1995 using the fair value method. Under the fair value method, the estimated fair value of awards would be charged against income on a straight-line basis over the vesting period which generally ranges from zero to three years. The pro forma effect on net income for 1999, 1998 and 1997 is not representative of the pro forma effect on net income in future years since compensation cost is allocated on a straight-line basis over the vesting periods of the grants, which extends beyond the reported years.

<TABLE>
<CAPTION>

	1999		1998		1997	
	As Reported	Pro Forma	As Reported	Pro Forma	As Reported	Pro Forma
Net Income	$275,719	$247,224	$236,568	$216,680	$300,074	$290,697
Earnings Per Share:						
Basic	1.09	.98	.95	.87	1.21	1.17
Diluted	1.04	.93	.90	.82	1.15	1.11

</TABLE>

The pro forma amounts and fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants in 1999, 1998 and 1997: risk free interest rates of 4.79%, 5.55%, and 6.51%, respectively; expected dividend yields of 1.09%, 1.28%, and 1.42%, respectively; expected volatility of 31.0%, 24.4%, and 18.0%, respectively; and expected lives of 6 years for each year presented.

Other Stock Plans

The Company has a compensatory Stock Award Plan which allows for grants of common shares to certain key employees. Distribution of 25% or more of each award, as elected by the grantee, is deferred until after retirement or involuntary termination. Commencing on the first anniversary of a grant following retirement, the remainder is distributable in five equal annual installments. During 1999, 104,448 shares were distributed. No awards were granted in 1999, 1998 or 1997. At September 30, 1999, 2,532,816 shares were reserved for future issuance, of which awards for 431,428 shares have been granted.

The Company has a compensatory Restricted Stock Plan for Non-Employee

Directors which reserves for issuance 300,000 shares of the Company's common stock. In 1997, 1,560 restricted shares were issued in accordance with the provisions of the plan. No restricted shares were issued in 1999 or 1998.

In November 1996, in connection with the discontinuation of pension benefits that otherwise would have been accrued and provided to directors of the Company, the Company established the 1996 Directors' Deferral Plan. This Plan allowed members of the Board of Directors to defer receipt of the lump sum present value of all their accrued and unpaid past service pension benefits as of December 1, 1996, in the form of shares of the Company's common stock or cash. In addition, the Plan provides a means to defer director compensation, from time to time, on a deferred stock or cash basis. As of September 30, 1999, 138,003 shares were held in trust, of which 11,373 shares represented Directors' compensation in 1999, in accordance with the provisions of the Plan. Under the Plan, which is unfunded, directors have an unsecured contractual commitment from the Company to pay directors the amounts due to them under the Plan.

15 Earnings Per Share

For the years ended September 30, 1999, 1998, and 1997, the following table sets forth the computations of basic and diluted earnings per share, restated to reflect the 1998 two-for-one stock split (shares in thousands):

	1999	1998	1997
Net income	$275,719	$236,568	$300,074
Preferred stock dividends	(3,114)	(3,235)	(3,366)
Income available to common shareholders(A)	272,605	233,333	296,708
Preferred stock dividends-using "if converted" method	3,114	3,235	3,366
Additional ESOP contribution-using "if converted" method	(821)	(1,000)	(1,124)
Income available to common shareholders after assumed conversions(B)	$274,898	$235,568	$298,950
Average common shares outstanding(C)	249,595	245,700	245,230
Dilutive stock equivalents from stock plans	9,917	11,117	8,812
Shares issuable upon conversion of preferred stock	5,068	5,311	5,544
Average common and common equivalent shares outstanding-assuming dilution(D)	264,580	262,128	259,586
Basic earnings per share(A/C)	$ 1.09	$ .95	$ 1.21
Diluted earnings per share(B/D)	$ 1.04	$ .90	$ 1.15

16 Segment Data

On September 30, 1999, the Company adopted the provisions of SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." SFAS No. 131 establishes a new method for the reporting of operating segment information based on the manner in which management organizes the segments within a company for making operating decisions and assessing performance. Segment data has been restated to conform to the SFAS No. 131 requirements for all periods presented.

The Company's organizational structure is based upon its three principal business segments: BD Medical Systems ("Medical"), BD Biosciences ("Biosciences"), and BD Preanalytical Solutions ("Preanalytical"). The Company's segments are managed separately because each requires different technology and marketing strategies.

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

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

Distribution of products is both through distributors and directly to hospitals, laboratories and other end users. Sales to a distributor which supplies the Company's products to many end users accounted for approximately 11% of revenues in 1999, 11% in 1998 and 10% of revenues in 1997, and were made from each of the Company's segments. No other customer accounted for 10% or more of revenues in each of the three years presented.

<TABLE>
<CAPTION>

Revenues	1999	1998	1997
<S>	<C>	<C>	<C>
Medical Systems	$1,923,865	$1,714,952	$1,510,881
Biosciences	985,821	924,157	853,893
Preanalytical Solutions	508,726	477,764	445,749
Total (A)	$3,418,412	$3,116,873	$2,810,523
Segment Operating Income			
Medical Systems	$ 343,433(B)	$ 320,184(B)	$ 349,613
Biosciences	76,278(C)	77,046(C)	76,071
Preanalytical Solutions	123,890(D)	116,019(D)	118,540
Total Segment Operating Income	543,601	513,249	544,224
Unallocated Expenses(E)	(170,946)	(172,383)	(121,584)
Income Before Income Taxes	$ 372,655	$ 340,866	$ 422,640
Segment Assets			
Medical Systems	$2,258,779	$2,092,828	$1,324,035
Biosciences	1,455,744	1,085,980	1,073,512
Preanalytical Solutions	431,271	388,521	350,100
Total Segment Assets	4,145,794	3,567,329	2,747,647
Corporate and All Other(F)	291,164	278,709	332,605
Total Assets	$4,436,958	$3,846,038	$3,080,252
Capital Expenditures			
Medical Systems	$ 187,868	$ 105,417	$ 106,298
Biosciences	41,704	37,797	30,586
Preanalytical Solutions	53,822	28,073	19,804
Corporate and All Other	28,153	10,129	13,661
Total	$ 311,547	$ 181,416	$ 170,349
Depreciation and Amortization			
Medical Systems	$ 122,804	$ 104,684	$ 88,603
Biosciences	97,764	87,018	83,992
Preanalytical Solutions	30,013	26,370	24,979
Corporate and All Other	8,282	10,677	12,197
Total	$ 258,863	$ 228,749	$ 209,771

</TABLE>

(A) Intersegment revenues are not material.

(B) Includes $60,933 in 1999 and $43,181 in 1998 for special charges discussed in Note 5, as well as a charge of $30,000 in 1998 for purchased in-process research and development discussed in Note 2.
(C) Includes $4,962 in 1999 and $43,314 in 1998 for special charges discussed in Note 5, as well as $48,800 in 1999 for purchased in-process research and development charges discussed in Note 2.
(D) Includes $4,429 in 1999 and $2,238 in 1998 for special charges discussed in Note 5.
(E) Includes interest, net, foreign exchange, and corporate expenses. Also includes special charges of $5,229 and $2,212 in 1999 and 1998, respectively, as discussed in Note 5.
(F) Includes cash and investments and corporate assets.

Geographic Information

The countries in which the Company has local revenue-generating operations have been combined into the following geographic areas: the United States, including Puerto Rico, and International, which is composed of Europe, Canada, Latin America, Japan and Asia Pacific.

Revenues to unaffiliated customers are based upon the source of the product shipment. Long-lived assets, which include net property, plant and equipment, are based upon physical location. Intangible assets are not included since, by their nature, they do not have a physical or geographic location.

	1999	1998	1997
Revenues			
United States	$1,747,785	$1,690,282	$1,486,701
International	1,670,627	1,426,591	1,323,822
Total	$3,418,412	$3,116,873	$2,810,523
Long-Lived Assets			
United States	$ 758,929	$ 683,658	$ 690,336
International	550,588	480,252	419,334
Corporate	121,632	138,740	141,035
Total	$1,431,149	$1,302,650	$1,250,705

Quarterly Data (Unaudited)
Thousands of dollars, except per-share amounts
<TABLE>
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1999	1st	2nd	3rd	4th	Year
<S>	<C>	<C>	<C>	<C>	<C>
Revenues	$768,966	$873,964	$873,002	$902,480	$3,418,412
Gross Profit	383,256	444,704	411,679	467,107	1,706,746
Net Income	76,158	90,114	33,124	76,323	275,719(A)
Earnings Per Share:					
Basic	.30	.36	.13	.30	1.09
Diluted	.29	.34	.12	.29	1.04

<CAPTION>

1998	1st	2nd	3rd	4th	Year
<S>	<C>	<C>	<C>	<C>	<C>
Revenues	$701,640	$738,433	$833,561	$843,239	$3,116,873
Gross Profit	346,837	374,353	414,554	440,097	1,575,841
Net Income (Loss)	64,321	92,335	(9,985)(B)	89,897	236,568(B)
Earnings (Loss) Per Share:					
Basic	.26	.37	(.04)	.36	.95
Diluted	.25	.35	(.04)	.34	.90

</TABLE>

(A) Includes $75,553 of special charges in the third quarter and $48,800 for purchased in-process research and development charges.

(B) Includes $90,945 of special charges and a charge of $30,000 for purchased in-process research and development.

Board of Directors

Harry N. Beaty, M.D.(1,4)

Emeritus Dean-Northwestern University Medical School, and Chairman of the Board and President-Northwestern University Medical Faculty Foundation

Henry P. Becton, Jr.(2,3,6)
President and General Manager - WGBH Educational Foundation

Clateo Castellini(3,5)
Chairman of the Board and Chief Executive Officer - BD

Albert J. Costello(1,6)
Retired Chairman of the Board, President and Chief Executive Officer - W.R. Grace & Co.

Gerald M. Edelman, M.D., Ph.D.(4,5)
Director - The Neurosciences Institute, Member - The Scripps Research Institute

John W. Galiardo(5)
Vice Chairman of the Board and General Counsel - BD

Richard W. Hanselman(1,3,5)
Corporate Director

Edward J. Ludwig(5)
President - BD

Frank A. Olson(2,4,5)
Chairman of the Board and Chief Executive Officer - The Hertz Corporation

Willard J. Overlock, Jr.(1,2,6)
Retired Partner - Goldman, Sachs & Co.

James E. Perrella(2,3,6)
Chairman of the Board - Ingersoll-Rand Company

Alfred Sommer(3,4)
Dean of the Johns Hopkins School of Hygiene and Public Health, and Professor of Ophthalmology, Epidemiology and International Health

Raymond S. Troubh(2,3,6)
Financial Consultant

Margaretha af Ugglas(1,4)
Member of the Board - Stockholm University and Jarl Hjalmarson Foundation

Committees Appointed by the Board of Directors

1 - Audit Committee
2 - Compensation and Benefits Committee
3 - Corporate Governance Committee
4 - Corporate Responsibility Committee
5 - Executive Committee
6 - Finance and Investment Committee

Corporate Officers
- --
Clateo Castellini
Chairman of the Board and Chief Executive Officer

Edward J. Ludwig
President

John W. Galiardo
Vice Chairman of the Board and General Counsel

Richard K. Berman
Vice President and Treasurer

Mark H. Borofsky
Vice President - Taxes

Richard O. Brajer
President - Worldwide Preanalytical Solutions

Gary M. Cohen
President - Worldwide Medical Systems

David T. Durack
Vice President - Corporate Medical Affairs

Vincent A. Forlenza
Senior Vice President - Technology, Strategy and Development

Bridget M. Healy
Vice President and Secretary

Richard M. Hyne
Vice President and Controller

James V. Jerbasi
Vice President - Human Resources

William A. Kozy
Senior Vice President - Company Manufacturing

Deborah J. Neff
President - Worldwide Biosciences

Patricia B. Shrader
Vice President - Regulatory Affairs

Corporate Data

Annual Meeting
2:30 p.m.
Tuesday, February 8, 2000
1 Becton Drive
Franklin Lakes, NJ 07417-1880

Direct Stock Purchase Plan
The Direct Stock Purchase Plan established through First Chicago Trust Company of New York, enhances the services provided to existing shareholders and facilitates initial investments in Becton Dickinson shares. Additional information may be obtained by calling First Chicago Trust Company of New York at 1-800-955-4743.

NYSE Symbol
BDX

Transfer Agent and Registrar
First Chicago Trust Company of New York, P.O. Box 2500
Jersey City, NJ 07303-2500
Phone: 1-800-519-3111
E-mail: fctc@em.fcnbd.com
Internet: http://www.fctc.com

Shareholder Information
Shareholders may receive, without charge, a copy of the company's 1999 Annual Report to the Securities and Exchange Commission on Form 10-K by contacting:

Investor Relations
Becton Dickinson and Company
1 Becton Drive
Franklin Lakes, NJ 07417-1880
Phone: 1-800-284-6845
Internet: http://www.bd.com

Independent Auditors
Ernst & Young LLP
787 Seventh Avenue
New York, NY 10019-6085
Phone: (212) 773-3000
Internet: http://www.ey.com

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Photo page 14: S. Shankar/
U.S. Committee for UNICEF

<TABLE>
<CAPTION>
Common Stock Prices and Dividends

By Quarter	1999			1998		
	High	Low	Dividends	High	Low	Dividends
<S>	<C>	<C>	<C>	<C>	<C>	<C>
First	$49 5/8	$36 15/16	$.08 1/2	$26 11/16	$20 15/16	$.07 1/4
Second	44 3/16	31 1/2	.08 1/2	35 11/16	24 3/8	.07 1/4
Third	42	29	.08 1/2	39 9/32	33 13/16	.07 1/4
Fourth	30 1/16	25 1/8	.08 1/2	43 13/16	33 1/16	.07 1/4

</TABLE>

Exhibit 21

SUBSIDIARIES OF BECTON, DICKINSON AND COMPANY

Name of Subsidiary	State of Jurisdiction of Incorporation	Percentage of Voting Securities Owned
B-D (Cambridge, U.K.) Ltd.	United Kingdom	100% (1)
BD Holding S. de R.L. de C.V.	Mexico	100% (1)
BDX INO LLC	Delaware	100%
Becton Dickinson AcuteCare Holdings, Inc.	Delaware	100%
Becton Dickinson AcuteCare, Inc.	Massachusetts	100% (1)
Becton Dickinson Advanced Pen Injection Systems GmbH	Switzerland	100% (1)
Becton Dickinson Aguettant S.A.S.	France	95% (1)
Becton Dickinson Argentina S.R.L.	Argentina	100% (1)
Becton Dickinson Asia Limited	Hong Kong	100% (1)
Becton Dickinson Asia Pacific Limited	British Virgin Islands	100%
Becton Dickinson Austria GmbH	Austria	100% (1)
Becton Dickinson B.V.	Netherlands	100%
Becton Dickinson Benelux N.V.	Belgium	100% (1)
Becton Dickinson Canada Inc.	Canada	100% (1)
Becton Dickinson Caribe, Ltd.	Cayman Islands	100%
Becton Dickinson Catheter Systems Singapore Pte Ltd.	Singapore	100% (1)
Becton Dickinson Cellular Imaging Systems B.V.	Netherlands	100% (1)
Becton Dickinson Colombia Ltda.	Colombia	100% (1)
Becton Dickinson Critical Care Systems PTE LTD.	Singapore	100% (1)
Becton Dickinson Czechia s.r.o.	Czech Republic	100% (1)
Becton Dickinson del Uruguay S.A.	Uruguay	100% (1)
Becton Dickinson Distribution Center N.V.	Belgium	100% (1)
Becton Dickinson Foreign Sales Corporation	Barbados	100% (1)
Becton Dickinson Guatemala S.A.	Guatemala	100% (1)
Becton Dickinson Hellas S.A.	Greece	100% (1)
Becton Dickinson Hungary Kft.	Hungary	100% (1)
Becton Dickinson India Limited	India	100% (1)
Becton Dickinson Infusion Therapy AB	Sweden	100% (1)
Becton Dickinson Infusion Therapy A/S	Denmark	100% (1)
Becton Dickinson Infusion Therapy B.V.	Netherlands	100% (1)
Becton Dickinson Infusion Therapy GmbH	Germany	100% (1)
Becton Dickinson Infusion Therapy Holdings AB	Sweden	100% (1)
Becton Dickinson Infusion Therapy Holdings Inc.	Delaware	100%

Becton Dickinson Infusion Therapy Systems Inc., S.A. de C.V.	Mexico	100% (1)
Becton Dickinson Infusion Therapy UK	United Kingdom	100% (1)
Becton Dickinson Infusion Therapy Systems Inc.	Delaware	100%
Becton Dickinson Infusion Therapy Holdings UK Limited	United Kingdom	100% (1)
Becton Dickinson Insulin Syringe, Ltd.	Cayman Islands	100% (1)
Becton Dickinson Ithalat Ihracat Limited Sirketi	Turkey	100% (1)
Becton Dickinson Korea, Inc.	Korea	100%
Becton Dickinson Korea Holding, Inc.	Delaware	100%
Becton Dickinson Malaysia, Inc.	Oregon	100%
Becton Dickinson (Mauritius) Limited	Mauritius	100%
Becton Dickinson Medical (S) Pte Ltd.	Singapore	100% (1)
Becton Dickinson Medical Devices Co. Ltd., Suzhou	P.R.C.	99%
Becton Dickinson Medical Products Pte. Ltd.	Singapore	100%
Becton Dickinson Medizintechnik GmbH & Co. KG	Germany	100% (1)
Becton Dickinson Monoclonal Center, Inc.	Delaware	100%
Becton Dickinson Ltd.	New Zealand	100% (1)
Becton Dickinson O.Y.	Finland	100% (1)
Becton Dickinson Overseas Services Ltd.	Nevada	100%
Becton Dickinson Pen Limited	Ireland	100%
Becton Dickinson Penel Limited	Cayman Islands	100% (1)
Becton Dickinson Philippines, Inc.	Philippines	100% (1)
Becton Dickinson Polska Ltd. Sp. Z.o.o.	Poland	100% (1)
Becton Dickinson Pty. Ltd.	Australia	100% (1)
Becton Dickinson (Pty) Ltd.	South Africa	51% (1)
Becton Dickinson Sdn. Bhd.	Malaysia	100% (1)
Becton Dickinson Sample Collection GmbH	Switzerland	100% (1)
Becton Dickinson Service (Pvt.) Ltd.	Pakistan	51%
Becton Dickinson (Thailand) Limited	Thailand	100% (1)
Becton Dickinson Venezuela, C.A.	Venezuela	100% (1)
Becton Dickinson Venture LLC	Delaware	100%
Becton Dickinson Verwaltungs GmbH	Germany	100% (1)
Becton Dickinson West Africa S.A.R.L.	The Ivory Coast	100% (1)
Becton Dickinson Worldwide, Inc.	Delaware	100% (1)
Becton Dickinson, S.A.	Spain	100% (1)
Becton, Dickinson (Royston) Limited	United Kingdom	100% (1)
Becton, Dickinson A.G.	Switzerland	100% (1)
Becton, Dickinson Aktiebolag	Sweden	100% (1)
Becton, Dickinson and Company, Ltd.	Ireland	100%
Becton, Dickinson B.V.	Netherlands	100%
Becton, Dickinson de Mexico, S.A. de C.V.	Mexico	100% (1)
Becton Dickinson France, S.A.	France	100%
Becton, Dickinson GmbH	Germany	100% (1)
Becton, Dickinson Industrias Cirurgicas, Ltda.	Brazil	

100% (1)	
Becton, Dickinson Italia S.p.A.	Italy
100% (1)	
B-D U.K. Holdings Limited	United Kingdom
100% (1)	
Becton Dickinson U.K. Limited	United Kingdom
100% (1)	
Becton, Dickinson Einmalprodukte GmbH	Austria
100% (1)	
Bedins Ltd.	Bermuda
100% (1)	
Benex Ltd.	Ireland
100%	
Biometric Imaging, Inc.	California
100%	
Boin Medica Co., Ltd.	Korea
100% (1)	
Cascade Medical Leasing, Inc.	Oregon
100% (1)	
Clontech Biotech International, Inc.	U.S. Virgin Islands
100% (1)	
Clontech Laboratories, Inc.	Delaware
100%	
Clontech Laboratories Japan, KK	Japan
100% (1)	
Clontech Laboratories UK Limited	United Kingdom
100% (1)	
Clontech Laboratories Gmbh	Germany
100% (1)	

</TABLE>

<TABLE>

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Clontech Laboratories AG	Switzerland
100% (1)	
Critical Device Corporation	California
100%	
Collaborative Biomedical Products, Inc.	Delaware
100%	
D.L.D., Ltd.	Bermuda
100% (1)	
Dantor S.A.	Uruguay
100% (1)	
Difco Laboratories GmbH	Germany
100% (1)	
Difco Laboratories Incorporated	Michigan
100%	
Difco Laboratories Incorporated	Wisconsin
100% (1)	
Difco Laboratories Limited	United Kingdom
100% (1)	
Distribuidora Boinpar Ltda.	Brazil
100% (1)	
EPV S.A. de C.V.	Mexico
100% (1)	
Franklin Lakes Enterprises, L.L.C.	New Jersey
100%	
Glentech, Inc.	Kentucky
100% (1)	
Healthcare Holdings in Sweden AB	Sweden
100% (1)	
IBD Holdings LLC	Delaware
50%	
Johnston Laboratories, Inc.	Maryland
100%	
Life Science Support & Service Company Ltd.	Japan
100% (1)	
Luther Medical Products, Inc.	California
100% (1)	
MDI Instruments, Inc.	Delaware
100%	
Med-Safe Systems, Inc.	California
100%	
Nippon Becton Dickinson Company, Ltd.	Japan
100% (1)	
PharMingen SPC	California
100% (1)	
PharMingen	California
100%	
Phase Medical, Inc.	California
100% (1)	
PreAnalytiX GmbH	Switzerland
50% (1)	

Promedicor de Mexico, S.A. de C.V.	Mexico	100% (1)
Saf-T-Med Inc.	Delaware	100%
Staged Diabetes Management L.L.C.	New Jersey	50%
Tru-Fit Marketing Corporation	Massachusetts	100% (1)
Visitec Limited	United Kingdom	100% (1)

</TABLE>

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

Exhibit 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statement Nos. 33-22871, 33-23055, 33-33791, 33-40787, 33-53375, 33-58367, 33-64115, 333-11885, 333-16091 and 333-46089 on Form S-8, and Registration Statement Nos. 333-23559 and 333-38193 on Form S-3 of Becton, Dickinson and Company and the related Prospectuses of our report dated November 4, 1999, with respect to the consolidated financial statements and schedule of Becton, Dickinson and Company included in this Annual Report (Form 10-K) for the year ended September 30,1999.

/s/ Ernst & Young LLP

Ernst & Young LLP

New York, New York
December 9, 1999

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS AND IS QUALIFIED IN ITS ENTIRETY BY
REFERENCE TO SUCH FINANCIAL STATEMENTS.
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