

FILED BY BECTON, DICKINSON AND COMPANY  
PURSUANT TO RULE 425 UNDER THE SECURITIES ACT OF 1933 AND  
DEEMED FILED PURSUANT TO RULE 14A-12 OF THE SECURITIES EXCHANGE ACT OF 1934

SUBJECT COMPANY: CAREFUSION CORP  
COMMISSION FILE NO. 001-34273

The following Fourth Quarter and Full-Year Results for Fiscal Year of 2014 and Fiscal Year 2015 Guidance communication was made available by Becton, Dickinson and Company.



**Fourth Quarter and Full-Year Results  
Fiscal Year 2014**

**Fiscal Year 2015 Guidance**

**November 4, 2014**



## Forward-Looking Statements

- These materials include forward-looking statements and it's possible that actual results could differ from our expectations. Factors that could cause such differences appear in our fourth quarter earnings release and in our recent SEC filings.

## Non-GAAP Financial Measures

- These materials also include Non-GAAP financial measures. A reconciliation to the comparable GAAP measures can be found herein, or in our earnings release and the financial schedules attached thereto.
- **A copy of the release, including the financial schedules, is posted on the "Investors" section of the BD.com website.**

## Results from Continuing Operations

- The following financial information represents results from continuing operations. Certain financial information excludes the impact of the following items:
  1. Foreign currency translation.
  2. The medical device excise tax, which began January 1, 2013, in conjunction with the U.S. healthcare reform act.
  3. Amortization of acquisition-related intangibles is excluded from our Earnings Per Share metric. Unless otherwise noted, when we refer to Earnings Per Share, we are referring to the adjusted basis (commonly referred to as "Cash EPS"), excluding acquisition-related intangibles.
  4. All adjustments to current and prior year noted on the "Total Year Reconciliation of Non-GAAP Financial Measures" schedule in the appendix of this presentation.

FXN = Estimated foreign exchange-neutral currency growth. \$ = Dollars in millions except per share data.

Note: All figures on accompanying slides are rounded. Totals may not add due to rounding. Percentages are based on un-rounded figures.

# **Vincent A. Forlenza**

**Chairman, CEO and President**

## 2014 Key Achievements:

- Strong revenue growth of 5.2%
  - ◆ Launched an array of new products bringing new products as a percentage of sales to 15%
- Emerging Market investments continue to fuel growth
- Operating effectiveness and efficiency initiatives continued to drive underlying margin expansion
- 42<sup>nd</sup> consecutive year of dividend increases
- Proactively adapting to the dynamic healthcare environment by transitioning to a customer-focused provider of healthcare solutions



## FY 2015 Guidance Overview

	FY 2014	FY 2014 “Cash” EPS <sup>1</sup>	FY 2015 Guidance
Revenues (FXN)	5.2%		4.5% to 5%
Adjusted EPS \$	\$6.25	\$6.50	\$6.76 to \$6.83
Adjusted EPS Growth (FXN)	11.4%	10.9%	8% to 9%

<sup>1</sup> Beginning in fiscal year 2015, adjusted EPS will exclude the amortization of acquisition-related intangibles, net of tax.

## **Christopher Reidy**

**Chief Financial Officer and Executive  
Vice President of Administration**

- Strong revenue growth of 5.2%
- Revenue growth of 4.6% FXN, driven by Medical and Diagnostics
- Bioscience growth impacted by an unfavorable comparison to the prior year, as expected
- Emerging markets and international safety sales continue to drive robust growth
- Continued tax rate improvement
- Strong EPS growth of 13.0% FXN





## FY 2014 Revenues by Segment

	Fourth Quarter			Total Year		
	\$	Reported Growth %	FXN Growth%	\$	Reported Growth %	FXN Growth%
<b>Total Revenues</b>	<b>\$2,202</b>	<b>4.8%</b>	<b>4.6%</b>	<b>\$8,446</b>	<b>4.9%</b>	<b>5.2%</b>
Medical	1,193	6.5%	6.1%	4,573	6.2%	6.3%
Diagnostics	708	4.2%	4.2%	2,713	2.5%	3.3%
Biosciences	301	0.2%	0.1%	1,159	5.2%	5.5%



# FY 2014 U.S. and International Revenues

	Fourth Quarter			Total Year		
	\$	Reported Growth %	FXN Growth%	\$	Reported Growth %	FXN Growth%
<b>U.S.</b>	<b>\$871</b>	<b>2.3%</b>	<b>2.3%</b>	<b>\$3,417</b>	<b>1.9%</b>	<b>1.9%</b>
Medical	456	3.4%	3.4%	1,799	4.2%	4.2%
Diagnostics	319	0.0%	0.0%	1,251	-1.7%	-1.7%
Biosciences	96	4.4%	4.4%	366	3.5%	3.5%
<b>International</b>	<b>\$1,331</b>	<b>6.6%</b>	<b>6.2%</b>	<b>\$5,029</b>	<b>7.0%</b>	<b>7.6%</b>
Medical	737	8.4%	7.8%	2,774	7.6%	7.8%
Diagnostics	389	7.9%	7.8%	1,462	6.4%	7.8%
Biosciences	205	-1.7%	-1.8%	793	6.0%	6.5%

- Emerging Markets financial highlights for FY 2014:

	<b>FXN Growth %</b>	<b>% of BD Revenues</b>
Q4	13.2%	26.4%
Total Year	12.3%	25.1%

- Fourth quarter growth in key markets and platforms (FXN)
  - ◆ China 21.4%
  - ◆ Emerging Markets Safety 18.6%
- Double-digit growth in all emerging markets in Q4 and Total Year

Note: Emerging markets include Eastern Europe, Middle East, Africa, Latin America, and Asia Pacific (excluding Japan)



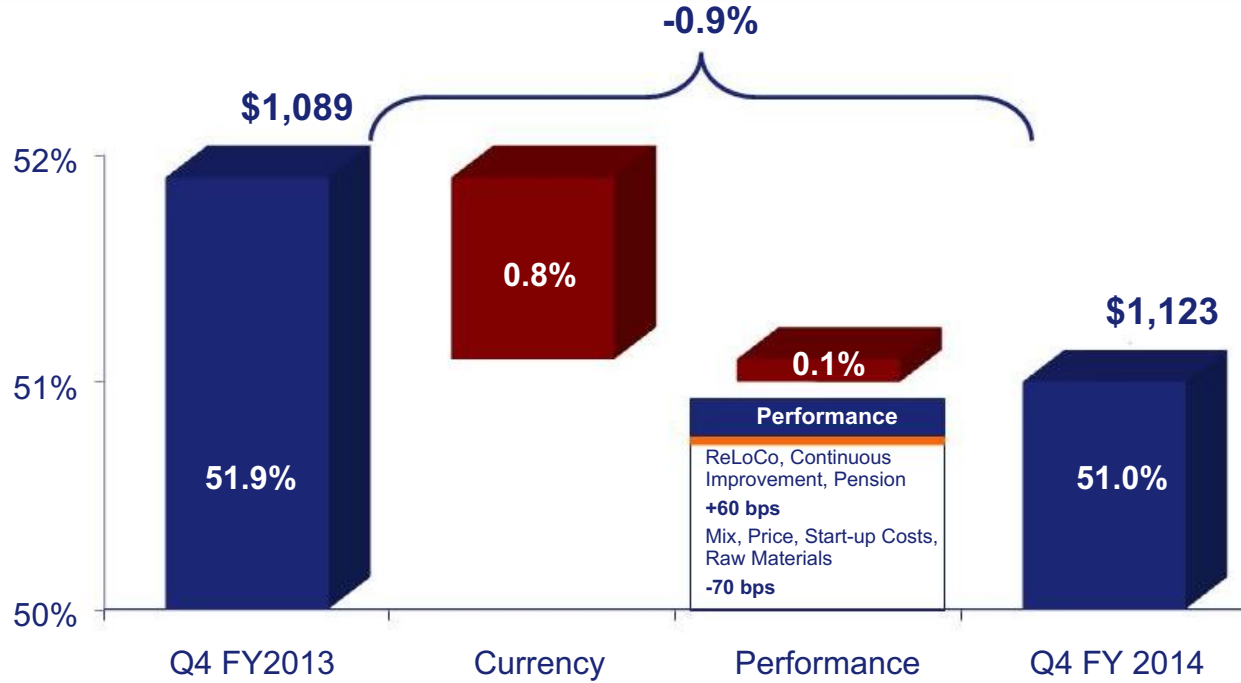
## FY 2014 Safety Revenues

	Fourth Quarter			Total Year		
	\$	Reported Growth %	FXN Growth%	\$	Reported Growth %	FXN Growth%
<b>Total Safety</b>	<b>\$566</b>	<b>5.7%</b>	<b>5.5%</b>	<b>\$2,223</b>	<b>5.9%</b>	<b>6.6%</b>
<b>By Geography</b>						
U.S.	301	-0.8%	-0.8%	1,207	2.1%	2.1%
International	265	14.1%	13.7%	1,016	10.8%	12.3%
<b>By Segment</b>						
Medical	287	6.6%	6.4%	1,119	7.1%	7.8%
Diagnostics	279	4.8%	4.6%	1,104	4.7%	5.4%



# Q4 FY 2014 Adjusted Gross Margin Change Year-Over-Year

% of Revenue





## Q4 FY 2014 Income Statement

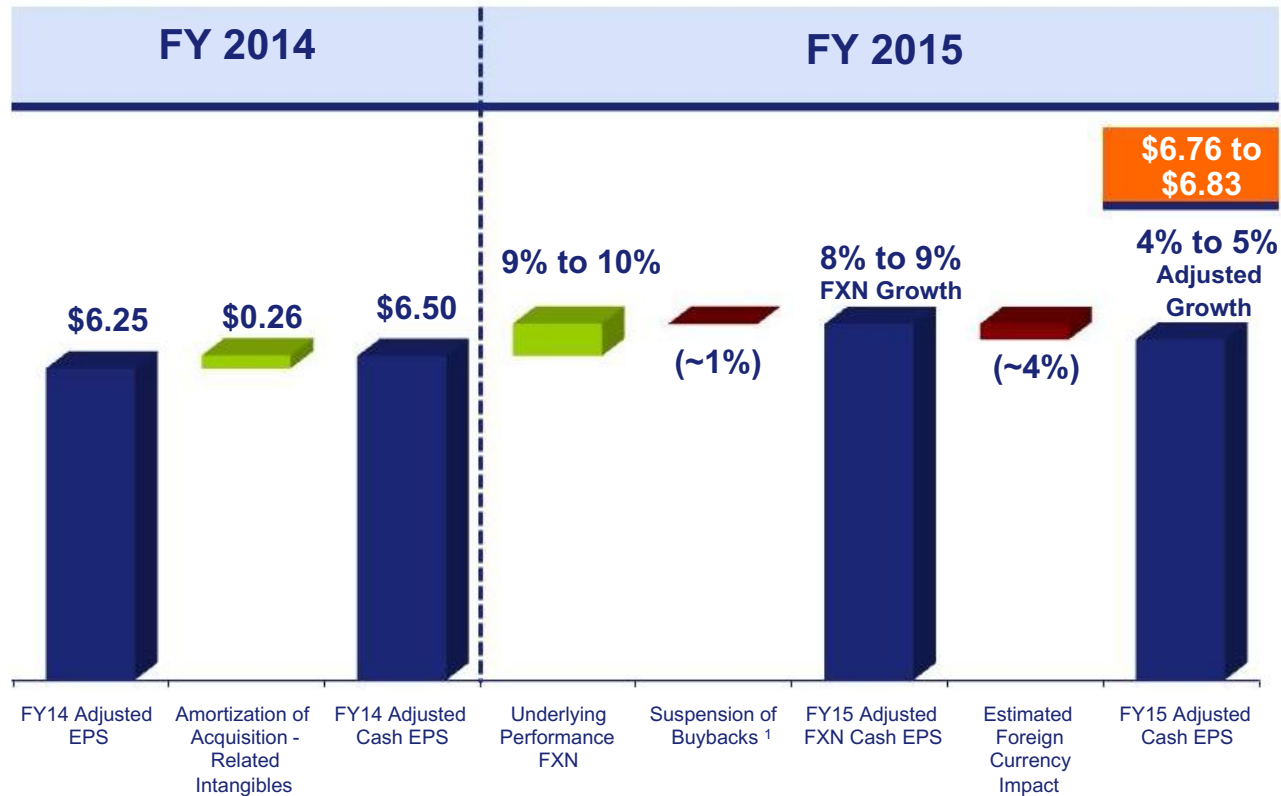
			Favorable (Unfavorable)		
	Adjusted Q4 FY 2014	Adjusted Q4 FY 2013	\$ Change	% Change	FXN % Change
Revenues	\$2,202	\$2,101	101	4.8%	4.6%
Gross Profit	1,123	1,089	34	3.1%	4.6%
% of Revenues	51.0%	51.9%			
SSG&A	542	533	(9)	-1.7%	-1.3%
% of Revenues	24.6%	25.4%			
R&D	133	133	(0)	-0.3%	-0.2%
% of Revenues	6.0%	6.3%			
Operating Income	448	423	25	5.8%	10.1%
% of Revenues	20.3%	20.1%			
Tax Rate	21.9%	24.7%			
<b>EPS</b>	<b>\$1.68</b>	<b>\$1.54</b>	<b>\$0.14</b>	<b>9.1%</b>	<b>13.0%</b>



# FY 2015 Revenue Guidance

## Growth % (FXN)

	2014 Actual	November Guidance
<b>Total BD Revenues</b>	<b>5.2%</b>	<b>4.5% to 5.0%</b>
Medical	6.3%	4.5% to 5.0%
Life Sciences	3.9%	~ 4.5%
Diagnostics	3.3%	~ 4.0% to 4.5%
Biosciences	5.5%	~4.5% to 5.0%



<sup>1</sup>FY 2015 share repurchase program has been suspended due to the pending CareFusion acquisition. Estimates are based on what the impact of a \$450 repurchase program could have on diluted earnings per share. Estimated EPS impact is ~1 percent, or \$0.07 to \$0.09.





# FY 2015 Guidance

	Adjusted FY 2014	Adjusted FY 2014 <sup>1</sup> for “Cash” EPS	FY 2015 <sup>1,2</sup> Guidance
Gross Profit <sup>1</sup>	51.2%	52.0%	~52%
SSG&A	25.0%	25.0%	~25%
R&D	6.1%	6.1%	~6%
Operating Income <sup>1</sup>	20.0%	20.9%	20.5% to 21.0%
Effective Tax Rate <sup>1</sup>	22.8%	23.2%	21.5% to 22.5%
EPS <sup>1</sup>	\$6.25	\$6.50	\$6.76 to \$6.83
EPS – FXN <sup>1,3</sup>	11.4%	10.9%	8.0% to 9.0%
Operating Cash Flow	\$1.75B	\$1.75B	~\$1.85B
Share Repurchase <sup>3</sup>	\$400M	\$400M	EPS headwind of ~1%, or (\$0.07) to (\$0.09)
Capital Expenditures	\$592M	\$592M	~\$625M

<sup>1</sup>Beginning in fiscal year 2015, adjusted values will exclude the amortization of acquisition-related intangibles. This impacts Gross Profit, Operating Income, Effective Tax Rate and Earnings Per Share. <sup>2</sup> FY 2015 guidance excludes the pending CareFusion acquisition. Any material changes to guidance related to the acquisition will be provided upon closing. <sup>3</sup>BD's share repurchase program has been suspended in FY2015.

# **Vincent A. Forlenza**

**Chairman, CEO and President**



# FY 2014 in Review Program and Product Launch Updates

## Medical Program/Product

## Launch Date

BD Simplist™ Prefilled Injectables

- Morphine Sulfate Injection, USP

 Launched

- Midazolam Injection, USP

  Approved

## Biosciences Program/Product

## Launch Date

BD FACSPresto™

 Launched

BD OneFlow™ Solution - Clinical Reagents

  Q4 FY 2014

Sirigen Dyes

  6 Dyes Launched  
(3 New in Q4 FY 2014)



# FY 2014 in Review Program and Product Launch Updates

Diagnostics Program/Product	Launch Date
BD Veritor™ System	
● Strep A, RSV	✔ Launched WW
BD MAX™	
● Staph SR, MRSA XT	✔ Launched WW
● Enteric Bacteria	✔ Launched WW
● Enteric Parasite	✔ Launched EU
BD Totalys™	✔ Launched EU
BD Viper™ LT	
● BD Onclarity™ HPV-GT	✔ Launched EU
● GC/CT	✔ Launched WW



# New Program and Product Launch Updates

## Medical Program/Product

## Planned Launch Date

BD Insulin Infusion Sets

- FY 2015 FDA Clearance Expected

BD Simplist™ Prefilled Injectables

- Heparin Sodium Injection, USP

- FY 2016

- Hydromorphone Hydrochloride Injection, USP

- FY 2016

## Biosciences Program/Product

## Planned Launch Date

BD Horizon™ (Sirigen) Dyes

- FY 2015 – 3 Dyes Expected

BD X-14 Research Instrument

- 2H FY 2015

BD FACSVia™

- FY 2015 / FY 2016



# New Program and Product Launch Updates

## Diagnostics Program/Product

## Planned Launch Date

### BD MAX™

- |                              |   |
|------------------------------|---|
| ● Enteric Parasite           | ● Launched EU / Q3 FY 2015 U.S. (1 Q Delay) |
| ● GC/CT and GC/CT/Trich      | ● Q3 FY 2015 EU                             |
| ● Extended Enteric Bacterial | ● Late FY 2015 / Early FY 2016 EU           |
| ● Enteric Viral              | ● Late FY 2015 / Early FY 2016 EU           |
| ● Vaginitis / Vaginosis      | ● FY 2016                                   |

### BD Totalys™

- Launched EU / Q4 FY 2015 U.S.

- Pleased with our strong fiscal year 2014 results
- Exceeded financial and operational goals
  - ◆ Revenue growth of 5.2%, EPS growth of 11.4%
- Strong foundation for continued growth
- Continue to evolve into a customer focused provider of complete solutions
- Looking forward to fiscal year 2015 with confidence

# Q & A

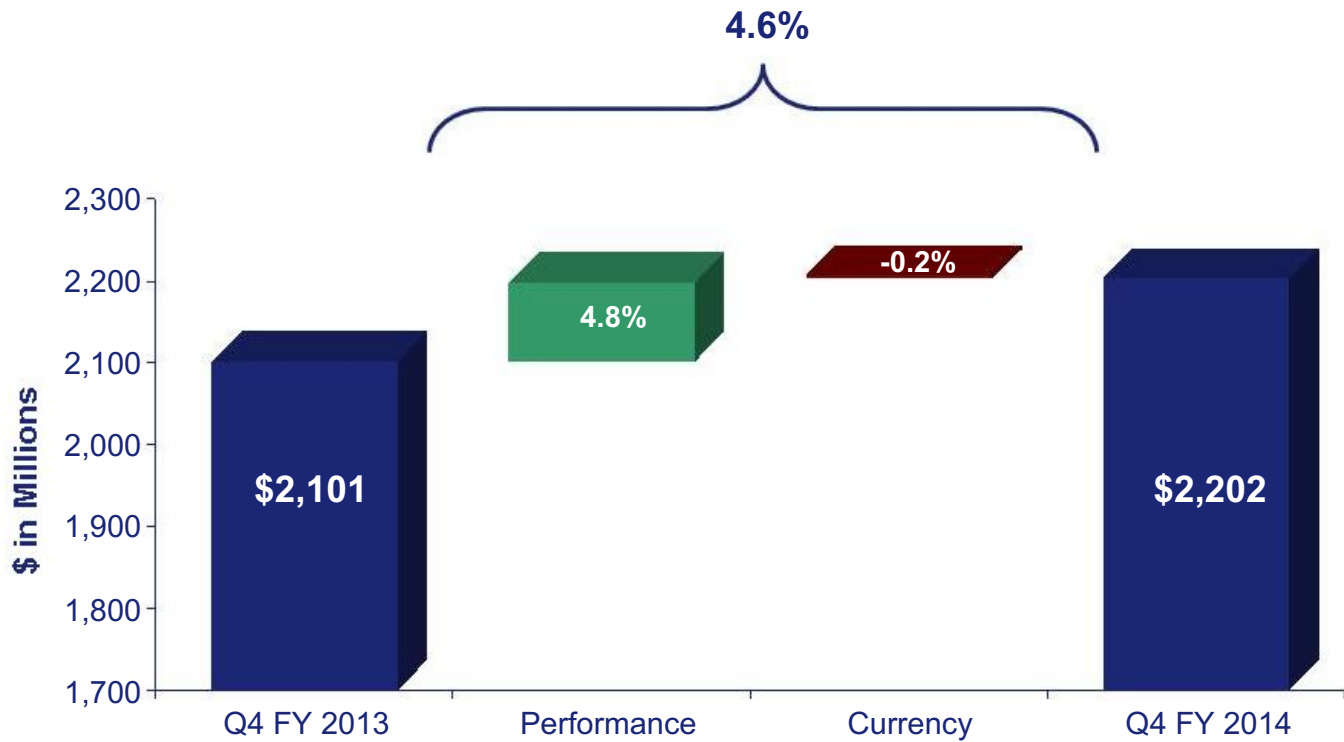
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## FY 2014 Financial Highlights

	Fourth Quarter			Total Year		
	\$	Growth %	FXN Growth %	\$	Growth %	FXN Growth %
<b>Revenues</b>	\$2,202	4.8%	4.6%	\$8,446	4.9%	5.2%
<b>EPS</b>	\$1.53	NM	NM	\$5.99	28.3%	33.0%
<b>Adjusted EPS</b>	\$1.68	9.1%	13.0%	\$6.25	7.6%	11.4%
<b>Adjusted EPS Ex-MDT</b>	NM	NM	NM	\$6.29	8.3%	12.0%





# Q4 FY 2014 Adjustment Reconciliation

(Unaudited; Amounts in millions, except per share data)

	Three Months Ended September 30,						
	Reported	Pension	Carrying	Workforce	Acquisition	Program	Adjusted
	FY 2014	Settlement Charge <sup>(1)</sup>	Amount Adjustment <sup>(2)</sup>	Reduction Charge <sup>(3)</sup>	Related Items <sup>(4)</sup>	Termination Charge <sup>(5)</sup>	FY 2014
REVENUES	\$ 2,202	-	-	-	-	-	\$ 2,202
Gross Profit	1,103	\$ 2	\$ 5	\$ 14	-	-	1,123
% of Revenues	50.1%						51.0%
Selling and administrative	561	(2)	-	(11)	\$ (6)	-	542
% of Revenues	25.5%						24.6%
Research and development	140	-	-	(11)	-	\$ 4	133
% of Revenues	6.4%						6.0%
OPERATING INCOME	401	3	5	36	6	(4)	448
% of Revenues	18.2%						20.3%
Other income, net	1	-	-	-	-	-	1
Income tax provision	76	1	2	13	2	(1)	93
Effective Tax Rate	20.1%						21.9%
INCOME FROM CONTINUING OPERATIONS	301	2	3	23	4	(2)	330
% of Revenues	13.7%						15.0%
Diluted Earnings per Share from Continuing Operations	\$ 1.53	\$ 0.01	\$ 0.02	\$ 0.12	\$ 0.02	(0.01)	\$ 1.68

<sup>(1)</sup> Primarily represents non-cash pension settlement charges associated with lump sum benefit payments made from the Company's U.S. supplemental pension plan, as such payments exceeded the service and interest components of the plan's pension cost in each year. The charges also included settlement losses associated with certain foreign pension plans.

<sup>(2)</sup> Represents an adjustment to the carrying amount of an asset that is being held for sale.

<sup>(3)</sup> Represents employee termination costs associated with a workforce reduction.

<sup>(4)</sup> Represents acquisition-related transaction costs incurred in connection with the GenCell Biosystems and pending CareFusion acquisitions.

<sup>(5)</sup> Represents a revision to the estimated probable loss previously recorded as a result of the decision to terminate a research and development program in the Medical segment.



# Q4 FY 2014 Reconciliation – FX Impact

(Unaudited; Amounts in millions, except per share data)

	Three Months Ended September 30,						
	Adjusted FY 2014	Adjusted FY 2013	Adjusted Growth \$	Adjusted Growth %	Foreign Currency Translation	FXN Change	FXN Growth
REVENUES	\$ 2,202	\$ 2,101	\$ 101	4.8%	\$ 4	\$ 97	4.6%
Gross Profit	1,123	1,089	34	3.1%	(16)	50	4.6%
% of Revenues	51.0%	51.9%					
Selling and administrative	542	533	(9)	-1.7%	(2)	(7)	-1.3%
% of Revenues	24.6%	25.4%					
Research and development	133	133	-	-0.3%	-	-	-0.2%
% of Revenues	6.0%	6.3%					
OPERATING INCOME	448	423	25	5.8%	(18)	43	10.1%
% of Revenues	20.3%	20.1%					
Other income, net	1	3	(2)	-65.9%	(1)	(1)	-30.8%
Income tax provision	93	100	8	NM	7	1	NM
Effective Tax Rate	21.9%	24.7%					
INCOME FROM CONTINUING OPERATIONS	330	306	24	7.8%	(13)	37	12.0%
% of Revenues	15.0%	14.6%					
Diluted Earnings per Share from Continuing Operations	\$ 1.68	\$ 1.54	\$ 0.14	9.1%	\$ (0.06)	\$ 0.20	13.0%

NM - Not Meaningful

FXN = Foreign Currency Neutral



# Q4 FY 2014 Reconciliation of Non-GAAP Financial Measures

(Unaudited)

	Three Months Ended September 30,						
	2014	2013	Growth	Foreign Currency Translation	Foreign Currency Neutral Change	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings per Share from Continuing Operations	\$ 1.53	\$ 0.46	\$ 1.07	\$ (0.06)	\$ 1.13	NM	NM
Non-cash pension settlement charges associated with lump sum benefit payments made primarily from the Company's U.S. supplemental pension plan, as such payments exceeded the service and interest components of the plan's pension cost in each year. The charges also included settlement losses associated with certain foreign pension plans. (\$3 million or \$2 million after-tax and \$6 million or \$4 million after-tax, respectively)	0.01	0.02					
Adjustment to the carrying amount of an asset that is being held for sale (\$5 million or \$3 million after-tax)	0.02	-					
Employee termination costs associated with a workforce reduction (\$36 million or \$23 million after-tax)	0.12	-					
Acquisition-related transaction costs incurred in connection with the GenCell Biosystems and pending CareFusion acquisitions (\$6 million or \$4 million after-tax)	0.02	-					
Revision to the estimated probable loss previously recorded as a result of the decision to terminate a research and development program in the Medical segment (\$4 million or \$2 million after-tax)	(0.01)	-					
Charge associated with the unfavorable verdict returned in the antitrust and false advertising lawsuit filed against the Company by RTI (\$341 million or \$211 million after-tax)	-	1.06					
Adjusted Diluted Earnings per Share from Continuing Operations	\$ 1.68	\$ 1.54	\$ 0.14	\$ (0.06)	\$ 0.20	9.1%	13.0%



## FY 2014 Reconciliation - FX Impact Emerging Markets and China

(Unaudited; Amounts in millions)

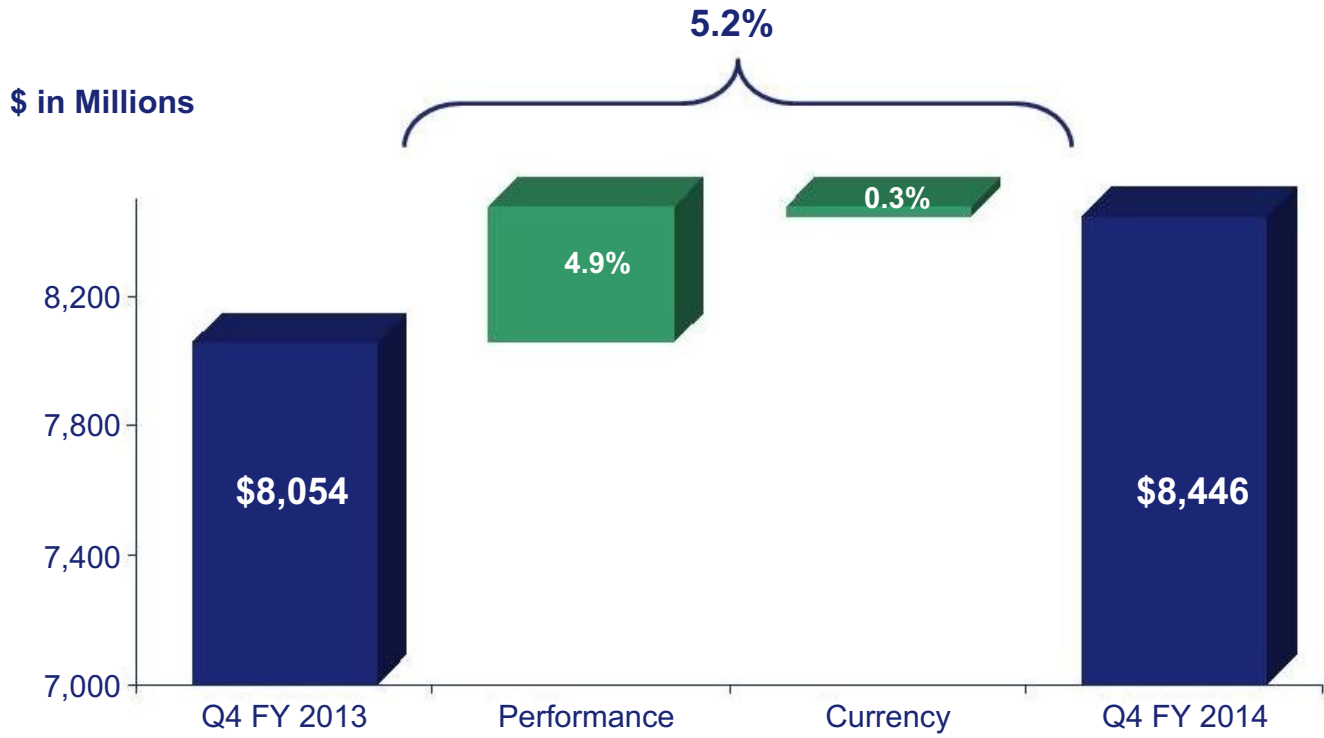
	Three Months Ended September 30,				
	2014	2013	% Change		
			Reported	FXN	FX Impact
Total Emerging Markets Revenues	\$ 582	\$ 514	13.3%	13.2%	0.1%
Total Emerging Markets Safety Revenues	\$ 129	\$ 109	18.7%	18.6%	0.1%
China Revenues	\$ 133	\$ 110	20.4%	21.4%	-1.0%

	Twelve Months Ended September 30,				
	2014	2013	% Change		
			Reported	FXN	FX Impact
Total Emerging Markets Revenues	\$ 2,123	\$ 1,943	9.3%	12.3%	-3.0%

All figures rounded. Totals may not add due to rounding.

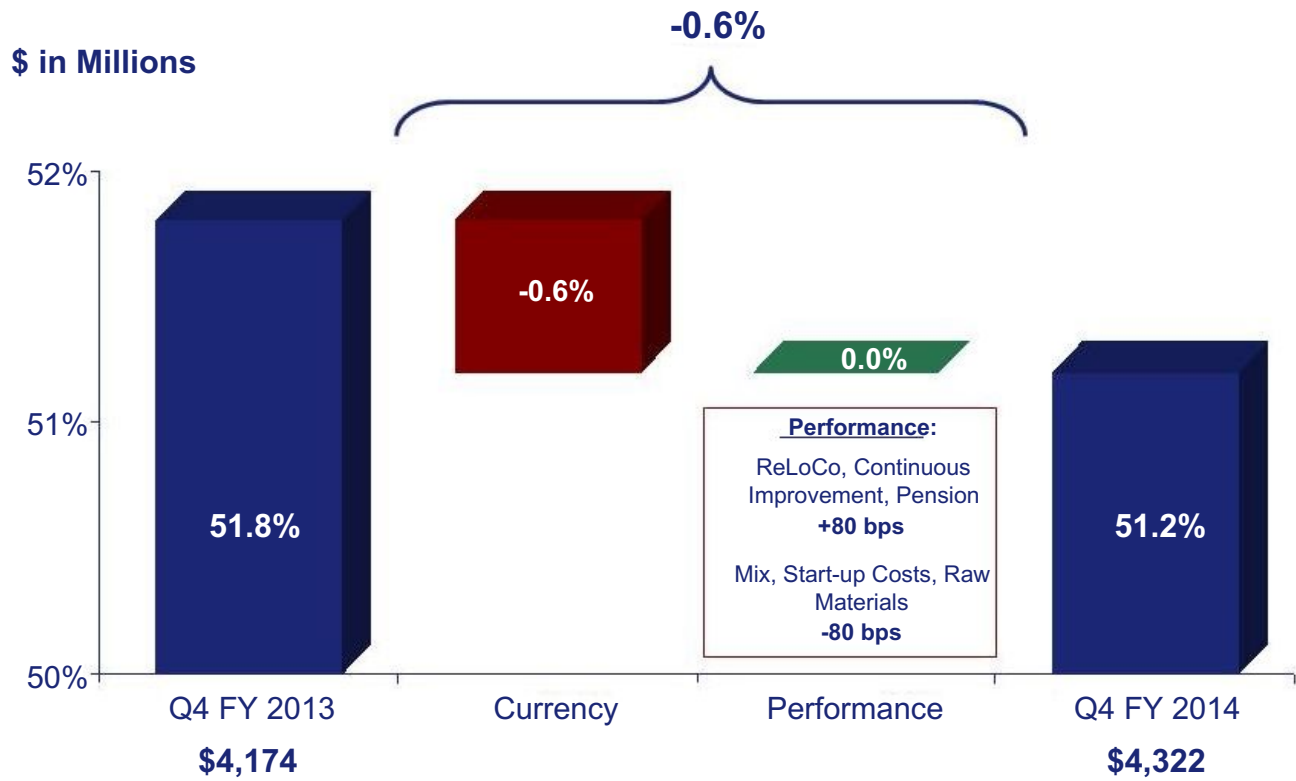


# FY 2014 Total Year Revenue Growth Year-Over-Year





# FY 2014 Total Year Adjusted Gross Margin Change Year-Over-Year







# FY 2014 Total Year Adjustment Reconciliation

(Unaudited; Amounts in millions, except per share data)

	Twelve Months Ended September 30,											
	Reported FY 2014	Asset Write-Offs	Contract Termination Charge <sup>(2)</sup>	Gain on Investment <sup>(3)</sup>	Program Termination Charge <sup>(4)</sup>	Pension Settlement Charge <sup>(5)</sup>	Carrying Amount Adjustment	Workforce Reduction Charge <sup>(7)</sup>	Acquisition Related Items <sup>(8)</sup>	Adjusted FY 2014	Amortization of Acquired Intangibles <sup>(9)</sup>	Adjusted FY 2014 <sup>(10)</sup> for "Cash" EPS
REVENUES	\$ 8,446	-	-	-	-	-	-	-	-	\$ 8,446	-	\$ 8,446
Gross Profit	4,301	-	-	-	-	\$ 2	\$ 5	\$ 14	-	4,322	\$ 74	4,396
% of Revenues	50.9%									51.2%		52.0%
Selling and administrative	2,145	-	\$ (11)	-	-	(2)	-	(11)	\$ (6)	2,115	-	2,115
% of Revenues	25.4%									25.0%		25.0%
Research and development	550	\$ (20)	-	-	\$ (6)	-	-	(11)	-	514	-	514
% of Revenues	6.5%									6.1%		6.1%
OPERATING INCOME	1,606	20	11	-	6	3	5	36	6	1,693	74	1,767
% of Revenues	19.0%									20.0%		20.9%
Other income (expense), net	5	-	-	\$ (8)	-	-	-	-	-	(3)	-	(3)
Income tax provision	337	8	3	(3)	2	1	2	13	2	365	23	388
Effective Tax Rate	22.1%									22.8%		23.2%
INCOME FROM CONTINUING OPERATIONS	1,185	12	8	(5)	4	2	3	23	4	1,235	51	1,286
% of Revenues	14.0%									14.6%		15.2%
Diluted Earnings per Share from Continuing Operations	\$ 5.99	\$ 0.06	\$ 0.04	\$ (0.03)	\$ 0.02	\$ 0.01	\$ 0.02	\$ 0.12	\$ 0.02	6.25	\$ 0.26	6.50

<sup>(1)</sup> Represents a write-off of capitalized product software and, to a lesser extent, fixed assets primarily resulting from the discontinuance of an instrument product development program in the Biosciences segment.

<sup>(2)</sup> Represents the cost associated with the decision to early terminate a European distributor arrangement in the Diagnostics segment.

<sup>(3)</sup> Represents a gain from a cash distribution received from the sale of company, in which BD had a small equity ownership.

<sup>(4)</sup> Represents a charge associated with the decision to terminate a research and development program in the Medical segment; the charge relates to program asset write-offs and obligations.

<sup>(5)</sup> Primarily represents non-cash pension settlement charges associated with lump sum benefit payments made from the Company's U.S. supplemental pension plan, as such payments exceeded the service and interest components of the plan's pension cost in each year. The charges also included settlement losses associated with certain foreign pension plans.

<sup>(6)</sup> Represents an adjustment to the carrying amount of an asset that is being held for sale.

<sup>(7)</sup> Represents employee termination costs associated with a workforce reduction.

<sup>(8)</sup> Represents acquisition-related transaction costs incurred in connection with the GenCell Biosystems and pending CareFusion acquisitions.

<sup>(9)</sup> Represents non-cash expenses associated with the amortization of acquisition related intangibles.

<sup>(10)</sup> Beginning in fiscal year 2015, adjusted values will exclude the amortization of acquisition related intangibles.



# FY 2014 Total Year Reconciliation – FX Impact

(Unaudited; Amounts in millions, except per share data)

	Twelve Months Ended September 30,						
	Adjusted FY 2014 EPS	Adjusted FY 2013 EPS	Adjusted Growth \$	Adjusted Growth %	Foreign Currency Translation	FXN Change	FXN Growth
REVENUES	\$ 8,446	\$ 8,054	\$ 392	4.9%	\$ (29)	\$ 421	5.2%
Gross Profit	4,396	4,247	149	3.5%	(69)	217	5.1%
% of Revenues	52.0%	52.7%					
Selling and administrative	2,115	2,056	(59)	-2.9%	12	(71)	-3.4%
% of Revenues	25.0%	25.5%					
Research and development	514	494	(20)	-3.9%	(1)	(19)	-3.8%
% of Revenues	6.1%	6.1%					
OPERATING INCOME	1,767	1,696	70	4.2%	(57)	128	7.5%
% of Revenues	20.9%	21.1%					
Other (expense) income, net	(3)	9	(13)	NM	(8)	(5)	-55.2%
Income tax provision	388	399	11	NM	23	(12)	NM
Effective Tax Rate	23.2%	24.8%					
INCOME FROM CONTINUING OPERATIONS	1,286	1,208	78	6.4%	(43)	121	10.0%
% of Revenues	15.2%	15.0%					
Diluted Earnings per Share from Continuing Operations	\$ 6.50	\$ 6.06	\$ 0.44	7.3%	\$ (0.22)	\$ 0.66	10.9%

NM - Not Meaningful

FXN = Foreign Currency Neutral



# Total Year Reconciliation of Non-GAAP Financial Measures

(Unaudited)

Twelve Months Ended September 30,						
2014	2013	Growth	Foreign Currency Translation	Foreign Currency Neutral Change	Growth %	Foreign Currency Neutral Growth %
<b>Reported Diluted Earnings per Share from Continuing Operations</b>						
\$ 5.99	\$ 4.67	\$ 1.32	\$ (0.22)	\$ 1.54	28.3%	33.0%
Write-off of capitalized product software and, to a lesser extent, fixed assets primarily resulting from the discontinuance of an instrument product development program in the Biosciences segment (\$20 million or \$12 million after-tax)						
0.06	-					
Cost associated with the decision to early terminate a European distributor arrangement in the Diagnostics segment (\$11 million or \$8 million after-tax)						
0.04	-					
Gain from a cash distribution received from the sale of company, in which BD had a small equity ownership (\$8 million or \$5 million after-tax)						
(0.03)	-					
Charge associated with the decision to terminate a research and development program in the Medical segment; the charge relates to program asset write-offs and obligations (\$6 million or \$4 million after-tax)						
0.02	-					
Non-cash pension settlement charges associated with lump sum benefit payments made primarily from the Company's U.S. supplemental pension plan, as such payments exceeded the service and interest components of the plan's pension cost in each year. The charges also included settlement losses associated with certain foreign pension plans. (\$3 million or \$2 million after-tax and \$6 million or \$4 million after-tax, respectively)						
0.01	0.02					
Adjustment to the carrying amount of an asset that is being held for sale (\$5 million or \$3 million after-tax)						
0.02	-					
Employee termination costs associated with a workforce reduction (\$36 million or \$23 million after-tax)						
0.12	-					
Acquisition-related transaction costs incurred in connection with the GenCell Biosystems and pending CareFusion acquisitions (\$6 million or \$4 million after-tax)						
0.02	-					
Charge associated with the litigation settlement related to indirect purchaser antitrust class action cases (\$22 million or \$14 million after-tax)						
-	0.07					
Charge associated with the unfavorable verdict returned in the antitrust and false advertising lawsuit filed against the Company by RTI (\$341 million or \$211 million after-tax)						
-	1.06					
<b>Adjusted Diluted Earnings per Share from Continuing Operations <sup>(1)</sup></b>						
\$ 6.25	\$ 5.81	\$ 0.44	\$ (0.22)	\$ 0.66	7.6%	11.4%
Non-cash expenses associated with the amortization of acquisition related intangibles (\$74 million or \$51 million after-tax and \$73 million or \$50 million after-tax, respectively)						
0.26	0.25					
<b>Adjusted Diluted Earnings per Share from Continuing Operations for "Cash" EPS</b>						
\$ 6.50	\$ 6.06	\$ 0.44	\$ (0.22)	\$ 0.66	7.3%	10.9%

<sup>(1)</sup> The total of specified items adjusted from fiscal year 2014 Diluted Earnings per Share from Continuing Operations per the details above is \$0.25.

<sup>(2)</sup> The incremental first quarter fiscal year 2014 impact of the medical device excise tax (which went into effect in January 2013 under the U.S. Patient Protection and Affordable Care Act) was \$0.05. Excluding this impact, adjusted diluted earnings per share from continuing operations grew, on a foreign currency-neutral basis, by 12.0% to \$6.29.



# Q4 FY 2013 Adjustment Reconciliation

(Unaudited; Amounts in millions, except per share data)

	Three Months Ended September 30,			
	Reported FY 2013	Verdict Charge <sup>(1)</sup>	Pension Settlement Charge <sup>(2)</sup>	Adjusted FY 2013
REVENUES	\$ 2,101	-	-	\$ 2,101
Gross Profit	1,086	-	\$ 3	1,089
% of Revenues	51.7%			51.9%
Selling and administrative	877	\$ (341)	(3)	533
% of Revenues	41.8%			25.4%
Research and development	133	-	-	133
% of Revenues	6.3%			6.3%
OPERATING INCOME	76	341	6	423
% of Revenues	3.6%			20.1%
Other income, net	3	-	-	3
Income tax (benefit) provision	(31)	129	2	100
Effective Tax Rate	-52.5%			24.7%
INCOME FROM CONTINUING OPERATIONS	91	211	4	306
% of Revenues	4.3%			14.6%
Diluted Earnings per Share from Continuing Operations	\$ 0.46	\$ 1.06	\$ 0.02	\$ 1.54

<sup>(1)</sup> Represents a charge associated with the unfavorable verdict returned in the antitrust and false advertising lawsuit filed against the Company by RTI.

<sup>(2)</sup> Primarily represents non-cash pension settlement charges associated with lump sum benefit payments made from the Company's U.S. supplemental pension plan, as such payments exceeded the service and interest components of the plan's pension cost in each year. The charges also included settlement losses associated with certain foreign pension plans.



# FY 2013 Total Year Adjustment Reconciliation

(Unaudited; Amounts in millions, except per share data)

	Twelve Months Ended September 30,						
	Reported FY 2013	Litigation Settlement Charge <sup>(1)</sup>	Verdict Charge <sup>(2)</sup>	Pension Settlement Charge <sup>(3)</sup>	Adjusted FY 2013	Amortization of Acquired Intangibles <sup>(4)</sup>	Adjusted FY 2013 <sup>(5)</sup> for "Cash" EPS
REVENUES	\$ 8,054	-	-	-	\$ 8,054	-	\$ 8,054
Gross Profit	4,171	-	-	\$ 3	4,174	\$ 73	4,247
% of Revenues	51.8%				51.8%		52.7%
Selling and administrative % of Revenues	2,422 30.1%	\$ (22)	\$ (341)	(3)	2,056 25.5%	-	2,056 25.5%
Research and development % of Revenues	494 6.1%	-	-	-	494 6.1%	-	494 6.1%
OPERATING INCOME	1,254	22	341	6	1,623	73	1,696
% of Revenues	15.6%				20.2%		21.1%
Other income, net	9	-	-	-	9	-	9
Income tax provision	236	8	129	2	376	23	399
Effective Tax Rate	20.2%				24.5%		24.8%
INCOME FROM CONTINUING OPERATIONS	929	14	211	4	1,158	50	1,208
% of Revenues	11.5%				14.4%		15%
Diluted Earnings per Share from Continuing Operations	\$ 4.67	\$ 0.07	\$ 1.06	\$ 0.02	\$ 5.81	\$ 0.25	\$ 6.06

<sup>(1)</sup> Represents a charge associated with the litigation settlement related to indirect purchaser antitrust class action cases.

<sup>(2)</sup> Represents a charge associated with the unfavorable verdict returned in the antitrust and false advertising lawsuit filed against the Company by RTI.

<sup>(3)</sup> Primarily represents non-cash pension settlement charges associated with lump sum benefit payments made from the Company's U.S. supplemental pension plan, as such payments exceeded the service and interest components of the plan's pension cost in each year. The charges also included settlement losses associated with certain foreign pension plans.

<sup>(4)</sup> Represents non-cash expenses associated with the amortization of acquisition related intangibles.

<sup>(5)</sup> Beginning in fiscal year 2015, adjusted values will exclude the amortization of acquisition related intangibles.



## FY 2015 Outlook Reconciliation

	<u>Reported Basis</u>	<u>FX Impact</u>	<u>FXN Basis</u>
Revenues - Full Year 2015 estimated growth	2.0% - 2.5%	(2.5%)	4.5% - 5.0%

	<u>Full Year 2015 (estimated)</u>	<u>Full Year 2014</u>	<u>% Increase</u>
Reported Fully Diluted Earnings per Share from Continuing Operations	\$ 6.47 - 6.54	\$ 5.99	NM
Amortization of acquisition related intangibles, net of tax	0.29	0.26	
Other specified items adjusted from 2014 results, as detailed in the schedule titled "Total Year Reconciliation of Non-GAAP Financial Measures"	-	0.25	
Adjusted Fully Diluted Earnings per Share from Continuing Operations	<u>\$ 6.76 - 6.83</u>	<u>\$ 6.50</u>	4.0% - 5.0%
FX Impact			(4.0%)
Adjusted FXN Growth			<u>8.0% - 9.0%</u>

NM - Not Meaningful

FXN = Foreign Currency Neutral

**Forward-Looking Statements**

*This communication contains certain estimates and other forward-looking statements (as defined under Federal securities laws). Forward looking statements generally are accompanied by words such as “will”, “expect”, “outlook” or other similar words, phrases or expressions. These forward-looking statements include statements regarding the estimated or anticipated future results of BD, and of the combined company following BD’s proposed acquisition of CareFusion, the anticipated benefits of the proposed combination, including estimated synergies, the expected timing of completion of the transaction and other statements that are not historical facts. These statements are based on the current expectations of BD and CareFusion management and are not predictions of actual performance. These statements are subject to a number of risks and uncertainties regarding BD and CareFusion’s respective businesses and the proposed acquisition, and actual results may differ materially. These risks and uncertainties include, but are not limited to, the ability of the parties to successfully close the proposed acquisition, including the risk that the required regulatory approvals are not obtained, are delayed or are subject to unanticipated conditions that could adversely affect the combined company or the expected benefits of the transaction; risks relating to the integration of CareFusion’s operations, products and employees into BD and the possibility that the anticipated synergies and other benefits of the proposed acquisition will not be realized or will not be realized within the expected timeframe; the outcome of any legal proceedings related to the proposed merger; access to available financing for the refinancing of BD’s or CareFusion’s debt on a timely basis and reasonable terms; the ability to market and sell CareFusion’s products in new markets, including the ability to obtain necessary regulatory product registrations and clearances; the loss of key senior management or other associates; the anticipated demand for BD’s and CareFusion’s products, including the risk of future reductions in government healthcare funding, changes in reimbursement rates or changes in healthcare practices that could result in lower utilization rates or pricing pressures; the impact of competition in the medical device industry; the risks of fluctuations in interest or foreign currency exchange rates; product liability claims; difficulties inherent in product development, including the timing or outcome of product development efforts, the ability to obtain regulatory approvals and clearances and the timing and market success of product launches; risks relating to fluctuations in the cost and availability of raw materials and other sourced products and the ability to maintain favorable supplier arrangements and relationships; successful compliance*

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with governmental regulations applicable to BD, CareFusion and the combined company; changes in regional, national or foreign economic conditions; uncertainties of litigation, as well as other factors discussed in BD's and CareFusion's respective filings with the Securities Exchange Commission (SEC). BD and CareFusion do not intend to update any forward-looking statements to reflect events or circumstances after the date hereof, except as required by applicable laws or regulations.

### **IMPORTANT INFORMATION FOR INVESTORS**

In connection with the proposed transaction, on November 4, 2014, BD filed with the SEC a registration statement on Form S-4 that constitutes a preliminary prospectus of BD and includes a preliminary proxy statement of CareFusion. The registration statement has not yet become effective. After the registration statement has been declared effective by the SEC, the definitive proxy statement/prospectus will be delivered to stockholders of CareFusion. BD and CareFusion also plan to file other relevant documents with the SEC regarding the proposed transaction. **INVESTORS ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT/PROSPECTUS (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) AND OTHER DOCUMENTS RELATING TO THE MERGER THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** You may obtain a free copy of the registration statement and the definitive proxy statement/prospectus (when available) and other relevant documents filed by BD and CareFusion with the SEC at the SEC's website at [www.sec.gov](http://www.sec.gov). In addition, you will be able to obtain free copies of these documents by phone, e-mail or written request by contacting the investor relations department of BD or CareFusion at the following: Monique N. Dolecki, Investor Relations – 201-847-5378 [Monique\\_Dolecki@bd.com](mailto:Monique_Dolecki@bd.com) or Jim Mazzola, Investor Relations – 858-617-1203 [Jim.Mazzola@CareFusion.com](mailto:Jim.Mazzola@CareFusion.com)

### **PARTICIPANTS IN THE SOLICITATION**

BD and CareFusion and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information about BD's directors and executive officers is available in BD's proxy statement dated December 19, 2013, for its 2014 Annual Meeting of Shareholders and subsequent SEC filings. Information about CareFusion's directors and executive officers is available in CareFusion's proxy statement dated September 25, 2014, for its 2014 Annual Meeting of Stockholders. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the merger when they become available. Investors should read the proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from BD or CareFusion as indicated above. This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.