UNITED STATES
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, 2010

COMMISSION FILE NUMBER 1-4802

BECTON, DICKINSON AND COMPANY
(Exact name of registrant as specified in its charter)

New Jersey *(State or other jurisdiction of incorporation or organization)*	**22-0760120** *(I.R.S. Employer Identification No.)*
1 Becton Drive **Franklin Lakes, New Jersey** *(Address of principal executive offices)*	**07417-1880** *(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

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No þ

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 þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No o

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 statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer þ   Accelerated filer o   Non-accelerated filer o (Do not check if a smaller reporting company)
Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No þ

As of March 31, 2010, the aggregate market value of the registrant's outstanding common stock held by non-affiliates of the registrant was approximately $18,325,503,422.

As of October 31, 2010, 229,961,230 shares of the registrant's common stock were outstanding.

Documents Incorporated by Reference

Portions of the registrant's Proxy Statement for the Annual Meeting of Shareholders to be held February 1, 2011 are incorporated by reference into Part III hereof.

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PART I

Item 1. *Business.*

General

Becton, Dickinson and Company (also known as “BD”) was incorporated under the laws of the State of New Jersey in November 1906, as successor to a New York business started in 1897. BD’s executive offices are located at 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, and its telephone number is (201) 847-6800. All references in this Form 10-K to “BD” refer to Becton, Dickinson and Company and its domestic and foreign subsidiaries, unless otherwise indicated by the context.

BD is a global medical technology company engaged principally in the development, manufacture and sale of medical devices, instrument systems and reagents used by healthcare institutions, life science researchers, clinical laboratories, the pharmaceutical industry and the general public.

Business Segments

BD’s operations consist of three worldwide business segments: BD Medical, BD Diagnostics and BD Biosciences. Information with respect to BD’s business segments is included in Note 6 to the consolidated financial statements contained in Item 8, Financial Statements and Supplementary Data, and is incorporated herein by reference.

BD Medical

BD Medical produces a broad array of medical devices that are used in a wide range of healthcare settings. BD Medical’s principal product lines include needles, syringes and intravenous catheters for medication delivery (including safety-engineered and auto-disable devices); prefilled IV flush syringes; syringes and pen needles for the self-injection of insulin and other drugs used in the treatment of diabetes; prefillable drug delivery systems provided to pharmaceutical companies and sold to end-users as drug/device combinations; regional anesthesia needles and trays; and sharps disposal containers. The primary customers served by BD Medical are hospitals and clinics; physicians’ office practices; consumers and retail pharmacies; governmental and nonprofit public health agencies; pharmaceutical companies; and healthcare workers.

BD Diagnostics

BD Diagnostics provides products for the safe collection and transport of diagnostics specimens, as well as instrument systems and reagents to detect a broad range of infectious diseases, healthcare-associated infections (“HAIs”) and cancers. BD Diagnostics’ principal products include integrated systems for specimen collection; safety-engineered blood collection products and systems; automated blood culturing systems; molecular testing systems for sexually transmitted diseases and HAIs; microorganism identification and drug susceptibility systems; liquid-based cytology systems for cervical cancer screening; rapid diagnostic assays; and plated media. BD Diagnostics serves hospitals, laboratories and clinics; reference laboratories; blood banks; healthcare workers; public health agencies; physicians’ office practices; and industrial and food microbiology laboratories.

BD Biosciences

BD Biosciences produces research and clinical tools that facilitate the study of cells, and the components of cells, to gain a better understanding of normal and disease processes. That information is used to aid the discovery and development of new drugs and vaccines, and to improve the diagnosis and management of diseases. BD Biosciences’ principal product lines include fluorescence-activated cell sorters and analyzers; monoclonal antibodies and kits for performing cell analysis; reagent systems for life science research; cell imaging systems; laboratory products for tissue culture and fluid handling; diagnostic assays; and cell culture media supplements for biopharmaceutical manufacturing. The primary customers served by BD Biosciences are research and clinical laboratories; academic and governmental institutions; pharmaceutical and biotechnology companies; hospitals; and blood banks.

Acquisitions

On November 19, 2009, BD acquired 100% of the outstanding shares of HandyLab, Inc. ("HandyLab"), a company that develops and manufactures molecular diagnostic assays and automation platforms. The purchase price was $275 million in cash. HandyLab has developed and commercialized a flexible automated platform for performing molecular diagnostics that complements BD's molecular diagnostics offerings, specifically in the area of HAIs. Additional information regarding this transaction is contained in Note 9 to the consolidated financial statements contained in Item 8, Financial Statements and Supplementary Data, which is incorporated herein by reference.

Divestitures

During the fourth quarter of 2010, the Company sold the Ophthalmic Systems unit, as well as the surgical blades, critical care and extended dwell catheter product platforms of the Medical Surgical Systems unit for $270 million. Additional information regarding this transaction is contained in Note 10 to the consolidated financial statements contained in Item 8, Financial Statements and Supplementary Data, which is incorporated herein by reference.

International Operations

BD's products are manufactured and sold worldwide. For reporting purposes, we organize our operations outside the United States as follows: Europe (which includes the Middle East and Africa); Japan; Asia Pacific (which includes Australia and all of Asia except Japan); Latin America (which includes Mexico and Brazil) and Canada. The principal products sold by BD outside the United States are needles and syringes; insulin syringes and pen needles; diagnostic systems; BD Vacutainertm brand blood collection products; BD Hypaktm brand prefillable syringe systems; infusion therapy products; flow cytometry instruments and reagents; and disposable laboratory products. BD has manufacturing operations outside the United States in Brazil, Canada, China, France, Germany, Hungary, India, Ireland, Japan, Mexico, Pakistan, Singapore, South Korea, Spain, Sweden and the United Kingdom. Geographic information with respect to BD's operations is included under the heading "Geographic Information" in Note 6 to the consolidated financial statements included in Item 8, Financial Statements and Supplementary Data, and is incorporated herein by reference.

Foreign economic conditions and exchange rate fluctuations have caused the profitability related to foreign revenues to fluctuate more than the profitability related to domestic revenues. BD believes its activities in some countries outside the United States involve greater risk than its domestic business due to the factors cited herein, as well as the economic environment, local commercial and economic policies and political uncertainties. See further discussion of this risk in Item 1A. Risk Factors.

Distribution

BD's products are marketed in the United States and internationally through independent distribution channels and directly to end-users by BD and independent sales representatives. No customer accounted for 10% or more of revenues in fiscal year 2010. 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. BD's worldwide sales are not generally seasonal, with the exception of certain medical devices in the BD Medical segment, and respiratory and flu diagnostic products in the BD Diagnostics segment, that relate to seasonal diseases such as influenza.

Raw Materials

BD purchases many different types of raw materials, including plastics, glass, metals, textiles, paper products, agricultural products, electronic and mechanical sub-assemblies and various biological, chemical and petrochemical products. Certain raw materials (primarily related to the BD Biosciences segment) are not available from multiple sources. In the case of certain principal raw materials that are available from multiple sources, for various reasons (including quality assurance and cost effectiveness), BD elects to purchase these raw materials from sole suppliers. In cases where there are regulatory requirements relating to qualification of suppliers, BD may not be able to establish additional or replacement sources on a timely basis. While BD works closely with its suppliers to ensure continuity of supply, the termination, reduction or interruption in supply of these sole-sourced raw materials could impact our ability to manufacture and sell certain of our products.

Research and Development

BD conducts its research and development ("R&D") activities at its operating units and at BD Technologies in Research Triangle Park, North Carolina. The majority of BD's R&D activities are conducted in the United States. Outside the United States, BD conducts R&D activities at BD Diagnostic Systems in Quebec City, Canada, BD Pharmaceutical Systems in Pont de Claix, France, and BD Medical Surgical Systems in Tuas, Singapore. BD also collaborates with certain universities, medical centers and other entities on R&D programs, and retains individual consultants to support its efforts in specialized fields. BD spent approximately $431 million, $405 million and $383 million on research and development during the fiscal years ended September 30, 2010, 2009 and 2008, respectively.

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 BD's business. BD believes, however, that no single patent, technology, trademark, intellectual property asset or license is material in relation to BD's business as a whole, or to any business segment.

Competition

BD operates in the increasingly complex and challenging medical technology marketplace whose dynamics are changing. Technological advances and scientific discoveries have accelerated the pace of change in medical technology, the regulatory environment of medical products is becoming more complex and vigorous, and economic conditions have resulted in a challenging market. Companies of varying sizes compete in the global medical technology field. Some are more specialized than BD with respect to particular markets, and some have greater financial resources than BD. New companies have entered the field, particularly in the areas of molecular diagnostics, safety-engineered devices and in the life sciences, and established companies have diversified their business activities into the medical technology area. Other firms engaged in the distribution of medical technology products have become manufacturers of medical devices and instruments as well. Acquisitions and collaborations by and among companies seeking a competitive advantage also affect the competitive environment. In addition, the entry into the market of manufacturers located in China and other low-cost manufacturing locations are creating increased pricing pressures, particularly in developing markets. Some competitors have also established manufacturing sites or have contracted with suppliers located in these countries as a means to lower their costs. New entrants may also appear, particularly from these low-cost countries.

BD competes in this evolving marketplace on the basis of many factors, including price, quality, innovation, service, reputation, distribution and promotion. The impact of these factors on BD's competitive position varies among BD's various product offerings. In order to remain competitive in the industries in which it operates, BD continues to make investments in research and development, quality management, quality improvement, product innovation and productivity improvement in support of its core strategy — to increase revenue growth by focusing on products that deliver greater benefits to patients, healthcare workers and researchers.

Third-Party Reimbursement

Healthcare providers and/or facilities are generally reimbursed for their services through numerous payment systems maintained by governmental agencies (e.g., Medicare and Medicaid in the United States, the National Health Service in the United Kingdom, the Joint Federal Committee in Germany, the *Commission d'Evaluation des Produits et prestations* in France, and the Ministry for Health, Labor and Welfare in Japan), private insurance companies, and managed care organizations. The manner and level of reimbursement in any given case may depend on the site of care, the procedure(s) performed, the final patient diagnosis, the device(s) and/or drug(s) utilized, the available budget, or a combination of these factors, and coverage and payment levels are determined at the payer's discretion. The coverage policies and reimbursement levels of these third-party payers may impact the decisions of healthcare providers and facilities regarding which medical products they purchase and the prices they are willing to pay for those products. Thus, changes in reimbursement level or method may either positively or negatively impact sales of BD products.

While BD is actively engaged in promoting the value of its products for payers and patients, and it employs various efforts and resources to positively impact coverage, coding and payment processes in this regard, it has no direct control over payer decision-making with respect to coverage and payment levels for BD products. Additionally, we expect many payers to continue to explore cost-containment strategies (e.g., comparative effectiveness analyses, so-called "pay-for-performance" programs implemented by various public and private payers, and expansion of payment bundling schemes such as Accountable Care Organizations or ACOs) that could potentially impact coverage and/or payment levels for current or future BD products.

As BD's product offerings are diverse across many healthcare settings, they are affected to varying degrees by the many payment systems. Therefore, individual countries, product lines or product classes may be impacted by changes to these systems. Notably, the recently-enacted healthcare reform legislation in the United States (i.e., the Patient Protection and Affordable Care Act ("PPACA")) provides for numerous, substantive changes to U.S. healthcare payment systems, most of which are yet to be established in regulations. As yet, it is unclear whether, or how, the implementation of regulations pursuant to the PPACA might affect payment for BD products. See Item 1A. Risk Factors for a further discussion.

Regulation

BD's medical technology products and operations are subject to regulation by the U.S. Food and Drug Administration ("FDA") and various other federal and state agencies, as well as by foreign governmental agencies. These agencies enforce laws and regulations that govern the development, testing, manufacturing, labeling, advertising, marketing and distribution, and market surveillance of BD's medical products. The scope of the activities of these agencies, particularly in the Europe, Japan and Asia Pacific regions in which BD operates, has been increasing.

BD actively maintains FDA/ISO Quality Systems that establish standards for its product design, manufacturing, and distribution processes. Prior to marketing or selling most of its products, BD must secure approval from the FDA and counterpart non-U.S. regulatory agencies. Following the introduction of a product, these agencies engage in periodic reviews of BD's quality systems, as well as product performance, and advertising and promotional materials. These regulatory controls, as well as any changes in FDA policies, can affect the time and cost associated with the development, introduction and continued availability of new products. Where possible, BD anticipates these factors in its product development and planning processes.

These agencies possess the authority to take various administrative and legal actions against BD, such as product recalls, product seizures and other civil and criminal sanctions. BD also undertakes voluntary compliance actions such as voluntary recalls.

BD also is subject to various federal and state laws, and laws outside the United States, concerning healthcare fraud and abuse (including false claims laws and anti-kickback laws), global anti-corruption, transportation, safety and health, and customs and exports. Many of the agencies enforcing these laws have increased their enforcement activities with respect to medical device manufacturers in recent years. This appears to be part of a general trend toward increased regulation and enforcement activity within and outside the United States.

BD believes it is in compliance in all material respects with applicable law and the regulations promulgated by the applicable agencies (including, without limitation, environmental laws and regulations), and that such compliance has not had, and will not have, a material adverse effect on our operations or results. See Item 3. Legal Proceedings.

Employees

As of September 30, 2010, BD had 28,803 employees, of whom 12,262 were employed in the U.S. (including Puerto Rico). BD believes that its employee relations are satisfactory.

Other Matters

Becton Dickinson France, S.A. ("BD-France"), a subsidiary of BD, was listed among approximately 2,200 other companies in an October 27, 2005 report of the Independent Inquiry Committee ("IIC") of the United Nations ("UN") as having been involved in humanitarian contracts in which unauthorized payments were suspected of having been made to the Iraqi Government in connection with the UN's Oil-for-Food Programme (the "Programme"). In connection with the IIC's report, Becton Dickinson AG, a Swiss subsidiary of BD, received a letter of inquiry from the Vendor Review Committee ("VRC") of the United Nations Procurement Service dated November 22, 2005. The letter of inquiry said that the VRC is reviewing Becton Dickinson AG's registration status in light of BD-France being listed in the IIC's report and asked us for any information we might be able to provide relating to the findings of the report. BD conducted an internal review and found no evidence that BD or any BD employee made, authorized, or approved improper payments to the Iraqi Government in connection with the Programme. The representative utilized by BD in Iraq also unequivocally denied having made any such payments, and BD was unable to find any evidence of such payments being made by this representative. BD reported the results of its internal review to the VRC. In May 2008, BD received a letter from the U.N. stating that Becton Dickinson AG had been suspended from the UN Secretariat Procurement Division's vendor roster for a minimum period of six months. We have requested that Becton Dickinson AG be reinstated. BD believes that the suspension has not had, and will not have, a material adverse effect on BD.

In May 2007, the French Judicial Police conducted searches of BD-France's offices in France with respect to the matters that were the subject of the 2005 IIC report. We were informed that BD-France is one of a number of companies named in the IIC report that is being investigated by the French Judicial Police. In June 2009, the Belgian Federal Police contacted BD to interview certain individuals and review documents related to sales made under the Programme. We are cooperating fully with these investigations.

Available Information

BD maintains a website at *www.bd.com*. BD also makes available its Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q, and its Current Reports on Form 8-K (and amendments to those reports) as soon as reasonably practicable after those reports are electronically filed with, or furnished to, the Securities and Exchange Commission ("SEC"). These filings may be obtained and printed free of charge at *www.bd.com/investors*. In addition, the written charters of the Audit Committee, the Compensation and Benefits Committee, the Corporate and Scientific Affairs Committee, the Corporate Governance and Nominating Committee, and the Executive Committee of the Board of Directors, the Company's Corporate Governance Principles and its Business Conduct and Compliance Guide, are available at BD's website at *www.bd.com/investors/corporate_governance/*. Printed copies of these materials, BD's 2010 Annual Report on Form 10-K, and BD's reports and statements filed with, or furnished to, the SEC, may be obtained, without charge, by contacting the Corporate Secretary, BD, 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, telephone 201-847-6800.

BD also routinely posts important information for investors on its website at *www.bd.com/investors*. BD may use this website as a means of disclosing material, non-public information and for complying with its disclosure obligations under Regulation FD adopted by the SEC. Accordingly, investors should monitor the Investor Relations portion of BD's website noted above, in addition to following BD's press releases, SEC filings, and public conference calls and webcasts. Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this Annual Report.

Forward-Looking Statements

BD and its representatives may from time-to-time make certain forward-looking statements in publicly-released materials, both written and oral, including statements contained in filings with the SEC and in our reports to shareholders. Additional information regarding our forward-looking statements is contained Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 1A. ***Risk Factors.***

An investment in BD involves a variety of risks and uncertainties. The following describes some of the significant risks that could adversely affect BD's business, financial condition, operating results or cash flows.

Current economic conditions could adversely affect our operations.

The current economic conditions may result in a decrease in the demand for our products and services, longer sales cycles, slower adoption of new technologies and increased price competition. During fiscal year 2010, lower laboratory testing volumes and physician visits in the United States and macroeconomic factors in Western Europe contributed to weakened demand for our products. Any austerity plans implemented in Europe or other regions where governments are the primary payers of healthcare expenses and research may also result in a decrease in demand for our products. In addition, while the current economic conditions have not impaired our ability to access credit markets to date, there can be no assurance that these conditions will not adversely affect our ability to do so in the future. The current economic conditions may adversely affect our suppliers, and there can be no assurances that BD will not experience any interruptions in supply in the future. The increase in sovereign debt during the financial crisis as a result of governmental intervention in the world economy poses additional risks to the global financial system and economic recovery. We have experienced delays in collecting receivables in Greece due to the Greek government's liquidity problems. We may experience similar delays in other jurisdictions experiencing liquidity problems. The strength and timing of any economic recovery remains uncertain, and there can be no assurance that the economic downturn will not continue to affect our operations in the future.

We are subject to foreign currency exchange risk.

Over half of our fiscal year 2010 revenues were derived from international operations. Our revenues outside the United States may be adversely affected by fluctuations in foreign currency exchange rates. A discussion of the financial impact of exchange rate fluctuations and the ways and extent to which we may attempt to address any impact is contained in Item. 7, Management's Discussion of Financial Condition and Results of Operations. Any hedging activities in which we may engage only offset a portion of the adverse financial impact resulting from unfavorable changes in foreign currency exchange rates. We cannot predict with any certainty changes in foreign currency exchange rates or the degree to which we can address these risks.

Federal healthcare reform may adversely affect our results of operations.

The Patient Protection and Affordable Care Act (the "PPACA") was enacted in March 2010. Under the PPACA, beginning in 2013, medical device manufacturers, such as BD, will pay a 2.3% excise tax on U.S. sales of certain medical devices. Sales of BD products that we estimate to be subject to this tax represented about 80% of BD's total U.S. revenues in fiscal year 2010. We cannot predict with any certainty what other impact the PPACA may have on our business. The PPACA reduces Medicare and Medicaid payments to hospitals, clinical laboratories and pharmaceutical companies, and could otherwise reduce the volume of medical procedures. These factors, in turn, could result in reduced demand for our products and increased downward pricing pressure. It is also possible that the PPACA will result in lower reimbursements for our products. While the PPACA is intended to expand health insurance coverage to uninsured persons in the United States, the impact of any overall increase in access to healthcare on sales of BD's products is uncertain at this time.

Changes in reimbursement practices of third-party payers could affect the demand for our products and the prices at which they are sold.

Our sales depend, in part, on the extent to which healthcare providers and facilities are reimbursed by government authorities, private insurers and other third-party payers for the costs of our products. The coverage policies and reimbursement levels of third-party payers, which can vary among public and private sources, may affect which products customers purchase and the prices they are willing to pay for these products in a particular jurisdiction. Legislative or administrative reforms to reimbursement systems in the United States (as part of the PPACA) or abroad (for example, those under consideration in France, Germany, Italy and the United Kingdom) could significantly reduce reimbursement for procedures using BD products, or result in denial of reimbursement for those products. See "Third-Party Reimbursement" under Item 1. Business.

Price volatility could adversely affect costs associated with our operations.

Our results of operations could be negatively impacted by price volatility in the cost of raw materials, components, freight and energy. In particular, BD purchases supplies of resins, which are oil-based components used in the manufacture of certain products. Any significant increases in resin purchase costs could impact future operating results. Increases in the price of oil can also increase BD's costs for packaging and transportation. New laws or regulations adopted in response to climate change could also increase energy costs and the costs of certain raw materials and components. These cost increases may adversely affect our profitability.

BD's future growth is dependent upon the development of new products, and there can be no assurance that such products will be developed.

A significant element of our strategy is to increase revenue growth by focusing on products that deliver greater benefits to patients, healthcare workers and researchers. The development of these products requires significant research and development, clinical trials and regulatory approvals. The results of our product development efforts may be affected by a number of factors, including BD's ability to innovate, develop and manufacture new products, complete clinical trials, obtain regulatory approvals and reimbursement in the United States and abroad, or gain and maintain market approval of our products. In addition, patents attained by others can preclude or delay our commercialization of a product. There can be no assurance that any products now in development or that we may seek to develop in the future will achieve technological feasibility, obtain regulatory approval, or gain market acceptance.

The medical technology industry is very competitive.

The medical technology industry is subject to rapid technological changes, and we face significant competition across our product lines and in each market in which our products are sold. We face this competition from a wide range of companies. These include large medical device companies, some of which may have greater financial and marketing resources than we do. We also face competition from firms that are more specialized than we are with respect to particular markets. Other firms engaged in the distribution of medical technology products have become manufacturers of medical devices and instruments as well. In some instances, competitors, including pharmaceutical companies, also offer, or are attempting to develop, alternative therapies for disease states that may be delivered without a medical device. The development of new or improved products, processes or technologies by other companies (such as needle-free injection technology) may render our products or proposed products obsolete or less competitive. In addition, increasing customer demand for more environmentally-friendly products is creating another basis on which BD must compete. The entry into the market of manufacturers located in China and other low-cost manufacturing locations is also creating increased pricing pressures, particularly in developing markets. Some competitors have also established manufacturing sites or have contracted with suppliers located in these countries as a means to lower their costs. New entrants may also appear, particularly from these low-cost countries.

A reduction or interruption in the supply of certain raw materials and components would adversely affect BD’s manufacturing operations and related product sales.

BD purchases many different types of raw materials and components. Certain raw materials (primarily related to the BD Biosciences segment) and components are not available from multiple sources. In addition, for quality assurance, cost-effectiveness and other reasons, BD elects to purchase certain raw materials and components from sole suppliers. The supply of these materials can be disrupted for a number of reasons, including current economic conditions as described above. While we work with suppliers to ensure continuity of supply, no assurance can be given that these efforts will be successful. In addition, where there are regulatory requirements relating to the qualification of suppliers, we may not be able to establish additional or replacement sources on a timely basis. The termination, reduction or interruption in supply of these sole-sourced raw materials and components could impact our ability to manufacture and sell certain of our products.

Interruption of our manufacturing operations could adversely affect BD’s future revenues and operating income.

We have manufacturing sites all over the world. In addition, in some instances, the manufacturing of certain of our product lines is concentrated in one or more of our plants. As a result, weather, natural disasters (including pandemics), terrorism, political change, failure to follow specific internal protocols and procedures, equipment malfunction, environmental factors or damage to one or more of our facilities could adversely affect our ability to manufacture our products.

BD is subject to a number of pending lawsuits.

BD is a defendant in a number of pending lawsuits, including purported class action lawsuits for alleged antitrust violations and product liability, and could be subject to additional lawsuits in the future. A more detailed description of these lawsuits is contained in Item 3. Legal Proceedings. Given the uncertain nature of litigation generally, we are not able in all cases to estimate the amount or range of loss that could result from an unfavorable outcome of the litigation to which we are a party. In view of these uncertainties, we could incur charges in excess of any currently established accruals and, to the extent available, excess liability insurance. Any such future charges, individually or in the aggregate, could adversely affect BD’s results of operations and cash flows.

Consolidation in the healthcare industry could adversely affect BD’s future revenues and operating income.

The medical technology industry has experienced a significant amount of consolidation. As a result of this consolidation, competition to provide goods and services to customers has increased. In addition, group purchasing organizations and integrated health delivery networks have served to concentrate purchasing decisions for some customers, which has placed pricing pressure on medical device suppliers. Further consolidation in the industry could exert additional pressure on the prices of our products.

Product defects could adversely affect the results of our operations.

The design, manufacture and marketing of medical devices involve certain inherent risks. Manufacturing or design defects, unanticipated use of our products, or inadequate disclosure of risks relating to the use of our products can lead to injury or other adverse events. These events could lead to recalls or safety alerts relating to our products (either voluntary or required by the FDA or similar governmental authorities in other countries), and could result, in certain cases, in the removal of a product from the market. A recall could result in significant costs, as well as negative publicity and damage to our reputation that could reduce demand for our products. Personal injuries relating to the use of our products can also result in product liability claims being brought against us. In some circumstances, such adverse events could also cause delays in new product approvals.

We may experience difficulties implementing our enterprise resource planning system.

We are engaged in a project to upgrade our enterprise resource planning ("ERP") system. Our ERP system is critical to our ability to accurately maintain books and records, record transactions, provide important information to our management and prepare our financial statements. The design and implementation of the new ERP system has required, and will continue to require, the investment of significant financial and human resources. The total cost needed to implement the new ERP system may turn out to be more than we currently anticipate. In addition, we may not be able to successfully implement the new ERP system without experiencing difficulties. Any disruptions, delays or deficiencies in the design and implementation of the new ERP system could adversely affect our ability to process orders, ship products, provide services and customer support, send invoices and track payments, fulfill contractual obligations or otherwise operate our business.

BD is subject to extensive regulation.

BD is subject to extensive regulation by the FDA pursuant to the Federal Food, Drug and Cosmetic Act, by comparable agencies in foreign countries, and by other regulatory agencies and governing bodies. Most of BD's products must receive clearance or approval from the FDA or non-U.S. counterpart regulatory agencies before they can be marketed or sold. The process for obtaining marketing approval or clearance may take a significant period of time and require the expenditure of substantial resources, and these may be increasing. The process may also require changes to our products or result in limitations on the indicated uses of the products. Also, governmental agencies may impose new requirements regarding registration, labeling or prohibited materials that may require us to modify or re-register products already on the market or otherwise impact our ability to market our products. In addition, once clearance or approval has been obtained for a product, there is an obligation to ensure that all applicable FDA and other regulatory requirements continue to be met.

Following the introduction of a product, these agencies also periodically review our manufacturing processes and product performance. Our failure to comply with the applicable good manufacturing practices, adverse event reporting, clinical trial and other requirements of these agencies could delay or prevent the production, marketing or sale of our products and result in fines, delays or suspensions of regulatory clearances, closure of manufacturing sites, seizures or recalls of products and damage to our reputation. Recent changes in enforcement practice by the FDA and other agencies have resulted in increased enforcement activity, which increases the compliance risk for BD and other companies in our industry.

We cannot guarantee that any of BD's strategic acquisitions, investments or alliances will be successful.

While our strategy to increase revenue growth is driven primarily by internal product development, we seek to supplement our growth through strategic acquisitions, investments and alliances. Such transactions are inherently risky. The success of any acquisition, investment or alliance may be affected by a number of factors, including our ability to properly assess and value the potential business opportunity or to successfully integrate it into our existing business. There can be no assurance that any past or future transaction will be successful.

The international operations of BD's business may subject BD to certain business risks.

BD operations outside the United States subject BD to certain risks, including the effects of fluctuations in foreign currency exchange (as discussed above); the spread of a global economic downturn; changes in foreign regulatory requirements; local product preferences; difficulty in establishing, staffing and managing foreign operations; differing labor regulations; changes in tax laws; potential political instability; trade barriers; weakening of the protection of intellectual property rights in some countries; and restrictions on the transfer of capital across borders. The success of our operations outside the United States will depend, in part, on our ability to acquire or form and maintain alliances with local companies and make necessary infrastructure enhancements to, among other things, our production facilities and distribution networks.

Reductions in customers' research budgets or government funding may adversely affect our BD Biosciences segment.

Our BD Biosciences segment sells products to researchers at pharmaceutical and biotechnology companies, academic institutions, government laboratories and private foundations. Research and development spending of our customers can fluctuate based on spending priorities and general economic conditions. A number of these customers are also dependent for their funding upon grants from U.S. government agencies, such as the U.S. National Institutes of Health ("NIH") and agencies in other countries. The level of government funding of research and development is unpredictable. There have been instances where NIH grants have been frozen or otherwise unavailable for extended periods. The availability of governmental research funding may also continue to be adversely affected by the current economic downturn. Any reduction or delay in governmental funding could cause our customers to delay or forego purchases of our products.

Our operations are dependent in part on patents and other intellectual property assets.

Many of BD's businesses rely on patent, trademark and other intellectual property assets. While we do not believe that the loss of any one patent or other intellectual property asset would materially adversely affect BD operations, these intellectual property assets, in the aggregate, are of material importance to our business. BD can lose the protection afforded by these intellectual property assets through patent expirations, legal challenges or governmental action. Patents attained by competitors, particularly as patents on our products expire, may also adversely affect our competitive position. The loss of a significant portion of our portfolio of intellectual property assets may have an adverse effect on our earnings, financial condition or cash flows. In addition, competitors may claim that BD products infringe upon their intellectual property. Resolving any intellectual property claim can be costly and time-consuming.

Natural disasters, war and other events could adversely affect BD's future revenues and operating income.

Natural disasters (including pandemics), war, terrorism, labor disruptions and international conflicts, and actions taken by the United States and other governments in response to such events, could cause significant economic disruption and political and social instability in the United States and in areas outside of the United States in which we operate. These events could result in decreased demand for our products, adversely affect our manufacturing and distribution capabilities, or increase the costs for or cause interruptions in the supply of materials from our suppliers.

We need to attract and retain key employees to be competitive.

Our ability to compete effectively depends upon our ability to attract and retain executives and other key employees, including people in technical, marketing, sales and research positions. Competition for experienced employees, particularly for persons with specialized skills, can be intense. BD's ability to recruit such talent will depend on a number of factors, including compensation and benefits, work location and work environment. If we cannot effectively recruit and retain qualified executives and employees, our business could be adversely affected.

Item 1B. *Unresolved Staff Comments.*

None.

Item 2. *Properties.*

BD's executive offices are located in Franklin Lakes, New Jersey. As of November 1, 2010, BD owned and leased 184 facilities throughout the world comprising approximately 16,348,578 square feet of manufacturing, warehousing, administrative and research facilities. The U.S. facilities, including Puerto Rico, comprise approximately 7,018,934 square feet of owned and 1,738,084 square feet of leased space. The international facilities comprise approximately 6,287,633 square feet of owned and 1,303,927 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 BD's business segments are conducted at both U.S. and international 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. The following table summarizes property information by business segment.

Sites	Corporate	BD Biosciences	BD Diagnostics	BD Medical	Mixed(A)	Total
Leased	2	11	12	70	35	130
Owned	2	6	13	24	9	54
Total	4	17	25	94	44	184
Square feet	494,104	1,144,252	2,755,390	7,600,633	4,352,199	16,348,578

(A) Facilities used by more than one business segment.

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 U.S. facilities are located in Arizona, California, Connecticut, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, New Jersey, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Washington, DC, Washington, Wisconsin and Puerto Rico.

The international facilities are grouped as follows:

— *Europe*, which includes facilities in Austria, Belgium, Denmark, England, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Kenya, Norway, Poland, Russia, Saudi Arabia, South Africa, Spain, Sweden, Switzerland, Turkey and the United Arab Emirates.

— *Japan.*

— *Asia Pacific*, which includes facilities in Australia, China, India, Indonesia, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.

— *Latin America*, which includes facilities in Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, Peru and Venezuela.

— *Canada.*

Item 3. *Legal Proceedings.*

BD is named as a defendant in the following purported class action suits brought on behalf of distributors and other entities that purchase BD products (the "Distributor Plaintiffs"), alleging that BD violated federal antitrust laws, resulting in the charging of higher prices for BD's products to the plaintiffs and other purported class members.

Case	Court	Date Filed
Louisiana Wholesale Drug Company, Inc., et. al. vs. Becton Dickinson and Company	U.S. District Court, Newark, New Jersey	March 25, 2005
SAJ Distributors, Inc. et. al. vs. Becton Dickinson & Co.	U.S. District Court, Eastern District of Pennsylvania	September 6, 2005
Dik Drug Company, et. al. vs. Becton, Dickinson and Company	U.S. District Court, Newark, New Jersey	September 12, 2005
American Sales Company, Inc. et. al. vs. Becton, Dickinson & Co.	U.S. District Court, Eastern District of Pennsylvania	October 3, 2005
Park Surgical Co. Inc. et. al. vs. Becton, Dickinson and Company	U.S. District Court, Eastern District of Pennsylvania	October 26, 2005

These actions have been consolidated under the caption "In re Hypodermic Products Antitrust Litigation."

BD is also named as a defendant in the following purported class action suits brought on behalf of purchasers of BD's products, such as hospitals (the "Hospital Plaintiffs"), alleging that BD violated federal and state antitrust laws, resulting in the charging of higher prices for BD's products to the plaintiff and other purported class members.

Case	Court	Date Filed
Jabo's Pharmacy, Inc., et. al. v. Becton Dickinson & Company	U.S. District Court, Greenville, Tennessee	June 7, 2005
Drug Mart Tallman, Inc., et. al. v. Becton Dickinson and Company	U.S. District Court, Newark, New Jersey	January 17, 2006
Medstar v. Becton Dickinson	U.S. District Court, Newark, New Jersey	May 18, 2006
The Hebrew Home for the Aged at Riverdale v. Becton Dickinson and Company	U.S. District Court, Southern District of New York	March 28, 2007

The plaintiffs in each of the above antitrust class action lawsuits seek monetary damages. All of the antitrust class action lawsuits have been consolidated for pre-trial purposes in a Multi-District Litigation (MDL) in Federal court in New Jersey.

On April 27, 2009, BD entered into a settlement agreement with the Distributor Plaintiffs in these actions. The settlement agreement provided for, among other things, the payment by BD of $45 million in exchange for a release by all potential class members of the direct purchaser claims under federal antitrust laws related to the products and acts enumerated in the complaint, and a dismissal of the case with prejudice, insofar as it relates to direct purchaser claims. The release would not cover potential class members that affirmatively opt out of the settlement. On September 30, 2010, the court issued an order denying a motion to approve the settlement agreement, ruling that the Hospital Plaintiffs, and not the Distributor Plaintiffs, are the direct purchasers entitled to pursue damages under the federal antitrust laws for certain sales of BD products. The settlement agreement currently remains in effect, subject to certain termination provisions, and the Distributor Plaintiffs are seeking appellate review of the court's order.

In June 2007, Retractable Technologies, Inc. ("RTI") filed a complaint against BD under the caption *Retractable Technologies, Inc. vs. Becton Dickinson and Company* (Civil Action No. 2:07-cv-250, U.S. District Court, Eastern District of Texas). RTI alleges that the BD Integratm syringes infringe patents licensed exclusively to RTI. In its complaint, RTI also alleges that BD engaged in false advertising with respect to certain of BD's safety-engineered products in violation of the Lanham Act; acted to exclude RTI from various product markets and to maintain its market share through, among other things, exclusionary contracts in violation of state and federal antitrust laws; and engaged in unfair competition. In January 2008, the court severed the patent and non-patent claims into separate cases. RTI seeks money damages and injunctive relief. On April 1, 2008, RTI filed a complaint against BD under the caption *Retractable Technologies, Inc. and Thomas J. Shaw v. Becton Dickinson and Company* (Civil Action No. 2:08-cv-141, U.S. District Court, Eastern District of Texas). RTI alleges that the BD Integratm syringes infringe another patent licensed exclusively to RTI. RTI seeks money damages and injunctive relief. On August 29, 2008, the court ordered the consolidation of the patent cases. On November 9, 2009, at a trial of these consolidated cases, the jury rendered a verdict in favor of RTI on all but one of its infringement claims, but did not find any willful infringement, and awarded RTI $5 million in damages. On May 19, 2010, the court granted RTI's motion for a permanent injunction against the continued sale by BD of its BD Integratm products in their current form, but stayed the injunction for the longer of twelve months or the duration of any appeal. At the same time, the court lifted a stay of RTI's non-patent claims that the court had imposed during the pendency of the patent claims at the trial court level. On June 16, 2010, BD filed its appeal with the Court of Appeals for the Federal Circuit.

On October 19, 2009, Gen-Probe Incorporated ("Gen-Probe") filed a patent infringement action against BD in the U.S. District Court for the Southern District of California. The complaint alleges that the BD Vipertm and BD Vipertm XTRtm systems, and BD ProbeTectm specimen collection products infringe certain U.S. patents of Gen-Probe. On March 23, 2010, Gen-Probe filed a complaint, also in the U.S. District Court for the Southern District of California, alleging that the BD Maxtm instrument infringes Gen-Probe patents. Additional disclosures regarding this instrument are provided in Note 9 to the consolidated financial statements contained in Item 8, Financial Statements and Supplementary Data. The patents alleged to be infringed are a subset of the Gen-Probe patents asserted against BD in the October 2009 suit. On June 8, 2010, the Court consolidated these cases. Gen-Probe is seeking monetary damages and injunctive relief.

BD believes that it has meritorious defenses to each of the above-mentioned suits pending against BD and is engaged in a vigorous defense of each of these matters.

BD is also involved both as a plaintiff and a defendant in other legal proceedings and claims that arise in the ordinary course of business.

BD is 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. The affected sites are in varying stages of development. In some instances, the remedy has been completed, while in others, environmental studies are commencing. For all sites, there are other potentially responsible parties that may be jointly or severally liable to pay all cleanup costs.

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

Item 4. ***[RESERVED]***

Executive Officers of the Registrant

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

Name	Age	Position
Edward J. Ludwig	59	Director since 1999; Chairman since February 2002; Chief Executive Officer since January 2000; and President from May 1999 to January 2009.
Donna M. Boles	57	Senior Vice President — Human Resources since June 2006; Vice President — Human Resources from June 2005 to June 2006; and, prior thereto, Vice President, Human Resources, BD Medical from April 2001 to June 2005.
Scott P. Bruder	48	Senior Vice President and Chief Technology Officer since September 2007; Worldwide Vice President, Johnson & Johnson Regenerative Therapeutics, LLC from December 2005 to August 2007; Worldwide Vice President, DePuy Biologics, a unit of DePuy, Inc., a Johnson & Johnson Company, from October 2003 to November 2005; and, prior thereto, Worldwide Vice President, Orthobiologics, DePuy Spine, DePuy Orthopaedics, and DePuy Mitek, operating companies within DePuy, Inc.
Gary M. Cohen	51	Executive Vice President since June 2006; and, prior thereto, President — BD Medical from May 1999 to June 2006.
David T. Durack	65	Senior Vice President — Corporate Medical Affairs since June 2006; and, prior thereto, Vice President — Corporate Medical Affairs from January 2000 to June 2006.
David V. Elkins	42	Executive Vice President and Chief Financial Officer since December 2008; Vice President and Chief Financial Officer, North America and Global Marketing, AstraZeneca PLC from April 2006 to December 2008, and, prior thereto, Chief Financial Officer, UK, AstraZeneca PLC from January 2004 to January 2006.
Vincent A. Forlenza	57	Chief Operating Officer since July 2010; President since January 2009; Executive Vice President from June 2006 to January 2009; and, prior thereto, President — BD Biosciences from March 2003 to June 2006.
William A. Kozy	58	Executive Vice President since June 2006; and, prior thereto, President — BD Diagnostics from November 2003 to June 2006.
Jeffrey S. Sherman	55	Senior Vice President since June 2006; General Counsel since January 2004; and Vice President from January 2004 to June 2006.
Patricia B. Shrader	60	Senior Vice President — Corporate Regulatory and External Affairs since June 2006; Vice President, Corporate Regulatory and External Affairs from February 2005 to June 2006; and, prior thereto, Vice President, Corporate Regulatory, Public Policy and Communication from March 2004 to February 2005.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.***

BD's common stock is listed on the New York Stock Exchange. As of October 31, 2010, there were approximately 8,895 shareholders of record.

Market and Market Prices of Common Stock (per common share)

By Quarter	2009 High	2009 Low	2010 High	2010 Low
First	$80.24	$60.26	$79.72	$66.60
Second	74.15	61.57	80.14	74.64
Third	71.71	60.48	79.66	67.45
Fourth	73.60	63.75	74.82	66.89

Dividends (per common share)

By Quarter	2009	2010
First	$ 0.33	$ 0.37
Second	0.33	0.37
Third	0.33	0.37
Fourth	0.33	0.37

Issuer Purchases of Equity Securities

The table below sets forth certain information regarding BD's purchases of its common stock during the fiscal quarter ended September 30, 2010.

For the Three Months Ended September 30, 2010	Total Number of Shares Purchased(1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(2)	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs
July 1-31, 2010	203,385	$ 68.82	200,000	10,202,344
August 1-31, 2010	2,620,679	$ 71.17	2,616,750	7,585,594
September 1-30, 2010	3,098	$ 74.13	—	28,585,594
Total	2,827,162	$ 71.00	2,816,750	28,585,594

(1) Includes for the quarter 7,353 shares purchased in open market transactions by the trustees under BD's employee and director deferred compensation plans. Also includes 3,059 shares delivered to BD in connection with stock option exercises.

(2) Repurchases of 402,344 shares were made pursuant to a repurchase program for 10 million shares announced on November 24, 2008. The remaining repurchases were made pursuant to a repurchase program covering 10 million shares authorized by the Board of Directors on November 24, 2009 (the "2009 Program"). There is no expiration date for the 2009 Program. The Board authorized a repurchase program covering 21 million additional shares on September 28, 2010, for which there is also no expiration date.

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Item 6. *Selected Financial Data.*

FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA

Becton, Dickinson and Company

	Years Ended September 30				
	2010	2009	2008	2007	2006
	Dollars in millions, except per share amounts				
Operations					
Revenues	7,372.3	6,986.7	6,897.6	6,121.1	5,512.6
Research and Development Expense	431.0	404.6	382.6	342.9	288.5
Operating Income	1,676.8	1,589.7	1,488.1	1,151.0	1,091.3
Interest Expense (Income), Net	16.1	7.2	(3.0)	0.2	6.8
Income From Continuing Operations Before Income Taxes	1,661.2	1,578.6	1,489.7	1,151.7	1,075.8
Income Tax Provision	484.8	411.2	411.9	336.6	297.0
Net Income	1,317.6	1,231.6	1,127.0	890.0	752.3
Basic Earnings Per Share	5.62	5.12	4.61	3.63	3.04
Diluted Earnings Per Share	5.49	4.99	4.46	3.49	2.93
Dividends Per Common Share	1.48	1.32	1.14	0.98	0.86
Financial Position					
Total Current Assets	4,505.3	4,647.0	3,614.7	3,130.6	3,185.3
Total Current Liabilities	1,671.7	1,777.1	1,416.6	1,478.8	1,576.3
Total PPE, Net	3,100.5	2,966.6	2,744.5	2,497.3	2,133.5
Total Assets	9,650.7	9,304.6	7,912.9	7,329.4	6,824.5
Total Long-Term Debt	1,495.4	1,488.5	953.2	955.7	957.0
Total Shareholders' Equity	5,434.6	5,142.7	4,935.6	4,362.0	3,836.2
Book Value Per Common Share	23.65	21.69	20.30	17.89	15.63
Financial Relationships					
Gross Profit Margin	51.9%	52.6%	51.3%	51.9%	51.5%
Return on Revenues (C)	16.0%	16.7%	15.6%	13.3%	14.1%
Return on Total Assets (A)(C)	18.1%	18.8%	20.0%	16.9%	17.6%
Return on Equity (C)	22.2%	23.2%	23.2%	19.9%	21.9%
Debt to Capitalization (B)(C)	23.7%	26.8%	18.8%	20.9%	25.8%
Additional Data					
Number of Employees	28,800	29,100	28,300	28,000	27,000
Number of Shareholders	8,887	8,930	8,820	8,896	9,147
Average Common and Common Equivalent Shares Outstanding — Assuming Dilution (millions)	240.1	246.8	252.7	254.8	256.6
Depreciation and Amortization	502.1	464.6	472.0	434.9	396.7
Capital Expenditures	537.3	585.2	595.8	550.2	451.6

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

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

(C) Excludes discontinued operations.

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

FINANCIAL REVIEW

Company Overview

Description of the Company and Business Segments

Becton, Dickinson and Company ("BD") is a global medical technology company engaged principally in the development, manufacture and sale of medical devices, instrument systems and reagents used by healthcare institutions, life science researchers, clinical laboratories, the pharmaceutical industry and the general public. Our business consists of three worldwide business segments — BD Medical ("Medical"), BD Diagnostics ("Diagnostics") and BD Biosciences ("Biosciences"). Our products are marketed in the United States and internationally through independent distribution channels and directly to end-users by BD and independent sales representatives. References to years throughout this discussion relate to our fiscal years, which end on September 30.

Strategic Objectives

BD remains focused on delivering sustainable growth and shareholder value, while making appropriate investments for the future. BD management operates the business consistent with the following core strategies:

- To increase revenue growth by focusing on our core products that deliver greater benefits to patients, healthcare workers and researchers;
- To increase investment in research and development for platform extensions and innovative new products;
- To make significant investments in growing our emerging markets;
- To improve operating effectiveness and balance sheet productivity;
- To drive an efficient capital structure and strong shareholder returns.

Our efforts to increase revenues and earnings per share are focused on four specific areas within healthcare and life sciences:

- Enabling safer, simpler and more effective parenteral drug delivery;
- Improving clinical outcomes through new, accurate and faster diagnostics;
- Providing tools and technologies to the research community that facilitate basic science, drug discovery and cell therapy;
- Enhancing disease management in Diabetes, Women's Health and Cancer and Infection Control.

We continue to strive to improve the efficiency of our capital structure and follow these guiding principles:

- To maintain a solid investment grade rating;
- To ensure access to the debt market for strategic opportunities;
- To optimize the cost of capital based on market conditions.

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

Financial Results

Worldwide revenues in 2010 of $7.4 billion increased 5.5% from the prior year and reflected volume increases of approximately 6%, unfavorable foreign exchange translation of 0.1%, inclusive of hedge losses, and price decreases of 0.4%. The increase is attributable to solid revenue growth in the Medical Segment, continued improvement in Biosciences sales and, to a lesser extent, growth in Diagnostics segment revenues. U.S. revenues increased 5% to $3.3 billion. Sales in the United States of safety-engineered devices grew 5% to $1.11 billion in 2010 from $1.06 billion in 2009. International revenues of $4.1 billion grew 6% compared with the prior year. International sales of safety-engineered devices grew 9.5% to $622 million in 2010 from $568 million in 2009, which included an estimated 1.4% of favorable foreign currency translation, net of hedge losses.

Operating income in 2010 grew 5.5% to $1.7 billion or 22.7% of revenues, as compared with $1.6 billion, or 22.8% of revenues in 2009. Operating income growth reflected an overall unfavorable impact of foreign exchange translation, net of hedge losses, as well as the absence of a $45 million litigation charge recorded in 2009. The net unfavorable impact of these items on operating income growth in 2010 was 330 basis points.

Our financial position remains strong, with cash flows from operating activities totaling $1.7 billion in 2010. At September 30, 2010, we had $1.2 billion in cash and equivalents and our debt-to-capitalization at September 30, 2010 was 23.7% compared with 26.8% at the end of 2009. In 2010, BD's cash outflows relating to acquisitions included the purchase of HandyLab, Inc., a company that develops and manufactures molecular diagnostic assays and automation platforms, for $275 million in cash. Capital expenditures were $537 million in 2010 as we continue to invest in capacity across our segments to support future growth. BD's strong cash flow generation also provided the flexibility to continue to return value to our shareholders in the form of share repurchases and dividends. During 2010, we repurchased 10.1 million shares of common stock for $750 million and paid cash dividends to our shareholders totaling $346 million. In November 2010, we issued $700 million of 10-year 3.25% Notes and $300 million of 30-year 5.00% Notes, as discussed further below.

Our anticipated revenue growth over the next three years is expected to come from business growth and expansion among all segments and regions of the world, and the development in each business segment of new products and services that provide increased benefits to patients, healthcare workers and researchers. Our ability to sustain our long-term growth will depend on a number of factors, including our ability to expand our core business (including geographical expansion), develop innovative new products with higher gross profit margins across our business segments, and continue to improve operating efficiency and organizational effectiveness. Numerous factors can affect our ability to achieve these goals including, without limitation, economic conditions in the United States and elsewhere, increased competition and healthcare reform initiatives. For example, the recently-enacted U.S. healthcare reform legislation contains certain tax provisions that will affect BD. The most significant impact is the medical device excise tax, which imposes a 2.3% tax on certain U.S. sales of medical devices, beginning in January 2013. Sales of BD products that we estimate to be subject to this tax represented about 80% of BD's total U.S. revenues in fiscal year 2010. In addition, the new law included a tax provision that eliminated the employer deduction of the Medicare Part D retiree drug subsidy, and, as a result, we recorded a charge of $9 million, or 4 cents per share, in the second quarter of 2010.

We face currency exposure each reporting period that arises from translating the results of our worldwide operations to the U.S. dollar at exchange rates that fluctuate from the beginning of such period. From time to time, we purchase forward contracts and options to partially protect against adverse foreign exchange rate movements. Gains or losses on our derivative instruments are largely offset by the gains or losses on the underlying hedged transactions. We do not enter into derivative instruments for trading or speculative purposes. During 2010, the U.S. dollar weakened against most foreign currencies compared with rates during 2009. The resulting favorable impact on worldwide revenues was offset by losses from our hedging activities. For further discussion refer to Note 12 to the consolidated financial statements contained in Item 8, Financial Statements and Supplementary Data.

Divestiture

During the fourth quarter of 2010, the Company sold the Ophthalmic Systems unit, as well as the surgical blades, critical care and extended dwell catheter product platforms of the Medical Surgical Systems unit. Following the sale, prior period Consolidated Statements of Income and Cash Flows were restated to present separately the operating results of the Ophthalmic Systems unit, surgical blade and critical care product platforms as discontinued operations. See Note 10 to the consolidated financial statements contained in Item 8, Financial Statements and Supplementary Data for additional discussion. The results of operations associated with the extended dwell catheter product platform are reported within continuing operations, as the divestiture of this asset group did not meet the criteria for discontinued operations.

Results of Continuing Operations

Comparisons of income from continuing operations between 2010 and 2009 are affected by the following significant items that are reflected in our 2010 financial results:

- During the second quarter of 2010, we recorded a non-cash charge of $9 million, or 4 cents diluted earnings per share from continuing operations, related to healthcare reform impacting Medicare Part D reimbursements.
- During the third quarter of 2009, we recorded a tax benefit of $20 million, or 8 cents diluted earnings per share from continuing operations, relating to various tax settlements in multiple jurisdictions.
- During the second quarter of 2009, we recorded a pre-tax charge of $45 million, or 11 cents diluted earnings per share from continuing operations, associated with the pending settlement in certain antitrust class action litigation.

Medical Segment

Medical revenues in 2010 of $3.8 billion increased $239 million, or 6.7%, over 2009, which reflected an estimated impact of favorable foreign currency translation of 0.5%, net of hedge losses.

The following is a summary of Medical revenues by organizational unit:

	2010	2009	Total Change	Estimated Foreign Exchange Impact
	(Millions of dollars)			
Medical Surgical Systems	$ 2,010	$ 1,889	6.4%	1.5%
Diabetes Care	786	715	9.9%	0.8%
Pharmaceutical Systems	1,001	952	5.1%	(1.3)%
Total Revenues*	$ 3,796	$ 3,557	6.7%	0.5%

* Amounts may not add due to rounding.

Revenue growth in the Medical Surgical Systems unit continues to be driven by sales of safety-engineered products and prefilled flush syringes. Revenues of safety-engineered products increased 5% in the United States and 15% internationally, which included an estimated favorable foreign exchange impact of 3%, net of hedge losses. Revenue growth in the Diabetes Care unit resulted primarily from continued strong growth in worldwide pen needle sales and a co-marketing agreement in the United States. Revenue growth in the Pharmaceutical Systems unit was driven by double-digit growth in the United States, Japan and Asia Pacific. Revenues related to the H1N1 pandemic grew $15 million to $45 million for the Medical Surgical Systems unit and grew $10 million to $35 million for the Pharmaceutical Systems unit in 2010.

Medical operating income in 2010 was $1.1 billion, or 29.5% of Medical revenues, as compared with $1.0 billion, or 29.5%, of revenues in 2009. Favorable manufacturing productivity improvements were substantially offset by a slight decrease in gross profit margin resulting from unfavorable foreign currency translation, a modest increase in the cost of raw materials, and increased manufacturing start-up and restructuring costs. See further discussion on gross profit margin below. Selling and administrative expense as a percentage of Medical revenues in 2010 declined to 17.3% of revenues from 17.5% of revenues in 2009, primarily due to continued diligent spending controls. Research and development expenses in 2010 increased $8 million, or 7%, and reflected continued investment in the development of new products and platforms.

Diagnostics Segment

Diagnostics revenues in 2010 of $2.3 billion increased $93 million, or 4.2%, over 2009, which reflected an estimated impact of favorable foreign currency translation of 0.2%, net of hedge losses.

The following is a summary of Diagnostics revenues by organizational unit:

	2010	2009	Total Change	Estimated Foreign Exchange Impact
	(Millions of dollars)			
Preanalytical Systems	$ 1,198	$ 1,143	4.8%	0.4%
Diagnostic Systems	1,121	1,083	3.5%	—
Total Revenues	$ 2,319	$ 2,226	4.2%	0.2%

Revenue growth in the Preanalytical Systems unit was driven by sales of safety-engineered products. Sales of safety-engineered products grew 5% in the United States, driven by *BD Vacutainer*tm Push Button Blood Collection Set sales, and 7% internationally, which included an estimated favorable foreign exchange impact of 1%, net of hedge losses. The Diagnostic Systems unit experienced growth in worldwide sales of its automated diagnostic platforms, including the molecular *BD ProbeTec*tm, *BD Viper*tm and *BD Affirm*tm systems, along with solid growth of its *BD BACTEC*tm blood culture and TB systems and the *BD Phoenix*tm ID/AST platform. Revenues related to the flu pandemic were $13 million in 2010 compared with $22 million in 2009 for the Diagnostic Systems unit.

Diagnostics operating income in 2010 was $607 million, or 26.2% of Diagnostics revenues, compared with $607 million, or 27.3% of revenues, in 2009. The Diagnostics segment experienced a decline in gross profit margin that reflected unfavorable foreign currency translation and start-up costs associated with acquisitions. This decline was partially offset by sales growth of products that have higher overall gross profit margins, in particular, safety-engineered products and the *BD ProbeTec*tm *and BD Viper*tm systems. See further discussion on gross profit margin below. Selling and administrative expense as a percentage of Diagnostics revenues remained the same in 2010 at 21.2%, due to continued spending controls. Research and development expense increased modestly over 2009 and reflected continued investment in the development of new products and platforms with particular emphasis on our molecular platforms.

Biosciences Segment

Biosciences revenues in 2010 of $1.3 billion increased $53 million, or 4.4%, over 2009, which reflected an estimated impact of unfavorable foreign currency translation of 2.4% due to hedge losses. Biosciences revenues reflected a larger portion of our hedge losses, which are allocated to the segments based on their proportionate share of international sales of U.S.-produced products.

The following is a summary of Biosciences revenues by organizational unit:

	2010	2009	Total Change	Estimated Foreign Exchange Impact
	(Millions of dollars)			
Cell Analysis	$ 951	$ 905	5.2%	(2.6)%
Discovery Labware	306	299	2.2%	(1.4)%
Total Revenues	$ 1,257	$ 1,204	4.4%	(2.4)%

Revenue growth in the Cell Analysis unit reflected increased demand for instruments and reagents and was aided by governmental economic stimulus programs for research in the U.S. as well as supplemental government funding in Japan. Revenue growth in the Discovery Labware unit reflected increased sales to major biopharmaceutical customers, offset by reduced private label sales compared with 2009.

Biosciences operating income in 2010 was $354 million, or 28.2% of Biosciences revenues, compared with $362 million, or 30.1%, in 2009. The decrease in operating income, as a percentage of revenues, reflects lower gross profit from the unfavorable impact of hedge losses, partially offset by the favorable impact of foreign currency translation. Selling and administrative expense was 21.9% in 2010 as compared with 21.6% in 2009 and reflected new direct selling programs and inflationary factors. Research and development expense increased $10 million, or 11% and reflected spending on new product development and advanced technology.

Geographic Revenues

Revenues in the United States in 2010 of $3.3 billion increased 5%. Overall, growth was led by sales of safety-engineered products, which increased 5% to $1.11 billion from $1.06 billion in 2009, as well as sales of Diabetes Care products. Revenue growth also reflected sales of immunocytometry instruments and reagents, aided by governmental economic stimulus programs in the U.S.

International revenues in 2010 of $4.1 billion increased 6%, and reflected nominal impact from net foreign currency translation. Sales growth was led by double-digit growth in Asia Pacific, Latin America and Japan. International sales of safety-engineered devices grew 9.5% to $622 million in 2010 from $568 million in 2009, which included an estimated impact of net favorable foreign currency translation of 1.4%. Sales growth in Western Europe was unfavorably impacted by continuing adverse macroeconomic conditions and an unfavorable comparison to 2009, which included flu-related sales that did not reoccur in 2010.

Gross Profit Margin

Gross profit margin was 51.9% in 2010, compared with 52.6% in 2009. Gross profit margin in 2010 reflected an estimated unfavorable impact primarily from hedging activity of 90 basis points. Partially offsetting these losses was a net favorable operating performance impact of 20 basis points. Operating performance reflected higher sales of products with higher gross margins, partially offset by higher manufacturing start-up and restructuring costs, higher pension costs, and increases in certain raw material costs.

Operating Expenses

Selling and administrative expense in 2010 of $1.7 billion, or 23.3% of revenues, increased $41 million, or 2%, compared with $1.7 billion, or 24.1% of revenues, in 2009. This increase reflected $32 million of unfavorable foreign currency translation. Increased spending in 2010 included $18 million in core spending, $16 million related to our global enterprise resource planning initiative to update our business information systems, and $15 million in pension costs. Aggregate expenses for 2009 reflected the $45 million litigation charge previously discussed.

Research and development ("R&D") expense in 2010 was $431 million, or 5.8% of revenues, compared with $405 million, or 5.8% of revenues, in 2009. The increase in R&D expenditures includes spending for new products and platforms in each of our segments, as previously discussed.

Non-Operating Expense and Income

Interest expense in 2010 was $51 million, compared with $40 million in 2009. This increase reflected higher levels of long-term fixed rate debt, partially offset by lower interest rates on floating rate debt and a benefit from higher levels of capitalized interest. Interest income was $35 million in 2010, compared with $33 million in 2009. This increase resulted primarily from higher investment levels. Other income (expense), net in 2010 included the gain recognized on the sale of the extended dwell catheter product platform of $18 million and a write-down of investments of $14 million.

Income Taxes

The effective tax rate in 2010 of 29.2% was higher compared with the 2009 rate of 26.1% and reflected the unfavorable impact of certain unusual items. The 2010 rate was unfavorably impacted by 0.6 percentage points from the expiration of the R&D tax credit, and by 0.5 percentage points from the non-cash charge related to healthcare reform impacting Medicare Part D reimbursements. In addition, the 2009 rate reflected a 1.2 percentage point benefit due to various tax settlements in multiple jurisdictions.

Income and Diluted Earnings per Share from Continuing Operations

Income from continuing operations and diluted earnings per share from continuing operations in 2010 were $1.2 billion and $4.90, respectively. The non-cash charge related to healthcare reform decreased income from continuing operations and diluted earnings per share from continuing operations in 2010 by $9 million, or 4 cents, respectively. The current year's earnings also reflected an overall net unfavorable impact of foreign exchange fluctuations of 26 cents, including hedge losses. Income from continuing operations and diluted earnings per share from continuing operations in 2009 were $1.2 million and $4.73, respectively. The tax benefit discussed above increased income from continuing operations and diluted earnings per share from continuing operations in 2009 by $20 million, or 8 cents, respectively. The litigation charge discussed above decreased income from continuing operations and diluted earnings per share from continuing operations in 2009 by $28 million, or 11 cents, respectively.

Financial Instrument Market Risk

We selectively use financial instruments to manage market risk, primarily foreign currency exchange risk and interest rate risk relating to our ongoing business operations. The counterparties to these contracts are highly rated financial institutions. We do not enter into financial instruments for trading or speculative purposes.

Foreign Exchange Risk

BD and its subsidiaries transact business in various foreign currencies throughout Europe, Asia Pacific, Canada, Japan and Latin America. We face foreign currency exposure from the effect of fluctuating exchange rates on payables and receivables relating to transactions that are denominated in currencies other than our functional currency. These payables and receivables primarily arise from intercompany transactions. We hedge substantially all such exposures, primarily through the use of forward contracts. We also face currency exposure that arises from translating the results of our worldwide operations, including sales, to the U.S. dollar at exchange rates that have fluctuated from the beginning of a reporting period. From time to time, we purchase forward contracts and options to hedge certain forecasted sales that are denominated in foreign currencies in order to partially protect against a reduction in the value of future sales resulting from adverse foreign exchange rate movements. Gains or losses on our derivative instruments are largely offset by the gains or losses on the underlying hedged transactions.

Derivative financial instruments are recorded on our balance sheet at fair value. For foreign currency derivatives, market risk is determined by calculating the impact on fair value of an assumed change in foreign exchange rates relative to the U.S. dollar. Fair values were estimated based upon observable inputs, specifically spot currency rates and foreign currency prices for similar assets and liabilities. With respect to the derivative instruments outstanding at September 30, 2010, a 10% appreciation of the U.S. dollar over a one-year period would decrease pre-tax earnings by $30 million, while a 10% depreciation of the U.S. dollar would increase pre-tax earnings by $30 million. Comparatively, considering our derivative instruments outstanding at September 30, 2009, a 10% appreciation of the U.S. dollar over a one-year period would have increased pre-tax earnings by $85 million, while a 10% depreciation of the U.S. dollar would have decreased pre-tax earnings by $85 million. These calculations do not reflect the impact of exchange gains or losses on the underlying transactions that would substantially offset the results of the derivative instruments.

Interest Rate Risk

Our primary interest rate exposure results from changes in short-term U.S. dollar interest rates. Our debt and interest-bearing investments at September 30, 2010 are substantially all U.S. dollar-denominated. Therefore, transaction and translation exposure relating to such instruments is minimal. When managing interest rate exposures, we strive to achieve an appropriate balance between fixed and floating rate instruments. We may enter into interest rate swaps to help maintain this balance and manage debt and interest-bearing investments in tandem, since these items have an offsetting impact on interest rate exposure. For interest rate derivative instruments, fair values are provided by the financial institutions that are counterparties to these arrangements. Market risk for these instruments is determined by calculating the impact to fair value of an assumed change in interest rates across all maturities. A change in interest rates on short-term debt and interest-bearing investments impacts our earnings and cash flow, but not the fair value of these instruments because of their limited duration. A change in interest rates on long-term debt is assumed to impact the fair value of the debt, but not our earnings or cash flow because the interest on such obligations is fixed. Based on our overall interest rate exposure at September 30, 2010 and 2009, 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, 2010 and 2009 by approximately $56 million and $66 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, 2010 and 2009 by approximately $59 million and $71 million, respectively.

Liquidity and Capital Resources

Net Cash Flows from Continuing Operating Activities

Net cash provided by continuing operating activities in 2010 was $1.7 billion, unchanged from 2009. The change in operating assets and liabilities resulted from a net use of cash and reflected higher levels of accounts receivable and inventory. Net cash provided by continuing operating activities was reduced by discretionary cash contributions to the U.S. pension plan of $175 million and $75 million in 2010 and 2009, respectively.

Net Cash Flows from Continuing Investing Activities

Capital Expenditures

Capital expenditures were $537 million in 2010, compared with $585 million in 2009. Capital spending for the Medical, Diagnostics and Biosciences segments in 2010 was $369 million, $109 million and $50 million, respectively, and related primarily to manufacturing capacity expansions.

Acquisitions of Businesses

In November 2009, we acquired 100% of the outstanding shares of HandyLab, Inc., a company that develops and manufactures molecular diagnostic assays and automation platforms, for a net cash payment of $275 million. For further discussion refer to Note 9 to the consolidated financial statements contained in Item 8, Financial Statements and Supplementary Data.

Divestiture of Businesses

On July 30, 2010, the Company sold the Ophthalmic Systems unit and the surgical blades platform. The sale of the critical care and extended dwell catheter product platforms was completed on September 30, 2010.

Cash proceeds received in the fourth quarter 2010 from these divestitures were $260 million, net of working capital adjustments. For further discussion refer to Note 10 to the consolidated financial statements contained in Item 8, Financial Statements and Supplementary Data.

Net Cash Flows from Continuing Financing Activities

Debt Issuances and Payments of Obligations

The change in short-term debt reflected the repayment of $200 million of 7.15% Notes, due October 1, 2009, using the proceeds from the issuance of $500 million of 10-year, 5.00% Notes and $250 million of 30-year, 6.00% Notes in May 2009. Short-term debt decreased to 12% of total debt at the end of 2010, from 21% at the end of 2009. Floating rate debt was 24% of total debt at the end of 2010 and 32% at the end of 2009. Our weighted average cost of total debt at the end of 2010 was 4.6%, down from 4.9% at the end of 2009. Debt-to-capitalization (ratio of total debt to the sum of total debt, shareholders' equity and net non-current deferred income tax liabilities) at September 30, 2010 was 23.7% compared to 26.8% at September 30, 2009.

On November 8, 2010, we issued $700 million of 10-year 3.25% Notes and $300 million of 30-year 5.00% Notes. The net proceeds from these issuances are expected to be used for general corporate purposes, which may include funding for working capital, capital expenditures, repurchases of our common stock and acquisitions.

Repurchase of Common Stock

We repurchased approximately 10.1 million shares of our common stock for $750 million in 2010 and 8.2 million shares for $550 million in 2009. In September 2010, our Board of Directors authorized the repurchase of an additional 21 million shares. When combined with the remaining shares under the November 2009 Board of Directors' repurchase authorization, there is a total of approximately 29 million common shares available for purchase at September 30, 2010. We plan on share repurchases of $1.5 billion in 2011 and $600 million in 2012, which are expected to be funded by cash flows from operating activities and the issuance of debt.

Credit Facilities

We have in place a commercial paper borrowing program that is available to meet our short-term financing needs, including working capital requirements. Borrowings outstanding under this program were $200 million at September 30, 2010. We maintain a $1 billion syndicated credit facility in order to provide backup support for our commercial paper program and for other general corporate purposes. This credit facility expires in December 2012 and includes a single financial covenant that requires BD to maintain an interest expense coverage ratio (ratio of earnings before income taxes, depreciation and amortization to interest expense) of not less than 5-to-1 for the most recent four consecutive fiscal quarters. On the last eight measurement dates, this ratio had ranged from 26-to-1 to 34-to-1. There were no borrowings outstanding under this facility at September 30, 2010. In addition, we have informal lines of credit outside the United States.

Access to Capital and Credit Ratings

BD's ability to generate cash flow from operations, issue debt, enter into other financing arrangements and attract long-term capital on acceptable terms could be adversely affected in the event there was a material decline in the demand for BD's products, deterioration in BD's key financial ratios or credit ratings or other significantly unfavorable changes in conditions.

BD's credit ratings at September 30, 2010 were as follows:

	Standard & Poor's	Moody's
Ratings:		
Long-term debt	AA−	A2
Commercial Paper	A-1+	P-1
Outlook	Stable	Stable

While deterioration in BD's credit ratings would increase the costs associated with maintaining and borrowing under its existing credit arrangements, such a downgrade would not affect its ability to draw on these credit facilities, nor would it result in an acceleration of the scheduled maturities of any outstanding debt. BD believes that given its debt ratings, its conservative financial management policies, its ability to generate cash flow and the non-cyclical, geographically diversified nature of its businesses, it would have access to additional short-term and long-term capital should the need arise.

Contractual Obligations

In the normal course of business, we enter into contracts and commitments that obligate us to make payments in the future. The table below sets forth BD's significant contractual obligations and related scheduled payments:

	Total	2011	2012 to 2013	2014 to 2015	2016 and Thereafter
			(Millions of dollars)		
Short-term debt	$ 203	$ 203	$ —	$ —	$ —
Long-term debt(A)	2,624	79	362	145	2,038
Operating leases	197	45	63	46	43
Purchase obligations(B)	521	318	188	15	—
Unrecognized tax benefits(C)	—	—	—	—	—
Total(D)	$ 3,545	$ 645	$ 613	$ 206	$ 2,081

(A) Long-term debt obligations include expected principal and interest obligations, including interest rate swaps. The interest rate forward curve at September 30, 2010 was used to compute the amount of the contractual obligation for variable rate debt instruments and swaps.

(B) Purchase obligations are for purchases made in the normal course of business to meet operational and capital requirements.

(C) Unrecognized tax benefits at September 30, 2010 of $90 million were all long-term in nature. Due to the uncertainty related to the timing of the reversal of these tax positions, the related liability has been excluded from the table.

(D) Required funding obligations for 2011 relating to pension and other postretirement benefit plans are not expected to be material.

2009 Compared With 2008

Results of Continuing Operations

Worldwide revenues in 2009 of $7.0 billion increased 1% from 2008 and reflected volume increases of approximately 5%, and price increases of less than 1%, which were partially offset by net unfavorable foreign currency translation of 4%, after factoring in hedge gains.

Comparisons of income from continuing operations between 2009 and 2008 are affected by the following significant items that are reflected in our 2009 financial results:

- During the third quarter of 2009, the Company recorded a tax benefit of $20 million, or 8 cents diluted earnings per share from continuing operations, relating to various tax settlements in multiple jurisdictions.
- During the second quarter of 2009, the Company recorded a pre-tax charge of $45 million, or 11 cents diluted earnings per share from continuing operations, associated with the pending settlement in certain antitrust class action litigation.

Medical Segment

Medical revenues in 2009 of $3.6 billion increased $14 million, or 0.4%, over 2008, as volume growth was mostly offset by an estimated impact of unfavorable foreign currency translation of 5.5 percentage points, net of hedge gains.

The following is a summary of Medical revenues by organizational unit:

	2009	2008	Total Change	Estimated Foreign Exchange Impact
	(Millions of dollars)			
Medical Surgical Systems	$ 1,889	$ 1,906	(0.9)%	(5.6)%
Diabetes Care	715	694	3.0%	(3.9)%
Pharmaceutical Systems	952	942	1.1%	(6.3)%
Total Revenues*	$ 3,557	$ 3,543	0.4%	(5.5)%

* Amounts may not add due to rounding.

On a foreign currency-neutral basis, revenue growth of the Medical Surgical Systems unit continued to be driven by sales in safety-engineered products and prefilled flush syringes. Revenues of safety-engineered products increased 2% in the United States and 12% internationally, which included an estimated unfavorable foreign exchange impact of 11%, net of hedge gains. Revenue growth in the Diabetes Care unit resulted primarily from worldwide pen needle sales. Revenue growth in the Pharmaceutical Systems unit was driven by growth in Europe and Asia Pacific, offset by lower sales in the United States when compared with 2008, which included non-recurring sales to companies producing certain generic heparin products. Revenues related to the H1N1 pandemic were $30 million for the Medical Surgical Systems unit and $25 million for the Pharmaceutical Systems unit in 2009.

Medical operating income in 2009 was $1.0 billion, or 29.5% of Medical revenues, as compared with $1.0 billion, or 28.4% of revenues, in 2008. Operating income as a percentage of revenues reflected an increase in gross profit margin primarily resulting from favorable currency translation, including hedge gains, and a modest benefit from lower raw materials cost, which was partially offset by increased manufacturing start-up costs. See further discussion on gross profit margin below. Selling and administrative expense as a percentage of Medical revenues in 2009 declined to 17.5% of revenues, from 17.9% of revenues in 2008, primarily due to tight spending controls. Research and development expenses in 2009 increased $16 million, or 15%, reflecting continued investment in the development of new products and platforms.

Diagnostics Segment

Diagnostics revenues in 2009 of $2.2 billion increased $66 million, or 3%, over 2008. Revenues in 2009 reflected an estimated unfavorable impact of foreign currency translation of 4 percentage points, net of hedge gains.

The following is a summary of Diagnostics revenues by organizational unit:

	2009	2008	Total Change	Estimated Foreign Exchange Impact
	(Millions of dollars)			
Preanalytical Systems	$ 1,143	$ 1,124	1.8%	(4.6)%
Diagnostic Systems	1,083	1,036	4.5%	(2.9)%
Total Revenues	$ 2,226	$ 2,160	3.1%	(3.7)%

Revenue growth in the Preanalytical Systems unit was driven by sales of safety-engineered products. Sales of safety-engineered products grew 6% in the United States, driven by *BD Vacutainer*™ Push Button Blood Collection Set sales, and 4% internationally, which included an estimated unfavorable foreign exchange impact of 10%, net of hedge gains. The Diagnostic Systems unit experienced growth in worldwide sales of its automated diagnostic platforms, including the molecular *BD ProbeTec*™, *BD Viper*™ and *BD Affirm*™ systems, along with solid growth of its *BD BACTEC*™ blood culture and TB systems and the *BD Phoenix*™ ID/AST platform. Revenues of flu-related products were $22 million in 2009. In addition, revenues from TriPath grew $11 million to $130 million and revenues from GeneOhm grew $9 million to $51 million in 2009.

Diagnostics operating income was $607 million, or 27.3% of Diagnostics revenues, in 2009, compared with $526 million, or 24.3% of revenues, in 2008. The Diagnostics Segment experienced an improvement in gross profit margin from sales growth of products that have higher overall gross profit margins, in particular, safety-engineered products and the *BD ProbeTec*™ and *BD Viper*™ systems. This was partially offset by increases in raw material costs and unfavorable foreign exchange. See further discussion on gross profit margin below. Selling and administrative expense as a percentage of Diagnostics revenues in 2009 was 21.2%, compared with 22.0% in 2008, primarily due to tight spending controls. Research and development expense increased $10 million, or 7%, reflecting continued investment in the development of new products and platforms, with particular emphasis on our molecular platforms.

Biosciences Segment

Biosciences revenues in 2009 of $1.2 billion increased $9 million, or 1%, over 2008, which reflected an estimated impact of unfavorable foreign currency translation of 1 percentage point, net of hedge gains.

The following is a summary of Biosciences revenues by organizational unit:

	2009	2008	Total Change	Estimated Foreign Exchange Impact
	(Millions of dollars)			
Cell Analysis	$ 905	$ 901	0.4%	(1.0)%
Discovery Labware	299	295	1.6%	(0.3)%
Total Revenues*	$ 1,204	$ 1,195	0.7%	(0.8)%

* Amounts may not add due to rounding.

Revenue growth in the Cell Analysis unit reflected lessening demand for instruments and research reagents, caused primarily by adverse economic conditions in the U.S. that resulted in funding constraints and lower demand for capital equipment. The unit was also impacted by reduced research spending in other regions. Revenue growth in the Discovery Labware unit was adversely impacted by reduced sales to a major bionutrients customer compared with 2008. Biosciences revenues reflected a larger portion of our hedge gains, which are allocated to the segments based on their proportionate share of international sales of U.S.-produced products.

Biosciences operating income in 2009 was $362 million, or 30.1% of Biosciences revenues, compared with $334 million, or 27.9%, in 2008. The increase in operating income, as a percentage of revenues, reflects gross profit improvement from the favorable impact of foreign currency translation, including hedge gains. See further discussion on gross profit margin below. In addition, selling and administrative expense as a percentage of Biosciences revenues declined in 2009 to 21.6% from 23.0% in 2008, primarily due to tight spending controls. Research and development expense in 2009 was flat compared with 2008.

Geographic Revenues

Revenues in the United States in 2009 of $3.1 billion increased 3%. Overall, growth was led by sales of safety-engineered products, which increased 4% to $1.1 billion, as well as sales of Diabetes Care products. Revenue growth was adversely impacted by lower sales of immunocytometry instruments and reagents and Pharmaceutical Systems products, as previously discussed.

International revenues in 2009 of $3.9 billion were relatively flat compared with 2008, as increased sales volume was offset by an estimated impact of unfavorable foreign currency translation of 7 percentage points, net of hedge gains. Volume growth was led by sales in Western Europe, Asia Pacific and Latin America. International sales of safety-engineered devices grew 6.5% to $568 million in 2009 from $533 million in 2008 and reflected an estimated 10 percentage points of unfavorable foreign currency translation.

Gross Profit Margin

Gross profit margin increased to 52.6% in 2009, from 51.3% in 2008. Gross profit margin in 2009 reflected an estimated favorable impact of 140 basis points from both foreign currency translation and the hedging of certain foreign currencies and 20 basis points from lower raw materials cost. Partially offsetting these gains were increases in manufacturing start-up costs of approximately 30 basis points.

Operating Expenses

Selling and administrative expense in 2009 was $1.7 billion, or 24.1% of revenues, compared with $1.7 billion, or 24.2% of revenues, in 2008. Aggregate expenses reflected the $45 million litigation charge previously discussed and $48 million of increased core spending. These increases were partially offset by $82 million of favorable foreign exchange impacts.

R&D expense in 2009 was $405 million, or 5.8% of revenues, compared with $383 million, or 5.5% of revenues, in 2008. The increase in R&D expenditures includes spending for new products and platforms in the Medical and Diagnostics segments, as previously discussed.

Operating Income

Operating margin in 2009 was 22.8% of revenues, compared with 21.6% in 2008. The litigation charge noted above decreased operating margin in 2009 by 60 basis points.

Non-Operating Expense and Income

Interest expense was $40 million in 2009, compared with $36 million in 2008. This increase reflected higher debt levels offset, in part, by lower interest rates on floating rate debt. Interest income was $33 million in 2009, compared with $39 million in 2008. This decrease was primarily attributable to the impact of lower interest rates on floating rate investments.

Income Taxes

The effective tax rate in 2009 was 26.1% compared with the 2008 rate of 27.7%, and reflected a 1.2% benefit due to various tax settlements in multiple jurisdictions.

Income and Diluted Earnings per Share from Continuing Operations

Income from continuing operations and diluted earnings per share from continuing operations in 2009 were $1.2 billion and $4.73, respectively. The tax benefit discussed above increased income from continuing operations and diluted earnings per share from continuing operations in 2009 by $20 million, or 8 cents, respectively. The litigation charge discussed above decreased income from continuing operations and diluted earnings per share from continuing operations in 2009 by $28 million, or 11 cents, respectively. Income from continuing operations and diluted earnings per share from continuing operations in 2008 were $1.1 million and $4.27, respectively.

Discontinued Operations

In July 2009, the Company sold certain assets and liabilities related to the elastics and thermometer components of the Home Healthcare product line of the Medical segment for $51 million. See Note 10 to the consolidated financial statements contained in Item 8, Financial Statements and Supplementary Data for additional discussion.

Liquidity and Capital Resources

Net Cash Flows from Continuing Operating Activities

Net cash provided by continuing operating activities in 2009 was $1.7 billion, compared with $1.6 billion in 2008. Net income, excluding non-cash items (primarily depreciation, amortization, share-based compensation and deferred income taxes), was the primary source of operating cash flow during 2009. The change in operating assets and liabilities was a net use of cash and reflected higher levels of accounts receivable and inventory.

Net Cash Flows from Continuing Investing Activities

Net cash used for continuing investing activities in 2009 was $1.1 billion, compared with $777 million in 2008. Capital expenditures were $585 million in 2009, compared with $596 million in 2008. Capital spending for the Medical, Diagnostics and Biosciences segments was $408 million, $102 million and $56 million, respectively, in 2009 and related primarily to manufacturing capacity expansions. The increase in cash used for purchases of short-term investments is primarily related to the temporary investment of proceeds from the long-term debt issuance discussed below. The increase in cash used for capital software investment is primarily related to our global enterprise resource planning initiative to upgrade our business information systems.

Net Cash Flows from Continuing Financing Activities

Net cash used for financing activities was $80 million in 2009, as compared with $586 million in 2008. In May 2009, we issued $500 million of 10-year, 5.00% Notes and $250 million of 30-year, 6.00% Notes, the proceeds of which were used to repay $200 million of 7.15% Notes, due October 1, 2009, to fund a discretionary pension contribution of $175 million in October 2009, and for general corporate purposes. Total debt was $1.9 billion and $1.2 billion at September 30, 2009 and 2008, respectively. Short-term debt increased to 21% of total debt at the end of 2009, from 17% at the end of 2008. Floating rate debt was 32% of total debt at the end of 2009 and 35% at the end of 2008. Our weighted average cost of total debt at the end of 2009 was 4.9%, unchanged from the end of 2008. Debt-to-capitalization at the end of 2009 increased to 26.8% compared with 18.8% in 2008, primarily due to our debt issuance.

Critical Accounting Policies

The preparation of the consolidated financial statements requires management to use estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Some of those judgments can be subjective and complex and, consequently, actual results could differ from those estimates. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. For any given estimate or assumption made by management, it is possible that other people applying reasonable judgment to the same facts and circumstances could develop different estimates. Actual results that differ from management's estimates could have an unfavorable effect on our consolidated financial statements. Management believes the following critical accounting policies reflect the more significant judgments and estimates used in the preparation of the consolidated financial statements:

Revenue Recognition

Revenue from product sales is typically recognized when title and risk of loss pass to the customer. However, we recognize revenue for certain instruments sold from the Biosciences segment upon installation at a customer's site, as installation of these instruments is considered a significant post-delivery obligation. In addition, for certain sales arrangements, primarily in the U.S., with multiple deliverables, revenue and cost of products sold are recognized at the completion of each deliverable: shipment, installation and training. These sales agreements are divided into separate units of accounting and revenue is recognized upon the completion of each deliverable based on the relative fair values of items delivered. Fair values are generally determined based on sales of the individual deliverables to third parties.

BD's domestic businesses sell products primarily to distributors who resell the products to end-user customers. We provide rebates to distributors that sell to end-user customers at prices determined under a contract between BD and the end-user customer. Provisions for rebates, as well as sales discounts and returns, are accounted for as a reduction of revenues when revenue is recognized.

Impairment of Assets

Goodwill and indefinite-lived intangible assets are subject to impairment reviews at least annually, or whenever indicators of impairment arise. Potential impairment is identified by comparing the fair value of a reporting unit with its carrying value. Our annual goodwill impairment test for 2010 did not result in an impairment, as the fair value of each reporting unit exceeded its carrying value. Intangible assets other than goodwill and indefinite-lived intangible assets and other long-lived assets are reviewed annually for impairment, or when impairment indicators are present. Impairment reviews are based on an income approach which is based on the present value of future cash flows. This approach requires significant management judgment with respect to future volume, revenue and expense growth rates, changes in working capital use, appropriate discount rates and other assumptions and estimates. The estimates and assumptions used are consistent with BD's business plans. The use of alternative estimates and assumptions could increase or decrease the estimated fair value of the asset, and potentially result in different impacts to BD's results of operations. Actual results may differ from management's estimates.

Income Taxes

BD maintains valuation allowances where it is more likely than not that all or a portion of a deferred tax asset will not be realized. Changes in valuation allowances are included in our tax provision in the period of change. In determining whether a valuation allowance is warranted, management evaluates factors such as prior earnings history, expected future earnings, carry back and carry forward periods, and tax strategies that could potentially enhance the likelihood of realization of a deferred tax asset.

BD conducts business and files tax returns in numerous countries and currently has tax audits in progress in a number of tax jurisdictions. In evaluating the exposure associated with various tax filing positions, we record reserves for uncertain tax positions based on the technical support for the positions, our past audit experience with similar situations, and the potential interest and penalties related to the matters. BD's effective tax rate in any given period could be impacted if, upon resolution with taxing authorities, we prevailed in positions for which reserves have been established, or we were required to pay amounts in excess of established reserves.

Contingencies

We are involved, both as a plaintiff and a defendant, in various legal proceedings that arise in the ordinary course of business, including, without limitation, product liability, antitrust and environmental matters, as further discussed in Note 5 to the consolidated financial statements contained in Item 8, Financial Statements and Supplementary Data. We assess the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable losses. We establish accruals to the extent probable future losses are estimable (in the case of environmental matters, without considering possible third-party recoveries). A determination of the amount of accruals, if any, for these contingencies is made after careful analysis of each individual issue and, when appropriate, is developed after consultation with outside counsel. The accruals may change in the future due to new developments in each matter or changes in our strategy in dealing with these matters.

Given the uncertain nature of litigation generally, we are not able in all cases to estimate the amount or range of loss that could result from an unfavorable outcome of the litigation to which we are a party. In view of these uncertainties, we could incur charges in excess of any currently established accruals and, to the extent available, excess liability insurance. Accordingly, in the opinion of management, any such future charges, individually or in the aggregate, could have a material adverse effect on BD's consolidated results of operations and consolidated net cash flows.

Benefit Plans

We have significant net pension and other postretirement benefit costs that are measured using actuarial valuations. Pension benefit costs include assumptions for the discount rate and expected return on plan assets. Other postretirement benefit plan costs include assumptions for the discount rate and healthcare cost trend rates. These assumptions have a significant effect on the amounts reported. In addition to the analysis below, see Note 8 to the consolidated financial statements contained in Item 8, Financial Statements and Supplementary Data for additional discussion.

The discount rate is selected each year based on investment grade bonds and other factors as of the measurement date (September 30). For the U.S. pension plan, we used a discount rate of 5.2% as of September 30, 2010, which was based on an actuarially-determined, company-specific yield curve. The rate selected is used to measure liabilities as of the measurement date and for calculating the following year's pension expense. The expected long-term rate of return on plan assets assumption, although reviewed each year, changes less frequently due to the long-term nature of the assumption. This assumption does not impact the measurement of assets or liabilities as of the measurement date; rather, it is used only in the calculation of pension expense. To determine the expected long-term rate of return on pension plan assets, we consider many factors, including our historical assumptions compared with actual results; benchmark data; expected returns on various plan asset classes, as well as current and expected asset allocations. At September 30, 2010, we used a long-term expected rate of return on plan assets assumption of 8.00% for the U.S. pension plan. We believe our discount rate and expected long-term rate of return on plan assets assumptions are appropriate based upon the above factors.

Sensitivity to changes in key assumptions for our U.S. pension and other postretirement plans are as follows:

- *Discount rate —* A change of plus (minus) 25 basis points, with other assumptions held constant, would have an estimated $7 million favorable (unfavorable) impact on the total U.S. net pension and other postretirement benefit plan cost.
- *Expected return on plan assets —* A change of plus (minus) 25 basis points, with other assumptions held constant, would have an estimated $2 million favorable (unfavorable) impact on U.S. pension plan cost.

Share-Based Compensation

Compensation cost relating to share-based payment transactions is recognized in net income using a fair value measurement method. All share-based payments to employees, including grants of employee stock options, are recognized in the statement of operations as compensation expense (based on their fair values) over the vesting period of the awards. We determine the fair value of certain share-based awards using a lattice-based binomial option valuation model that incorporates certain assumptions, such as the risk-free interest rate, expected volatility, expected dividend yield and expected life of the options. See Note 7 to the consolidated financial statements contained in Item 8, Financial Statements and Supplementary Data for additional discussion.

Cautionary Statement Regarding Forward-Looking Statements

BD and its representatives may from time to time make certain forward-looking statements in publicly released materials, both written and oral, including statements contained in filings with the Securities and Exchange Commission, press releases, and our reports to shareholders. Forward-looking statements may be identified by the use of words such as "plan," "expect," "believe," "intend," "will," "anticipate," "estimate" and other words of similar meaning in conjunction with, among other things, discussions of future operations and financial performance, as well as our strategy for growth, product development, regulatory approvals, market position and expenditures. All statements that address operating performance or events or developments that we expect or anticipate will occur in the future — including statements relating to volume growth, sales and earnings per share growth, cash flows or uses, and statements expressing views about future operating results — are forward-looking statements.

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

The following are some important factors that could cause our actual results to differ from our expectations in any forward-looking statements. For further discussion of certain of these factors, see Item 1A. Risk Factors.

- The current conditions in the global economy and financial markets, and the potential adverse effect on liquidity and access to capital resources for BD and/or its customers and suppliers, the cost of operating our business, the demand for our products and services (particularly in countries where governments are the primary payers of healthcare expenses and research), or our ability to produce our products, including the impact on developing countries. Also, the increase in sovereign debt during the financial crisis as a result of governmental intervention in the world economy poses additional risks to the global financial system and economic recovery.
- The consequences of the recently-enacted healthcare reform legislation in the United States, which implemented an excise tax on U.S. sales of certain medical devices, and which could result in reduced demand for our products, increased pricing pressures or otherwise adversely affect BD's business.
- Changes in domestic and foreign healthcare industry practices that result in a reduction in procedures using our products or increased pricing pressures, including the continued consolidation among healthcare providers and trends toward managed care and healthcare cost containment (including changes in reimbursement practices by third party payors).
- Regional, national and foreign economic factors, including inflation, deflation, and fluctuations in interest rates and, in particular, foreign currency exchange rates, and the potential effect on our revenues, expenses, margins and credit ratings.

- New or changing laws and regulations affecting our domestic and foreign operations, or changes in enforcement practices, including laws relating to trade, monetary and fiscal policies, taxation (including tax reforms that could adversely impact multinational corporations), sales practices, price controls, licensing and regulatory requirements for new products and products in the postmarketing phase. In particular, the U.S. and other countries may impose new requirements regarding registration, labeling or prohibited materials that may require us to re-register products already on the market or otherwise impact our ability to market our products. Environmental laws, particularly with respect to the emission of greenhouse gases, are also becoming more stringent throughout the world, which may increase our costs of operations or necessitate changes in our manufacturing plants or processes or those of our suppliers, or result in liability to BD.
- Product efficacy or safety concerns regarding our products resulting in product recalls, regulatory action on the part of the U.S. Food and Drug Administration (FDA) or foreign counterparts, declining sales and product liability claims, particularly in light of the current regulatory environment, including increased enforcement activity by the FDA.
- Competitive factors that could adversely affect our operations, including new product introductions (for example, new forms of drug delivery) by our current or future competitors, increased pricing pressure due to the impact of low-cost manufacturers as certain competitors have established manufacturing sites or have contracted with suppliers in low-cost manufacturing locations as a means to lower their costs, patents attained by competitors (particularly as patents on our products expire), and new entrants into our markets.
- The effects of natural disasters, including pandemics, earthquakes, fire, wind or other destructive events, or the effects of climate change on our ability to manufacture our products (particularly where production of a product line is concentrated in one or more plants), or our ability to source materials or components from suppliers that are needed for such manufacturing.
- Fluctuations in the cost and availability of oil-based resins and other raw materials, as well as certain sub-assemblies and finished goods, the ability to maintain favorable supplier arrangements and relationships (particularly with respect to sole-source suppliers), and the potential adverse effects of any disruption in the availability of such items.
- Difficulties inherent in product development, including the potential inability to successfully continue technological innovation, complete clinical trials, obtain regulatory approvals in the United States and abroad, obtain coverage and adequate reimbursement for new products, or gain and maintain market approval of products, as well as the possibility of infringement claims by competitors with respect to patents or other intellectual property rights, all of which can preclude or delay commercialization of a product.
- Fluctuations in the demand for products we sell to pharmaceutical companies that are used to manufacture, or are sold with, the products of such companies, as a result of funding constraints, consolidation or otherwise.
- Fluctuations in U.S. and international governmental funding and policies for life sciences research.
- Our ability to achieve our projected level or mix of product sales. Our earnings forecasts are generated based on projected volumes and sales of many product types, some of which are more profitable than others.
- Our ability to implement our ongoing upgrade of our enterprise resource planning system, as any delays or deficiencies in the design and implementation of our upgrade could adversely affect our business.
- Pending and potential future litigation or other proceedings adverse to BD, including antitrust claims, product liability claims, patent infringement claims, and the availability or collectibility of insurance relating to any such claims.

- The effect of adverse media exposure or other publicity regarding BD's business or operations, including the effect on BD's reputation or demand for its products.
- The effects, if any, of governmental and media activities regarding the business practices of group purchasing organizations, which negotiate product prices on behalf of their member hospitals with BD and other suppliers.
- The effect of market fluctuations on the value of assets in BD's pension plans and to actuarial interest rate and asset return assumptions, which could require BD to make additional contributions to the plans or increase our pension plan expense.
- Political conditions in international markets, including civil unrest, terrorist activity, governmental changes, restrictions on the ability to transfer capital across borders and expropriation of assets by a government.
- Our ability to penetrate developing and emerging markets, which also depends on economic and political conditions, and how well we are able to acquire or form strategic business alliances with local companies and make necessary infrastructure enhancements to production facilities, distribution networks, sales equipment and technology.
- The effects, if any, of future healthcare reform in the countries in which we do business, including changes in government pricing and reimbursement policies or other cost containment reforms.
- The impact of business combinations, including any volatility in earnings relating to acquired in-process research and development assets, and our ability to successfully integrate any business we may acquire.
- Our ability to obtain the anticipated benefits of restructuring programs, if any, that we may undertake.
- Issuance of new or revised accounting standards by the Financial Accounting Standards Board or the Securities and Exchange Commission.

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

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

The information required by this item is included in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, and in Notes 1, 12 and 13 to the consolidated financial statements contained in Item 8, Financial Statements and Supplementary Data, and is incorporated herein by reference.

Item 8. ***Financial Statements and Supplementary Data.***

Reports of Management

Management's Responsibilities

The following financial statements have been prepared by management in conformity with U.S. 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 Board of Directors monitors the internal control system, including internal accounting and financial reporting controls, through its Audit Committee, which consists of seven independent Directors. The Audit Committee meets periodically with the independent registered public accounting firm, the internal auditors and management to review the work of each and to satisfy itself that they are properly discharging their responsibilities. The independent registered public accounting firm and the internal auditors have full and free access to the Audit Committee and meet with its members, with and without management present, to discuss the scope and results of their audits including internal control, auditing and financial reporting matters.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Act of 1934. Management conducted an assessment of the effectiveness of internal control over financial reporting based on the criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment and those criteria, management concluded that internal control over financial reporting was effective as of September 30, 2010.

The financial statements and internal control over financial reporting have been audited by Ernst & Young LLP, an independent registered public accounting firm. Ernst & Young's reports with respect to fairness of the presentation of the statements, and the effectiveness of internal control over financial reporting, are included herein.

Edward J. Ludwig	David V. Elkins	William A. Tozzi
Chairman and	*Executive Vice President and*	*Senior Vice President and*
Chief Executive Officer	*Chief Financial Officer*	*Controller*

Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying consolidated balance sheets of Becton, Dickinson and Company as of September 30, 2010 and 2009, and the related consolidated statements of income, comprehensive income, and cash flows for each of the three years in the period ended September 30, 2010. 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 the standards of the Public Company Accounting Oversight Board (United States). 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, 2010 and 2009, and the consolidated results of its operations and its cash flows for each of the three years in the period ended September 30, 2010, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Becton, Dickinson and Company's internal control over financial reporting as of September 30, 2010, based on criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated November 24, 2010 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

New York, New York
November 24, 2010

Report of Independent Registered Public Accounting Firm

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

We have audited Becton, Dickinson and Company's internal control over financial reporting as of September 30, 2010, based on criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Becton, Dickinson and Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Becton, Dickinson and Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2010, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Becton, Dickinson and Company as of September 30, 2010 and 2009, and the related consolidated statements of income, comprehensive income, and cash flows for each of the three years in the period ended September 30, 2010 of Becton, Dickinson and Company, and our report dated November 24, 2010 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

New York, New York
November 24, 2010

Becton, Dickinson and Company

Consolidated Statements of Income

	Years Ended September 30 2010	2009	2008
	Thousands of dollars, except per share amounts		
Operations			
Revenues	$ 7,372,333	$ 6,986,722	$ 6,897,619
Cost of products sold	3,543,183	3,311,676	3,357,159
Selling and administrative expense	1,721,356	1,680,797	1,669,762
Research and development expense	430,997	404,567	382,554
Total Operating Costs and Expenses	5,695,536	5,397,040	5,409,475
Operating Income	1,676,797	1,589,682	1,488,144
Interest expense	(51,263)	(40,389)	(36,343)
Interest income	35,129	33,148	39,368
Other income (expense), net	497	(3,850)	(1,484)
Income From Continuing Operations Before Income Taxes	1,661,160	1,578,591	1,489,685
Income tax provision	484,820	411,246	411,931
Income from Continuing Operations	1,176,340	1,167,345	1,077,754
Income from Discontinued Operations Net of income tax provision of $40,703, $19,975 and $13,191	141,270	64,258	49,242
Net Income	$ 1,317,610	$ 1,231,603	$ 1,126,996
Basic Earnings per Share			
Income from Continuing Operations	$ 5.02	$ 4.85	$ 4.41
Income from Discontinued Operations	$ 0.60	$ 0.27	$ 0.20
Basic Earnings per Share	$ 5.62	$ 5.12	$ 4.61
Diluted Earnings per Share			
Income from Continuing Operations	$ 4.90	$ 4.73	$ 4.27
Income from Discontinued Operations	$ 0.59	$ 0.26	$ 0.19
Diluted Earnings per Share	$ 5.49	$ 4.99	$ 4.46

See notes to consolidated financial statements

Becton, Dickinson and Company

Consolidated Statements of Comprehensive Income

	Years Ended September 30		
	2010	2009	2008
		Thousands of dollars	
Net Income	$ 1,317,610	$ 1,231,603	$ 1,126,996
Other Comprehensive Income (Loss), Net of Tax			
Foreign currency translation adjustments	330	29,358	(80,305)
Defined benefit pension and postretirement plans	(130,461)	(242,478)	(42,862)
Unrealized gain (loss) on investments, net of amounts recognized	—	41	(42)
Unrealized gain (loss) on cash flow hedges, net of amounts realized	44,884	(82,073)	43,871
Other Comprehensive Loss, Net of Tax	(85,247)	(295,152)	(79,338)
Comprehensive Income	$ 1,232,363	$ 936,451	$ 1,047,658

See notes to consolidated financial statements

Becton, Dickinson and Company

Consolidated Balance Sheets

	September 30 2010	September 30 2009
	Thousands of dollars, except per share amounts and numbers of shares	
ASSETS		
Current Assets		
Cash and equivalents	$ 1,215,989	$ 1,394,244
Short-term investments	528,206	551,561
Trade receivables, net	1,205,377	1,168,662
Inventories	1,145,337	1,156,762
Prepaid expenses, deferred taxes and other	410,341	375,725
Total Current Assets	4,505,250	4,646,954
Property, Plant and Equipment, Net	3,100,492	2,966,629
Goodwill	763,961	621,872
Core and Developed Technology, Net	310,783	309,990
Other Intangibles, Net	227,857	96,659
Capitalized Software, Net	254,761	197,224
Other	487,590	465,296
Total Assets	$ 9,650,694	$ 9,304,624
LIABILITIES		
Current Liabilities		
Short-term debt	$ 202,758	$ 402,965
Accounts payable	325,402	264,181
Accrued expenses	661,112	646,540
Salaries, wages and related items	453,605	459,742
Income taxes	28,796	3,665
Total Current Liabilities	1,671,673	1,777,093
Long-Term Debt	1,495,357	1,488,460
Long-Term Employee Benefit Obligations	899,109	782,034
Deferred Income Taxes and Other	149,975	114,325
Commitments and Contingencies	—	—
Shareholders' Equity		
Common stock — $1 par value: authorized — 640,000,000 shares; issued-332,662,160 shares in 2010 and 2009	332,662	332,662
Capital in excess of par value	1,624,768	1,485,674
Retained earnings	8,724,228	7,752,831
Deferred compensation	17,164	17,906
Common stock in treasury — at cost — 102,845,609 shares in 2010 and 95,579,970 shares in 2009	(4,806,333)	(4,073,699)
Accumulated other comprehensive loss	(457,909)	(372,662)
Total Shareholders' Equity	5,434,580	5,142,712
Total Liabilities and Shareholders' Equity	$ 9,650,694	$ 9,304,624

See notes to consolidated financial statements

Becton, Dickinson and Company

Consolidated Statements of Cash Flows

	Years Ended September 30		
	2010	2009	2008
		Thousands of dollars	
Operating Activities			
Net income	$ 1,317,610	$ 1,231,603	$ 1,126,996
Income from discontinued operations, net	(141,270)	(64,258)	(49,242)
Income from continuing operations, net	1,176,340	1,167,345	1,077,754
Adjustments to income from continuing operations to derive net cash provided by continuing operating activities, net of amounts acquired:			
Depreciation and amortization	502,113	464,604	471,963
Share-based compensation	79,374	86,574	100,585
Deferred income taxes	28,055	60,041	80,088
Change in operating assets and liabilities:			
Trade receivables, net	(73,933)	(81,530)	(4,610)
Inventories	(116,500)	(91,462)	(49,362)
Prepaid expenses, deferred taxes and other	(34,340)	(22,059)	(32,245)
Accounts payable, income taxes and other liabilities	156,023	123,576	(15,657)
Pension obligation	(102,967)	(68,574)	(56,083)
Other, net	44,852	19,971	45,354
Net Cash Provided by Continuing Operating Activities	1,659,017	1,658,486	1,617,787
Investing Activities			
Capital expenditures	(537,306)	(585,196)	(595,811)
Capitalized software	(95,159)	(109,588)	(49,306)
Change in short-term investments	34,550	(338,228)	(46,321)
Proceeds (purchases) of long-term investments	963	840	(5,666)
Acquisitions of businesses, net of cash acquired	(281,367)	—	(41,259)
Divestiture of businesses	259,990	51,022	—
Other, net	(81,636)	(85,900)	(38,491)
Net Cash Used for Continuing Investing Activities	(699,965)	(1,067,050)	(776,854)
Financing Activities			
Change in short-term debt	(200,193)	1,196	(5,938)
Proceeds from long-term debt	—	739,232	—
Payments of debt	(76)	(311)	(1,114)
Repurchase of common stock	(750,000)	(550,006)	(450,001)
Issuance of common stock and other, net	50,093	32,403	85,396
Excess tax benefit from payments under share-based compensation plans	23,202	14,667	64,335
Dividends paid	(345,713)	(316,877)	(278,506)
Net Cash Used for Continuing Financing Activities	(1,222,687)	(79,696)	(585,828)
Discontinued Operations:			
Net cash provided by operating activities	85,251	58,329	69,311
Net cash used for investing activities	(5,661)	(5,912)	(6,169)
Net Cash Provided by Discontinued Operations	79,590	52,417	63,142
Effect of exchange rate changes on cash and equivalents	5,790	(390)	748
Net (Decrease) Increase in Cash and Equivalents	(178,255)	563,767	318,995
Opening Cash and Equivalents	1,394,244	830,477	511,482
Closing Cash and Equivalents	$ 1,215,989	$ 1,394,244	$ 830,477

See notes to consolidated financial statements

Becton, Dickinson and Company

Notes to Consolidated Financial Statements
Thousands of dollars, except per share amounts and numbers of shares

Note 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 (the "Company") after the elimination of intercompany transactions. The Company has no material interests in variable interest entities.

Cash Equivalents

Cash equivalents consist of all highly liquid investments with a maturity of three months or less at time of purchase.

Short-Term Investments

Short-term investments consist of time deposits with maturities greater than three months and less than one year when purchased.

Inventories

Inventories are stated at the lower of first-in, first-out cost or market.

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 one to 20 years for leasehold improvements. Depreciation and amortization expense was $347,402, $312,321 and $300,384 in fiscal 2010, 2009 and 2008, respectively.

Goodwill and Other Intangible Assets

Goodwill, core and developed technology, and in-process research and development assets arise from acquisitions. Goodwill and in-process research and development assets are reviewed annually for impairment. Potential impairment of goodwill is identified by comparing the fair value of a reporting unit, estimated using an income approach, with its carrying value. Reporting units generally represent one level below reporting segment. The annual impairment review performed in fiscal year 2010 indicated that all reporting units' fair value exceeded their respective carrying value. The review for impairment of in-process research and development assets as well as core and developed technology compares the fair value of the technology or project assets, estimated using an income approach, with their carrying value. Core and developed technology are amortized over periods ranging from 15 to 20 years, using the straight-line method.

Other intangibles with finite useful lives, which include patents, are amortized over periods principally ranging from one to 40 years, using the straight-line method. These intangibles, including core and developed technology, are periodically reviewed when impairment indicators are present to assess recoverability from future operations using undiscounted cash flows. To the extent carrying value exceeds the undiscounted cash flows, an impairment loss is recognized in operating results based upon the excess of the carrying value over fair value. Other intangibles also include certain trademarks that are considered to have indefinite lives, as they are expected to generate cash flows indefinitely, and are reviewed annually for impairment.

Capitalized Software

Capitalized software, including costs for software developed or obtained for internal use is stated at cost, less accumulated amortization. Amortization expense is principally provided on the straight-line basis over estimated useful lives, which do not exceed 10 years. The current balance primarily includes capital software investments related to a global enterprise resource planning initiative to upgrade the Company's business information systems. Amortization for this project has not commenced because the program has not yet been placed in service. Amortization expense related to capitalized software was $32,181, $46,485 and $56,368 for 2010, 2009 and 2008, respectively.

Foreign Currency Translation

Generally, foreign subsidiaries' functional currency is the local currency of operations and 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 foreign currency translation adjustments in Accumulated other comprehensive (loss) income.

Revenue Recognition

Revenue from product sales is recognized when title and risk of loss pass to the customer. The Company recognizes revenue for certain instruments sold from the Biosciences segment upon installation at a customer's site, as installation of these instruments is considered a significant post-delivery obligation. For certain sales arrangements, primarily in the U.S., with multiple deliverables, revenue and cost of products sold are recognized at the completion of each deliverable: shipment, installation and training. These sales agreements are divided into separate units of accounting. Revenue is recognized upon the completion of each deliverable based on the relative fair values of items delivered. Fair values are generally determined based on sales of the individual deliverables to other third parties.

The Company's domestic businesses sell products primarily to distributors who resell the products to end-user customers. Rebates are provided to distributors that sell to end-user customers at prices determined under a contract between the Company and the end-user customer. Provisions for rebates, as well as sales discounts and returns, are based upon estimates and are accounted for as a reduction of revenues when revenue is recognized.

Shipping and Handling Costs

Shipping and handling costs are included in Selling and administrative expense. Shipping expense was $255,765, $250,941 and $263,504 in 2010, 2009 and 2008, respectively.

Derivative Financial Instruments

All derivatives are recorded in the balance sheet at fair value and changes in fair value are recognized currently in earnings unless specific hedge accounting criteria are met.

Derivative financial instruments are utilized by the Company in the management of its foreign currency and interest rate exposures. From time to time, the Company hedges forecasted sales denominated in foreign currencies using forward and option contracts to protect against the reduction in value of forecasted foreign currency cash flows resulting from export sales. The Company also periodically utilizes interest rate swaps to maintain a balance between fixed and floating rate instruments. The Company does not enter into derivative financial instruments for trading or speculative purposes.

Any deferred gains or losses associated with derivative instruments 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.

Income Taxes

United States income taxes are not provided on undistributed earnings of foreign subsidiaries where such undistributed earnings are indefinitely reinvested outside the United States. Deferred taxes are provided for earnings of foreign subsidiaries when those earnings are not considered indefinitely reinvested. Income taxes are provided and tax credits are recognized based on tax laws enacted at the dates of the financial statements.

The Company conducts business and files tax returns in numerous countries and currently has tax audits in progress in a number of tax jurisdictions. In evaluating the exposure associated with various tax filing positions, the Company records reserves for uncertain tax positions, based on the technical support for the positions, past audit experience with similar situations, and the potential interest and penalties related to the matters.

The Company maintains valuation allowances where it is more likely than not that all or a portion of a deferred tax asset will not be realized. Changes in valuation allowances are included in our tax provision in the period of change. In determining whether a valuation allowance is warranted, management evaluates factors such as prior earnings history, expected future earnings, carry back and carry forward periods and tax strategies that could potentially enhance the likelihood of the realization of a deferred tax asset.

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 U.S. 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 consolidated financial statements. Actual results could differ from these estimates.

Share-Based Compensation

The Company recognizes the fair value of share-based compensation in net income. Compensation expense is recognized on a straight-line basis over the requisite service period, which is generally the vesting period.

Note 2 — Accounting Changes

In December 2008, the Financial Accounting Standards Board ("FASB") issued revised guidance to require entities to disclose the major categories of defined benefit and postretirement plan assets and the measurement of these assets in accordance with the fair value measurement framework as defined under U.S. GAAP. The new guidance also requires disclosures regarding how investment allocation decisions are made. The Company adopted the revised disclosure requirements on September 30, 2010 and there was no impact to the consolidated financial statements as a result of this adoption. The required disclosures are included in Note 8.

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The Company implemented the revised business combination rules for acquisitions occurring after October 1, 2009. Under the new rules, acquired in-process research and development assets will be recorded as indefinite-lived intangible assets until projects are completed or abandoned and acquisition-related costs are expensed as incurred. Disclosures required under the revised business combination rules relating to the Company's acquisition of HandyLab, Inc., on November 19, 2009, are provided in Note 9.

The Company implemented new fair value measurement requirements for nonfinancial assets and liabilities measured on a nonrecurring basis on October 1, 2009. The new guidance defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures relating to fair value measurements. Assets and liabilities subject to this guidance primarily include goodwill and indefinite-lived intangible assets measured at fair value for impairment assessments, long-lived assets measured at fair value when impaired and non-financial assets and liabilities measured at fair value in business combinations. The Company's adoption of this guidance did not materially impact the consolidated financial statements.

On October 1, 2007, the Company adopted guidance relating to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Upon implementing this guidance, the Company recognized a $5,084 increase in its existing liability for uncertain tax positions, with a corresponding decrease to the October 1, 2007 retained earnings balance.

Adoption of New Accounting Standards

In October 2009, the FASB issued revised revenue recognition guidance affecting the accounting for software-enabled devices and multiple-element arrangements. The revisions expand the scope of multiple-element arrangement guidance to include revenue arrangements containing certain nonsoftware elements and related software elements. Additionally, the revised guidance changes the manner in which separate units of accounting are identified within a multiple-element arrangement and modifies the manner in which transaction consideration is allocated across the separately identified deliverables. The revised revenue recognition guidance is effective for new arrangements the Company enters into on or after October 1, 2010. No significant impact to the Company's consolidated financial statements is expected upon adoption of these new requirements.

Becton, Dickinson and Company

Notes to Consolidated Financial Statements — (Continued)

Note 3 — Shareholders' Equity

Changes in certain components of shareholders' equity were as follows:

	Common Stock Issued at Par Value	Capital in Excess of Par Value	Retained Earnings	Deferred Compensation	Treasury Stock Shares	Treasury Stock Amount
Balance at September 30, 2007	$ 332,662	$ 1,125,368	$ 5,995,787	$ 12,205	(88,825,066)	$ (3,105,893)
Net income			1,126,996			
Cash dividends:						
Common ($1.14 per share)			(279,110)			
Common stock issued for:						
Share-based compensation plans, net		132,372			4,649,160	25,866
Business acquisitions		1,206			16,327	118
Share-based compensation		100,585				
Common stock held in trusts, net				2,489	(169,307)	(2,489)
Repurchase of common stock					(5,255,900)	(450,000)
Cumulative effect for accounting change (see Note 2)			(5,084)			
Balance at September 30, 2008	$ 332,662	$ 1,359,531	$ 6,838,589	$ 14,694	(89,584,786)	$ (3,532,398)
Net income			1,231,603			
Cash dividends:						
Common ($1.32 per share)			(317,361)			
Common stock issued for:						
Share-based compensation plans, net		38,919			2,283,887	11,608
Business acquisitions		1,330			24,110	309
Share-based compensation		86,519				
Common stock held in trusts, net				3,212	(91,681)	(3,212)
Repurchase of common stock					(8,211,500)	(550,006)
Other changes		(625)				
Balance at September 30, 2009	$ 332,662	$ 1,485,674	$ 7,752,831	$ 17,906	(95,579,970)	$ (4,073,699)
Net income			1,317,610			
Cash dividends:						
Common ($1.48 per share)			(346,213)			
Common stock issued for:						
Share-based compensation plans, net		59,866			2,758,391	16,624
Share-based compensation		79,228				
Common stock held in trusts, net				(742)	34,790	742
Repurchase of common stock					(10,058,820)	(750,000)
Balance at September 30, 2010	$ 332,662	$ 1,624,768	$ 8,724,228	$ 17,164	(102,845,609)	$ (4,806,333)

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

Becton, Dickinson and Company

Notes to Consolidated Financial Statements — (Continued)

The components of Accumulated other comprehensive (loss) income were as follows:

	2010	2009
Foreign currency translation adjustments (A)	$ 186,777	$ 186,447
Benefit plans adjustment (B)	(634,396)	(503,935)
Unrealized loss on investments (B)	(581)	(581)
Unrealized (losses) gains on cash flow hedges (B)(C)	(9,709)	(54,593)
	$ (457,909)	$ (372,662)

(A) Foreign currency translation adjustments that were attributable to goodwill in fiscal years 2010 and 2009 were $2,044 and $(3,749), respectively. The adjustments primarily affected goodwill reported within the Medical segment.

(B) Amounts are net of tax.

(C) The unrealized gains on cash flows at September 30, 2008 were $27,480, net of tax.

The income tax provision (benefit) recorded in fiscal years 2010, 2009 and 2008 for the unrealized (loss) gain on investments was $0, $25 and $(25), respectively. The income tax provision (benefit) recorded in fiscal years 2010, 2009 and 2008 for cash flow hedges was $27,509, $(50,302) and $26,889, respectively. The income tax benefit recorded in fiscal years 2010, 2009, 2008 for defined benefit pension, postretirement plans and postemployment plans was $67,829, $146,554 and $3,439, respectively. Income taxes are generally not provided for translation adjustments.

The unrealized (losses) gains on cash flow hedges included in other comprehensive (loss) income for 2010, 2009 and 2008 are net of reclassification adjustments of $(19,512), $65,012, and $(6,733), net of tax, respectively, for realized net hedge gains (losses) recorded to revenues. These amounts had been included in Accumulated other comprehensive (loss) income in prior periods. The tax (benefit) provision associated with these reclassification adjustments in 2010, 2009 and 2008 was $(11,959), $39,846 and $(4,127), respectively.

Note 4 — Earnings per Share

The weighted average common shares used in the computations of basic and diluted earnings per share (shares in thousands) for the years ended September 30 were as follows:

	2010	2009	2008
Average common shares outstanding	234,328	240,479	244,323
Dilutive share equivalents from share-based plans	5,808	6,319	8,358
Average common and common equivalent shares outstanding — assuming dilution	240,136	246,798	252,681

Note 5 — Commitments and Contingencies

Commitments

Rental expense for all operating leases amounted to $65,000 in 2010, $64,500 in 2009, and $68,200 in 2008. Future minimum rental commitments on noncancelable leases are as follows: 2011 — $45,200; 2012 — $36,500; 2013 — $26,500; 2014 — $24,400; 2015 — $21,100 and an aggregate of $43,400 thereafter.

As of September 30, 2010, the Company has certain future purchase commitments aggregating to approximately $521,097, which will be expended over the next several years.

Contingencies

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

The Company is named as a defendant in the following purported class action suits brought on behalf of distributors and other entities that purchase the Company's products (the "Distributor Plaintiffs"), alleging that the Company violated federal antitrust laws, resulting in the charging of higher prices for the Company's products to the plaintiffs and other purported class members.

Case	Court	Date Filed
Louisiana Wholesale Drug Company, Inc., et. al. vs. Becton Dickinson and Company	U.S. District Court, Newark, New Jersey	March 25, 2005
SAJ Distributors, Inc. et. al. vs. Becton Dickinson & Co.	U.S. District Court, Eastern District of Pennsylvania	September 6, 2005
Dik Drug Company, et. al. vs. Becton, Dickinson and Company	U.S. District Court, Newark, New Jersey	September 12, 2005
American Sales Company, Inc. et. al. vs. Becton, Dickinson & Co.	U.S. District Court, Eastern District of Pennsylvania	October 3, 2005
Park Surgical Co. Inc. et. al. vs. Becton, Dickinson and Company	U.S. District Court, Eastern District of Pennsylvania	October 26, 2005

These actions have been consolidated under the caption *"In re Hypodermic Products Antitrust Litigation."*

The Company is also named as a defendant in the following purported class action suits brought on behalf of purchasers of the Company's products, such as hospitals (the "Hospital Plaintiffs"), alleging that the Company violated federal and state antitrust laws, resulting in the charging of higher prices for the Company's products to the plaintiffs and other purported class members.

Case	Court	Date Filed
Jabo's Pharmacy, Inc., et. al. v. Becton Dickinson & Company	U.S. District Court, Greenville, Tennessee	June 7, 2005
Drug Mart Tallman, Inc., et. al. v. Becton Dickinson and Company	U.S. District Court, Newark, New Jersey	January 17, 2006
Medstar v. Becton Dickinson	U.S. District Court, Newark, New Jersey	May 18, 2006
The Hebrew Home for the Aged at Riverdale v. Becton Dickinson and Company	U.S. District Court, Southern District of New York	March 28, 2007

The plaintiffs in each of the above antitrust class action lawsuits seek monetary damages. All of the antitrust class action lawsuits have been consolidated for pre-trial purposes in a Multi-District Litigation (MDL) in Federal court in New Jersey.

On April 27, 2009, the Company entered into a settlement agreement with the Distributor Plaintiffs in these actions. The settlement agreement provided for, among other things, the payment by the Company of

$45,000 in exchange for a release by all potential class members of the direct purchaser claims under federal antitrust laws related to the products and acts enumerated in the complaint, and a dismissal of the case with prejudice, insofar as it relates to direct purchaser claims. The release would not cover potential class members that affirmatively opt out of the settlement. On September 30, 2010, the court issued an order denying a motion to approve the settlement agreement, ruling that the Hospital Plaintiffs, and not the Distributor Plaintiffs, are the direct purchasers entitled to pursue damages under the federal antitrust laws for certain sales of BD products. The settlement agreement currently remains in effect, subject to certain termination provisions, and the Distributor Plaintiffs are seeking appellate review of the court's order.

In June 2007, Retractable Technologies, Inc. ("RTI") filed a complaint against the Company under the caption *Retractable Technologies, Inc. vs. Becton Dickinson and Company* (Civil Action No. 2:07-cv-250, U.S. District Court, Eastern District of Texas). RTI alleges that the BD Integratm syringes infringe patents licensed exclusively to RTI. In its complaint, RTI also alleges that the Company engaged in false advertising with respect to certain of the Company's safety-engineered products in violation of the Lanham Act; acted to exclude RTI from various product markets and to maintain its market share through, among other things, exclusionary contracts in violation of state and federal antitrust laws; and engaged in unfair competition. In January 2008, the court severed the patent and non-patent claims into separate cases. RTI seeks money damages and injunctive relief. On April 1, 2008, RTI filed a complaint against BD under the caption *Retractable Technologies, Inc. and Thomas J. Shaw v. Becton Dickinson and Company* (Civil Action No. 2:08-cv-141, U.S. District Court, Eastern District of Texas). RTI alleges that the BD Integratm syringes infringe another patent licensed exclusively to RTI. RTI seeks money damages and injunctive relief. On August 29, 2008, the court ordered the consolidation of the patent cases. On November 9, 2009, at a trial of these consolidated cases, the jury rendered a verdict in favor of RTI on all but one of its infringement claims, but did not find any willful infringement, and awarded RTI $5,000 in damages. On May 19, 2010, the court granted RTI's motion for a permanent injunction against the continued sale by the Company of its BD Integratm products in their current form, but stayed the injunction for the longer of twelve months or the duration of any appeal. At the same time, the court lifted a stay of RTI's non-patent claims that the court had imposed during the pendency of the patent claims at the trial court level. On June 16, 2010, the Company filed its appeal with the Court of Appeals for the Federal Circuit.

On October 19, 2009, Gen-Probe Incorporated ("Gen-Probe") filed a patent infringement action against BD in the U.S. District Court for the Southern District of California. The complaint alleges that the BD Vipertm and BD Vipertm XTRtm systems, and BD ProbeTectm specimen collection products infringe certain U.S. patents of Gen-Probe. On March 23, 2010, Gen-Probe filed a complaint, also in the U.S. District Court for the Southern District of California, alleging that the BD Maxtm instrument infringes Gen-Probe patents. Additional disclosures regarding this instrument are provided in Note 9. The patents alleged to be infringed are a subset of the Gen-Probe patents asserted against the Company in the October 2009 suit. On June 8, 2010, the Court consolidated these cases. Gen-Probe is seeking monetary damages and injunctive relief.

The Company believes that it has meritorious defenses to each of the above-mentioned suits pending against the Company and is engaged in a vigorous defense of each of these matters.

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

The Company is 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. The affected sites are in varying stages of development. In some instances, the remedy has been completed, while in others, environmental studies are commencing. For all sites, there are other potentially responsible parties that may be jointly or severally liable to pay all cleanup costs.

Note 6 — Segment Data

The Company's organizational structure is based upon its three principal business segments: BD Medical ("Medical"), BD Diagnostics ("Diagnostics") and BD Biosciences ("Biosciences").

The principal product lines in the Medical segment include needles, syringes and intravenous catheters for medication delivery; prefilled IV flush syringes; syringes and pen needles for the self-injection of insulin and other drugs used in the treatment of diabetes; prefillable drug delivery devices provided to pharmaceutical companies and sold to end-users as drug/device combinations; regional anesthesia needles and trays; and sharps disposal containers.

The principal products and services in the Diagnostics segment include integrated systems for specimen collection; safety-engineered blood collection products and systems; automated blood culturing systems; molecular testing systems for sexually transmitted diseases and healthcare-associated infections; microorganism identification and drug susceptibility systems; liquid-based cytology systems for cervical cancer screening; rapid diagnostic assays and plated media.

The principal product lines in the Biosciences segment include fluorescence-activated cell sorters and analyzers; monoclonal antibodies and kits for performing cell analysis; reagent systems for life science research; cell imaging systems; laboratory products for tissue culture and fluid handling; diagnostic assays; cell culture media and supplements for biopharmaceutical manufacturing; and diagnostic assays.

The Company evaluates performance of its business segments based upon operating income. Segment operating income represents revenues reduced by product costs and operating expenses. From time to time, the Company hedges against certain forecasted sales of U.S.-produced products sold outside the United States. Gains and losses associated with these foreign currency translation hedges are reported in segment revenues based upon their proportionate share of these international sales of U.S.-produced products.

Becton, Dickinson and Company

Notes to Consolidated Financial Statements — (Continued)

Distribution of products is primarily through independent distribution channels, and directly to end-users by BD and independent sales representatives. No customer accounted for 10% or more of revenues in any of the three years presented.

	2010	2009	2008
Revenues(A)			
Medical	$ 3,796,432	$ 3,556,694	$ 3,542,712
Diagnostics	2,318,879	2,226,219	2,159,811
Biosciences	1,257,022	1,203,809	1,195,096
	$ 7,372,333	$ 6,986,722	$ 6,897,619
Segment Operating Income			
Medical	$ 1,118,319	$ 1,049,236	$ 1,004,671
Diagnostics	607,411	607,250	525,747
Biosciences	354,229	362,344	333,662
Total Segment Operating Income	2,079,959	2,018,830	1,864,080
Unallocated Expenses(B)	(418,799)	(440,239)(C)	(374,395)
Income From Continuing Operations Before Income Taxes	$ 1,661,160	$ 1,578,591	$ 1,489,685
Segment Assets			
Medical	$ 3,527,457	$ 3,706,086	$ 3,432,113
Diagnostics	2,301,586	1,998,490	1,887,261
Biosciences	1,059,774	989,299	933,105
Total Segment Assets	6,888,817	6,693,875	6,252,479
Corporate and All Other(D)	2,761,877	2,610,749	1,660,464
	$ 9,650,694	$ 9,304,624	$ 7,912,943
Capital Expenditures			
Medical	$ 368,857	$ 407,884	$ 372,616
Diagnostics	108,941	102,432	123,915
Biosciences	49,821	55,646	82,880
Corporate and All Other	9,687	19,234	16,400
	$ 537,306	$ 585,196	$ 595,811
Depreciation and Amortization			
Medical	$ 253,109	$ 243,445	$ 234,983
Diagnostics	163,392	136,690	150,202
Biosciences	72,319	73,067	75,809
Corporate and All Other	13,293	11,402	10,969
	$ 502,113	$ 464,604	$ 471,963

(A) Intersegment revenues are not material.

(B) Includes primarily interest, net; foreign exchange; corporate expenses; and share-based compensation expense.

(C) Includes charge associated with the pending settlement with the direct purchaser plaintiffs (which includes BD's distributors) in certain antitrust class actions.

(D) Includes cash and investments and corporate assets.

Revenues by Organizational Units	2010	2009	2008
BD Medical			
Medical Surgical Systems	$ 2,010,009	$ 1,889,314	$ 1,906,224
Diabetes Care	785,759	714,937	694,352
Pharmaceutical Systems	1,000,664	952,443	942,136
	$ 3,796,432	$ 3,556,694	$ 3,542,712
BD Diagnostics			
Preanalytical Systems	$ 1,197,807	$ 1,143,431	$ 1,123,528
Diagnostic Systems	1,121,072	1,082,788	1,036,283
	$ 2,318,879	$ 2,226,219	$ 2,159,811
BD Biosciences			
Cell Analysis	$ 951,238	$ 904,517	$ 900,511
Discovery Labware	305,784	299,292	294,585
	$ 1,257,022	$ 1,203,809	$ 1,195,096
	$ 7,372,333	$ 6,986,722	$ 6,897,619

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), Europe, Asia Pacific and Other, which is comprised of Latin America, Canada, and Japan.

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.

	2010	2009	2008
Revenues			
United States	$ 3,286,565	$ 3,130,165	$ 3,046,506
Europe	2,386,965	2,408,319	2,411,412
Asia Pacific	684,319	563,390	556,407
Other	1,014,484	884,848	883,294
	$ 7,372,333	$ 6,986,722	$ 6,897,619
Long-Lived Assets			
United States	$ 2,841,639	$ 2,469,952	$ 2,179,544
Europe	1,145,043	1,150,655	1,135,379
Asia Pacific	258,879	231,257	211,845
Other	617,323	537,214	509,510
Corporate	282,560	268,592	261,990
	$ 5,145,444	$ 4,657,670	$ 4,298,268

Note 7 — Share-Based Compensation

The Company grants share-based awards under the 2004 Employee and Director Equity-Based Compensation Plan ("2004 Plan"), which provides long-term incentive compensation to employees and directors consisting of: stock appreciation rights ("SARs"), stock options, performance-based restricted stock units, time-vested restricted stock units and other stock awards.

The amounts and location of compensation cost relating to share-based payments included in consolidated statements of income is as follows:

	2010	2009	2008
Cost of products sold	$ 15,128	$ 16,846	$ 19,338
Selling and administrative expense	54,423	58,920	68,677
Research and development expense	9,823	10,808	12,570
	$ 79,374	$ 86,574	$ 100,585

The associated income tax benefit recognized was $28,532, $31,307 and $36,236, respectively. Share-based compensation attributable to discontinued operations was not material.

Stock Appreciation Rights

SARs represent the right to receive, upon exercise, shares of common stock having a value equal to the difference between the market price of common stock on the date of exercise and the exercise price on the date of grant. SARs vest over a four-year period and have a ten-year term. The fair value was estimated on the date of grant using a lattice-based binomial option valuation model that uses the following weighted-average assumptions:

	2010	2009	2008
Risk-free interest rate	2.60%	2.73%	3.83%
Expected volatility	28.0%	28.0%	27.0%
Expected dividend yield	1.96%	2.11%	1.35%
Expected life	6.5 years	6.5 years	6.5 years
Fair value derived	$19.70	$16.11	$24.92

Expected volatility is based upon historical volatility for the Company's common stock and other factors. The expected life of SARs granted is derived from the output of the lattice-based model, using assumed exercise rates based on historical exercise and termination patterns, and represents the period of time that SARs granted are expected to be outstanding. The risk-free interest rate used is based upon the published U.S. Treasury yield curve in effect at the time of grant for instruments with a similar life. The dividend yield is based upon the most recently declared quarterly dividend as of the grant date. The total intrinsic value of SARs exercised during 2010, 2009, and 2008 was $2,831, $406, and $2,122, respectively. The Company issued 26,730 shares during 2010 to satisfy the SARs exercised. The actual tax benefit realized during 2010, 2009, and 2008 for tax deductions from SAR exercises totaled $1,031, $154 and $808, respectively. The total fair value of SARs vested during 2010, 2009 and 2008 was $33,640, $24,888 and $16,429, respectively.

A summary of SARs outstanding as of September 30, 2010, and changes during the year then ended is as follows:

	SARs	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Balance at October 1	6,177,554	$ 68.60		
Granted	1,988,075	75.63		
Exercised	(226,806)	63.15		
Forfeited, canceled or expired	(279,668)	72.03		
Balance at September 30	7,659,155	$ 70.46	7.38	$ 43,970
Vested and expected to vest at September 30	7,256,414	$ 70.35	7.33	$ 42,385
Exercisable at September 30	3,631,747	$ 68.37	6.34	$ 28,119

Stock options

The Company has not granted stock options since 2005. All outstanding stock option grants are fully vested and have a ten-year term.

A summary of stock options outstanding as of September 30, 2010 and changes during the year then ended is as follows:

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Balance at October 1	8,629,438	$ 36.94		
Granted	—	—		
Exercised	(2,170,608)	33.53		
Forfeited, canceled or expired	(25,682)	30.61		
Balance at September 30	6,433,148	$ 38.12	2.61	$ 231,452
Vested and expected to vest at September 30	6,433,148	$ 38.12	2.61	$ 231,452
Exercisable at September 30	6,433,148	$ 38.12	2.61	$ 231,452

Cash received from the exercising of stock options in 2010, 2009 and 2008 was $72,770, $53,019 and $122,977, respectively. The actual tax benefit realized for tax deductions from stock option exercises totaled $28,660, $16,931 and $62,230, respectively. The total intrinsic value of stock options exercised during the years 2010, 2009 and 2008 was $89,943, $53,630 and $191,627, respectively. The total fair value of stock options vested during 2010, 2009 and 2008 was $0, $6,083 and $18,951, respectively.

Performance-Based Restricted Stock Units

Performance-based restricted stock units cliff vest three years after the date of grant. These units are tied to the Company's performance against pre-established targets, including its average growth rate of consolidated revenues and average return on invested capital, over a three-year performance period. Under the Company's long-term incentive program, the actual payout under these awards may vary from zero to 200% of an employee's target payout, based on the Company's actual performance over the three-year performance period.

The fair value is based on the market price of the Company's stock on the date of grant. Compensation cost initially recognized assumes that the target payout level will be achieved and is adjusted for subsequent changes in the expected outcome of performance-related conditions.

A summary of performance-based restricted stock units outstanding as of September 30, 2010 and changes during the year then ended is as follows:

	Stock Units	Weighted Average Grant Date Fair Value
Balance at October 1	3,098,868	$ 71.40
Granted	1,021,860	75.63
Distributed	(228,912)	71.72
Forfeited or canceled	(1,012,248)	71.64
Balance at September 30(A)	2,879,568	$ 72.79
Expected to vest at September 30(B)	557,621	$ 74.81

(A) Based on 200% of target payout.

(B) Net of expected forfeited units and units in excess of the expected performance payout of 209,606 and 2,112,341, respectively.

The weighted average grant date fair value of performance-based restricted stock units granted during the years 2009 and 2008 was $62.50 and $84.33, respectively. The total fair value of performance-based restricted stock units vested during 2010, 2009 and 2008 was $24,357, $33,712 and $49,387, respectively. At September 30, 2010, the weighted average remaining vesting term of performance-based restricted stock units is 1.21 years.

Time-Vested Restricted Stock Units

Time-vested restricted stock units generally cliff vest three years after the date of grant, except for certain key executives of the Company, including the executive officers, for which such units generally vest one year following the employee's retirement. The related share-based compensation expense is recorded over the requisite service period, which is the vesting period or in the case of certain key executives is based on retirement eligibility. The fair value of all time-vested restricted stock units is based on the market value of the Company's stock on the date of grant.

A summary of time-vested restricted stock units outstanding as of September 30, 2010 and changes during the year then ended is as follows:

	Stock Units	Weighted Average Grant Date Fair Value
Balance at October 1	1,706,958	$ 69.36
Granted	633,195	75.58
Distributed	(343,648)	71.43
Forfeited or canceled	(188,210)	71.73
Balance at September 30	1,808,295	$ 70.90
Expected to vest at September 30	1,627,466	$ 70.90

The weighted average grant date fair value of time-vested restricted stock units granted during the years 2009 and 2008 was $62.96 and $84.42, respectively. The total fair value of time-vested restricted stock units vested during 2010, 2009 and 2008 was $36,675, $29,535 and $26,674, respectively. At September 30, 2010, the weighted average remaining vesting term of the time-vested restricted stock units is 1.57 years.

The amount of unrecognized compensation expense for all non-vested share-based awards as of September 30, 2010, is approximately $91,201, which is expected to be recognized over a weighted-average remaining life of approximately 2.09 years. At September 30, 2010, 10,421,478 shares were authorized for future grants under the 2004 Plan.

The Company has a policy of satisfying share-based payments through either open market purchases or shares held in treasury. At September 30, 2010, the Company has sufficient shares held in treasury to satisfy these payments in 2011.

Other Stock Plans

The Company has a Stock Award Plan, which allows for grants of common shares to certain key employees. Distribution of 25% or more of each award is deferred until after retirement or involuntary termination, upon which the deferred portion of the award is distributable in five equal annual installments. The balance of the award is distributable over five years from the grant date, subject to certain conditions. In February 2004, this plan was terminated with respect to future grants upon the adoption of the 2004 Plan. At September 30, 2010 and 2009, awards for 106,293 and 114,197 shares, respectively, were outstanding.

The Company has a Restricted Stock Plan for Non-Employee Directors which reserves for issuance of 300,000 shares of the Company's common stock. No restricted shares were issued in 2010.

The Company has a Directors' Deferral Plan, which provides a means to defer director compensation, from time to time, on a deferred stock or cash basis. As of September 30, 2010, 92,835 shares were held in trust, of which 4,390 shares represented Directors' compensation in 2010, in accordance with the provisions of the plan. Under this plan, which is unfunded, directors have an unsecured contractual commitment from the Company.

The Company also has a Deferred Compensation Plan that allows certain highly-compensated employees, including executive officers, to defer salary, annual incentive awards and certain equity-based compensation. As of September 30, 2010, 516,253 shares were issuable under this plan.

Note 8 — Benefit Plans

The Company has defined benefit pension plans covering substantially all of its employees in the United States and certain foreign locations. The Company also provides certain postretirement healthcare and life insurance benefits to qualifying domestic retirees. Postretirement healthcare and life insurance benefit plans in foreign countries are not material. The measurement date used for the Company's employee benefit plans is September 30.

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Net pension and other postretirement cost for the years ended September 30 included the following components:

	Pension Plans			Other Postretirement Benefits		
	2010	2009	2008	2010	2009	2008
Service cost	$ 72,901	$ 55,004	$ 66,440	$ 5,007	$ 3,441	$ 4,648
Interest cost	90,432	87,480	81,939	14,190	15,338	14,906
Expected return on plan assets	(99,199)	(86,819)	(97,218)	—	—	—
Amortization of prior service (credit) cost	(1,091)	(1,099)	(1,066)	4	(463)	(6,232)
Amortization of loss (gain)	41,812	17,235	8,256	3,408	(143)	3,962
Amortization of net asset	(47)	(59)	(112)	—	—	—
Settlements	—	—	602	—	—	—
	$ 104,808	$ 71,742	$ 58,841	$ 22,609	$ 18,173	$ 17,284

Net pension cost attributable to foreign plans included in the preceding table was $25,820, $24,971 and $20,072 in 2010, 2009 and 2008, respectively.

The change in benefit obligation, change in fair value of plan assets, funded status and amounts recognized in the Consolidated Balance Sheets for these plans were as follows:

	Pension Plans		Other Postretirement Benefits	
	2010	2009	2010	2009
Change in benefit obligation:				
Beginning obligation	$ 1,635,334	$ 1,272,456	$ 249,593	$ 201,246
Service cost	72,901	55,004	5,007	3,441
Interest cost	90,432	87,480	14,190	15,338
Plan amendments	60	380	(6,702)	—
Benefits paid	(101,394)	(68,791)	(25,046)	(22,913)
Actuarial loss (gain)	224,890	279,414	16,233	43,334
Other, includes translation	(10,928)	9,391	6,849	9,147
Benefit obligation at September 30	$ 1,911,295	$ 1,635,334	$ 260,124	$ 249,593
Change in fair value of plan assets:				
Beginning fair value	$ 1,209,135	$ 1,099,966	$ —	$ —
Actual return on plan assets	109,310	32,217	—	—
Employer contribution	207,775	140,316	—	—
Benefits paid	(101,394)	(68,791)	—	—
Other, includes translation	(10,978)	5,427	—	—
Plan assets at September 30	$ 1,413,848	$ 1,209,135	$ —	$ —

	Pension Plans		Other Postretirement Benefits	
	2010	2009	2010	2009
Funded Status at September 30:				
Unfunded benefit obligation	$ (497,447)	$ (426,199)	$ (260,124)	$ (249,593)
Amounts recognized in the Consolidated Balance Sheets at September 30:				
Other	$ 143	$ 4,668	$ —	$ —
Salaries, wages and related items	(6,492)	(4,967)	(17,875)	(19,597)
Long-term Employee Benefit Obligations	(491,098)	(425,900)	(242,249)	(229,996)
Net amount recognized	$ (497,447)	$ (426,199)	$ (260,124)	$ (249,593)
Amounts recognized in Accumulated other comprehensive (loss) income before income taxes at September 30:				
Net transition asset (obligation)	$ 513	$ 745	$ —	$ (118)
Prior service credit (cost)	6,530	7,447	6,699	(7)
Net actuarial loss	(843,284)	(673,734)	(67,009)	(54,133)
Net amount recognized	$ (836,241)	$ (665,542)	$ (60,310)	$ (54,258)

Foreign pension plan assets at fair value included in the preceding table were $402,298 and $375,468 at September 30, 2010 and 2009, respectively. The foreign pension plan projected benefit obligations were $560,640 and $461,321 at September 30, 2010 and 2009, respectively.

Pension plans with accumulated benefit obligations in excess of plan assets and plans with projected benefit obligations in excess of plan assets consist of the following at September 30:

	Accumulated Benefit Obligation Exceeds the Fair Value of Plan Assets		Projected Benefit Obligation Exceeds the Fair Value of Plan Assets	
	2010	2009	2010	2009
Projected benefit obligation	$ 1,669,986	$ 1,283,337	$ 1,903,939	$ 1,473,574
Accumulated benefit obligation	$ 1,410,029	$ 1,092,101		
Fair value of plan assets	$ 1,224,095	$ 885,210	$ 1,406,349	$ 1,042,707

The estimated net actuarial loss and prior service credit for pension benefits that will be amortized from Accumulated other comprehensive (loss) income into net pension costs over the next fiscal year are expected to be $(55,467) and $1,082, respectively. The estimated net actuarial loss and prior service credit for other postretirement benefits that will be amortized from Accumulated other comprehensive (loss) income into net other postretirement costs over the next fiscal year are expected to be $(4,463) and $687, respectively.

The weighted average assumptions used in determining pension plan information were as follows:

	2010	2009	2008
Net Cost			
Discount rate:			
U.S. plans(A)	5.90%	8.00%	6.35%
Foreign plans	5.63	6.03	5.32
Expected return on plan assets:			
U.S. plans	8.00	8.00	8.00
Foreign plans	6.38	6.45	6.42
Rate of compensation increase:			
U.S. plans(A)	4.50	4.50	4.50
Foreign plans	3.35	3.56	3.45
Benefit Obligation			
Discount rate:			
U.S. plans(A)	5.20	5.90	8.00
Foreign plans	4.68	5.63	5.98
Rate of compensation increase:			
U.S. plans(A)	4.50	4.50	4.50
Foreign plans	3.18	3.35	3.56

(A) Also used to determine other postretirement and postemployment benefit plan information.

At September 30, 2010 the assumed healthcare trend rates were 7.8% pre and post age 65, gradually decreasing to an ultimate rate of 4.5% beginning in 2027. At September 30, 2009 the corresponding assumed healthcare trend rates were 8% pre and post age 65, gradually decreasing to an ultimate rate of 4.5% beginning in 2027. A one percentage point increase in assumed healthcare cost trend rates in each year would increase the accumulated postretirement benefit obligation as of September 30, 2010 by $12,157 and the aggregate of the service cost and interest cost components of 2010 annual expense by $745. A one percentage point decrease in the assumed healthcare cost trend rates in each year would decrease the accumulated postretirement benefit obligation as of September 30, 2010 by $10,890 and the aggregate of the 2010 service cost and interest cost by $662.

Expected Rate of Return on Plan Assets

The expected rate of return on plan assets is based upon expectations of long-term average rates of return to be achieved by the underlying investment portfolios. In establishing this assumption, the Company considers many factors, including historical assumptions compared with actual results; benchmark data; expected returns on various plan asset classes, as well as current and expected asset allocations.

Expected Funding

The Company's funding policy for its defined benefit pension plans is to contribute amounts sufficient to meet legal funding requirements, plus any additional amounts that may be appropriate considering the funded status of the plans, tax consequences, the cash flow generated by the Company and other factors. The Company does not anticipate any significant required contributions to its pension plans in 2011.

Expected benefit payments are as follows:

	Pension Plans	Other Postretirement Benefits
2011	$ 112,311	$ 17,875
2012	83,600	18,390
2013	91,191	18,821
2014	97,859	19,302
2015	108,713	19,829
2016-2020	664,696	101,896

Expected receipts of the subsidy under the Medicare Prescription Drug Improvement and Modernization Act of 2003, which are not reflected in the expected other postretirement benefit payments included in the preceding table, are as follows: 2011, $2,410; 2012, $2,538; 2013, $2,661; 2014, $2,764; 2015, $2,829; 2016-2020, $14,622.

Investments

The Company adopted revised pension plan asset disclosure requirements, requiring entities to disclose the major categories of defined benefit and postretirement plan assets as well as the measurement of these assets in accordance with the fair value measurement framework as defined under U.S. GAAP, on September 30, 2010. The newly-adopted guidance also requires disclosures regarding how investment allocation decisions are made.

The Company's primary objective is to achieve returns sufficient to meet future benefit obligations. It seeks to generate above market returns by investing in more volatile asset classes such as equities while at the same time controlling risk with allocations to more stable asset classes like fixed income.

U.S. Plans

The Company's U.S. plans comprise 71.1% of total benefit plan investments, based on September 30, 2010 market values, and have a target asset mix of 65% equities and 35% fixed income. This mix was established based on an analysis of projected benefit payments and estimates of long-term returns, volatilities and correlations for various asset classes. The mix is reviewed periodically by the named fiduciary of the plans and is intended to provide above market returns at an acceptable level of risk over time.

The established target mix includes ranges by which the target may deviate in order to accommodate normal market fluctuations. Routine cash flows are used to bring the mix closer to target and a move outside of the acceptable ranges will signal the potential for a formal rebalancing, based on an assessment of current market conditions and transaction costs. Any tactical deviations from the established asset mix require the approval of the named fiduciary.

The U.S. plans may enter into both exchange traded and non-exchange traded derivative transactions in order to manage interest rate exposure, volatility, term structure of interest rates, and sector and currency exposures within the fixed income portfolios. The Company has established minimum credit quality standards for counterparties in such transactions.

Becton, Dickinson and Company

Notes to Consolidated Financial Statements — (Continued)

The following table provides the fair value measurements of U.S. plan assets, as well as the measurement techniques and inputs utilized to measure fair value of these assets, at September 30, 2010.

	Total U.S. Plan Asset Balances	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed Income:				
Mortgage and asset-backed securities(A)	$ 160,189	$ —	$ 160,189	$ —
Corporate bonds(B)	109,331	—	109,331	—
Government and agency-U.S.(C)	41,175	21,416	19,759	—
Government and agency-Foreign(D)	15,960	—	15,960	—
Other(E)	3,337	—	3,337	—
Equity securities(F)	631,877	396,188	235,689	—
Cash and cash equivalents(G)	42,681	42,681	—	—
Fair value of plan assets	$ 1,004,550	$ 460,285	$ 544,265	$ —

(A) Values are based upon a combination of observable prices, independent pricing services and relevant broker quotes.

(B) Values are based upon comparable securities with similar yields and credit ratings.

(C) Values of instruments classified as Level 1 are based on the closing price reported on the major market on which the investments are traded. Values of instruments classified as Level 2 are based upon quoted market prices from observable pricing sources.

(D) Values are based upon quoted market prices from observable pricing sources.

(E) Classification contains various immaterial investments and valuation varies by investment type. Values are primarily based upon quoted market prices from observable pricing sources.

(F) Values of instruments classified as Level 1 are based on the closing price reported on the major market on which the investments are traded. Values of instruments classified as Level 2 are based on the net asset value provided by the fund administrator. The net asset value is based on the value of the underlying assets owned by the fund, less its liabilities and then divided by the number of shares outstanding.

(G) Values are based upon quoted market prices or broker/dealer quotations.

The U.S. portion of fixed income assets is invested in mortgage-backed, corporate, government and agency and asset-backed instruments. Mortgage-backed securities consist of residential mortgage pass-through certificates. Corporate bonds are diversified across industry and sector and, while consisting primarily of investment grade instruments, include an allocation to high-yield debt as well. U.S. government investments consist of obligations of the U.S. Treasury and its agencies.

The non-U.S. portion of fixed income investments consists primarily of corporate bonds in developed markets but includes an allocation to emerging markets debt as well. The value of derivative instruments is not material and is included in the "Other" category provided in the table above.

Equity securities included within the plans' assets consist of publicly-traded U.S. and non-U.S. equity securities. In order to achieve appropriate diversification, these portfolios are allocated among multiple asset managers and invested across market sectors, investment styles, capitalization weights and geographic regions.

A portion of the U.S. plans' assets consists of investments in cash and cash equivalents, primarily to accommodate liquidity requirements relating to trade settlement and benefit payment activity.

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Foreign Plans

Foreign plan assets comprise 28.9% of the Company's total benefit plan assets, based on market value at September 30, 2010. Such plans have local independent fiduciary committees, with responsibility for development and oversight of investment policy, including asset allocation decisions. In making such decisions, consideration is given to local regulations, investment practices and funding rules.

The following table provides the fair value measurements of foreign plan assets, as well as the measurement techniques and inputs utilized to measure fair value of these assets, at September 30, 2010.

	Total Foreign Plan Asset Balances	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed Income:				
Corporate bonds(A)	$ 36,541	$ —	$ 36,541	$ —
Government and agency-Foreign(B)	65,561	34,387	31,174	—
Other(C)	8,797	—	8,797	—
Equity securities(D)	220,102	207,577	12,258	267
Cash and cash equivalents(E)	6,478	6,478	—	—
Real estate(F)	9,486	—	—	9,486
Insurance contracts(G)	62,333	—	89	62,244
Fair value of plan assets	$ 409,298	$ 248,442	$ 88,859	$ 71,997

(A) Values are based upon comparable securities with similar yields and credit ratings.

(B) Values of instruments classified as Level 1 are based on the closing price reported on the major market on which the investments are traded. Values of instruments classified as Level 2 are based upon quoted market prices from observable pricing sources.

(C) Values are based upon quoted market prices from observable pricing sources.

(D) Values of instruments classified as Level 1 are based on the closing price reported on the major market on which the investments are traded. Values of instruments classified as Level 2 are based on the net asset value provided by the fund administrator. The net asset value is based on the value of the underlying assets owned by the fund, less its liabilities and then divided by the number of shares outstanding.

(E) Values are based upon quoted market prices or broker/dealer quotations.

(F) Values represent the estimated fair value based on the fair value of the underlying investment value or cost, adjusted for any accumulated earnings or losses.

(G) Values approximately represent cash surrender value.

Fixed income investments include corporate and non-U.S. government securities. Equity securities included in the foreign plan assets consist of publicly-traded U.S. and non-U.S. equity securities. Real estate investments consist of investments in funds holding an interest in real properties. The foreign plans also hold a portion of assets in cash and cash equivalents, in order to accommodate liquidity requirements.

The following table summarizes the changes, for the year ended September 30, 2010, in the fair value of foreign pension assets measured using Level 3 inputs:

	Equity Securities	Real Estate	Insurance Contracts	Total Assets
Balance at September 30, 2009	$ 494	$ 8,987	$ 59,078	$ 68,559
Actual return on plan assets:				
Relating to assets held at September 30, 2010	—	558	2,075	2,633
Relating to assets sold during the period	(199)	185	—	(14)
Purchases, sales and settlements, net	7	122	—	129
Transfers in (out) from other categories	(3)	—	4,866	4,863
Exchange rate changes	(32)	(366)	(3,775)	(4,173)
Balance at September 30, 2010	$ 267	$ 9,486	$ 62,244	$ 71,997

Postemployment Benefits

The Company utilizes a service-based approach in accounting for most of its postemployment benefits. Under this approach, the costs of benefits are recognized over the eligible employees' service period. The Company has elected to delay recognition of actuarial gains and losses that result from changes in assumptions.

Postemployment benefit costs for the years ended September 30 included the following components:

	2010	2009	2008
Service cost	$ 11,409	$ 9,944	$ 11,276
Interest cost	4,379	5,435	5,643
Amortization of prior service (credit) cost	(1,697)	(1,697)	159
Amortization of loss	7,777	4,323	6,686
	$ 21,868	$ 18,005	$ 23,764

The unfunded status of the postemployment benefit plans, which are not funded, was $112,751 and $102,311 at September 30, 2010 and 2009, respectively. The amounts recognized in Accumulated other comprehensive (loss) income before income taxes for the net actuarial loss was $76,220 and $54,487 at September 30, 2010 and 2009, respectively. The estimated net actuarial loss that will be amortized from the Accumulated other comprehensive (loss) income into postemployment benefit cost over the next fiscal year is $8,793.

Savings Incentive Plan

The Company has a voluntary defined contribution plan ("Savings Incentive Plan") covering eligible employees in the United States. The Company matches contributions for eligible employees to 75% of employees' contributions, up to a maximum of 4.5% of each employee's eligible compensation. The cost of the Savings Incentive Plan was $34,097 in 2010, $36,438 in 2009 and $31,526 in 2008. The Company guarantees employees' contributions to the fixed income fund of the Savings Incentive Plan, which consists of diversified money market instruments. The amount guaranteed was $223,399 at September 30, 2010.

Note 9 — Acquisitions

HandyLab

On November 19, 2009, the Company acquired 100% of the outstanding shares of HandyLab, Inc., ("HandyLab") a company that develops and manufactures molecular diagnostic assays and automation platforms. The acquisition-date fair value of consideration transferred totaled $277,610, net of cash acquired, which consisted of the following:

Cash	$ 274,756
Settlement of preexisting relationship	2,854(A)
Total	$ 277,610

(A) The acquisition effectively settled a prepaid asset associated with a pre-existing relationship with HandyLab, as discussed in further detail below.

HandyLab has developed and commercialized a flexible automated platform ("Jaguar Plus") for performing molecular diagnostics which complements the Company's molecular diagnostics offerings, specifically in the area of healthcare-associated infections. The Company plans to place its BD GeneOhmtm molecular assays onto the HandyLab platform and market them as the new BD Maxtm System. The Company intends for this acquisition to allow further expansion of the BD molecular diagnostic menu and the achievement of revenue and cost synergies.

The acquisition was accounted for under the acquisition method of accounting for business combinations and HandyLab's results of operations were included in the Diagnostics segment's results from the acquisition date. Pro forma information was not provided as the acquisition did not have a material effect on the Company's consolidated results. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the acquisition date. These fair values are based upon the information available as of September 30, 2010 and may be adjusted should further information regarding events or circumstances existing at the acquisition date become available.

Acquired in-process research and development	$ 169,000
Deferred tax assets	23,000
Other	8,843
Total identifiable assets acquired	200,843
Deferred tax liabilities	(64,221)
Other	(6,468)
Total liabilities assumed	(70,689)
Net identifiable assets acquired	130,154
Goodwill	147,456
Net assets acquired	$ 277,610

The acquired in-process research and development assets of $169,000 consisted of two projects that were still in development at the acquisition date: Platform technology for $26,000 and Jaguar Plus technology for $143,000. The Platform technology is incorporated into an automated platform that performs molecular diagnostics on certain specimens. The Jaguar Plus technology incorporates the Platform technology as well as additional technology to perform assays or molecular tests. The fair values of these projects were determined based on the present value of projected cash flows utilizing an income approach reflecting the appropriate risk-adjusted discount rate based on the applicable technological and commercial risk of each project. During the third quarter of fiscal year 2010, the Platform technology project was completed, and, as a result, the $26,000 associated with this project was reclassified from *Other Intangibles, Net* to *Core and Developed Technology, Net* and is being amortized over the estimated useful life of 20 years.

The $147,456 of goodwill was allocated to the Diagnostics segment. The primary item that generated goodwill is the value of the Company's access to HandyLab's flexible automated platform and expected synergies. No portion of this goodwill is expected to be deductible for tax purposes. The Company recognized $2,500 of acquisition related costs that were expensed in the current period and reported in the Consolidated Statements of Income as *Selling and administrative*.

In May 2009, the Company entered into a twenty-year product development and supply agreement with HandyLab. This agreement provided the Company with access and distribution rights to HandyLab's proprietary technology. Upon executing this agreement, the Company recorded an initial payment for exclusive distribution rights over a twelve-year term. At the acquisition date, the unamortized balance of the recognized prepaid was $2,854. The Company's acquisition of HandyLab effectively settled the preexisting product development and supply agreement. Because the terms of the contract were determined to represent fair value at the acquisition date, the Company did not record any gain or loss separately from the acquisition.

Cytopeia

On May 12, 2008, the Company acquired 100% of the outstanding stock of Cytopeia, Inc., a privately-held corporation that develops and markets advanced flow cytometry cell sorting instruments. The acquisition advances the Company's position in rapidly emerging areas of cell-based research, such as cell therapy research, stem cell research, drug discovery and development, and marine biology. The acquisition was accounted for under the purchase method of accounting and the results of operations of Cytopeia were included in the Biosciences segment's results from the acquisition date. Pro forma information was not provided as the acquisition did not have a material effect on the Company's consolidated results. The purchase price was $42,914 in cash, including transaction costs. Cash assumed as of the valuation date was $1,655. The purchase price was allocated based upon the fair values of the assets and liabilities acquired per the following:

Core and developed technology	$ 20,000
Deferred tax asset	3,832
Other	3,713
Total identifiable assets acquired	27,545
Deferred tax liabilities	(7,904)
Net identifiable assets acquired	19,641
Goodwill	23,273
Net assets acquired	$ 42,914

Core and developed technology will be amortized on a straight-line basis over its estimated useful life of approximately 15 years. The primary item that generated goodwill is the value of the Company's access to new technologies and capabilities related to cell therapy research. No portion of this goodwill was deductible for tax purposes.

Note 10 — Divestitures

In May 2010, the Company signed agreements to sell certain assets of its Medical segment, including the Ophthalmic Systems unit as well as the surgical blades, critical care and extended dwell catheter product platforms of the Medical Surgical Systems unit for $270,000. On July 30, 2010, the Company completed the sale of the Ophthalmic Systems unit and the surgical blades platform. The sale of the critical care and extended dwell catheter product platforms was completed on September 30, 2010. The Company recognized a pre-tax gain on sale from all of these divestitures of $139,167. As a result of the divestitures, the Company derecognized $10,941 of goodwill, allocated based upon the relative fair values of the disposed assets. The Company expects these divestitures will enable it to focus resources and management attention on opportunities which are a preferred strategic fit with the Medical Segment's strategy, which focuses on parenteral medication delivery.

The results of operations associated with the Ophthalmic Systems unit, surgical blade platform and critical care platform are reported as discontinued operations for all periods presented in the accompanying Consolidated Statements of Income and Cash Flows and related disclosures. Subsequent cash flows that will be generated as a result of transitional activities intended to facilitate the orderly transfer of business operations are not expected to be significant. The gain on sale recognized in discontinued operations was $121,128.

The Company has agreed to perform some contract manufacturing for a defined period after the sale of the extended dwell catheter product platform. Due to the Company's significant continuing involvement in operations, the associated results of operations are reported within continuing operations. A gain on sale of $18,039 associated with this platform was recognized in *Other income (expense)*. The contract manufacturing agreement was determined to be an element of the overall sale agreement. Accordingly, the fair value of this element was determined to be $7,000 and the Company recognized this amount as a deferred gain on the sale. This deferred gain will be amortized and recognized in *Revenues* over the term of the contract manufacturing agreement.

On July 8, 2009, the Company sold certain assets and liabilities related to the elastics and thermometer components of the Home Healthcare product line of the Medical segment for $51,022. The Company recognized a pre-tax gain on sale of $18,145. Concurrent with the sale, the Company exited the remaining portion of the Home Healthcare product line. The results of operations associated with the Home Healthcare product line are reported as discontinued operations for all periods presented in the accompanying Consolidated Statements of Income and Cash Flows and related disclosures.

Results of discontinued operations for the years ended September 30 were as follows:

	2010	2009	2008
Revenues	$ 167,720	$ 230,022	$ 260,878
Income from discontinued operations before income taxes	181,973	84,233	62,433
Less income tax provision	40,703	19,975	13,191
Income from discontinued operations, net	$ 141,270	$ 64,258	$ 49,242

Note 11 — Intangible Assets

Other intangible assets at September 30 consisted of:

	2010		2009	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets				
Core and developed technology	$ 580,709	$ 269,926	$ 539,674	$ 229,684
Patents, trademarks, and other	301,883	219,735	312,430	218,531
	$ 882,592	$ 489,661	$ 852,104	$ 448,215
Unamortized intangible assets				
Acquired in-process research and development	$ 143,000		$ —	
Trademarks	2,709		2,760	
	$ 145,709		$ 2,760	

Intangible amortization expense was $48,399, $47,066 and $54,217 in 2010, 2009 and 2008, respectively. The estimated aggregate amortization expense for the fiscal years ending September 30, 2011 to 2015 are as follows: 2011 — $53,800; 2012 — $56,900; 2013 — $56,000; 2014 — $54,800; 2015 — $53,100.

Note 12 — Derivative Instruments and Hedging Activities

The Company uses derivative instruments to mitigate certain exposures. The effects these derivative instruments and hedged items have on financial position, financial performance, and cash flows are provided below.

Foreign Currency Risks and Related Strategies

The Company has foreign currency exposures throughout Europe, Asia Pacific, Canada, Japan and Latin America. From time to time, the Company may partially hedge forecasted export sales denominated in foreign currencies using forward and option contracts, generally with one-year terms. The Company's hedging program has been designed to mitigate exposures resulting from movements of the U.S. dollar, from the beginning of a reporting period, against other foreign currencies. The Company's strategy is to offset the changes in the present value of future foreign currency revenue resulting from these movements with either gains or losses in the fair value of foreign currency derivative contracts. Forward contracts were used to hedge forecasted sales in fiscal years 2010 and 2009. Currency options were used to hedge forecasted sales in fiscal year 2008. As of September 30, 2010, the Company has not entered into contracts to hedge cash flows in fiscal year 2011.

The Company designates forward contracts used to hedge these certain forecasted sales denominated in foreign currencies as cash flow hedges. Changes in the effective portion of the fair value of the Company's forward contracts that are designated and qualify as cash flow hedges (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk) are included in *Other comprehensive income (loss)* until the hedged transactions are reclassified in earnings. These changes result from the maturity of derivative instruments as well as the commencement of new derivative instruments. The changes also reflect movements in the period-end foreign exchange rates against the spot rates at the time the Company enters into any given derivative instrument contract. Once the hedged revenue transaction occurs, the gain or loss on the contract is recognized from *Accumulated other comprehensive income (loss)* to *Revenues*. The Company records the premium or discount of the forward contracts, which is included in the assessment of hedge effectiveness, to *Revenues*.

In the event the revenue transactions underlying a derivative instrument are no longer probable of occurring, accounting for the instrument under hedge accounting must be discontinued. Gains and losses previously recognized in *Other comprehensive income (loss)* must be reclassified into *Other income (expense)*. If only a portion of the revenue transaction underlying a derivative instrument is no longer probable of occurring, only the portion of the derivative relating to those revenues would no longer be eligible for hedge accounting.

Transactional currency exposures that arise from entering into transactions, generally on an intercompany basis, in non-hyperinflationary countries that are denominated in currencies other than the functional currency are mitigated primarily through the use of forward contracts and currency options. Hedges of the transactional foreign exchange exposures resulting primarily from intercompany payables and receivables are undesignated hedges. As such, the gains or losses on these instruments are recognized immediately in income. The offset of these gains or losses against the gains and losses on the underlying hedged items, as well as the hedging costs associated with the derivative instruments, are recognized in *Other income (expense)*.

The total notional amounts of the Company's outstanding foreign exchange contracts as of September 30, 2010 and September 30, 2009 were $1,776,046 and $2,601,109, respectively.

Interest Rate Risks and Related Strategies

The Company's primary interest rate exposure results from changes in short-term U.S. dollar interest rates. The Company's policy is to manage interest cost using a mix of fixed and variable rate debt. The Company periodically uses interest rate swaps to manage such exposures. Under these interest rate swaps, the Company exchanges, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated as either fair value or cash flow hedges.

For interest rate swaps designated as fair value hedges (i.e., hedges against the exposure to changes in the fair value of an asset or a liability or an identified portion thereof that is attributable to a particular risk), changes in the fair value of the interest rate swaps offset changes in the fair value of the fixed rate debt due to changes in market interest rates.

Changes in the fair value of the interest rate swaps designated as cash flow hedges (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk) are offset by amounts recorded in *Other comprehensive income (loss)*. If interest rate derivatives designated as cash flow hedges are terminated, the balance in *Accumulated other comprehensive income (loss)* attributable to those derivatives is reclassified into earnings over the remaining life of the hedged debt. The amount, related to terminated interest rate swaps, expected to be reclassified and recorded in *Interest expense* within the next 12 months is $1,248, net of tax.

As of September 30, 2010 and September 30, 2009, the total notional amounts of the Company's outstanding interest rate swaps designated as fair value hedges were $200,000 and $400,000, respectively. The current year's outstanding swap represents a fixed-to-floating rate swap agreement that was entered into to convert the interest payments on $200,000 in 4.55% notes, due April 15, 2013, from the fixed rate to a floating interest rate based on LIBOR. The Company had no outstanding interest rate swaps designated as cash flow hedges as of September 30, 2010.

Commodity Price Risks and Related Strategies

The Company also manages risks associated with certain forecasted commodity purchases by using forward contracts. In 2009, the Company entered into a commodity forward contract on ethane to manage the price risk associated with forecasted purchases of polyethylene used in the Company's manufacturing process. The contract was designated as a cash flow hedge and once the hedged commodity purchases occurred, the gain or loss on the contract was recognized from *Accumulated other comprehensive income (loss)* to *Cost of products sold*. The ethane forward contract matured in the first quarter 2010 and as such, there were no unrecognized amounts relating to this contract recorded in *Accumulated other comprehensive income (loss)* at September 30, 2010. The notional amount of the Company's commodity contracts at September 30, 2009 was 206,000 gallons of ethane.

Risk Exposures Not Hedged

The Company purchases resins, which are oil-based components used in the manufacture of certain products. While the Company has been able to hedge certain purchases of polyethylene, the Company does not currently use any hedges to manage the risk exposures related to other resins. Significant increases in world oil prices that lead to increases in resin purchase costs could impact future operating results.

Effects on Consolidated Balance Sheets

The location and amounts of derivative instrument fair values in the consolidated balance sheet are segregated below between designated, qualifying hedging instruments and ones that are not designated under for hedge accounting.

	September 30, 2010	September 30, 2009
Asset derivatives-designated for hedge accounting		
Forward exchange contracts	$ —	$ 618
Interest rate swap	8,609	1,971
Total asset derivatives-designated for hedge accounting	$ 8,609	$ 2,589
Asset derivatives-undesignated for hedge accounting		
Forward exchange contracts	$ 32,392	$ 12,575
Total asset derivatives(A)	$ 41,001	$ 15,164
Liability derivatives-designated for hedge accounting		
Forward exchange contracts	$ —	$ 70,980
Commodity forward contracts	—	6
Total liability derivatives-designated for hedge accounting	$ —	$ 70,986
Liability derivatives-undesignated for hedge accounting		
Forward exchange contracts	$ 21,265	$ 18,490
Total liability derivatives(B)	$ 21,265	$ 89,476

(A) All asset derivatives are included in *Prepaid expenses, deferred taxes and other*.

(B) All liability derivatives are included in *Accrued expenses*.

Effects on Consolidated Statements of Income

Cash flow hedges

The location and amount of gains and losses on designated derivative instruments recognized in the consolidated statement of income for the years ended September 30, consisted of:

Derivatives Accounted for as Designated Cash Flow Hedging Relationships	Gain (Loss) Recognized in OCI on Derivatives, Net of Tax 2010	2009	2008	Location of Gain (Loss) Reclassified from Accumulated OCI into Income	Gain (Loss) Reclassified from Accumulated OCI into Income 2010	2009	2008
Forward exchange contracts	$ 43,624	$ (81,410)	$ 37,786	Revenues	$ (31,471)	$ 104,858	$ —
Currency options	—	—	4,994	Revenues	—	—	(10,860)
Interest rate swaps	1,238	(641)	1,091	Interest expense	(1,996)	(1,846)	(1,760)
Commodity forward contracts	22	(22)	—	Cost of products sold	(35)	(231)	—
Total	$ 44,884	$ (82,073)	$ 43,871		$ (33,502)	$ 102,781	$ (12,620)

The Company's designated derivative instruments are perfectly effective. As such, there were no gains or losses, related to hedge ineffectiveness or amounts excluded from hedge effectiveness testing, recognized immediately in income for the years ended September 30, 2010, 2009 and 2008.

Fair value hedge

The location and amount of gains or losses on the hedged fixed rate debt attributable to changes in the market interest rates and the offsetting gain (loss) on the related interest rate swap for the years ended September 30 were as follows:

Income Statement Classification	Gain/(Loss) on Swap 2010	2009	2008	Gain/(Loss) on Borrowings 2010	2009	2008
Other income (expense)(A)	$ 6,638	$ (3,402)	$ (542)	$ (6,638)	$ 3,402	$ 542

(A) Changes in the fair value of the interest rate swap offset changes in the fair value of the fixed rate debt due to changes in market interest rates. There was no hedge ineffectiveness relating to this interest rate swap.

Undesignated hedges

The location and amount of gains and losses recognized in income on derivatives not designated for hedge accounting for the years ended September 30 were as follows:

Derivatives Not Designated as For Hedge Accounting	Location of Gain (Loss) Recognized in Income on Derivatives	Amount of Gain (Loss) Recognized in Income on Derivative 2010	2009	2008
Forward exchange contracts(B)	Other income (expense)	$ (6,606)	$ 138	$ 10,835

(B) The gains and losses on forward contracts and currency options utilized to hedge the intercompany transactional foreign exchange exposures are largely offset by gains and losses on the underlying hedged items in *Other (expense) income*.

Note 13 — Financial Instruments and Fair Value Measurements

The Company adopted newly-issued fair value measurement requirements for financial assets and liabilities on October 1, 2008 and for nonfinancial assets and liabilities on October 1, 2009. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement provisions require the categorization of assets and liabilities carried at fair value within a three-level hierarchy based upon inputs used in measuring fair value.

The fair values of financial instruments, including those not recognized on the statement of financial position at fair value, carried at September 30, 2010 and September 30, 2009 are classified in accordance with the fair value hierarchy in the tables below:

	September 30, 2010 Carrying Value	Basis of Fair Value Measurement: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Institutional money market investments	$ 277,424	$ 277,424	$ —	$ —
Forward exchange contracts	32,392	—	32,392	—
Interest rate swap	8,609	—	8,609	—
Total Assets	$ 318,425	$ 277,424	$ 41,001	$ —
Liabilities				
Forward exchange contracts	$ 21,265	$ —	$ 21,265	$ —
Long-term debt	1,495,357	—	1,790,137	—
Total Liabilities	$ 1,516,622	$ —	$ 1,811,402	$ —

	September 30, 2009 Carrying Value	Basis of Fair Value Measurement: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Institutional money market investments	$ 617,220	$ 617,220	$ —	$ —
Forward exchange contracts	13,193	—	13,193	—
Interest rate swap	1,971	—	1,971	—
Total Assets	$ 632,384	$ 617,220	$ 15,164	$ —
Liabilities				
Forward exchange contracts	$ 89,470	$ —	$ 89,470	$ —
Commodity forward contracts	6	—	6	—
Long-term debt	1,488,460	—	1,610,314	—
Total Liabilities	$ 1,577,936	$ —	$ 1,699,790	$ —

The Company's institutional money market accounts permit daily redemption and the fair values of these investments are based upon the quoted prices in active markets provided by the holding financial institutions.

The Company's remaining cash equivalents totaling $938,565 and $777,024 at September 30, 2010 and 2009, respectively. Short-term investments are held to their maturities and are carried at cost, which approximates fair value. The cash equivalents consist of liquid investments with a maturity of three months or less and the short-term investments consist of instruments with maturities greater than three months and less than one year. The Company measures the fair value of forward exchange contracts and currency options using an income approach with significant observable inputs, specifically spot currency rates, market designated forward currency prices and a discount rate. The fair value of interest rate swaps are provided by the financial institutions that are counterparties to these arrangements. The fair value of long-term debt is based upon quoted prices in active markets for similar instruments.

The Company's policy is to recognize any transfers into fair value measurement hierarchy levels and transfers out of levels at the beginning of each reporting period. There were no transfers in and out of Level 1, Level 2 or Level 3 measurements for the years ending September 30, 2010 and 2009.

Concentration of Credit Risk

The Company maintains cash deposits in excess of government-provided insurance limits. Such cash deposits are exposed to loss in the event of nonperformance by financial institutions. Substantially all of the Company's trade receivables are due from public and private entities involved in the healthcare industry. 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. However, this loss is limited to the amounts, if any, by which the obligations of the counterparty to the financial instrument contract exceed the obligations of the Company. The Company also minimizes exposure to credit risk by dealing with a diversified group of major financial institutions.

Accounts receivable balances include sales to government-owned or government-supported healthcare facilities. Because these customers are government owned or supported, we could be impacted by declines in sovereign credit ratings or by defaults in these countries. The Company continually evaluates all government receivables, particularly in Greece, Spain, Italy, and other parts of Western Europe, for potential collection risks associated with the availability of government funding and reimbursement practices.

In particular, the Company has experienced significant payment delays in Greece due to the government's current liquidity issues that have affected its ability to process payments to suppliers within Greece's national healthcare system. During the fourth quarter of fiscal year 2010, the Company accepted a settlement agreement established by Greece's government to repay all debts associated with its public hospitals' suppliers, incurred since 2005. Under the plan, suppliers will receive cash for debts incurred from 2005 through 2006 and zero-coupon bonds for debts incurred from 2007 through 2009. The outstanding balances, net of reserves related to such sales, were approximately $37,796 and $45,072 at September 30, 2010 and September 30, 2009, respectively. This concentration of credit risk is not expected to have a material adverse impact on our financial position or liquidity.

Note 14 — Debt

Short-term debt at September 30 consisted of:

	2010	2009
Loans Payable		
Domestic	$ 200,000	$ 200,000
Foreign	2,727	2,880
Current portion of long-term debt	31	200,085
	$ 202,758	$ 402,965

Domestic loans payable consist of commercial paper. Foreign loans payable consist of short-term borrowings from financial institutions. The weighted average interest rates for Short-term debt were 0.27% and 3.68% at September 30, 2010 and 2009, respectively. The Company has available a $1 billion syndicated credit facility with an expiration date in December 2012. This credit facility provides backup support for the commercial paper program and can also be used for other general corporate purposes. It includes a restrictive covenant that requires a minimum interest coverage ratio, with which the Company was in compliance at September 30, 2010. There were no borrowings outstanding under the facility at September 30, 2010. In addition, the Company had short-term foreign lines of credit pursuant to informal arrangements of approximately $215,840 at September 30, 2010, almost all of which was unused.

In May 2009, the Company issued $500,000 of 10-year 5.00% notes and $250,000 of 30-year 6.00% notes. The net proceeds from these issuances were used for the repayment of $200,000 in 7.15% notes, due October 1, 2009. A swap agreement with a notional amount of $200,000 that was used to convert the payments on the 7.15% notes from the fixed rate to a floating rate also matured on the same date as the loan.

On November 8, 2010, the Company issued $700,000 of 10-year 3.25% notes and $300,000 of 30-year 5.00% notes. The net proceeds from these issuances are expected to be used for general corporate purposes, which may include funding for working capital, capital expenditures, repurchases of the Company's common stock and acquisitions.

Long-Term Debt at September 30 consisted of:

	2010	2009
Domestic notes due through 2013 (average year-end interest rate: 1.0% — 2010; 2.1% — 2009)	$ 8,058	$ 8,079
4.55% Notes due April 15, 2013	207,992	201,128
4.90% Notes due April 15, 2018	204,710	205,232
5.00% Notes due May 15, 2019	494,196	493,678
6.00% Notes due May 15, 2039	245,351	245,293
7.00% Debentures due August 1, 2027	168,000	168,000
6.70% Debentures due August 1, 2028	167,050	167,050
	$ 1,495,357	$ 1,488,460

Long-term debt balances at September 30, 2010 and 2009 have been impacted by certain interest rate swaps that have been designated as fair value hedges, as discussed in Note 12.

The aggregate annual maturities of long-term debt during the fiscal years ending September 30, 2012 to 2015 are as follows: 2012 — $34; 2013 — $216,013; 2014 — $2; 2015 — $0.

Becton, Dickinson and Company

Notes to Consolidated Financial Statements — (Continued)

The Company capitalizes interest costs as a component of the cost of construction in progress. A summary of interest costs and payments for the years ended September 30 is as follows:

	2010	2009	2008
Charged to operations	$ 51,263	$ 40,389	$ 36,343
Capitalized	36,436	29,360	29,862
Total interest costs	$ 87,699	$ 69,749	$ 66,205
Interest paid, net of amounts capitalized	$ 58,401	$ 25,544	$ 36,222

Note 15 — Income Taxes

The provision for income taxes from continuing operations for the years ended September 30 consisted of:

	2010	2009	2008
Current:			
Federal	$ 307,236	$ 153,030	$ 262,289
State and local, including Puerto Rico	23,441	9,626	13,045
Foreign	170,218	135,931	143,330
	$ 500,895	$ 298,587	$ 418,664
Deferred:			
Domestic	$ (32,762)	$ 109,925	$ 13,481
Foreign	16,687	2,734	(20,214)
	(16,075)	112,659	(6,733)
	$ 484,820	$ 411,246	$ 411,931

The components of *Income From Continuing Operations Before Income Taxes* for the years ended September 30 consisted of:

	2010	2009	2008
Domestic, including Puerto Rico	$ 889,254	$ 890,934	$ 802,073
Foreign	771,906	687,657	687,612
	$ 1,661,160	$ 1,578,591	$ 1,489,685

Deferred tax assets and liabilities are netted on the balance sheet by separate tax jurisdictions. At September 30, 2010 and 2009, net current deferred tax assets of $217,865 and $169,505, respectively, were included in *Prepaid expenses, deferred taxes and other*. Net non-current deferred tax assets of $152,334 and $156,288, respectively, were included in *Other*. Net current deferred tax liabilities of $2,587 and $3,665, respectively, were included in *Current Liabilities - Income taxes*. Net non-current deferred tax liabilities of $21,558 and $18,191, respectively, were included in *Deferred Income Taxes and Other*. Deferred taxes are not provided on undistributed earnings of foreign subsidiaries that are indefinitely reinvested. At September 30, 2010, the cumulative amount of such undistributed earnings indefinitely reinvested outside the United States was $3.3 billion. Determining the tax liability that would arise if these earnings were remitted is not practicable. Deferred taxes are provided for earnings outside the United States when those earnings are not considered indefinitely reinvested.

The following table summarizes the gross amounts of unrecognized tax benefits without regard to reduction in tax liabilities or additions to deferred tax assets and liabilities if such unrecognized tax benefits were settled:

September 30, 2007	$ 71,782
Increase due to current year tax positions	5,411
Increase due to prior year tax positions	535
Decrease due to settlements and lapse of statute of limitations	(8,030)
September 30, 2008	$ 69,698
Increase due to current year tax positions	8,901
Increase due to prior year tax positions	1,872
Decrease due to settlements and lapse of statute of limitations	(29,924)
September 30, 2009	50,547
Increase due to current year tax positions	27,662
Increase due to prior year tax positions	25,837
Decreases due to prior year tax positions	(11,509)
Decrease due to settlements and lapse of statute of limitations	(2,473)
September 30, 2010	$ 90,064

The total amount of unrecognized tax benefits, if recognized, would favorably impact the effective tax rate. Included in the above total is approximately $7,536 of interest and penalties, of which approximately $(1,372) are reflected in the current year statement of operations. The Company includes interest and penalties associated with unrecognized tax benefits as a component of the Income tax provision on the Consolidated Statements of Income. The Company expects changes in the aggregate amount of unrecognized tax benefits that may occur within the next twelve months to be similar to the changes that occurred in the prior twelve months.

The Company conducts business and files tax returns in numerous countries and currently has tax audits in progress in a number of tax jurisdictions. The IRS has completed its audit for the tax years through 2005. For the Company's other major tax jurisdictions where it conducts business, the Company's tax years are generally open after 2004.

Deferred income taxes at September 30 consisted of:

	2010		2009	
	Assets	Liabilities	Assets	Liabilities
Compensation and benefits	$ 484,767	$ —	$ 416,849	$ —
Property and equipment	—	318,640	—	227,347
Loss and credit carryforwards	116,478	—	153,036	—
Other	293,246	173,372	241,080	185,047
	894,491	492,012	810,965	412,394
Valuation allowance	(56,425)	—	(94,634)	—
	$ 838,066	$ 492,012	$ 716,331	$ 412,394

Valuation allowances have been established for capital loss carryforwards, state deferred tax assets, net of federal tax, related to net operating losses and credits and other deferred tax assets for which the Company has determined it is more likely than not that these benefits will not be realized. At September 30, 2010, the

Company had deferred state tax assets for net state operating losses and credit carryforwards of $46,882 for which a valuation allowance of $27,999 has been established due to the uncertainty of generating sufficient taxable income in the state jurisdictions to utilize the deferred tax assets before they principally expire between 2011 and 2014.

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

	2010	2009	2008
Federal statutory tax rate	35.0%	35.0%	35.0%
State and local income taxes, net of federal tax benefit	0.9	0.6	1.5
Effect of foreign and Puerto Rico earnings and foreign tax credits	(5.3)	(7.4)	(8.4)
Effect of Research Credits and Domestic Production Activities,	(1.6)	(2.7)	(0.9)
Other, net	0.2	0.6	0.5
	29.2%	26.1%	27.7%

The approximate dollar and diluted earnings per share amounts of tax reductions related to tax holidays in various countries in which the Company does business were: 2010 — $51,300 and $0.21; 2009 — $44,800 and $0.18; and 2008 — $42,000 and $0.17. The tax holidays expire at various dates through 2023.

The Company made income tax payments, net of refunds, of $391,965 in 2010, $368,724 in 2009 and $330,709 in 2008.

Note 16 — Supplemental Financial Information

Other Income (Expense), Net

Other income (expense), net in 2010 was $497, which primarily included the gain recognized on the sale of the extended dwell catheter product platform of $18,039, equity investment income of $4,848 and income from license and other agreements of $6,063, partially offset by foreign exchange losses (inclusive of hedging costs) of $(14,756) and the write-down of investments of $(14,024).

Other income (expense), net in 2009 was $(3,850), which primarily included foreign exchange losses (inclusive of hedging costs) of $(14,973), partially offset by equity investment income of $4,542 and income from license and other agreements of $6,387.

Other income (expense), net in 2008 was $(1,484), which primarily included foreign exchange losses (inclusive of hedging costs) of $(10,303), partially offset by equity investment income of $4,642 and income from license and other agreements of $3,386.

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Notes to Consolidated Financial Statements — (Continued)

Trade Receivables, Net

Allowances for doubtful accounts and cash discounts netted against trade receivables were $46,318 and $48,509 at September 30, 2010 and 2009, respectively. The amounts recognized in 2010, 2009 and 2008 relating to these valuation accounts are provided in the following table:

	Allowance for Doubtful Accounts	Allowance for Cash Discounts	Total
Balance at September 30, 2007	$ 29,238	$ 10,412	$ 39,650
Additions charged to costs and expenses	5,405	50,055	55,460
Deductions and other	(7,934)(A)	(51,562)	(59,496)
Balance at September 30, 2008	26,709	8,905	35,614
Additions charged to costs and expenses	18,321	48,025	66,346
Deductions and other	(4,745)(A)	(48,706)	(53,451)
Balance at September 30, 2009	40,285	8,224	48,509
Additions charged to costs and expenses	6,487	31,944	38,431
Deductions and other	(6,373)(A)	(34,249)	(40,622)
Balance at September 30, 2010	$ 40,399	$ 5,919	$ 46,318

(A) Accounts written off.

Inventories

Inventories at September 30 consisted of:

	2010	2009
Materials	$ 169,268	$ 171,449
Work in process	225,878	223,094
Finished products	750,191	762,219
	$ 1,145,337	$ 1,156,762

Property, Plant and Equipment, Net

Property, Plant and Equipment, Net at September 30 consisted of:

	2010	2009
Land	$ 100,988	$ 95,818
Buildings	2,095,254	1,984,852
Machinery, equipment and fixtures	4,259,140	4,078,768
Leasehold improvements	76,680	81,891
	6,532,062	6,241,329
Less accumulated depreciation and amortization	3,431,570	3,274,700
	$ 3,100,492	$ 2,966,629

Becton, Dickinson and Company

SUPPLEMENTARY DATA (UNAUDITED)

	2010				
	1st	2nd	3rd	4th	Year
	Thousands of dollars, except per share amounts				
Revenues	$1,868,818	$1,799,409	$1,830,911	$1,873,195	$7,372,333
Gross Profit	974,494	934,917	947,477	972,262	3,829,150
Income from Continuing Operations	304,093	285,034	294,160	293,053	1,176,340
Earnings per Share(A):					
Income from Continuing Operations	1.28	1.21	1.26	1.27	5.02
Income from Discontinued Operations	0.05	0.05	0.05	0.45	0.60
Basic Earnings per Share	1.33	1.26	1.32	1.71	5.62
Income from Continuing Operations	1.25	1.18	1.23	1.24	4.90
Income from Discontinued Operations	0.05	0.05	0.05	0.44	0.59
Diluted Earnings per Share	1.30	1.24	1.29	1.68	5.49

	2009				
	1st	2nd	3rd	4th	Year
Revenues	$1,673,148	$1,683,142	$1,776,409	$1,854,023	$6,986,722
Gross Profit	897,606	875,760	937,854	963,826	3,675,046
Income from Continuing Operations	296,607	248,866	327,445	294,427	1,167,345
Earnings per Share(A):					
Income from Continuing Operations	1.22	1.04	1.36	1.23	4.85
Income from Discontinued Operations	0.06	0.05	0.06	0.10	0.27
Basic Earnings per Share	1.29	1.09	1.42	1.33	5.12
Income from Continuing Operations	1.19	1.01	1.33	1.20	4.73
Income from Discontinued Operations	0.06	0.05	0.06	0.09	0.26
Diluted Earnings per Share	1.26	1.06	1.39	1.29	4.99

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

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

None.

Item 9A. ***Controls and Procedures.***

An evaluation was conducted by BD's management, with the participation of BD's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of BD's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of September 30, 2010. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were, as of the end of the period covered by this report, effective and designed to ensure that material information relating to BD and its consolidated subsidiaries would be made known to them by others within these entities. There were no changes in BD's internal control over financial reporting during the fiscal quarter ended September 30, 2010 identified in connection with the above-referenced evaluations that has materially affected, or is reasonably likely to materially affect, the internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting and the Report of Independent Registered Public Accounting Firm are contained in Item 8, Financial Statements and Supplementary Data, and are incorporated herein by reference.

Item 9B. ***Other Information.***

Not applicable.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance.***

The information relating to directors and the Audit Committee of the BD Board of Directors required by this item will be contained under the captions "Proposal 1. Election of Directors" and "Board of Directors — Committee Membership and Function — Audit Committee" in a definitive proxy statement involving the election of directors, which the registrant will file with the SEC not later than 120 days after September 30, 2010 (the "2011 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."

Certain other information required by this item will be contained under the captions "Ownership of BD Common Stock — Section 16(a) Beneficial Ownership Reporting Compliance" and "Corporate Governance — Business Conduct and Compliance Guide" in BD's 2011 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 — Non-Management Directors' Compensation," "Compensation Discussion and Analysis," "Report of the Compensation and Benefits Committee," and "Compensation of Named Executive Officers" in BD's 2011 Proxy Statement, and such information is incorporated herein by reference.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.***

The information required by this item will be contained under the caption "Ownership of BD Common Stock" in BD's 2011 Proxy Statement, and such information is incorporated herein by reference.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence.***

The information required by this item will be contained under the caption “Corporate Governance — Director Independence; Policy Regarding Related Person Transactions” in BD’s 2011 Proxy Statement, and such information is incorporated herein by reference.

Item 14. ***Principal Accounting Fees and Services.***

The information required by this item will be contained under the caption “Proposal 2. Ratification of Selection of Independent Registered Public Accounting Firm” in BD’s 2011 Proxy Statement, and such information is incorporated herein by reference.

PART IV

Item 15. ***Exhibits, Financial Statement Schedules.***

(a) *Financial Statements*

The following consolidated financial statements of BD are included in Item 8 of this report:

- Reports of Independent Registered Public Accounting Firm
- Consolidated Statements of Income — Years ended September 30, 2010, 2009 and 2008
- Consolidated Statements of Comprehensive Income — Years ended September 30, 2010, 2009 and 2008
- Consolidated Balance Sheets — September 30, 2010 and 2009
- Consolidated Statements of Cash Flows — Years ended September 30, 2010, 2009 and 2008
- Notes to Consolidated Financial Statements

(b) *Financial Statement Schedules*

See Note 16 to the Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data.

(c) *Exhibits*

See the Exhibit Index beginning on page 85 hereof for a list of all management contracts, compensatory plans and arrangements required by this item (Exhibit Nos. 10(a)(i) through 10(o)), and all other Exhibits filed or incorporated by reference as a part of this report.

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/ Dean J. Paranicas
Dean J. Paranicas
Vice President, Corporate Secretary
and Public Policy

Dated: November 24, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on the 24th day of November, 2010 by the following persons on behalf of the registrant and in the capacities indicated.

Name	Capacity
/s/ Edward J. Ludwig **(Edward J. Ludwig)**	Chairman and Chief Executive Officer (Principal Executive Officer)
/s/ David V. Elkins **(David V. Elkins)**	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ William A. Tozzi **(William A. Tozzi)**	Senior Vice President and Controller (Principal Accounting Officer)
Basil L. Anderson*	Director
Henry P. Becton, Jr.*	Director
Edward F. DeGraan*	Director
Claire M. Fraser-Liggett*	Director
Christopher Jones*	Director
Marshall O. Larsen*	Director
Adel A.F. Mahmoud*	Director

Name	Capacity
Gary A. Mecklenburg*	Director
Cathy E. Minehan*	Director
James F. Orr*	Director
Willard J. Overlock, Jr.*	Director
Bertram L. Scott*	Director
Alfred Sommer*	Director

*By: /s/ Dean J. Paranicas
Dean J. Paranicas
Attorney-in-fact

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EXHIBIT INDEX

Exhibit Number	Description	Method of Filing
3(a)(i)	Restated Certificate of Incorporation, dated as of February 3, 2009	Incorporated by reference to Exhibit 3(a) to the registrant's Quarterly Report on Form 10-Q for the period ended December 31, 2008
3(b)	By-Laws, as amended and restated as of February 10, 2010	Incorporated by reference to Exhibit 10(o) to the registrant's Quarterly Report on Form 10-Q for the period ended December 31, 2009
4(d)	Indenture, dated as of March 1, 1997, between the registrant and The Bank of New York Mellon Trust Company, N.A. (as successor to JPMorgan Chase 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.	
10(a)	Form of Employment Agreement with executive officers relating to employment following a change of control of the registrant	Incorporated by reference to Exhibit 10(a) to the registrant's Quarterly Report on Form 10-Q for the period ended December 31, 2008
10(b)	Stock Award Plan, as amended and restated as of January 31, 2006	Incorporated by reference to Exhibit 10(a) to the registrant's Quarterly Report on Form 10-Q for the period ended December 31, 2005
10(c)	Performance Incentive Plan, as amended and restated September 23, 2008	Incorporated by reference to Exhibit 10(c) to the registrant's Current Report on Form 8-K dated September 26, 2008
10(d)(i)	Deferred Compensation and Retirement Benefit Restoration Plan, as amended and restated as of October 1, 2009	Incorporated by reference to Exhibit 10(d)(i) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2009
10(d)(ii)	1996 Directors' Deferral Plan, as amended and restated as of October 1, 2009	Incorporated by reference to Exhibit 10(d)(ii) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2009
10(e)(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(e)(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
10(f)(i)	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(f)(ii)	Amendments dated as of April 24, 2000 to the 1995 Stock Option Plan, as amended and restated January 27, 1998	Incorporated by reference to Exhibit 10(k) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2000
10(g)(i)	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(g)(ii)	Amendments dated as of April 24, 2000 to the 1998 Stock Option Plan	Incorporated by reference to Exhibit 10(l) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2000
10(h)	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

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Exhibit Number	Description	Method of Filing
10(i)	Indian addendum to the Becton, Dickinson and Company Stock Option Plans	Incorporated by reference to Exhibit 10(n) to registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1999
10(j)	China and Japan addenda to Becton, Dickinson and Company Stock Option Plans	Incorporated by reference to Exhibit 10(n)(i) to registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2002
10(k)(i)	Non-Employee Directors 2000 Stock Option Plan	Incorporated by reference to Exhibit 10(o) to the registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2000
10(k)(ii)	Amendments dated as of April 24, 2000 to the Non-Employee Directors 2000 Stock Option Plan	Incorporated by reference to Exhibit 10(o) to the registrant's Quarterly Report on Form 10-Q for period ended June 30, 2000
10(l)	2002 Stock Option Plan	Incorporated by reference to Appendix A to the registrant's Proxy Statement dated January 3, 2002
10(m)	2004 Employee and Director Equity-Based Compensation Plan, as amended and restated as of July 27, 2010	Incorporated by reference to Exhibit 10 to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2010
10(n)	Terms of Awards under 2004 Employee and Director Equity-Based Compensation Plan	Incorporated by reference to Exhibit 10(p) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2008
10(o)	Amended and Restated Aircraft Time Sharing Agreement between Becton, Dickinson and Company and Edward J. Ludwig dated as of September 21, 2006	Incorporated by reference to Exhibit 10(r) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2006
10(p)(i)	Amended and Restated Five-Year Credit Agreement, dated as of December 1, 2006 among the registrant and the banks named therein	Filed with this report
10(p)(ii)	Extension of term of Amended and Restated Five-Year Credit Agreement	Filed with this report
21	Subsidiaries of the registrant	Filed with this report
23	Consent of independent registered public accounting firm	Filed with this report
24	Power of Attorney	Filed with this report
31	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to SEC Rule 13(a)-14(a)	Filed with this report
32	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to Section 1350 of Chapter 63 of Title 18 of the U.S. Code	Filed with this report
101	The following materials from this report, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Cash Flows, and (iv) Notes to Consolidated Financial Statements, are tagged as blocks of text.	

Copies of any Exhibits not accompanying this Form 10-K are available at a charge of 10 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.

EXHIBIT 10(p)(i)

U.S. $1,000,000,000

AMENDED AND RESTATED
FIVE YEAR CREDIT AGREEMENT

Dated as of December 1, 2006

Among

BECTON, DICKINSON AND COMPANY
as Borrower

and

THE BANKS NAMED HEREIN
as Banks

CITICORP USA, INC.
as Administrative Agent

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH
as Syndication Agent

and

CITIGROUP GLOBAL MARKETS INC.
and
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH
as Joint Lead Arrangers and Joint Bookrunners

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EXHIBITS

AMENDED AND RESTATED FIVE YEAR CREDIT AGREEMENT dated as of December 1, 2006 among BECTON, DICKINSON AND COMPANY, a New Jersey corporation (the "Borrower"), the banks (the "Banks") listed on the signature pages hereof, THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH, as syndication agent, and CITICORP USA, INC. ("CUSA") as administrative agent (in such capacity, the "Administrative Agent") for the Lenders hereunder.

PRELIMINARY STATEMENTS:

(1) The Borrower is party to an Amended and Restated Five Year Credit Agreement dated as of August 13, 2004 (as amended, supplemented or otherwise modified from time to time to (but not including) the date of this Amended and Restated Five Year Credit Agreement (this "Agreement"), the "Existing Credit Agreement") with the banks, financial institutions and other institutional lenders party thereto and CUSA, as Administrative Agent for the lenders.

(2) The parties to this Agreement desire to amend the Existing Credit Agreement as set forth herein and to restate the Existing Credit Agreement in its entirety as set forth below.

(3) The Borrower has requested that the Banks make loans to it in an aggregate principal amount not exceeding $1,000,000,000 at any one time outstanding to support the Borrower's commercial paper program and for other general corporate purposes, and the Banks are prepared to make such loans upon the terms and conditions hereof. Accordingly, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"A Advance" means an advance by a Lender to the Borrower as part of an A Borrowing and refers to a Base Rate Advance or a Eurodollar Rate Advance, each of which shall be a "Type" of A Advance.

"A Borrowing" means (a) a borrowing consisting of simultaneous A Advances of the same Type having the same Interest Period and (b) other than for purposes of Sections 2.02 and 3.02, (i) the simultaneous Conversion of A Advances of one Type to A Advances of the other Type (having, in the case of Conversions into Eurodollar Rate Advances, the same Interest Period) and (ii) the simultaneous Continuation of Eurodollar Rate Advances as Eurodollar Rate Advances having the same Interest Period.

"A Note" means a promissory note of the Borrower payable to the order of any Lender, in substantially the form of Exhibit A-1 hereto, evidencing the aggregate indebtedness of the Borrower to such Lender resulting from the A Advances made by such Lender.

"Advance" means an A Advance or a B Advance.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to vote 5% or more of the voting capital stock of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of such voting capital stock, by contract or otherwise.

"Applicable Facility Fee Rate" for any Rating Level Period means the rate set forth below opposite the reference to such Rating Level Period:

Rating Level Period	Applicable Facility Fee Rate (% p.a.)
Level 1 Period	0.0450%
Level 2 Period	0.0500%
Level 3 Period	0.0600%
Level 4 Period	0.0700%
Level 5 Period	0.0800%
Level 6 Period	0.1000%

Each change in the Applicable Facility Fee Rate resulting from a Rating Level Change shall be effective on the effective date of such Rating Level Change.

"Applicable Lending Office" means, with respect to each Lender, such Lender's Domestic Lending Office in the case of a Base Rate Advance and such Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Advance and, in the case of a B Advance, the office of such Lender notified by such Lender to the Administrative Agent as its Applicable Lending Office with respect to such B Advance.

"Applicable Margin" for any A Advance for any Rating Level Period means the rate for the respective Type of A Advance set forth below opposite the reference to such Rating Level Period:

Rating Level Period	Applicable Margin (% p.a.) Base Rate Advances	Applicable Margin (% p.a.) Eurodollar Rate Advances
Level 1 Period	0.0000%	0.1050%
Level 2 Period	0.0000%	0.1500%
Level 3 Period	0.0000%	0.1900%
Level 4 Period	0.0000%	0.2300%
Level 5 Period	0.0000%	0.2700%
Level 6 Period	0.0000%	0.3500%

Each change in the Applicable Margin resulting from a Rating Level Change shall be effective (including with respect to each A Advance then outstanding) on the effective date of such Rating Level Change.

"Applicable Utilization Fee Rate" for any Rating Level Period means the rate set forth below opposite the reference to such Rating Level Period:

Rating Level Period	Applicable Utilization Fee Rate (% p.a.)
Level 1 Period	0.0500%
Level 2 Period	0.0500%
Level 3 Period	0.0500%
Level 4 Period	0.0500%
Level 5 Period	0.1000%
Level 6 Period	0.1000%

Each change in the Applicable Utilization Fee Rate resulting from a Rating Level Change shall be effective on the effective date of such Rating Level Change.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in substantially the form of Exhibit C hereto.

"B Advance" means an advance by a Lender to the Borrower as part of a B Borrowing resulting from the auction bidding procedure described in Section 2.03.

"B Borrowing" means a borrowing consisting of simultaneous B Advances from each of the Lenders whose offer to make one or more B Advances as part of such borrowing has been accepted by the Borrower under the auction bidding procedure described in Section 2.03.

"B Note" means a promissory note of the Borrower payable to the order of any Lender, in substantially the form of Exhibit A-2 hereto, evidencing the indebtedness of the Borrower to such Lender resulting from a B Advance made by such Lender.

"B Reduction" has the meaning specified in Section 2.01.

"Base Rate" means, for any period, a fluctuating interest rate per annum in effect from time to time which rate per annum shall at all times be equal to the higher of:

(a) the rate of interest announced publicly by Citibank in New York, New York from time to time as Citibank's base rate; and

(b) 1/2 of one percent per annum above the Federal Funds Rate for such period.

"Base Rate Advance" means an A Advance which bears interest as provided in Section 2.07(a)(i) or 2.07(b)(i)(x).

"Borrowing" means an A Borrowing or a B Borrowing.

"Business Day" means a day of the year on which banks are not required or authorized to close in New York City and, if the applicable Business Day relates to any Eurodollar Rate Advance, on which dealings are carried on in the London interbank market.

"Change in Control" means any of the following events:

(a) any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act, whether or not applicable, except that for purposes of this paragraph (a) such person or group shall be deemed to have "beneficial ownership" of all shares that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time) is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 promulgated pursuant to the Exchange Act), directly or indirectly, of more than 50% of the aggregate voting power of all Voting Stock of the Borrower; or

(b) during any period of 25 consecutive calendar months, a majority of the Board of Directors of the Borrower shall no longer be composed of individuals (i) who were members of said Board on the first day of such period, (ii) whose election or nomination to said Board was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of said Board or (iii) whose election or nomination to said Board was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of said Board.

"Citibank" means Citibank, N.A.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" has the meaning specified in Section 2.01.

"Commitment Termination Date" means December 1, 2011 or, if the Commitment Termination Date is extended pursuant to Section 2.05(b), the date to which such Commitment Termination Date is extended, provided in each case that if such date is not a Business Day, then the Commitment Termination Date shall be the immediately preceding Business Day.

"Consolidated Subsidiary" means, at any date, any Subsidiary of the Borrower or other entity the accounts of which would be consolidated with those of the Borrower in its consolidated financial statements if such statements were prepared as of such date.

"Continuation", "Continue" and "Continued" each refers to a continuation of Eurodollar Rate Advances from one Interest Period to the next Interest Period pursuant to Section 2.10.

"Convert", "Conversion" and "Converted" each refers to a conversion of Advances of one Type into Advances of the other Type pursuant to Section 2.09 or 2.10.

"Debt" means (a) indebtedness for borrowed money, (b) obligations evidenced by bonds, debentures, notes or other similar instruments, (c) obligations to pay the deferred purchase price of property or services, (d) obligations as lessee under leases which shall have been or should be, in accordance with GAAP, recorded as capital leases, and (e) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (a) through (d) above; provided that neither trade accounts payable arising in the ordinary course of business nor obligations in respect of insurance policies or performance or surety bonds which are not themselves guarantees of Debt (nor drafts, acceptances or similar instruments evidencing the same nor obligations in respect of letters of credit supporting the payment of the same) shall constitute Debt.

"Default" means an event that, with notice or lapse of time or both, would become an Event of Default.

"Designated Bidder" means (a) an Eligible Assignee or (b) a special purpose corporation which is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and that issues (or the parent of which issues) commercial paper rated at least P-1 by Moody's or A-1 by Standard & Poor's (or a comparable rating from a successor of either of them), that, in either case, (i) is organized under the laws of the United States or any State thereof, (ii) shall have become a party hereto pursuant to Section 8.07(d), (e) and (f), and (iii) is not otherwise a Lender.

"Designation Agreement" means a designation agreement entered into by a Lender (other than a Designated Bidder) and a Designated Bidder, and accepted by the Administrative Agent, in substantially the form of Exhibit D hereto.

"Domestic Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" in the Administrative Questionnaire of such Bank or in the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Administrative Agent.

"EBITDA" means, for any period, the sum (without duplication), for the Borrower and its Consolidated Subsidiaries (on a consolidated basis), of (a) net income for such period plus (b) to the extent deducted in determining net income for such period, the sum of (i) depreciation and amortization for such period, (ii) Interest Expense for such period and (iii) taxes for such period.

"Effective Date" means the earliest date as of which the conditions precedent to effectiveness set forth in Section 3.01 shall have been satisfied or waived.

"Eligible Assignee" means:

(a) a commercial bank organized under the laws of the United States, or any State thereof, and having total assets in excess of $1,000,000,000;

(b) a savings and loan association or savings bank organized under the laws of the United States, or any State thereof, and having total assets in excess of $500,000,000;

(c) a commercial bank organized under the laws of any other country which is a member of the OECD or has concluded special lending arrangements with the International Monetary Fund associated with its General Arrangements to Borrow or of the Cayman Islands, or a political subdivision of any such country, and having total assets in excess of $1,000,000,000, provided that such bank is acting through a branch or agency located in the United States;

(d) the central bank of any country which is a member of the OECD;

(e) a finance company, insurance company or other financial institution or fund (whether a corporation, partnership or other entity) which is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business, and having total assets in excess of $150,000,000;

(f) a Lender; and

(g) an Affiliate of a Lender;

provided that neither the Borrower nor any Affiliate of the Borrower shall qualify as an Eligible Assignee.

"Environmental Laws" means any and all present and future Federal, state, local and foreign laws, rules or regulations, and any orders or decrees, in each case as now or hereafter in effect, relating to the regulation or protection of human health, safety or the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes into the indoor or outdoor environment, including, without limitation, ambient air, soil, surface water, ground water, wetlands, land or subsurface strata, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any corporation or trade or business that is a member of any group of organizations (a) described in Section 414(b) or (c) of the Code of which the Borrower is a member and (b) solely for purposes of potential liability under Section 302(c)(11) of ERISA and Section 412(c)(11) of the Code and the lien created under Section 302(f) of ERISA and Section 412(n) of the Code, described in Section 414(m) or (o) of the Code of which the Borrower is a member.

"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Eurodollar Lending Office" in the Administrative Questionnaire of such Lender or in the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Administrative Agent.

"Eurodollar Rate" means, for any Interest Period for each Eurodollar Rate Advance, an interest rate per annum equal to the rate per annum (rounded upward to the nearest whole multiple of 1/16 of 1% per annum) appearing on Moneyline Telerate Markets Page 3750 (or any successor page) as the London interbank offered rate for deposits in U.S. dollars at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period or, if for any reason such rate is not available, the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in U.S. dollars are offered by the principal office of each of the Reference Banks in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to such Reference Bank's Eurodollar Rate Advance comprising part of the related A Borrowing and for a period equal to such Interest Period. If the Moneyline Telerate Markets Page 3750 (or any successor page) is unavailable, the Eurodollar Rate for any Interest Period for each Eurodollar Rate Advance comprising part of such related A Borrowing shall be determined by the Administrative Agent on the basis of applicable rates furnished to and received by the Administrative Agent from the Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section 2.09.

"Eurodollar Rate Advance" means an A Advance which bears interest as provided in Section 2.07(a)(ii) or 2.07(b)(i)(y).

"Eurodollar Rate Reserve Percentage" of any Lender for any Interest Period for any Eurodollar Rate Advance means the effective rate (expressed as a percentage) at which reserve requirements (including, without limitation, emergency, supplemental and other marginal reserve requirements) are imposed on such Lender during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Events of Default" has the meaning specified in Section 6.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Excluded Period" means, with respect to any additional amount payable under Section 2.12, the period ending 120 days prior to the applicable Lender's delivery of a certificate referenced in Section 2.12(a) or 2.12(b), as applicable, with respect to such additional amount.

"Existing Commitment Termination Date" has the meaning specified in Section 2.05(b).

"Existing Credit Agreement" has the meaning specified in the Preliminary Statements.

"Facility Fee" has the meaning specified in Section 2.04(a).

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"GAAP" has the meaning specified in Section 1.03.

"Interest Coverage Ratio" means, at any date of determination thereof, the ratio of (a) EBITDA for the period of four consecutive fiscal quarters most recently ended on or prior to such date to (b) Interest Expense for such period.

"Interest Expense" means, for any period, the sum (determined without duplication) of the aggregate amount of cash interest accruing during such period on the Debt of the Borrower and its Consolidated Subsidiaries (on a consolidated basis), including, without limitation, the interest portion of payments under capital lease obligations and any capitalized interest.

"Interest Period" means, with respect to any Eurodollar Rate Advance, the period beginning on the date such Eurodollar Rate Advance is made or Continued, or Converted from a Base Rate Advance, and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or six months, and subject to clause (iii) of this definition, nine or twelve months, as the Borrower may, upon notice received by the Administrative Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, select; provided, however, that:

(i) the Borrower may not select any Interest Period that ends after the Termination Date;

(ii) each Interest Period that begins on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month;

(iii) the Borrower shall not be entitled to select an Interest Period having duration of nine or twelve months unless, by 2:00 P.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, each Lender notifies the Administrative Agent that such Lender will be providing funding for such Eurodollar Rate Advance with such Interest Period (the failure of any Lender to so respond by such time being deemed for all purposes of this Agreement as an objection by such Lender to the requested duration of such Interest Period); provided that, if any or all of the Lenders object to the requested duration of such Interest Period, the duration of the Interest Period for such Eurodollar Rate Advance shall be one, two, three or six months, as specified by the Borrower as the desired alternative to an Interest Period of nine months or twelve months; and

(iv) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day.

"Lenders" means the Banks listed on the signature pages hereof, each Person that shall become a party hereto pursuant to Section 2.05, Section 8.07(a), (b) and (c) or Section 8.12, and, except when used in reference to an A Advance, an A Borrowing, an A Note, a Commitment or a related term, each Designated Bidder.

"Lien" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

"Majority Lenders" means at any time Lenders holding at least 51% of the then aggregate unpaid principal amount of the A Advances held by Lenders, or, if no such principal amount is then outstanding, Lenders having at least 51% of the Commitments.

"Material Adverse Effect" means a material adverse effect on (i) the business, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) the legality, validity or enforceability of this Agreement or any Note.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Multiemployer Plan" means a multiemployer plan defined as such in Section 3(37) of ERISA to which contributions have been made by the Borrower or any ERISA Affiliate and that is covered by Title IV of ERISA.

"Non-Extending Lender" has the meaning specified in Section 2.05(b).

"Note" means an A Note or a B Note.

"Notice of A Borrowing" has the meaning specified in Section 2.02(a).

"Notice of B Borrowing" has the meaning specified in Section 2.03(a).

"OECD" means the Organization for Economic Cooperation and Development.

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

“Person” means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

“Plan” means an employee benefit or other plan established or maintained by the Borrower or any ERISA Affiliate and that is covered by Title IV of ERISA, other than a Multiemployer Plan.

“Rated Securities” means, at any time, the long-term senior unsecured, unguaranteed debt securities of the Borrower outstanding at such time.

“Rating Level Change” means a change in the rating of the Rated Securities by either or both of Moody’s or Standard & Poor’s (other than as a result of a change in the rating system of such rating agency) that results in the change from one Rating Level Period to another, which Rating Level Change shall be effective on the date on which the relevant change in the rating of the Rated Securities is first announced by Moody’s or Standard & Poor’s, as the case may be.

“Rating Level Period” means, as of any period, the level set forth below as then in effect, as determined in accordance with the following provisions of this definition:

“Level 1 Period” means a period during which the Rated Securities are rated better than or equal to Aa2 by Moody’s or better than or equal to AA by Standard & Poor’s.

“Level 2 Period” means a period that is not a Level 1 Period during which the Rated Securities are rated better than or equal to A1 by Moody’s or better than or equal to A+ by Standard & Poor’s.

“Level 3 Period” means a period that is not a Level 1 Period or a Level 2 Period during which the Rated Securities are rated better than or equal to A2 by Moody’s or better than or equal to A by Standard & Poor’s.

“Level 4 Period” means a period that is not a Level 1 Period, a Level 2 Period or a Level 3 Period during which the Rated Securities are rated better than or equal to A3 by Moody’s or better than or equal to A- by Standard & Poor’s.

“Level 5 Period” means a period that is not a Level 1 Period, a Level 2 Period, a Level 3 Period or a Level 4 Period during which the Rated Securities are rated better than or equal to Baa1 by Moody’s or better than or equal to BBB+ by Standard & Poor’s.

“Level 6 Period” means each period other than a Level 1 Period, a Level 2 Period, a Level 3 Period, a Level 4 Period or a Level 5 Period, and shall include each period during which both Moody’s and Standard & Poor’s shall not have in effect a rating for the Rated Securities (other than because either such rating agency shall no longer be in the business of rating corporate debt obligations).

For purposes of the forgoing, (a) if only one of Moody's and Standard & Poor's shall have in effect a rating for the Rated Securities, the Rating Level Period shall be determined by reference to the available rating and (b) if the Rated Securities are rated by Moody's and Standard & Poor's with ratings that would otherwise fall within different Rating Level Periods, the applicable Rating Level Period shall be determined by the rating that results in the higher Rating Level Period except that if the lower of such ratings would result in a Rating Level Period that is more that one level below the higher of such Rating Level Periods, the Rating Level Period shall be determined by reference to the rating that is one level above the lower of such ratings.

"Reference Banks" means CUSA and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch.

"Register" has the meaning specified in Section 8.07(g).

"Reportable Event" has the meaning set forth in Title IV of ERISA.

"Standard & Poor's" means Standard & Poor's Ratings Services, presently a division of The McGraw-Hill Companies, Inc., and its successors.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership, limited liability company or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person.

"Taxes" has the meaning specified in Section 2.15.

"Termination Date" means the Commitment Termination Date or the earlier date of termination in whole of the Commitments pursuant to Section 2.05(a) or 6.01.

"Utilization Fee" has the meaning specified in Section 2.04(b).

"Voting Stock" means, at any time, the outstanding securities of the Borrower entitled to vote generally in the election of directors of the Borrower.

SECTION 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

SECTION 1.03. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles ("GAAP") as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants) with the most recent audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries delivered to the Lenders; provided that, if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any defined term or covenant to eliminate the effect of any change in generally accepted accounting principles on the operation of such defined term or covenant (or if the Administrative Agent notifies the Borrower that the Majority Lenders wish to amend such defined term or covenant for such purpose), then the Borrower's compliance with this Agreement shall be determined on the basis of generally accepted accounting principles in effect immediately before the relevant change in generally accepted accounting principles became effective, until either such notice is withdrawn or such defined term or covenant is amended in a manner satisfactory to the Borrower and the Majority Lenders.

ARTICLE II
AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01. The A Advances.

(a) Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make A Advances to the Borrower from time to time on any Business Day during the period from the date hereof until the Termination Date in an aggregate amount not to exceed at any time outstanding the amount set opposite such Lender's name on the signature pages hereof or, if such Lender has entered into any Assignment and Acceptance, set forth for such Lender in the Register, as such amount may be reduced pursuant to Section 2.05(a) (such Lender's "Commitment"), provided that the aggregate amount of the Commitments of the Lenders shall be deemed used from time to time to the extent of the aggregate amount of the B Advances then outstanding and such deemed use of the aggregate amount of the Commitments shall be deemed applied to the Lenders ratably according to their respective Commitments (such deemed use of the aggregate amount of the Commitments being a "B Reduction").

(b) Each A Borrowing (i) shall (except as otherwise provided in Sections 2.09(f) and (g)) be in an aggregate amount not less than $10,000,000 or an integral multiple of $1,000,000 in excess thereof and (ii) shall consist of A Advances of the same Type (and, if such Advances are Eurodollar Rate Advances, having the same Interest Period) made, Continued or Converted on the same day by the Lenders ratably according to their respective Commitments. Within the limits of each Lender's Commitment, the Borrower may from time to time borrow, prepay pursuant to Section 2.11(b) and reborrow under this Section 2.01.

SECTION 2.02. Making the A Advances.

(a) Each A Borrowing shall be made on notice, given not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed A Borrowing (in the case of an A Borrowing consisting of Eurodollar Rate Advances) or given not later than 11:00 A.M. (New York City time) on the Business Day of the proposed A Borrowing (in the case of an A Borrowing consisting of Base Rate Advances), by the Borrower to the Administrative Agent, which shall give to each Lender prompt notice thereof by telecopier. Each such notice of an A Borrowing (a "Notice of A Borrowing") shall be by telecopier, in substantially the form of Exhibit B-1 hereto, specifying therein the requested (i) date of such A Borrowing, (ii) Type of A Advances comprising such A Borrowing, (iii) aggregate amount of such A Borrowing, and (iv) in the case of an A Borrowing consisting of Eurodollar Rate Advances, initial Interest Period for each such A Advance. Each Lender shall, before 1:00 P.M. (New York City time) on the date of such A Borrowing, make available for the account of its Applicable Lending Office to the Administrative Agent at its address referred to in Section 8.02, in same day funds, such Lender's ratable portion of such A Borrowing. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Administrative Agent will make such funds available to the Borrower at the Administrative Agent's aforesaid address.

(b) Anything in subsection (a) above to the contrary notwithstanding, the Borrower may only select Eurodollar Rate Advances for any A Borrowing in an aggregate amount of $10,000,000 or an integral multiple of $1,000,000 in excess thereof.

(c) Each Notice of A Borrowing shall be irrevocable and binding on the Borrower. In the case of any A Borrowing which the related Notice of A Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill, on or before the date specified in such Notice of A Borrowing, the applicable conditions set forth in Article III, including, without limitation, any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the A Advance to be made by such Lender as part of such A Borrowing. The Borrower shall pay amounts owing to any Lender pursuant to this Section 2.02(c) within 30 days after receipt from such Lender of a certificate setting forth in reasonable detail the calculation of the amount such Lender is entitled to claim under this Section 2.02(c) (which certificate shall be conclusive and binding for all purposes, absent manifest error).

(d) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any A Borrowing that such Lender will not make available to the Administrative Agent such Lender's ratable portion of such A Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such A Borrowing in accordance with subsection (a) of this Section 2.02 and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Administrative Agent, such Lender and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to A Advances comprising such A Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's A Advance as part of such A Borrowing for purposes of this Agreement (and such A Advance shall be deemed to have been made by such Lender on the date on which such amount is so repaid to the Administrative Agent).

(e) The failure of any Lender to make the A Advance to be made by it as part of any A Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its A Advance on the date of such A Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the A Advance to be made by such other Lender on the date of any A Borrowing.

SECTION 2.03. The B Advances.

(a) Each Lender severally agrees that the Borrower may request B Borrowings under this Section 2.03 from time to time on any Business Day during the period from the date hereof until the date occurring 30 days prior to the Termination Date in the manner set forth below; provided that, following the making of each B Borrowing, the aggregate amount of the Advances then outstanding shall not exceed the aggregate amount of the Commitments of the Lenders (computed without regard to any B Reduction). The following procedures shall apply:

(i) The Borrower may request a B Borrowing under this Section 2.03 by delivering to the Administrative Agent, by telecopier, a notice of a B Borrowing (a "Notice of B Borrowing"), in substantially the form of Exhibit B-2 hereto, specifying the date and aggregate amount of the proposed B Borrowing, the maturity date for repayment of each B Advance to be made as part of such B Borrowing (which maturity date may not be earlier than the date occurring 30 days after the date of such B Borrowing or later than the Termination Date), the interest payment date or dates relating thereto, and any other terms to be applicable to such B Borrowing, not later than 10:00 A.M. (New York City time):

(A) at least one Business Day prior to the date of the proposed B Borrowing, if the Borrower shall specify in the Notice of B Borrowing that the rates of interest to be offered by the Lenders shall be fixed rates per annum (such Borrowing, a "Fixed Rate B Borrowing") and

(B) at least four Business Days prior to the date of the proposed B Borrowing, if the Borrower shall instead specify in the Notice of B Borrowing the basis to be used by the Lenders in determining the rates of interest to be offered by them (such Borrowing, a "Specified Basis B Borrowing").

Simultaneously with each such request, the Borrower shall pay to the Administrative Agent, for the Administrative Agent's account, a non-refundable fee in the amount heretofore agreed between the Borrower and the Administrative Agent. Promptly following the Administrative Agent's receipt of such request and the fee referred to in the preceding sentence, the Administrative Agent shall notify each Lender of such request for a B Borrowing received by it from the Borrower by sending such Lender a copy of the related Notice of B Borrowing.

(ii) Each Lender may, if, in its sole discretion, it elects to do so, irrevocably offer to make one or more B Advances to the Borrower as part of such proposed B Borrowing at a rate or rates of interest specified by such Lender in its sole discretion, by notifying the Administrative Agent (which shall give prompt notice thereof to the Borrower), before 10:00 A.M. (New York City time) (A) on the date of such proposed B Borrowing (in the case of a Fixed Rate B Borrowing) and (B) three Business Days before the date of such proposed B Borrowing (in the case of a Specified Basis B Borrowing), of the minimum amount and maximum amount of each B Advance which such Lender would be willing to make as part of such proposed B Borrowing (which amounts may, subject to the proviso to the first sentence of this Section 2.03(a), exceed such Lender's Commitment, if any), the rate or rates of interest therefor and such Lender's Applicable Lending Office with respect to such B Advance; provided that if the Administrative Agent in its capacity as a Lender shall, in its sole discretion, elect to make any such offer, it shall notify the Borrower of such offer before 9:30 A.M. (New York City time) on the date on which notice of such election is to be given to the Administrative Agent by the other Lenders. If any Lender shall elect not to make such an offer, such Lender shall so notify the Administrative Agent, before 10:00 A.M. (New York City time) on the date on which notice of such election is to be given to the Administrative Agent by the other Lenders, and such Lender shall not be obligated to, and shall not, make any B Advance as part of such B Borrowing; provided that the failure by any Lender to give such notice shall not cause such Lender to be obligated to make any B Advance as part of such proposed B Borrowing.

(iii) The Borrower shall, in turn, (A) before 11:00 A.M. (New York City time) on the date of such proposed B Borrowing (in the case of a Fixed Rate B Borrowing) and (B) before 1:00 P.M. (New York City time) three Business Days before the date of such proposed B Borrowing (in the case of a Specified Basis B Borrowing), either:

(x) cancel such B Borrowing by giving the Administrative Agent notice to that effect, or

(y) in its sole discretion, (1) accept one or more of the offers made by any Lender or Lenders pursuant to paragraph (ii) above by giving notice to the Administrative Agent of the amount of each B Advance to be made by each Lender as part of such B Borrowing (provided that (I) the amount of each such B Advance shall be equal to or greater than the minimum amount, and equal to or less than the maximum amount, notified to the Borrower by the Administrative Agent on behalf of such Lender for such B Advance pursuant to paragraph (ii) above and (II) such offers, if accepted, must be accepted in ascending order of the rates of interest specified by the offering Lenders in their respective notices delivered pursuant to paragraph (ii) above (in each case beginning with the lowest rate so offered) and, if offers are made by two or more Lenders with the same rates of interest for a greater aggregate principal amount than the amount in respect of which offers are accepted, then the principal amount of B Advances in respect of which such offers are accepted shall be allocated by the Borrower among such Lenders as nearly as possible (in integral multiples of $1,000,000) in proportion to the aggregate maximum principal amount of such offers by such Lenders), and (2) reject any remaining offers made by Lenders pursuant to paragraph (ii) above by giving the Administrative Agent notice to that effect.

(iv) If the Borrower notifies the Administrative Agent that such B Borrowing is canceled pursuant to paragraph (iii)(x) above, the Administrative Agent shall give prompt notice thereof to the Lenders and such B Borrowing shall not be made.

(v) If the Borrower accepts one or more of the offers made by any Lender or Lenders pursuant to paragraph (iii)(y) above, the Administrative Agent shall in turn promptly notify (A) each Lender that has made an offer as described in paragraph (ii) above, of the date and aggregate amount of such B Borrowing and whether or not any offer or offers made by such Lender pursuant to paragraph (ii) above have been accepted by the Borrower, (B) each Lender that is to make a B Advance as part of such B Borrowing, of the amount of each B Advance to be made by such Lender as part of such B Borrowing, and (C) each Lender that is to make a B Advance as part of such B Borrowing, upon receipt, that the Administrative Agent has received forms of documents appearing to fulfill the applicable conditions set forth in Article III. Each Lender that is to make a B Advance as part of such B Borrowing shall, before 12:00 noon (New York City time) on the date of such B Borrowing specified in the notice received from the Administrative Agent pursuant to clause (A) of the preceding sentence or any later time when such Lender shall have received notice from the Administrative Agent pursuant to clause (C) of the preceding sentence, make available for the account of its Applicable Lending Office to the Administrative Agent at its address referred to in Section 8.02 such Lender's portion of such B Borrowing, in same day funds. Upon fulfillment of the applicable conditions set forth in Article III and after receipt by the Administrative Agent of such funds, the Administrative Agent will make such funds available to the Borrower at the Administrative Agent's aforesaid address. Promptly after each B Borrowing the Administrative Agent will notify each Lender of the amount of the B Borrowing, the consequent B Reduction and the dates upon which such B Reduction commenced and will terminate.

(b) As promptly as practicable after the date of such B Borrowing, the Borrower shall execute and deliver to the Administrative Agent a B Note payable to the order of each Lender participating in such Borrowing for each of the B Advances to be made by such Lender as part of such B Borrowing, in a principal amount equal to the principal amount of the B Advance to be evidenced thereby and otherwise on such terms as were agreed to for such B Advance in accordance with this Section 2.03. The indebtedness of the Borrower resulting from each B Advance made to the Borrower as part of a B Borrowing shall be evidenced by a separate B Note of the Borrower payable to the order of the Lender making such B Advance.

(c) Each B Borrowing shall be in an aggregate amount not less than $10,000,000 or an integral multiple of $1,000,000 in excess thereof, but no B Borrowing shall be made if, following the making of such B Borrowing, the Borrower would not be in compliance with the limitation set forth in the proviso to the first sentence of subsection (a) above.

(d) Within the limits and on the conditions set forth in this Section 2.03, the Borrower may from time to time borrow under this Section 2.03, repay pursuant to subsection (e) below, and reborrow under this Section 2.03, provided that a B Borrowing shall not be made within three Business Days of the date of any other B Borrowing.

(e) The Borrower shall repay to the Administrative Agent for the account of each Lender which has made a B Advance, or each other holder of a B Note, on the maturity date of each B Advance (such maturity date being that specified by the Borrower for repayment of such B Advance in the related Notice of B Borrowing delivered pursuant to subsection (a)(i) above and provided in the B Note evidencing such B Advance), the then unpaid principal amount of such B Advance. The Borrower shall have no right to prepay any principal amount of any B Advance.

(f) The Borrower shall pay interest on the unpaid principal amount of each B Advance from the date of such B Advance to the date the principal amount of such B Advance is repaid in full, at the rate of interest for such B Advance specified by the Lender making such B Advance in its notice with respect thereto delivered pursuant to subsection (a)(ii) above, payable on the interest payment date or dates specified by the Borrower for such B Advance in the related Notice of B Borrowing delivered pursuant to subsection (a)(i) above, as provided in the B Note evidencing such B Advance.

SECTION 2.04. Certain Fees.

(a) Facility Fee. The Borrower agrees to pay to the Administrative Agent for the account of each Lender (other than the Designated Bidders) a facility fee (the "Facility Fee") on the average daily amount (whether used or unused) of such Lender's Commitment from the date on which the Borrower signs this Agreement (in the case of each Bank) and from the effective date specified in the Assignment and Acceptance pursuant to which it became a Lender (in the case of each such Lender) until the Termination Date at a rate per annum equal to the Applicable Facility Fee Rate as in effect from time to time. Accrued Facility Fee shall be paid on the last Business Day of each March, June, September and December and on the Termination Date.

(b) Utilization Fee. The Borrower agrees to pay to the Administrative Agent for the account of each Lender (other than the Designated Bidders) a utilization fee (the "Utilization Fee") on the aggregate outstanding principal amount of such Lender's Advances during any period that the aggregate outstanding principal amount of the Advances exceeds an amount equal to 50% of the aggregate amount of the Commitments, at a rate per annum equal to the Applicable Utilization Fee Rate. Accrued Utilization Fee shall be paid on each day on which a payment of interest is due under Section 2.07.

(c) Administrative Agent's Fee. The Borrower acknowledges its agreement to pay to the Administrative Agent, for the Administrative Agent's own account, an administrative agency fee at the times and in the amounts heretofore agreed between the Borrower and the Administrative Agent.

SECTION 2.05. Reduction and Extensions of the Commitments.

(a) Commitment Reductions. The Borrower shall have the right, upon at least three Business Days' notice to the Administrative Agent, to terminate in whole or reduce ratably in part the unused portions of the respective Commitments of the Lenders, provided that the aggregate amount of the Commitments of the Lenders shall not be reduced to an amount which is less than the aggregate principal amount of the Advances then outstanding, and provided further that each partial reduction shall be in an aggregate amount of $10,000,000 or an integral multiple of $1,000,000 in excess thereof. Once reduced or terminated, the Commitments may not be reinstated.

(b) Commitment Extensions.

(i) The Borrower may, by notice to the Administrative Agent (which shall promptly notify the Lenders) not more than 45 days and not less than 30 days prior to each anniversary of the Effective Date (each such anniversary, an "Anniversary Date"), request that the Lenders (other than the Designated Bidders) extend the Commitment Termination Date for an additional one-year period from the Commitment Termination Date then in effect hereunder (the "Existing Commitment Termination Date"). Each such Lender, acting in its sole discretion, shall, by notice to the Borrower and the Administrative Agent given no later than the date (herein, the "Consent Date") that is 25 days prior to such Anniversary Date (or, if such date is not a Business Day, the next succeeding Business Day), advise the Borrower and the Administrative Agent whether or not such Lender agrees to such extension; provided that each Lender that determines not to so extend the Commitment Termination Date (a 'Non-Extending Lender") shall notify the Administrative Agent (which shall notify the other Lenders) of such fact promptly after such determination (but in any event no later than the Consent Date) and any Lender that does not so advise the Borrower on or before the Consent Date shall be deemed to be a Non-Extending Lender. The election of any Lender to agree to such extension shall not obligate any other Lender to so agree. If and only if each of the Lenders (after giving effect to any substitution of Lenders in accordance with Section 8.12) has advised the Borrower and the Administrative Agent of its agreement to extend the Commitment Termination Date as aforesaid on or prior to the Consent Date, then the Commitment Termination Date shall be extended automatically, without any other action by any Person, to the date that is one year after the Existing Commitment Termination Date, provided that on the Consent Date, the representations and warranties in Section 4.01 are true and correct as of such date and no Default shall have occurred and be continuing. The Administrative Agent will promptly notify the Borrower and the Lenders of each extension of the Commitment Termination Date pursuant to this Section 2.05(b).

SECTION 2.06. Repayment of A Advances. The Borrower hereby promises to pay to the Administrative Agent for account of each Lender the entire outstanding principal amount of such Lender's A Advances, and each A Advance shall mature, on the Termination Date.

SECTION 2.07. Interest.

(a) Ordinary Interest. The Borrower shall pay interest on the unpaid principal amount of each A Advance made by each Lender, from the date of such A Advance until such principal amount shall be paid in full, at the following rates per annum:

(i) Base Rate Advances. If such A Advance is a Base Rate Advance, a rate per annum equal to the Base Rate in effect from time to time plus the Applicable Margin for Base Rate Advances as in effect from time to time, payable quarterly in arrears on the last Business Day of each March, June, September and December and on the date such Base Rate Advance shall be Converted or paid in full.

(ii) Eurodollar Rate Advances. If such A Advance is a Eurodollar Rate Advance, a rate per annum for each Interest Period for such A Advance equal to the sum of the Eurodollar Rate for such Interest Period plus the Applicable Margin for Eurodollar Rate Advances as in effect from time to time, payable on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on the day which occurs every three months after the first day of such Interest Period, and on the date such Eurodollar Rate Advance shall be Continued, Converted or paid in full.

(b) Default Interest. The Borrower shall pay interest on the unpaid principal amount of each A Advance and B Advance that is not paid when due (whether at stated maturity, by acceleration or otherwise), and on the unpaid amount of any interest, fee or other amount payable hereunder that is not paid when due, payable on demand, at a rate per annum during the period from the due date thereof to the date on which such amount is paid in full equal to:

(i) in the case of any amount of principal of such Advance:

(x) in the case of any Base Rate Advance, 2% plus the rate which would otherwise be applicable to such Advance, and

(y) in the case of any Eurodollar Rate Advance, for the balance of the then current Interest Period, 2% plus the rate which would otherwise be applicable to such Advance for such Interest Period and, thereafter, 2% plus the Base Rate as in effect from time to time, and

(ii) in the case of all other amounts, 2% plus the Base Rate as in effect from time to time.

SECTION 2.08. Additional Interest on Eurodollar Rate Advances. The Borrower shall pay to each Lender, so long as such Lender shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or the equivalent), additional interest on the unpaid principal amount of each Eurodollar Rate Advance of such Lender, from the date of such Eurodollar Rate Advance until such principal amount is paid in full, at an interest rate per annum equal at all times to the remainder obtained by subtracting (i) the Eurodollar Rate for the then-current Interest Period for such Eurodollar Rate Advance from (ii) the rate obtained by dividing such Eurodollar Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of such Lender for such Interest Period, payable on each date on which interest is payable on such Eurodollar Rate Advance. Any Lender wishing to require payment of such additional interest shall so notify the Borrower and the Administrative Agent and shall furnish to the Borrower at least five Business Days prior to each date on which interest is payable on the Eurodollar Rate Advances of such Lender a certificate (which certificate shall be conclusive and binding for all purposes, absent manifest error) setting forth the basis for such assertion and the amount to which such Lender is then entitled under this Section (which shall be consistent with such Lender's good faith estimate of the level at which the related reserves are being maintained by it).

SECTION 2.09. Interest Rate Determinations; Changes in Rating Systems.

(a) Each Reference Bank agrees to furnish to the Administrative Agent timely information for the purpose of determining each Eurodollar Rate. If any one or more of the Reference Banks shall not furnish such timely information to the Administrative Agent for the purpose of determining any such interest rate, the Administrative Agent shall determine such interest rate on the basis of timely information furnished by the remaining Reference Banks (subject to clause (c) below).

(b) The Administrative Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Administrative Agent for the purpose of Section 2.07 and the applicable rate, if any, furnished by each Reference Bank for the purpose of determining the applicable interest rate under Section 2.07(a)(ii).

(c) If Moneyline Telerate Markets Page 3750 is unavailable and fewer than two Reference Banks furnish timely information to the Administrative Agent for determining the Eurodollar Rate for any Interest Period for any Eurodollar Rate Advances,

(i) the Administrative Agent shall forthwith notify the Borrower and the Lenders that the interest rate cannot be determined for such Eurodollar Rate Advances for such Interest Period,

(ii) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and

(iii) the obligation of the Lenders to make or Continue, or to Convert A Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(d) If, with respect to any Eurodollar Rate Advances, the Majority Lenders notify the Administrative Agent that the Eurodollar Rate for any Interest Period for such Advances will not adequately reflect the cost to such Majority Lenders of making, funding or maintaining their respective Eurodollar Rate Advances for such Interest Period, the Administrative Agent shall forthwith so notify the Borrower and the Lenders, whereupon

(i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and

(ii) the obligation of the Lenders to make or Continue, or to Convert A Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower and such Lenders that the circumstances causing such suspension no longer exist.

(e) If the Borrower shall fail to select the duration of any Interest Period for any Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Administrative Agent will forthwith so notify the Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, Convert into Base Rate Advances.

(f) On the date on which the aggregate unpaid principal amount of Eurodollar Rate Advances comprising any A Borrowing shall be reduced, by payment or prepayment or otherwise, to less than $10,000,000, such A Advances shall automatically Convert into Base Rate Advances.

(g) Upon the occurrence and during the continuance of any Event of Default and upon notice from the Administrative Agent to the Borrower at the request of the Majority Lenders, (x) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (y) the obligation of the Lenders to make or Continue, or to Convert Advances into, Eurodollar Rate Advances shall be suspended.

(h) If the rating system of either Moody's or Standard & Poor's shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Administrative Agent (on behalf of the Lenders) shall negotiate in good faith to amend the references to specific ratings in this Agreement to reflect such changed rating system or the non-availability of ratings from such rating agency (provided that any such amendment to such specific ratings shall in no event be effective without the approval of the Majority Lenders).

SECTION 2.10. Voluntary Conversion and Continuation of A Advances.

(a) Optional Conversion. The Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of

Sections 2.09 and 2.13, Convert all or any portion of the outstanding A Advances of one Type comprising part of the same A Borrowing into A Advances of the other Type; provided that (i) any Conversion of Base Rate Advances into Eurodollar Rate Advances shall be in an amount not less than the minimum amount specified in Section 2.02(b) and (ii) in the case of any such Conversion of a Eurodollar Rate Advance into a Base Rate Advance on a day other than the last day of an Interest Period therefor, the Borrower shall reimburse the Lenders in respect thereof pursuant to Section 8.04(c). Each such notice of a Conversion shall, within the restrictions specified above, specify (x) the date of such Conversion, (y) the A Advances to be Converted, and (z) if such Conversion is into Eurodollar Rate Advances, the duration of the initial Interest Period for each such A Advance. Each notice of Conversion shall be irrevocable and binding on the Borrower.

(b) Continuations. The Borrower may, on any Business Day, upon notice given to the Administrative Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Continuation and subject to the provisions of Sections 2.09 and 2.13, Continue all or any portion of the outstanding Eurodollar Rate Advances comprising part of the same A Borrowing for one or more Interest Periods; provided that (i) Eurodollar Rate Advances so Continued and having the same Interest Period shall be in an amount not less than the minimum amount specified in Section 2.02(b) and (ii) in the case of any such Continuation on a day other than the last day of an Interest Period therefor, the Borrower shall reimburse the Lenders in respect thereof pursuant to Section 8.04(c). Each such notice of a Continuation shall, within the restrictions specified above, specify (x) the date of such Continuation, (y) the Eurodollar Rate Advances to be Continued and (y) the duration of the initial Interest Period (or Interest Periods) for the Eurodollar Rate Advances subject to such Continuation. Each notice of Continuation shall be irrevocable and binding on the Borrower.

SECTION 2.11. Prepayments of A Advances.

(a) The Borrower shall have no right to prepay any principal amount of any A Advances other than as provided in subsection (b) below.

(b) The Borrower may, upon at least one Business Day's notice to the Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given the Borrower shall, prepay the outstanding principal amounts of the Advances comprising part of the same A Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided, however, that (x) each partial prepayment shall be in an aggregate principal amount not less than $10,000,000 or integral multiples of $1,000,000 in excess thereof and (y) in the case of any such prepayment of a Eurodollar Rate Advance on a day other than the last day of an Interest Period therefor, the Borrower shall reimburse the Lenders in respect thereof pursuant to Section 8.04(c).

SECTION 2.12. Increased Costs.

(a) If, due to either (i) the introduction of or any change (other than any change by way of imposition or increase of reserve requirements included in the Eurodollar Rate

Reserve Percentage) in or in the interpretation of (to the extent any such introduction or change occurs after the date hereof) any law or regulation or (ii) the compliance with any guideline or request of any central bank or other governmental authority adopted or made after the date hereof (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Advances, the Borrower shall from time to time, within 30 days after delivery by such Lender to the Borrower (with a copy to the Administrative Agent) of a certificate as to the amount of (and specifying in reasonable detail the basis for) such increased cost, pay (subject to Section 2.12(c)) to the Administrative Agent for the account of such Lender the amount of the increased costs set forth in such certificate (which certificate shall be conclusive and binding for all purposes, absent manifest error); provided that, before making any such demand, each Lender agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Applicable Lending Office if the making of such a designation would avoid the need for, or reduce the amount of, such increased cost and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

(b) If any Lender (other than a Designated Bidder) determines that compliance with any law or regulation enacted or introduced after the date hereof or any guideline or request of any central bank or other governmental authority adopted or made after the date hereof (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and that the amount of such capital is increased by or based upon the existence of such Lender's commitment to lend hereunder and other commitments of this type, then, within 30 days after delivery by such Lender to the Borrower (with a copy to the Administrative Agent) of a certificate as to (and specifying in reasonable detail the basis for) the Additional Amounts (as hereinafter defined) requested by such Lender, the Borrower shall pay (subject to Section 2.12(c)) to the Administrative Agent for the account of such Lender, from time to time as specified by such Lender, the amount specified in such certificate (which certificate shall be conclusive and binding for all purposes, absent manifest error). For purposes hereof, the "Additional Amounts" that may be requested by any Lender under this Section 2.12(b) means such amounts as such Lender shall reasonably determine to be sufficient to compensate such Lender or any corporation controlling such Lender for any costs that such Lender reasonably determines are attributable to the maintenance by such Lender (or such corporation) of capital in respect of its commitments to lend hereunder (such compensation to include, without limitation, an amount equal to any reduction of the rate of return on assets or equity of such Lender (or such corporation) to a level below that which such Lender (or such corporation) could have achieved but for the enactment or introduction of such law or regulation or the adoption or making of such guideline or request).

(c) The Borrower shall not be obligated to pay any additional amounts arising pursuant to clauses (a) and (b) of this Section 2.12 that are attributable to the Excluded Period with respect to such additional amount; provided, that if an applicable law, rule, regulation, guideline or request shall be adopted or made on any date and shall be applicable to the period (a "Retroactive Period") prior to the date on which such law, rule, regulation, guideline or request is adopted or made, the limitation on the Borrower's obligations to pay such additional amounts hereunder shall not apply to the additional amounts payable in respect of such Retroactive Period.

SECTION 2.13. Illegality. Notwithstanding any other provision of this Agreement, if any Lender shall notify the Administrative Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for such Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or to fund or maintain Eurodollar Rate Advances hereunder, then, on notice thereof and demand therefor by such Lender to the Borrower through the Administrative Agent, (i) the obligation of the Lenders to make or Continue, or to Convert A Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist and (ii) the Borrower shall upon demand prepay in full all Eurodollar Rate Advances of all Lenders then outstanding, together with interest accrued thereon, unless the Borrower, within five Business Days of notice from the Administrative Agent, Converts all Eurodollar Rate Advances of all the Lenders then outstanding into Base Rate Advances in accordance with Section 2.10; provided that, before making any such demand, such Lender agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Eurodollar Lending Office if the making of such a designation would allow such Lender or its Eurodollar Lending Office to continue to perform its obligations to make Eurodollar Rate Advances or to continue to fund or maintain Eurodollar Rate Advances and would not, in the judgment of such Lender, be otherwise disadvantageous to such Lender.

SECTION 2.14. Payments and Computations.

(a) The Borrower shall make each payment hereunder and under the Notes without set-off or counterclaim not later than 11:00 A.M. (New York City time) on the day when due in U.S. dollars to the Administrative Agent at its address referred to in Section 8.02 in same day funds. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal, interest or Facility Fees ratably (other than amounts payable pursuant to Section 2.03, 2.08, 2.12, or 2.15 or 8.04(c)) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.07(c), from and after the effective date specified in such Assignment and Acceptance, the Administrative Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) All computations of interest based on Citibank's base rate shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the Eurodollar Rate or the Federal Funds Rate and of Facility Fees and Utilization Fees shall be made by the Administrative Agent, and all computations of interest pursuant to Section 2.08 shall be made by a Lender, on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or Facility Fees are payable. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(c) Whenever any payment hereunder or under the Notes would be due on a day other than a Business Day, such due date shall be extended to the next succeeding Business Day, and any such extension of such due date shall in such case be included in the computation of payment of interest or Facility Fee, as the case may be; provided, however, if such extension would cause payment of interest on or principal of Eurodollar Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

SECTION 2.15. Taxes.

(a) Any and all payments by the Borrower hereunder or under the Notes shall be made, in accordance with Section 2.14, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and the Administrative Agent, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction under the laws of which such Lender or the Administrative Agent (as the case may be) is organized or any political subdivision thereof and, in the case of each Lender, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note to any Lender or the Administrative Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.15) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or under the Notes or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or the Notes (hereinafter referred to as "Other Taxes").

(c) The Borrower will indemnify each Lender and the Administrative Agent for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes and Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.15) paid by such Lender or the Administrative Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. Such Lender will use reasonable efforts to contest such a Tax or Other Tax that is, in its opinion, incorrectly asserted. This indemnification shall be made within 30 days from the date such Lender or the Administrative Agent (as the case may be) makes written demand therefor.

(d) Within 30 days after the date of any payment of Taxes, the Borrower will furnish to the Administrative Agent, at its address referred to in Section 8.02, the original or a certified copy of a receipt evidencing payment thereof. If no Taxes are payable in respect of any payment hereunder or under the Notes, the Borrower will furnish to the Administrative Agent, at such address, if the Administrative Agent believes there is a question as to the applicability of any Taxes in the case of any payment hereunder and makes a request for such opinion, a certificate from each appropriate taxing authority, or an opinion of counsel acceptable to the Administrative Agent, in either case stating that such payment is exempt from or not subject to Taxes.

(e) Each Lender organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement (in the case of each Bank) and on the date of the Assignment and Acceptance pursuant to which it becomes a Lender (in the case of each other Lender), and from time to time thereafter if requested in writing by the Borrower (but only so long as such Lender remains lawfully able to do so), shall provide the Borrower with Internal Revenue Service form W-8ECI or W-8BEN, as appropriate, or any successor form prescribed by the Internal Revenue Service, certifying that such Lender is entitled to benefits under an income tax treaty to which the United States is a party which reduces the rate of withholding tax on payments of interest or certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States. If the form provided by a Lender at the time such Lender first becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from "Taxes" as defined in Section 2.15(a).

(f) For any period with respect to which a Lender has failed to provide the Borrower with the appropriate form described in Section 2.15(e) (other than if such failure is due to a change in law occurring subsequent to the date on which a form originally was required to be provided, or if such form otherwise is not required under the first sentence of subsection (e) above), such Lender shall not be entitled to indemnification under Section 2.15(a) with respect to Taxes imposed by the United States; provided, however, that should a Lender become subject to

Taxes because of its failure to deliver a form required hereunder, the Borrower shall take such steps as the Lender shall reasonably request to assist the Lender to recover such Taxes.

(g) Any Lender claiming any additional amounts payable pursuant to this Section 2.15 shall use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Applicable Lending Office(s) if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

(h) If a Lender or the Administrative Agent (as the case may be) shall become aware that it is entitled to claim a Refund (as hereinafter defined) from a taxing authority, such Lender or the Administrative Agent shall promptly notify the Borrower of the availability of such Refund and shall, within 30 days after receipt of a written request by the Borrower, make a claim to such taxing authority for such Refund at the Borrower's expense if, in the judgment of such Lender or the Administrative Agent (as the case may be), the making such claim will not be otherwise disadvantageous to it; provided that nothing in this Section 2.15(h) shall require any Lender or the Administrative Agent to institute any administrative, judicial or other proceeding (other than the filing of a claim for any such Refund) to obtain any such Refund. If a Lender or the Administrative Agent (as the case may be) receives a Refund from a taxing authority, it shall promptly pay to the Borrower the amount so received (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.15 with respect to the Taxes or Other Taxes giving rise to such Refund), net of all reasonable out-of-pocket expenses (including the net amount of taxes, if any, imposed on such Lender or the Administrative Agent with respect to such Refund) of such Lender or Administrative Agent, and without interest (other than interest paid by the relevant taxing authority with respect to such Refund); provided, however, that the Borrower, upon the request of such Lender or the Administrative Agent, shall repay the amount paid over to the Borrower (plus penalties, interest and other charges) to such Lender or the Administrative Agent in the event such Lender or the Administrative Agent is required to repay such Refund to such taxing authority. Nothing contained in this Section 2.15 shall require any Lender or the Administrative Agent to make available any of its tax returns (or any other information that it deems to be confidential or proprietary). For purposes of this Section 2.15(h), a "Refund" means a refund of Taxes or Other Taxes (other than any such refund in the form of a tax credit) for which a Lender or the Administrative Agent, as the case may be, has been indemnified by the Borrower (or with respect to which the Borrower has paid additional amounts) pursuant to this Section 2.15, provided that the entitlement to such refund arises solely from a manifest error in the amount of such Taxes or Other Taxes so paid.

SECTION 2.16. Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the A Advances made by it (other than pursuant to Section 2.08, 2.12, 2.15 or 8.04(c)) in excess of its ratable share of payments on account of the A Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the A Advances made by them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them, provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.16 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

ARTICLE III
CONDITIONS OF LENDING

SECTION 3.01. Condition Precedent to Effectiveness of this Agreement. The effectiveness of this Agreement is subject to the conditions precedent that the Borrower shall have notified the Administrative Agent of the proposed Effective Date and the Administrative Agent shall have received, on or prior to December 1, 2006, the following, each (unless otherwise specified below) dated the date of such effectiveness, in form and substance satisfactory to the Administrative Agent and (except for the Notes) in sufficient copies for each Lender (whereupon the Administrative Agent shall notify the Borrower and the Lenders that the Effective Date has occurred):

(a) The A Notes payable to the order of the Lenders, respectively.

(b) Certified copies of the resolutions of the Board of Directors of the Borrower approving, and authorizing the execution, delivery and performance of, this Agreement, the Notes and of all documents evidencing other necessary corporate actions and governmental approvals, if any, with respect to this Agreement and the Notes.

(c) A certificate of the Secretary or an Assistant Secretary of the Borrower certifying the Borrower's certificate of incorporation and by-laws and certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the Notes.

(d) A certificate from the Secretary of State of New Jersey dated as of a date reasonably close to the date of such effectiveness as to the good standing of and charter documents filed by the Borrower.

(e) A favorable opinion of Jeffrey S. Sherman, Esq., General Counsel of the Borrower, substantially in the form of Exhibit E hereto and as to such other matters as any Lender through the Administrative Agent may reasonably request.

(f) A favorable opinion of Shearman & Sterling LLP, special counsel for the Administrative Agent, substantially in the form of Exhibit F hereto.

(g) A certificate of a senior officer of the Borrower certifying that (i) no Default or Event of Default as of the date thereof has occurred and is continuing, and (ii) the representations and warranties contained in Section 4.01 are true and correct on and as of the date thereof as if made on and as of such date.

SECTION 3.02. Conditions Precedent to Each A Borrowing. The obligation of each Lender to make an A Advance on the occasion of each A Borrowing (including the initial A Borrowing) shall be subject to the further conditions precedent that on the date of such A Borrowing the following statements shall be true (and each of the giving of the applicable Notice of A Borrowing and the acceptance by the Borrower of the proceeds of such A Borrowing shall constitute a representation and warranty by the Borrower that on the date of such A Borrowing such statements are true):

(a) the representations and warranties contained in Section 4.01 (except for, in the case of any A Borrowing after the Effective Date, the representations and warranties set forth in Section 4.01(e)(iii) and Section 4.01(f)(i)) are true and correct on and as of the date of such A Borrowing, before and after giving effect to such A Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, and

(b) no event has occurred and is continuing, or would result from such A Borrowing or from the application of the proceeds therefrom, which constitutes a Default or an Event of Default.

SECTION 3.03. Conditions Precedent to Each B Borrowing. The obligation of each Lender which is to make a B Advance on the occasion of a B Borrowing (including the initial B Borrowing) to make such B Advance as part of such B Borrowing is subject to the conditions precedent that:

(a) the Administrative Agent shall have received the B Note payable to the order of such Lender evidencing such B Advance (to the extent that such B Note is required pursuant to Section 2.03(b) to be delivered prior to such B Borrowing), and

(b) on the date of such B Borrowing the following statements shall be true (and each of the giving of the applicable Notice of B Borrowing and the acceptance by the Borrower of the proceeds of such B Borrowing shall constitute a representation and warranty by the Borrower that on the date of such B Borrowing such statements are true):

(i) the representations and warranties contained in Section 4.01 (except for, in the case of any B Borrowing after the Effective Date, the representations and warranties set forth in Section 4.01(e)(iii) and Section 4.01(f)(i)) are true and correct on and as of the date of such B Borrowing, before and after giving effect to such B Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, and

(ii) no event has occurred and is continuing, or would result from such B Borrowing or from the application of the proceeds therefrom, which constitutes a Default or an Event of Default.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrower. The Borrower represents and warrants as follows:

(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of New Jersey and is duly qualified and in good standing under the laws of the respective states in which its principal operating facilities are located.

(b) The execution, delivery and performance by the Borrower of this Agreement and the Notes are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Borrower's charter or by-laws or (ii) law or any material contractual restriction binding on the Borrower or, to the knowledge of the Borrower, any other contractual restriction binding on the Borrower.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower of this Agreement or the Notes.

(d) This Agreement is, and the Notes when delivered hereunder will be, legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms.

(e) (i) The consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as at September 30, 2005, and the related statements of income and cash flows of the Borrower and its Consolidated Subsidiaries for the fiscal year then ended, copies of which have been furnished to each Bank, fairly present the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as at such date and the consolidated results of the operations of the Borrower and its Consolidated Subsidiaries for the fiscal year ended on such date, all in accordance with generally accepted accounting principles consistently applied.

(ii) The unaudited consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as of June 30, 2006 and the related unaudited consolidated statements of income and cash flows for the nine months then ended and set forth in the Borrower's Report on Form 10-Q for the quarter ended June 30, 2006, copies of which have been furnished to each Bank, fairly present, in conformity which generally accepted accounting principles applied on a basis consistent with the financial statements referred to in clause (i) of this paragraph (e), the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and cash flows for such nine month period (subject to normal year-end adjustments).

(iii) Since September 30, 2005, there has been no material adverse change in the business, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries, taken as a whole, as shown on the consolidated balance sheet as of such date and the related consolidated statement of net income for the fiscal year then ended.

(f) There is no pending (or, to the Borrower's knowledge, threatened) action or proceeding against the Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator, in which there is likely to be an adverse decision that (i) would have a material adverse effect on the business, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) purports to affect the legality, validity, binding effect or enforceability of this Agreement or any Note.

(g) No proceeds of any Advance will be used directly or indirectly for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System).

(h) The Borrower and its Subsidiaries have filed (or have obtained extensions of the time by which they are required to file) all United States Federal income tax returns and all other material tax returns required to be filed by them and have paid all taxes shown due on the returns so filed as well as all other material taxes, assessments and governmental charges which have become due, except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided.

(i) Each Plan, and, to the knowledge of the Borrower, each Multiemployer Plan, is in compliance in all material respects with, and has been administered in all material respects in compliance with, the applicable provisions of ERISA, the Code and any other Federal or State law. Without limiting the foregoing, neither the Borrower nor any of its Subsidiaries has incurred any liability, other than premiums payable in the ordinary course of business, to the PBGC established under ERISA in connection with any Plan or Multiemployer Plan.

(j) The Borrower is not an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

ARTICLE V
COVENANTS OF THE BORROWER

SECTION 5.01. Affirmative Covenants. So long as any Note shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower covenants and agrees that, unless the Majority Lenders shall otherwise consent in writing:

(a) Corporate Existence, Compliance with Laws, Etc. The Borrower will maintain its corporate existence and comply, and cause each Subsidiary to comply, with all applicable laws, statutes, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA and applicable Environmental Laws, except for any non-compliance which would not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

(b) Taxes, Charges, Etc. The Borrower will, and will cause each of its Subsidiaries to, pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges imposed upon it or any of its Subsidiaries and its and their properties, or any part thereof or upon the income or profits therefrom, as well as all claims for labor, materials or supplies which if unpaid might by law become a Lien or charge upon any property of the Borrower or any such Subsidiary, except such items as are being in good faith appropriately contested by the Borrower or any of its Subsidiaries and as to which appropriate reserves are being maintained and except for such items the non-payment of which would not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

(c) Performance of Material Obligations. The Borrower will, and will cause each of its Subsidiaries to, perform and observe each contractual, legal and other obligation binding upon the Borrower or such Subsidiary, as the case may be, except where the failure to do so would not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

(d) Books and Records; Inspection. The Borrower will, and will cause each of its Subsidiaries to, keep adequate records and books of account, in which complete entries will be made in accordance with generally accepted accounting principles applicable to the Borrower and to permit representatives of any Lender or the Administrative Agent, during normal business hours, to examine, copy and make extracts from its books and records, to inspect any of its properties, and to discuss its business and affairs with its officers, all to the extent reasonably requested by such Lender or the Administrative Agent (as the case may be).

(e) Property. The Borrower will maintain, preserve and keep its own and will cause its Subsidiaries to keep their principal plants and properties and every part thereof in good repair, working order and condition and from time to time make all needful and proper repairs, renewals, replacements, additions, betterments and improvements thereto so that at all times the efficiency thereof shall be fully preserved and maintained, except in each case when the failure to do so would not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

(f) Insurance. The Borrower will, and will cause each of its Subsidiaries to, maintain insurance with financially sound and reputable insurance companies, and with respect to property and risks of a character usually maintained by corporations engaged in the same or similar business similarly situated, against loss, damage and liability of the kinds and in the amounts customarily maintained by such corporations.

(g) Reporting Requirements. The Borrower will furnish to the Lenders:

(i) as soon as available and in any event within 50 days after the end of each of the first three quarters of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such quarter and consolidated statements of income and cash flows of the Borrower and its Consolidated Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, certified by the chief financial officer of the Borrower;

(ii) as soon as available and in any event within 100 days after the end of each fiscal year of the Borrower, a copy of the annual report for such year for the Borrower and its Consolidated Subsidiaries, containing consolidated financial statements for such year certified in a manner acceptable to the Securities and Exchange Commission by Ernst & Young, L.L.P. or other independent public accountants acceptable to the Majority Lenders;

(iii) as soon as possible and in any event within five days after the occurrence of each Default and each Event of Default continuing on the date of such statement, a statement of the chief financial officer of the Borrower setting forth details of such Default or Event of Default and the action which the Borrower has taken and proposes to take with respect thereto;

(iv) promptly after the sending or filing thereof, copies of all reports which the Borrower sends to its security holders generally, and copies of all reports and registration statements which the Borrower or any Subsidiary of the Borrower files with the Securities and Exchange Commission or any national securities exchange;

(v) such other information respecting the condition or operations, financial or otherwise, of the Borrower or any of its Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request; and

(vi) together with the financial statements delivered pursuant to clauses (i) and (ii) above, a certificate of the Chief Financial Officer, Treasurer or Assistant Treasurer of the Borrower, in form and substance satisfactory to the Administrative Agent, setting forth calculations demonstrating compliance with the covenant set forth in Section 5.01(i).

Reports and financial statements required to be delivered by the Borrower pursuant to paragraphs (i), (ii) and (iv) of this Section 5.01(g) shall be deemed to have been delivered on the date on which it posts such reports, or reports containing such financial statements, on its website on the Internet at www.bd.com or when such reports, or reports containing such financial statements are posted on the SEC's website at www.sec.gov; provided that it shall deliver paper copies of the reports and financial statements referred to in paragraphs (i), (ii) and (iv) of this Section 5.01(g) to the Administrative Agent or any Lender who requests it to deliver such paper copies until written notice to cease delivering paper copies is given by the Administrative Agent or such Lender; and provided further that in every instance it shall provide paper copies of the certificate required by subsection (vi) to the Administrative Agent and each of the Lenders until such time as the Administrative Agent shall provide it written notice otherwise.

(h) Use of Proceeds. The Borrower will use the proceeds of the Advances hereunder to support the Borrower's commercial paper program and for other general corporate purposes (in each case in compliance with all applicable legal and regulatory requirements); provided that neither the Administrative Agent nor any Lender shall have any responsibility as to the use of any such proceeds.

(i) Interest Coverage Ratio. The Borrower will maintain at all times an Interest Coverage Ratio of not less than 5 to 1.

SECTION 5.02. Negative Covenants. So long as any Note shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower covenants and agrees that, without the written consent of the Majority Lenders:

(a) Liens. The Borrower will not, and will not permit any of its Subsidiaries to, at any time create, assume or suffer to exist any Lien upon or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, in each case to secure or provide for the payment of any Debt of any Person, other than:

(i) Liens existing on assets of any Person at the time such Person becomes a Subsidiary of the Borrower and not created in contemplation of such event;

(ii) Liens on assets securing Debt of the Borrower or any Subsidiary of the Borrower incurred or assumed for the purpose of financing all or any part of the cost of acquiring such assets, provided that such Lien attaches to such assets concurrently with or within 90 days after the acquisition thereof;

(iii) Liens on assets of any Person existing at the time such Person is merged or consolidated with or into the Borrower or a Subsidiary of the Borrower and not created in contemplation of such event;

(iv) Liens existing on assets prior to the acquisition thereof by the Borrower or a Subsidiary of the Borrower and not created in contemplation of such acquisition;

(v) Liens covering the land and building in Fukushima, Japan of Nippon Becton Dickinson KK (a wholly owned, indirect Subsidiary of the Borrower), securing debt of approximately ¥90,000,000;

(vi) Liens arising out of the refinancing, extension, renewal or refunding of any Debt of the Borrower or any Subsidiary of the Borrower secured by any Lien permitted by any of the foregoing clauses of this Section 5.02(a), provided that such Debt is not increased and is not secured by any additional assets; and

(vii) additional Liens created after the date hereof, provided that the aggregate principal amount of Debt secured thereby and incurred on and after the date hereof shall not exceed $50,000,000 in the aggregate at any one time outstanding.

(b) Mergers, Etc. The Borrower will not merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of the assets (whether now owned or hereafter acquired) of the Borrower and its Subsidiaries (taken as a whole) to any Person, except that the Borrower may merge or consolidate with or into any other Person so long as (x) immediately after giving effect to such transaction, no Default or Event of Default would exist and (y) the Borrower is the surviving corporation.

(c) Transactions with Affiliates. Except as expressly permitted by this Agreement, the Borrower will not, nor will it permit any of its Subsidiaries to, directly or indirectly, make any investment in an Affiliate, transfer, sell, lease, assign or otherwise dispose of any property to an Affiliate, merge into or consolidate with or purchase or acquire property from an Affiliate or enter into any other transaction directly or indirectly with or for the benefit of an Affiliate (including, without limitation, guarantees and assumptions of obligations of an Affiliate); provided that:

(i) any Affiliate who is an individual may serve as a director, officer or employee of the Borrower or any of its Subsidiaries and receive reasonable compensation for his or her services in such capacity;

(ii) the Borrower and its Subsidiaries may enter into transactions with Affiliates if the monetary or business consideration arising therefrom would be substantially as advantageous to the Borrower and its Subsidiaries as the monetary or business consideration that would obtain in a comparable transaction with a Person not an Affiliate; and

(iii) the foregoing provisions of this Section 5.02(c) shall not prohibit (x) the Borrower or any Subsidiary from declaring or paying any lawful dividend or other payment ratably in respect to all of its capital stock of the relevant class or (y) transactions between or among the Borrower and its Subsidiaries not involving any other Affiliates.

(d) Change in Nature of Business. The Borrower will not make any material change in the nature of the business of the Borrower and its Subsidiaries taken as a whole as carried on at the date hereof.

ARTICLE VI
EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Advance when the same becomes due and payable; or the Borrower shall fail to pay any interest on any Advance or any fee or other amount payable hereunder or under the Notes when due and such failure remains unremedied for three Business Days; or

(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(g)(iii), 5.01(i) or 5.02; or (ii) the Borrower shall fail to perform or observe any other term or covenant of this Agreement on its part to be performed or observed, and such failure remains unremedied for 30 days after notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or

(d) The Borrower or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any other Debt of the Borrower or such Subsidiary which is outstanding in a principal amount of at least $25,000,000 in the aggregate when the same becomes due and payable (whether at scheduled maturity, by required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), redeemed, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or

(e) The Borrower or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against the Borrower or any of its Subsidiaries, such proceeding shall remain undismissed or unstayed for a period of 60 days; or the Borrower or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) Any judgment or order for the payment of money in excess of $25,000,000 shall be rendered against the Borrower or any of its Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order and such proceedings shall not have been stayed or (ii) there shall be any period of 10 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(g) A Change in Control shall occur; or

(h) The Borrower shall incur or in the opinion of the Majority Lenders shall be reasonably likely to incur a liability to a Plan, a Multiemployer Plan or PBGC (or any combination of the foregoing) that, in the determination of the Majority Lenders, would (either individually or in the aggregate) materially adversely affect the business, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries (taken as a whole);

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare the Notes, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Notes, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, however, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (A) the obligation of each Lender to make Advances shall automatically be terminated and (B) the Notes, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

ARTICLE VII
THE ADMINISTRATIVE AGENT

SECTION 7.01. Authorization and Action. Each Lender hereby appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the Notes), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions shall be binding upon all Lenders and all holders of Notes; provided, however, that the Administrative Agent shall not be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to this Agreement or applicable law. The Administrative Agent agrees to give to each Lender prompt notice of each notice given to it by the Borrower pursuant to the terms of this Agreement.

SECTION 7.02. Administrative Agent's Reliance, Etc.. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Administrative Agent: (i) may treat the payee of any Note as the holder thereof until the Administrative Agent receives and accepts an Assignment and Acceptance entered into by the Lender which is the payee of such Note, as assignor, and an Eligible Assignee, as assignee, as provided in Section 8.07; (ii) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of the Borrower or to inspect the property (including the books and records) of the Borrower or any of its Subsidiaries; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; and (vi) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopier) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 7.03. CUSA and Affiliates. With respect to its Commitment, the Advances made by it and the Notes issued to it, CUSA shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Administrative Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include CUSA in its individual capacity. CUSA and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, the Borrower, any of its Subsidiaries and any Person who may do business with or own securities of the Borrower or any such Subsidiary, all as if CUSA were not the Administrative Agent and without any duty to account therefor to the Lenders. The Administrative Agent shall have no duty to disclose any information obtained or received by it or any of its Affiliates relating to the Borrower or any of its Subsidiaries to the extent such information was obtained or received in any capacity other than as Administrative Agent.

SECTION 7.04. Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 7.05. Indemnification. The Lenders agree to indemnify the Administrative Agent (to the extent not reimbursed by the Borrower), ratably according to the respective principal amounts of the A Advances then owed to them (or if no A Advances are at the time outstanding, ratably according to the respective amounts of their Commitments), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Administrative Agent under this Agreement, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent’s gross negligence or willful misconduct. Without limiting the foregoing, each Lender agrees to reimburse the Administrative Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Administrative Agent is not reimbursed for such expenses by the Borrower.

SECTION 7.06. Successor Administrative Agent. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower and may be removed at any time with or without cause by the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Administrative Agent that, unless a Default or Event of Default shall have occurred and then be continuing, is reasonably acceptable to the Borrower. If no successor Administrative Agent shall have been so appointed by the Majority Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent’s giving of notice of resignation or the Majority Lenders’ removal of the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a commercial bank organized under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least $50,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent’s resignation or removal hereunder as Administrative Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

ARTICLE VIII
MISCELLANEOUS

SECTION 8.01. Amendments, Etc.. No amendment or waiver of any provision of this Agreement or the A Notes, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Lenders (other than the Designated Bidders), do any of the following: (a) waive any of the conditions specified in Section 3.01, (b) increase the Commitments of such Lenders (it being understood that amendments or waivers of conditions precedent, representations, covenants, Defaults or Events of Default shall not constitute an increase in the Commitment of any Lender) or subject such Lenders to any additional obligations, (c) reduce the principal of, or interest on, the A Notes or any fees or other amounts payable hereunder, (d) postpone any date fixed for any payment of principal of, or interest on, the A Notes or any fees or other amounts payable hereunder, (e) change the percentage of the Commitments or of the aggregate unpaid principal amount of the A Notes, or the number of Lenders, which shall be required for the Lenders or any of them to take any action hereunder or (f) amend this Section 8.01; provided further that no amendment, waiver or consent shall, unless in writing and signed by each Lender holding a B Note at such time, (1) reduce the principal of, or interest on, such B Note or any fees or other amounts payable hereunder or thereunder with respect thereto, (2) postpone any date fixed for any payment of principal of, or interest on, such B Note or any fees or other amounts payable hereunder or thereunder with respect thereto, or (3) subject such Lender to any additional obligations; and provided further that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement or any Note. This Agreement and the Notes constitute the entire agreement of the parties with respect to the subject matter hereof and thereof.

SECTION 8.02. Notices, Etc.. (a) All notices and other communications provided for hereunder shall be (x) in writing (including telecopier communication) and mailed, telecopied or delivered or (y) as and to the extent set forth in Section 8.02(b) and in the proviso to this Section 8.02(a), if to the Borrower, at its address at Becton, Dickinson and Company, 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, Attention: Richard K. Berman — Vice President and Treasurer, telephone no. (201) 847-7260, telecopier number (201) 847-5227; if to any Lender (other than a Designated Bidder), at the Domestic Lending Office specified in the Administrative Questionnaire of such Lender; if to any Designated Bidder, at the Domestic Lending Office specified in the Designation Agreement pursuant to which it became a Lender; and if to the Administrative Agent, Citicorp USA, Inc., Two Penns Way, Suite 200, New Castle, DE 19720, Attention: Bank Loan Syndications, telephone no. (212) 994-0961, telecopier no. (302) 894-6120; or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent, provided that materials required to be delivered pursuant to Section 5.01(g)(i), (ii) or (iv) may be delivered to the Administrative Agent as specified in Section 5.01. All such notices and communications shall, when mailed or telecopied, be effective when deposited in the mails or telecopied, respectively, except that notices and communications to the Administrative Agent pursuant to Article II or VII shall not be effective until received by the Administrative Agent.

(b) So long as CUSA or any of its Affiliates is the Administrative Agent, notwithstanding anything to the contrary herein, materials required to be delivered pursuant to Section 5.01(g)(i), (ii) and (iv) may be delivered to the Administrative Agent in an electronic medium in a format acceptable to the Administrative Agent and the Lenders by e-mail at oploanswebadmin@citigroup.com. The Borrower agrees that the Administrative Agent may make such materials, as well as any other written information, documents, instruments and other material required to be delivered by the Borrower to the Lenders under this Agreement (collectively, the "Communications") available to the Lenders by posting such Communications on Intralinks or a substantially similar electronic system (the "Platform"). The Borrower acknowledges that (i) the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution, (ii) the Platform is provided "as is" and "as available" and (iii) neither the Administrative Agent nor any of its Affiliates warrants the accuracy, adequacy or completeness of the Communications or the Platform and each expressly disclaims liability for errors or omissions in the Communications or the Platform. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by the Administrative Agent or any of its Affiliates in connection with the Platform. The Administrative Agent and the Lenders agree that all Communications posted on the Platform shall, unless the Borrower otherwise agrees, be treated as confidential information and all Lenders given access to the Communications on the Platform will be required to confirm the confidential nature of the communications under the Platform's standard confidentiality procedures.

(c) Each Lender agrees that any notice to it (as provided in the next sentence) (a "Notice") specifying that any Communications have been posted to the Platform shall constitute effective delivery of such information, documents or other materials to such Lender for purposes of this Agreement; provided that if requested by any Lender the Administrative Agent shall deliver a copy of the Communications to such Lender by email or telecopier. Each Lender agrees (i) to notify the Administrative Agent in writing of such Lender's e-mail address to which a Notice may be sent by electronic transmission (including by electronic communication) on or before the date such Lender becomes a party to this Agreement (and from time to time thereafter to ensure that the Administrative Agent has on record an effective e-mail address for such Lender) and (ii) that any Notice may be sent to such e-mail address.

SECTION 8.03. No Waiver; Remedies. No failure on the part of any Lender or the Administrative Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04. Costs, Expenses and Indemnification.

(a) The Borrower agrees to pay and reimburse within 30 days after demand all costs and expenses of the Administrative Agent in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent with respect thereto and with respect to advising the Administrative Agent as to its rights and responsibilities under this Agreement. The Borrower further agrees to pay on demand all costs and expenses, if any (including, without limitation, reasonable counsel fees and expenses of the Administrative Agent and each of the Lenders), incurred by the Administrative Agent or any Lender in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, reasonable counsel fees and expenses in connection with the enforcement of rights under this Section 8.04(a).

(b) The Borrower hereby indemnifies the Administrative Agent, Citigroup Global Markets Inc., each Lender and each of respective their Affiliates and their respective officers, directors, employees, agents, advisors and representatives (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, fees and disbursements of counsel), joint or several, that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to any investigation, litigation or proceeding or the preparation of any defense with respect thereto arising out of or in connection with or relating to this Agreement, the Notes or the transactions contemplated hereby or thereby or any use made or proposed to be made with the proceeds of the Advances, whether or not such investigation, litigation or proceeding is brought by the Borrower, any of its shareholders or creditors, an Indemnified Party or any other Person, or an Indemnified Party is otherwise a party thereto, and whether or not any of the conditions precedent set forth in Article III are satisfied or the other transactions contemplated by this Agreement are consummated, except to the extent such claim, damage, loss, liability or expense results from such Indemnified Party's gross negligence or willful misconduct, or from a violation by such Indemnified Party of any law, order, regulation or agreement to which such Indemnified Party or its properties is subject, or from a breach of this Agreement by such Indemnified Party.

The Borrower hereby further agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract, tort or otherwise) to the Borrower for or in connection with or relating to this Agreement, the Notes or the transactions contemplated hereby or thereby or any use made or proposed to be made with the proceeds of the Advances or any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the transactions contemplated hereby, except to the extent such liability or damages are found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct; provided that nothing in this paragraph shall be deemed to constitute a waiver of any claim the Borrower may have, or to exculpate any Person from any liability that such Person may have to the Borrower, for breach by such Person of its obligations under this Agreement.

(c) If any payment of principal of, or Conversion or Continuation of, any Eurodollar Rate Advance is made other than on the last day of an Interest Period for such Advance, as a result of acceleration of the maturity of the Notes pursuant to Section 6.01 or for any other reason (other than a payment or Conversion pursuant to Section 2.13), the Borrower shall pay (subject to the last sentence of this Section 8.04(c)) to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses which it may reasonably incur as a result of such payment, Continuation or Conversion, including, without limitation, any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance. The Borrower shall pay amounts owing to any Lender pursuant to this Section 8.04(c) within 30 days after receipt from such Lender of a certificate setting forth in reasonable detail the calculation of the amount such Lender is entitled to claim under this Section 8.04(c) (which certificate shall be conclusive and binding for all purposes, absent manifest error).

SECTION 8.05. Right of Set-off. Upon (i) the occurrence and during the continuance of any Event of Default under Section 6.01(a) or (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Administrative Agent to declare the Notes due and payable pursuant to the provisions of Section 6.01, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or such Affiliate to or for the credit or the account of the Borrower (all such deposits and other indebtedness being herein called "Obligations") against any and all of the obligations of the Borrower now or hereafter existing under this Agreement and any Note held by such Lender, whether or not such Lender shall have made any demand under this Agreement or such Note and although the Obligations may be unmatured. Each Lender agrees promptly to notify the Borrower after any such set-off and application made by such Lender or such Affiliate, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender and its Affiliate under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which such Lender or such Affiliate may have.

SECTION 8.06. Binding Effect. This Agreement shall become effective when (a) it shall have been executed by the Borrower and the Administrative Agent and when the Administrative Agent shall have been notified by each Bank that such Bank has executed it and (b) the Effective Date shall have occurred, and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders. Upon the effectiveness of this Agreement, all commitments of the lenders under the Existing Credit Agreement shall terminate, the Lenders under this Agreement shall have the commitments herein stated, and each of the Lenders that is a party to the Existing Credit Agreement hereby waives, by execution of this Agreement, the requirement of prior notice under the Existing Credit Agreement relating to the termination of commitments thereunder.

SECTION 8.07. Assignments, Designations and Participations.

(a) Each Lender (other than a Designated Bidder) may, with notice to and the consent of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower, such consents not to be unreasonably withheld (but not otherwise), assign to one or more banks or other entities all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it and the Note or Notes held by it); provided, however, that (i) no such consent by the Borrower or the Administrative Agent shall be required in the case of any assignment to an Affiliate of the assigning Lender, (ii) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations of the assigning Lender under this Agreement (other than any right to make B Advances, B Advances owing to it or B Notes), (iii) except in the case of an assignment of all of a Lender's rights and obligations under this Agreement, the amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than $5,000,000 and shall be an integral multiple of $1,000,000 unless the Borrower and the Administrative Agent otherwise agree, (iv) each such assignment shall be to an Eligible Assignee, (v) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with any Note or Notes subject to such assignment, and (vi) the parties to each such assignment (other than the Borrower) shall deliver to the Administrative Agent a processing and recordation fee of $3,500. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Administrative Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(c) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, together with any Note or Notes subject to such assignment, the Administrative Agent shall, if such Assignment and Acceptance has been completed (and the Borrower and the Administrative Agent shall have consented to the relevant assignment to the extent required pursuant to Section 8.07(a)) and is in substantially the form of Exhibit C hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower. Within five Business Days after its receipt of such notice, the Borrower, at its own expense, shall execute and deliver to the Administrative Agent in exchange for the surrendered Note or Notes (X) a new A Note to the order of such Eligible Assignee in an amount equal to the Commitment assumed by it pursuant to such Assignment and Acceptance and, if the assigning Lender has retained a Commitment hereunder, a new A Note to the order of the assigning Lender in an amount equal to the Commitment retained by it hereunder and (Y) new B Note or Notes to the order of such Eligible Assignee in an amount equal to the principal amount of the B Advances (if any) acquired by it pursuant to such Assignment and Acceptance and, if the assigning Lender has retained a portion of such B Advances, new B Note or Notes to the order of the assigning Lender in an amount equal to the principal amount of the B Advances retained by it hereunder). Such new A Note or Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered A Note or Notes, and such new B Note or Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered B Note or Notes. All such Notes shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of Exhibit A-1 or A-2 hereto, as applicable.

(d) Each Lender (other than the Designated Bidders) may designate one or more banks or other entities to have a right to make B Advances as a Lender pursuant to Section 2.03; provided, however, that (i) no such Lender shall be entitled to make more than two such designations, (ii) each such Lender making one or more of such designations shall retain the right to make B Advances as a Lender pursuant to Section 2.03, (iii) each such designation shall be to a Designated Bidder and (iv) the parties to each such designation shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, a Designation Agreement. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Designation Agreement, the designee thereunder shall be a party hereto with a right to make B Advances as a Lender pursuant to Section 2.03 and the obligations related thereto.

(e) By executing and delivering a Designation Agreement, the Lender making the designation thereunder and its designee thereunder confirm and agree with each other and the other parties hereto as follows: (i) such Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such designee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into the Designation Agreement; (iv) such designee will, independently and without reliance upon the Administrative Agent, such designating Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such designee confirms that it is a Designated Bidder; (vi) such designee appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such designee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(f) Upon its receipt of a Designation Agreement executed by a designating Lender and a designee representing that it is a Designated Bidder, the Administrative Agent shall, if such Designation Agreement has been completed and is substantially in the form of Exhibit D hereto, (i) accept such Designation Agreement, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower.

(g) The Administrative Agent shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance and each Designation Agreement delivered to and accepted by it and a register for the recordation of the names and addresses of each of the Lenders and, with respect to Lenders other than Designated Bidders, the Commitment of, and principal amount of the A Advances owing to, each such Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for the purposes, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for the purposes of this

Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(h) Each Lender may sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it and the Note or Notes held by it); provided, however, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment to the Borrower hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Note for all purposes of this Agreement, (iv) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and (v) no participant under any such participation agreement shall have any right to approve any amendment or waiver of any provision of this Agreement or any Note, or to consent to any departure by the Borrower therefrom, except to the extent that any such amendment, waiver or consent would (x) reduce the principal of, or interest on, the Notes or any fee or other amounts payable hereunder, in each case to the extent the same are subject to such participation, or (y) postpone any date fixed for the payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent the same are subject to such participation.

(i) Any Lender may, in connection with any assignment, designation or participation or proposed assignment, designation or participation pursuant to this Section 8.07, disclose to the assignee, designee or participant or proposed assignee, designee or participant, any information relating to the Borrower or any of its Subsidiaries furnished to such Lender by or on behalf of the Borrower; provided that, prior to any such disclosure, the assignee, designee or participant or proposed assignee, designee or participant shall agree to preserve the confidentiality of any confidential information relating to the Borrower or any such Subsidiary received by it from such Lender on the terms set forth in Section 8.13.

(j) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, the Advances owing to it and the Notes held by it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

(k) All amounts payable by the Company to any Lender under Sections 2.08, 2.12, 2.15 and 8.04(c) in respect of Advances held by such Lender, and such Lender's Commitment, shall be determined as if such Lender had not sold or agreed to sell any participations in such Advances or Commitment and as if such Lender were funding each of such Advances and Commitments in the same way that it is funding the portion of such Advances and Commitment in which no participations have been sold. No assignee or other transferee of any Lender's rights shall be entitled to receive any greater payment under Section 2.12 than such Lender would have been entitled to receive with respect to the rights transferred, unless such transfer is made (i) with the Borrower's prior written consent, (ii) by reason of the provisions of said Section 2.12 requiring such Lender to designate a different Applicable Lending Office as provided in said Section 2.12 or (iii) at a time when the circumstances giving rise to such greater payment did not exist.

SECTION 8.08. Governing Law; Submission to Jurisdiction. This Agreement and the Notes shall be governed by, and construed in accordance with, the law of the State of New York. The Borrower hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in New York City for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Borrower irrevocably waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

SECTION 8.09. Severability. In case any provision in this Agreement or in any Note shall be held to be invalid, illegal or unenforceable, such provision shall be severable from the rest of this Agreement or such Note, as the case may be, and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 8.10. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 8.11. Survival. The obligations of the Borrower under Sections 2.08, 2.12, 2.15 and 8.04, and the obligations of the Lenders under Section 7.05, shall survive the repayment of the Advances and the termination of the Commitments. In addition, each representation and warranty made, or deemed to be made by any Notice of A Borrowing or Notice of B Borrowing, herein or pursuant hereto shall survive the making of such representation and warranty, and no Lender shall be deemed to have waived, by reason of making any Advance, any Default or Event of Default that may arise by reason of such representation or warranty proving to have been false or misleading, notwithstanding that such Lender or the Administrative Agent may have had notice or knowledge or reason to believe that such representation or warranty was false or misleading at the time such extension of credit was made.

SECTION 8.12. Substitution of Lender. If (a) the obligation of any Lender to make, Continue or otherwise maintain Eurodollar Rate Advances has been suspended pursuant to Section 2.13, (b) any Lender has demanded compensation under Section 2.12 or 2.15, (c) any Lender shall fail to consent to an amendment or a waiver which pursuant to the terms of Section 8.01 requires the consent of all Lenders and with respect to which the Majority Lenders shall have granted their consent, (d) any Lender defaults in its obligations to fund Advances hereunder or (e) any Lender shall be a Non-Extending Lender, the Borrower shall have the right, if no Default or Event of Default then exists, to replace such Lender (the "Replaced Lender") with one or more Eligible Assignee(s), (each, a "Replacement Lender") acceptable to the Administrative Agent, provided that:

(i) at the time of any replacement pursuant to this Section 8.12, the Replacement Lenders shall enter into one or more Assignment and Acceptance Agreements, pursuant to which such Replacement Lenders shall acquire the Commitments and outstanding Advances of the Replaced Lender and, in connection therewith, shall pay to the Replaced Lender in respect thereof an amount equal to the sum of (A) an amount equal to the principal of, and all accrued interest on, all outstanding Advances of the Replaced Lender, (B) an amount equal to all accrued and unpaid Facility Fees owing to the Replaced Lender and (C) an amount equal to the amount which would be payable by the Borrower to the Replaced Lender pursuant to Section 8.04(c) if the Borrower prepaid at the time of such replacement all of the Advances of such Replaced Lender outstanding at such time; and

(ii) all obligations of the Borrower owing to the Replaced Lender (other than those specifically described in clause (i) above in respect of which the assignment purchase price has been, or is concurrently being, paid) shall be paid in full to such Replaced Lender concurrently with such replacement.

Upon (I) the execution of the respective Assignment and Acceptance Agreements, (II) the payment of amounts referred to in clauses (i) and (ii) above and (III) if so requested by a Replacement Lender, delivery to such Replacement Lender of the appropriate Note or Notes executed by the Borrower, each Replacement Lender shall become a Lender hereunder and the Replaced Lender shall cease to constitute a Lender hereunder.

SECTION 8.13. Confidentiality. Each Lender agrees to hold all non-public information obtained pursuant to the provisions of this Agreement in accordance with its customary procedure for handling confidential information of this nature and in accordance with safe and sound banking practices, provided that nothing herein shall prevent any Lender from disclosing such information (i) to any other Lender or to the Administrative Agent (or to Citigroup Global Markets Inc.), (ii) upon the order of any court or administrative agency or otherwise to the extent required by statute, rule, regulation or judicial process, (iii) to bank examiners or upon the request or demand of any other regulatory agency or authority, (iv) which had been publicly disclosed other than as a result of a disclosure by the Administrative Agent or any Lender prohibited by this Agreement, (v) in connection with any litigation to which any one or more of the Lenders or the Administrative Agent is a party, or in connection with the exercise of any remedy hereunder or under any Note, (vi) to such Lender’s or Administrative Agent’s legal counsel and independent auditors and accountants and (vii) subject to provisions substantially similar to those contained in this Section, to (A) any actual or proposed participant or assignee, (B) any actual or prospective counterparty (or its advisors) to any securitization, swap or derivative transaction relating to the Borrower, and its Subsidiaries, and the obligations of the Borrower under this Agreement to the extent they relate to such securitization, swap or derivative transaction or (C) to such Lender’s Affiliates.

SECTION 8.14. No Fiduciary Relationship. The Borrower acknowledges that neither the Administrative Agent nor any Lender (in their respective capacities as such) has any fiduciary relationship with, or fiduciary duty to, the Borrower arising out of or in connection with this Agreement or any of the Notes, and the relationship between the Administrative Agent and the Lenders (in such capacities), on the one hand, and the Borrower, on the other, in connection herewith or therewith is solely that of creditor and debtor. This Agreement does not create a joint venture among the parties.

SECTION 8.15. Patriot Act Notice. Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that, pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Act.

SECTION 8.16. Waiver of Jury Trial. **EACH OF THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

BECTON, DICKINSON AND COMPANY

By ______________________________
Name:
Title:

CITICORP USA, INC.,
as Administrative Agent

By ______________________________
Name:
Title:

Commitment	Lenders
$100,000,000	CITICORP USA, INC. By ______________________________ Name: Title:
$100,000,000	THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH By ______________________________ Name: Title:

$70,000,000	BANCO BILBAO VIZCAYA ARGENTARIA S.A. By ______________________ Name: Title:
$70,000,000	MIZUHO CORPORATE BANK, LTD. By ______________________ Name: Title:
$70,000,000	BNP PARIBAS By ______________________ Name: Title: By ______________________ Name: Title:
$55,000,000	THE BANK OF NEW YORK By ______________________ Name: Title:
$45,000,000	ING CAPITAL LLC By ______________________ Name: Title:
$45,000,000	JPMORGAN CHASE BANK, N.A. By ______________________ Name: Title:

$45,000,000	STANDARD CHARTERED BANK By ____________________ Name: Title:
$45,000,000	INTESABCI NEW YORK BRANCH By ____________________ Name: Title:
$45,000,000	WELLS FARGO, N.A. By ____________________ Name: Title:
$45,000,000	BANK OF AMERICA, N.A. By ____________________ Name: Title:
$35,000,000	THE NORTHERN TRUST COMPANY By ____________________ Name: Title:
$35,000,000	THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND By ____________________ Name: Title:

$35,000,000	UNICREDITO ITALIANO S.P.A. By ____________________ Name: Title:
$35,000,000	CALYON NEW YORK BRANCH By ____________________ Name: Title: By ____________________ Name: Title:
$25,000,000	MELLON BANK, N.A. By ____________________ Name: Title:
$25,000,000	LASALLE BANK N.A. By ____________________ Name: Title:
$25,000,000	SANTANDER CENTRAL HISPANO By ____________________ Name: Title:
$25,000,000	BARCLAYS BANK PLC By ____________________ Name: Title:

$25,000,000	STATE STREET BANK AND TRUST COMPANY
	By ____________________ Name: Title:
$1,000,000,000.00	Total of the Commitments

EXHIBIT A-1

FORM OF A NOTE

U.S.$ ___________ Dated: December 1, 2006

FOR VALUE RECEIVED, the undersigned, BECTON, DICKINSON AND COMPANY, a New Jersey corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of _________________ (the "Lender") for the account of its Applicable Lending Office (as defined in the Credit Agreement referred to below) on the Termination Date (as so defined) the principal sum of U.S.$[amount of the Lender's Commitment in figures] or, if less, the aggregate principal amount of the A Advances (as defined below) made by the Lender to the Borrower pursuant to the Credit Agreement then outstanding.

The Borrower promises to pay interest on the unpaid principal amount of each A Advance from the date of such A Advance until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to Citicorp USA, Inc., as Administrative Agent, at Two Penns Way, Suite 200, New Castle, DE 19720, in same day funds. Each A Advance made by the Lender to the Borrower pursuant to the Credit Agreement, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto which is part of this Promissory Note; provided that the failure of the Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This Promissory Note is one of the A Notes referred to in, and is entitled to the benefits of, the Amended and Restated Five Year Credit Agreement dated as of December 1, 2006 (the "Credit Agreement") among the Borrower, the Lender and certain other banks parties thereto, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as syndication agent, and Citicorp USA, Inc., as Administrative Agent for the Lender and such other banks. The Credit Agreement, among other things, (i) provides for the making of advances (the "A Advances") by the Lender to the Borrower from time to time in an aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Borrower resulting from each such A Advance being evidenced by this Promissory Note, and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

The Borrower hereby waives presentment, demand, protest and notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

This Promissory Note shall be governed by, and construed in accordance with, the law of the State of New York, United States.

BECTON, DICKINSON AND COMPANY

By ______________________________
Name:
Title:

ADVANCES AND PAYMENTS OF PRINCIPAL

Date	Amount of Advance	Amount of Principal Paid or Prepaid	Unpaid of Principal Balance	Notation Made By

EXHIBIT A-2

FORM OF B NOTE

U.S.$ __________ Dated: ____________ ___, ____

FOR VALUE RECEIVED, the undersigned, BECTON, DICKINSON AND COMPANY, a New Jersey corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of _________________ (the "Lender") for the account of its Applicable Lending Office (as defined in the Credit Agreement referred to below), on ______________, _____, the principal amount of __________ Dollars ($___________).

The Borrower promises to pay interest on the unpaid principal amount hereof from the date hereof until such principal amount is paid in full, at the interest rate and payable on the interest payment date or dates provided below:

Interest Rate: _____% per annum (calculated on the basis of a year of _____ days for the actual number of days elapsed).

Interest Payment Date or Dates: ___________________________

Both principal and interest are payable in lawful money of the United States of America to ______________ or the account of the Lender at the office of ______________________, at _____________________, in same day funds.

This Promissory Note is one of the B Notes referred to in, and is entitled to the benefits of, the Amended and Restated Five Year Credit Agreement dated as of December 1, 2006 (the "Credit Agreement") among the Borrower, the Lender and certain other banks parties thereto, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as syndication agent, and Citicorp USA, Inc., as Administrative Agent for the Lender and such other banks. The Credit Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

The Borrower hereby waives presentment, demand, protest and notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

This Promissory Note shall be governed by, and construed in accordance with, the law of the State of New York, United States.

BECTON, DICKINSON AND COMPANY

By ______________________________________
Name:
Title:

NOTICE OF A BORROWING

Citicorp USA, Inc., as Administrative
Agent for the Lenders parties
to the Credit Agreement
referred to below
Two Penns Way, Suite 200
New Castle, DE 19720

Attention: __________

[Date]

Ladies and Gentlemen:

The undersigned, Becton, Dickinson and Company, refers to the Amended and Restated Five Year Credit Agreement, dated as of December 1, 2006 (the "Credit Agreement", the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders parties thereto, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as syndication agent, and Citicorp USA, Inc., as Administrative Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests an A Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such A Borrowing (the "Proposed A Borrowing") as required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed A Borrowing is ___________ __, ____.

(ii) The Type of A Advances comprising the Proposed A Borrowing is [Base Rate Advances] [Eurodollar Rate Advances].

(iii) The aggregate amount of the Proposed A Borrowing is $__________.

[(iv) The initial Interest Period for each A Advance made as part of the Proposed A Borrowing is ______ month[s][1].

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed A Borrowing:

(A) the representations and warranties contained in Section 4.01 (other than Section 4.01(e)(iii) and Section 4.01(f)(i)) are correct, before and after giving effect to the

1 For Eurodollar Rate Advances only.

Proposed A Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(B) no event has occurred and is continuing, or would result from such Proposed A Borrowing or from the application of the proceeds therefrom, which constitutes a Default or an Event of Default.

Very truly yours,

BECTON, DICKINSON AND COMPANY

By ______________________________
Name:
Title:

NOTICE OF B BORROWING

Citicorp USA, Inc., as Administrative
Agent for the Lenders parties
to the Credit Agreement
referred to below
Two Penns Way, Suite 200
New Castle, DE 19720

Attention: Bank Loan Syndications

[Date]

Ladies and Gentlemen:

The undersigned, Becton, Dickinson and Company, refers to the Amended and Restated Five Year Credit Agreement, dated as of December 1, 2006 (the "Credit Agreement", the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders parties thereto, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as syndication agent, and Citicorp USA, Inc., as Administrative Agent for said Lenders, and hereby gives you notice pursuant to Section 2.03 of the Credit Agreement that the undersigned hereby requests a B Borrowing under the Credit Agreement, and in that connection sets forth the terms on which such B Borrowing (the "Proposed B Borrowing") is requested to be made:

(A)	Date of B Borrowing	____________________
(B)	Amount of B Borrowing	____________________
(C)	Maturity Date	____________________
(D)	Interest Rate Basis	____________________
(E)	Interest Payment Date(s)	____________________
(F)	____________________	____________________
(G)	____________________	____________________
(H)	____________________	____________________

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed B Borrowing:

(a) the representations and warranties contained in Section 4.01 (other than Section 4.01(e)(iii) and Section 4.01(f)(i)) are correct, before and after giving effect to the Proposed B Borrowing and to the application of the proceeds therefrom, as though made on and as of such date;

(b) no event has occurred and is continuing, or would result from the Proposed B Borrowing or from the application of the proceeds therefrom, which constitutes a Default or an Event of Default; and

(c) the aggregate amount of the Proposed B Borrowing and all other Borrowings to be made on the same day under the Credit Agreement is within the aggregate amount of the unused Commitments of the Lenders.

The undersigned hereby confirms that the Proposed B Borrowing is to be made available to it in accordance with Section 2.03(a)(v) of the Credit Agreement.

Very truly yours,

BECTON, DICKINSON AND COMPANY

By ______________________________
Name:
Title:

EXHIBIT C

ASSIGNMENT AND ACCEPTANCE

Dated _______________, _____

Reference is made to the Amended and Restated Five Year Credit Agreement dated as of December 1, 2006 (the "Credit Agreement") among Becton, Dickinson and Company, a New Jersey corporation (the "Borrower"), the Lenders (as defined in the Credit Agreement), The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as syndication agent, and Citicorp USA, Inc., as Administrative Agent for the Lenders (the "Administrative Agent"). Terms defined in the Credit Agreement are used herein with the same meaning.

_______________________________ (the "Assignor") and _______________________________ (the "Assignee") agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, that interest in and to all of the Assignor's rights and obligations under the Credit Agreement as of the date hereof [(other than in respect of B Advances and B Notes)][2] which represents the percentage interest specified on Schedule 1 of all outstanding rights and obligations under the Credit Agreement [(other than in respect of B Advances and B Notes)][1], including, without limitation, such interest in the Assignor's Commitment, the A Advances and B Advances owing to the Assignor, and the A Note[s] and B Note[s] held by the Assignor. After giving effect to such sale and assignment, the Assignee's Commitment and the amount of the A Advances and B Advances owing to the Assignee will be as set forth in Section 2 of Schedule 1.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto; and (iv) attaches the A Note[s] and B Note[s] referred to in paragraph 1 above and requests that the Administrative Agent exchange such Note[s] for (X) a new A Note to the order of the Assignee in an amount equal to the Commitment assumed by it pursuant hereto and a new A Note to the order of the Assignor in an amount equal to the Commitment retained by it under the Credit Agreement and (Y) new B Note or Notes to the order of the Assignee in an amount equal to the principal amount of the B Advances (if any) acquired by it pursuant hereto and, if the Assignor has retained a portion of such B Advances, new B Note or Notes to the order of the

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2 Delete bracketed text if B Advances are covered by this Assignment and Acceptance.

Assignor in an amount equal to the principal amount of the B Advances retained by it under the Credit Agreement, in each case specified on Schedule 1 hereto.

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender; [and] (vi) specifies as its Domestic Lending Office (and address for notices) and Eurodollar Lending Office the offices set forth beneath its name on the signature pages hereof [and (vii) attaches the forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Credit Agreement and the Notes or such other documents as are necessary to indicate that all such payments are subject to such rates at a rate reduced by an applicable tax treaty].[3]

4. Following the execution of this Assignment and Acceptance by the Assignor and the Assignee and the consent of the Borrower (to the extent required pursuant to Section 8.07 of the Credit Agreement), it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent. The effective date of this Assignment and Acceptance shall be the date of acceptance thereof by the Administrative Agent, unless otherwise specified on Schedule 1 hereto (the "Effective Date").

5. Upon such acceptance and recording by the Administrative Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

6. Upon such acceptance and recording by the Administrative Agent, from and after the Effective Date, the Administrative Agent shall make all payments under the Credit Agreement and the Notes in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and Facility Fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under

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3 If the Assignee is organized under the laws of a jurisdiction outside the United States.

the Credit Agreement and the Notes for periods prior to the Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective officers thereunto duly authorized, as of the date first above written, such execution being made on Schedule 1 hereto.

SCHEDULE 1
to
ASSIGNMENT AND ACCEPTANCE

Percentage assigned to Assignee	___________%
Assignee's Commitment	$ ___________
Aggregate outstanding principal amount of A Advances assigned	$ ___________
Principal Amount of A Note payable to Assignee	$ ___________
Principal Amount of A Note payable to Assignor	$ ___________
Aggregate outstanding principal amount of B Advances assigned	$ ___________
Principal Amount of B Note payable to Assignee	$ ___________
Principal Amount of B Note payable to Assignor	$ ___________
Effective Date (if other than date of acceptance by Administrative Agent)*	_____ __, ___

[NAME OF ASSIGNOR], as Assignor

By ______________________________

Name:
Title:

[NAME OF ASSIGNEE], as Assignee

By ______________________________

Name:
Title:

Domestic Lending Office:

Eurodollar Lending Office:

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* This date should be no earlier than the date of acceptance by the Administrative Agent.

Accepted this ____ day
of _______, _____

CITICORP USA, INC., as
Administrative Agent

By ______________________________

Name:
Title:

CONSENTED TO:

BECTON, DICKINSON AND COMPANY

By ______________________________

Name:
Title:

Form of Schedule 1 to Assignment and Acceptance

DESIGNATION AGREEMENT

Dated _____________ __, _____

Reference is made to the Amended and Restated Five Year Credit Agreement dated as of December 1, 2006 (the "Credit Agreement") among Becton, Dickinson and Company, a New Jersey corporation (the "Borrower"), the Lenders (as defined in the Credit Agreement), The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as syndication agent, and Citicorp USA, Inc., as Administrative Agent for the Lenders (the "Administrative Agent"). Terms defined in the Credit Agreement are used herein with the same meaning.

____________ (the "Designator") and ____________ (the "Designee") agree as follows:

1. The Designator hereby designates the Designee, and the Designee hereby accepts such designation, to have a right to make B Advances pursuant to Section 2.03 of the Credit Agreement.

2. The Designator makes no representation or warranty and assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto and (ii) the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto.

3. The Designee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Designation Agreement; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Designator or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is a Designated Bidder; (iv) appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender; and (vi) specifies as its Applicable Lending Office with respect to B Advances (and address for notices) the offices set forth beneath its name on the signature pages hereof.

4. Following the execution of this Designation Agreement by the Designator and its Designee, it will be delivered to the Administrative Agent for acceptance and recording by the

Administrative Agent. The effective date of this Designation Agreement shall be the date of acceptance thereof by the Administrative Agent, unless otherwise specified on the signature page hereto (the "Effective Date").

5. Upon such acceptance and recording by the Administrative Agent, as of the Effective Date, the Designee shall be a party to the Credit Agreement with a right to make B Advances as a Lender pursuant to Section 2.03 of the Credit Agreement and the rights and obligations of a Lender related thereto.

6. This Designation Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Designation Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

Effective Date*: _____________ __, _____

[NAME OF DESIGNATOR]

By ______________________________
Name:
Title:

[NAME OF DESIGNEE]

By ______________________________
Name:
Title:

Applicable Lending
Office (and address
for notices)

____
____
____
____

Accepted this ____ day
of _____________, _____

CITICORP USA, INC., as
Administrative Agent

By ______________________________
Name:
Title:

* This date should be no earlier than the date of acceptance by the Administrative Agent.

EXHIBIT E

[Form of Opinion of Counsel of the Borrower]

December 1, 2006

To the Banks party to the
Credit Agreement referred to below
The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Syndication Agent
Citicorp USA, Inc., as Administrative Agent
399 Park Avenue
New York, New York 10043

Ladies and Gentlemen:

I am General Counsel of Becton, Dickinson and Company (the "Borrower") and with attorneys in my department have acted as counsel to the Borrower in connection with the Amended and Restated Five Year Credit Agreement (the "Credit Agreement") dated as of December 1, 2006, among the Borrower, the lenders named therein, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as syndication agent, and Citicorp USA, Inc., as Administrative Agent, providing for loans to be made by said lenders to the Borrower in an aggregate principal amount not exceeding $1,000,000,000. Terms defined in the Credit Agreement are used in this opinion letter as defined therein. This opinion letter is being delivered pursuant to Section 3.01(e) of the Credit Agreement.

In rendering the opinion expressed below, I, or attorneys under my supervision, have examined the following agreements, instruments and other documents:

(a) the Credit Agreement;

(b) the Notes issued on the date hereof (collectively with the Credit Agreement, the "Credit Documents"); and

(c) such corporate records of the Borrower and such other documents as I have deemed necessary as a basis for the opinions expressed below.

In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with authentic original documents of all documents submitted to us as copies. When relevant facts were not independently established, we have relied upon certificates of governmental officials and appropriate representatives of the Borrower and upon representations made in or pursuant to the Credit Agreement.

In rendering the opinions expressed below, I have assumed, with respect to all of the documents referred to in this opinion letter, that (except, to the extent set forth in the opinions expressed below, as to the Borrower):

(i) such documents have been duly authorized by, have been duly executed and delivered by, and constitute legal, valid, binding and enforceable obligations of, all of the parties to such documents;

(ii) all signatories to such documents have been duly authorized; and

(iii) all of the parties to such documents are duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver and perform such documents.

Based upon and subject to the foregoing and subject also to the comments and qualifications set forth below, and having considered such questions of law as I have deemed necessary as a basis for the opinions expressed below, I am of the opinion that:

1. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the State of New Jersey.

2. The Borrower has all requisite corporate power to execute and deliver, and to perform its obligations and to incur liabilities under, the Credit Documents.

3. The execution, delivery and performance by the Borrower of, and the incurrence by the Borrower of liabilities under, each Credit Document have been duly authorized by all necessary corporate action on the part of the Borrower.

4. Each Credit Document has been duly executed and delivered by the Borrower.

5. Each Credit Document constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other similar laws relating to or affecting the rights of creditors generally and except as the enforceability of the Credit Documents is subject to the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, (a) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (b) concepts of materiality, reasonableness, good faith and fair dealing.

6. No authorization, approval or consent of, and no filing or registration with, any governmental or regulatory authority or agency of the United States of America or the State of New York is required on the part of the Borrower for the execution, delivery or performance by the Borrower of, or for the incurrence by the Borrower of any liabilities under, any of the Credit Documents.

7. The execution, delivery and performance by the Borrower of, and the consummation by the Borrower of the transactions contemplated by, the Credit Documents do not (a) violate any provision of the charter or by-laws of the Borrower,

(b) violate any applicable law, rule or regulation of the United States of America, the State of New Jersey or the State of New York, (c) violate any order, writ, injunction or decree of any court or governmental authority or agency or any arbitral award applicable to the Borrower and its Subsidiaries of which I have knowledge or (d) result in a breach of, constitute a default under, require any consent under, or result in the acceleration or required prepayment of any indebtedness pursuant to the terms of, any agreement or instrument of which I have knowledge to which the Borrower and its Subsidiaries is a party or by which any of them is bound or to which any of them is subject, or result in the creation or imposition of any Lien upon any Property of the Borrower pursuant to the terms of any such agreement or instrument.

8. There is no pending (or, to my knowledge, threatened) action or proceeding against the Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator, in which there is likely to be an adverse decision that (i) would have a material adverse effect on the business, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) purports to affect the legality, validity, binding effect or enforceability of the Credit Agreement or any Note.

The foregoing opinions are subject to the following comments and qualifications:

(A) The enforceability of Section 8.04(b) of the Credit Agreement may be limited by laws limiting the enforceability of provisions exculpating or exempting a party from, or requiring indemnification of a party for, its own action or inaction.

(B) The enforceability of provisions in the Credit Documents to the effect that terms may not be waived or modified except in writing may be limited under certain circumstances.

(C) I express no opinion as to (i) the effect of the laws of any jurisdiction in which any Lender is located that limit the interest, fees or other charges such Lender may impose, (ii) Section 8.05 of the Credit Agreement, (iii) Section 7.05 of the Credit Agreement, (iv) the second sentence of Section 8.08 of the Credit Agreement, insofar as such sentence relates to the subject matter jurisdiction of the United States District Court for the Southern District of New York to adjudicate any controversy related to the Credit Documents, (v) the third sentence of Section 8.08 of the Credit Agreement and (vi) Section 8.09 of the Credit Agreement.

The foregoing opinions are limited to matters involving the Federal laws of the United States, the law of the State of New Jersey and the law of the State of New York, and I do not express any opinion as to the laws of any other jurisdiction.

In delivering the foregoing opinion, I have, with your approval, relied as to all matters governed by the laws of the State of New Jersey upon the opinion of even date herewith of Gary DeFazio, Esq., Associate General Counsel of the Borrower, a copy of which has been furnished to you. In my opinion, such opinion is satisfactory in form and scope and you are justified in relying thereon.

At the request of the Borrower, this opinion letter is, pursuant to Section 3.01(e) of the Credit Agreement, provided to you by me in my capacity as General Counsel of the Borrower and may not be relied upon by any Person for any purpose other than in connection with the transactions contemplated by the Credit Agreement without, in each instance, my prior written consent.

Very truly yours,

EXHIBIT F

[Form of Opinion of Special New York Counsel
to the Administrative Agent]

December 1, 2006

To the Initial Lenders party to the
Credit Agreement referred to
below and to Citicorp USA, Inc.,
as Administrative Agent

Becton, Dickinson and Company

Ladies and Gentlemen:

We have acted as counsel to Citicorp USA, Inc., as Administrative Agent (the "Agent"), in connection with the Amended and Restated Five Year Credit Agreement, dated as of December 1, 2006 (the "Credit Agreement"), among Becton, Dickinson and Company, a New Jersey corporation (the "Borrower"), and each of you. Unless otherwise defined herein, terms defined in the Credit Agreement are used herein as therein defined.

In that connection, we have reviewed originals or copies of the following documents:

(a) The Credit Agreement.

(b) The Notes executed by the Borrower and delivered on the date hereof.

The documents described in the foregoing clauses (a) and (b) are collectively referred to herein as the "Opinion Documents."

We have also reviewed originals or copies of such other agreements and documents as we have deemed necessary as a basis for the opinion expressed below.

In our review of the Opinion Documents and other documents, we have assumed:

(A) The genuineness of all signatures.

(B) The authenticity of the originals of the documents submitted to us.

(C) The conformity to authentic originals of any documents submitted to us as copies.

(D) As to matters of fact, the truthfulness of the representations made in the Credit Agreement.

(E) That each of the Opinion Documents is the legal, valid and binding obligation of each party thereto, other than the Borrower, enforceable against each such party in accordance with its terms.

(F) That:

(1) The Borrower is an entity duly organized and validly existing under the laws of the jurisdiction of its organization.

(2) The Borrower has full power to execute, deliver and perform, and has duly executed and delivered, the Opinion Documents.

(3) The execution, delivery and performance by the Borrower of the Opinion Documents have been duly authorized by all necessary action (corporate or otherwise) and do not:

(a) contravene its certificate or articles of incorporation, by-laws or other organizational documents;

(b) except with respect to Generally Applicable Law, violate any law, rule or regulation applicable to it; or

(c) result in any conflict with or breach of any agreement or document binding on it of which any addressee hereof has knowledge, has received notice or has reason to know.

(4) Except with respect to Generally Applicable Law, no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or (to the extent the same is required under any agreement or document binding on it of which an addressee hereof has knowledge, has received notice or has reason to know) any other third party is required for the due execution, delivery or performance by the Borrower of any Opinion Document or, if any such authorization, approval, action, notice or filing is required, it has been duly obtained, taken, given or made and is in full force and effect.

We have not independently established the validity of the foregoing assumptions.

"Generally Applicable Law" means the federal law of the United States of America, and the law of the State of New York (including the rules or regulations promulgated thereunder or pursuant thereto), that a New York lawyer exercising customary professional diligence would reasonably be expected to recognize as being applicable to the Borrower, the Opinion Documents or the transactions governed by the Opinion Documents. Without limiting the generality of the foregoing definition of Generally Applicable Law, the term "Generally Applicable Law" does not include any law, rule or regulation that is applicable to the Borrower, the Opinion Documents or such transactions solely because such law, rule or regulation is part of a regulatory regime applicable to the specific assets or business of any party to any of the Opinion Documents or any of its affiliates.

Based upon the foregoing and upon such other investigation as we have deemed necessary and subject to the qualifications set forth below, we are of the opinion that each Opinion Document is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

Our opinion expressed above is subject to the following qualifications:

(a) Our opinion is subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally (including without limitation all laws relating to fraudulent transfers).

(b) Our opinion is subject to the effect of general principles of equity, including without limitation concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).

(c) We express no opinion with respect to the enforceability of indemnification provisions, or of release or exculpation provisions, contained in the Opinion Documents to the extent that enforcement thereof is contrary to public policy regarding the indemnification against or release or exculpation of criminal violations, intentional harm or violations of securities laws.

(d) Our opinion is limited to Generally Applicable Law.

A copy of this opinion letter may be delivered by any of you to any person that becomes a Lender in accordance with the provisions of the Credit Agreement. Any such person may rely on the opinions expressed above as if this opinion letter were addressed and delivered to such person on the date hereof.

This opinion letter is rendered to you in connection with the transactions contemplated by the Opinion Documents. This opinion letter may not be relied upon by you or any person entitled to rely on this opinion pursuant to the preceding paragraph for any other purpose without our prior written consent.

This opinion letter speaks only as of the date hereof. We expressly disclaim any responsibility to advise you of any development or circumstance of any kind, including any change of law or fact, that may occur after the date of this opinion letter that might affect the opinions expressed herein.

Very truly yours,

EXHIBIT 10(p)(ii)

Citicorp USA, Inc.,
As agent
1615 Brett Rd.
New Castle, Delaware 19720

Re: Becton, Dickenson and Company
1,000,000,000.00 USD Revolving credit

Ladies and Gentlemen,

As of November 14, 2007 Becton, Dickenson and Company has extended the 1 Billion dollar revolving credit line to December 1, 2012. All lenders in the group have agreed to the extension by signing and returning the required notice.

Thank you,

Mark Rosenthal
Securities Analyst
Citicorp USA
1615 Brett Rd
New Castle, Delaware 19720

SUBSIDIARIES OF BECTON, DICKINSON AND COMPANY

Name of Subsidiary	State of Jurisdiction of Incorporation	Percentage of Voting Securities Owned
Atto BioScience, Inc.	Delaware	100%
B-D (Cambridge U.K.) Ltd.	United Kingdom	100%(1)
AutoCyte NC, LLC	North Carolina	100%(1)
BD Biosciences, Systems and Reagents Inc.	California	100%
BD Holding S. de R.L. de C.V.	Mexico	100%(1)
BD Matrex Holdings, Inc.	Delaware	100%
BD Norge AS	Norway	100%(1)
BD Rapid Diagnostic (Suzhou) Co., Ltd.	China	100%(1)
BDIT Singapore Pte. Ltd.	Singapore	100%(1)
BD (West Africa) Limited	Ghana	100%(1)
BDX INO LLC	Delaware	100%
Becton Dickinson A/S	Denmark	100%(1)
Becton Dickinson AcuteCare Holdings, Inc.	Delaware	100%
Becton Dickinson Advanced Pen Injection Systems GmbH	Switzerland	100%(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 Benelux N.V.	Belgium	100%(1)
Becton Dickinson Canada Inc.	Canada	100%(1)
Becton Dickinson Caribe Ltd.	Cayman Islands	100%(1)
Becton Dickinson Croatia LLC	Croatia	100%(1)
Becton Dickinson de Colombia Ltda.	Colombia	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 East Africa Ltd.	Kenya	100%(1)
Becton Dickinson Finance B.V.	Netherlands	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 Private Limited	India	100%(1)
Becton Dickinson Infusion Therapy AB	Sweden	100%(1)
Becton Dickinson Infusion Therapy B.V.	Netherlands	100%(1)
Becton Dickinson Infusion Therapy Holdings AB	Sweden	100%(1)
Becton Dickinson Infusion Therapy Holdings Inc.	Delaware	100%(1)
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%(1)
Becton Dickinson Infusion Therapy Holdings UK Limited	United Kingdom	100%(1)
Becton Dickinson Insulin Syringe, Ltd.	Cayman Islands	100%(1)

SUBSIDIARIES OF BECTON, DICKINSON AND COMPANY

Name of Subsidiary	State of Jurisdiction of Incorporation	Percentage of Voting Securities Owned
Becton Dickinson Ithalat Ihracat Limited Sirketi	Turkey	100%(1)
Becton Dickinson Korea Holding, Inc.	Delaware	100%
Becton Dickinson Korea Ltd.	Korea	100%(1)
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. Shanghai Ltd.	P.R.C.	100%(1)
Becton Dickinson Medical Devices Co. Ltd., Suzhou	P.R.C.	100%
Becton Dickinson Medical Products Pte. Ltd.	Singapore	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%(1)
Becton Dickinson Penel Limited	Cayman Islands	100%(1)
Becton Dickinson Philippines, Inc.	Philippines	100%(1)
Becton Dickinson Polska Sp.z.o.o.	Poland	100%(1)
Becton Dickinson Pty. Ltd.	Australia	100%(1)
Becton Dickinson (Pty) Ltd.	South Africa	100%(1)
Becton Dickinson Sdn. Bhd.	Malaysia	100%(1)
Becton Dickinson Service (Pvt.) Ltd.	Pakistan	100%
Becton Dickinson Sample Collection GmbH	Switzerland	100%(1)
Becton Dickinson Slovakia s.r.o.	Slovakia	100%(1)
Becton Dickinson (Thailand) Limited	Thailand	100%(1)
Becton Dickinson Venezuela, C.A.	Venezuela	100%(1)
Becton Dickinson Venture LLC	Delaware	100%
BD Ventures LLC	New Jersey	100%
Becton Dickinson Vostok LLC	Russia	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%(1)
Becton, Dickinson B.V.	Netherlands	100%(1)
Becton, Dickinson de Mexico, S.A. de C.V.	Mexico	100%(1)
Becton Dickinson France S.A.S.	France	100%(1)
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)
Bedins Vermont Indemnity Company	Vermont	100%
Benex Ltd.	Ireland	100%(1)
BioVenture Centre Pte. Ltd.	Singapore	100%
BTP Immunization Systems, LLC	New Jersey	100%
Cell Analysis Systems, Inc.	Illinois	100%(1)
Clontech Laboratories UK Limited	United Kingdom	100%(1)
Corporativo BD de Mexico, S. de R.L. de C.V.	Mexico	100%(1)

SUBSIDIARIES OF BECTON, DICKINSON AND COMPANY

Name of Subsidiary	State of Jurisdiction of Incorporation	Percentage of Voting Securities Owned
Critical Device Corporation	California	100%
Cytopeia	Washington	100%
D.L.D., Ltd.	Bermuda	100%(1)
Dantor S.A.	Uruguay	100%(1)
Difco Laboratories Incorporated	Michigan	100%
Difco Laboratories Limited	United Kingdom	100%(1)
Discovery Labware, Inc.	Delaware	100%
Distribuidora BD Mexico, S.A. de C.V.	Mexico	100%(1)
Procesos para Esterilizacion, S.A. de C.V.	Mexico	100%(1)
Franklin Lakes Enterprises, L.L.C.	New Jersey	100%
GeneOhm Sciences, Inc.	Delaware	100%
GeneOhm Sciences Canada Inc.	Canada	100%(1)
Healthcare Holdings in Sweden AB	Sweden	100%(1)
HandyLab, Inc.	Delaware	100%
HandyLab, Ltd.	United Kingdom	100%(1)
IBD Holdings LLC	Delaware	50%(1)
Johnston Laboratories, Inc.	Maryland	100%(1)
Staged Diabetes Management LLC	New Jersey	50%(1)
Matrex Salud, de R.L. de C.V.	Mexico	50%(1)
Med-Safe Systems, Inc.	California	100%
Nippon Becton Dickinson Company, Ltd.	Japan	100%(1)
PharMingen	California	100%
Phase Medical, Inc.	California	100%(1)
Plasso Technology Limited	United Kingdom	100%(1)
PreAnalytiX GmbH	Switzerland	50%(1)
Promedicor de Mexico, S.A. de C.V.	Mexico	100%(1)
Saf-T-Med Inc.	Delaware	100%
TriPath Imaging, Inc.	Delaware	100%
TriPath Oncology, Inc.	Delaware	100%(1)
Becton Dickinson Europe Holdings S.A.S.	France	100%(1)
Becton Dickinson Management GmbH & Co. KG	Germany	100%(1)
Becton Dickinson Verwaltungs GmbH	Germany	100%(1)

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

As of 9/30/10

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following:

(1) Registration Statements on Form S-8 Nos. 33-23055, 33-33791, 33-53375, 33-58367, 33-64115, 333-11885, 333-16091, 333-46089, 333-59238, 333-108052, 333-118235, 333-147594, 333-161129 and 333-161215, of Becton, Dickinson and Company, and,

(2) Registration Statements on Form S-3 Nos. 333-23559, 333-38193, 333-104019, 333-134143 and 333-159102 of Becton, Dickinson and Company;

of our reports dated November 24, 2010, with respect to the consolidated financial statements of Becton, Dickinson and Company and the effectiveness of internal control over financial reporting of Becton, Dickinson and Company, included in the Annual Report (Form 10-K) for the year ended September 30, 2010.

/s/ Ernst & Young LLP

New York, New York
November 24, 2010

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned, being a director of Becton, Dickinson and Company, a New Jersey corporation (the "Company"), hereby constitutes and appoints Edward J. Ludwig, David V. Elkins, Jeffrey S. Sherman and Dean J. Paranicas, and each of them, his or her true and lawful attorney-in-fact and agent, with full power to act separately and full power of substitution and resubstitution, for him and in his name, place and stead in any and all capacities, to sign one or more Annual Reports for the Company's fiscal year ended September 30, 2010 on Form 10-K under the Securities Exchange Act of 1934, as amended, or such other form as any such attorney-in-fact may deem necessary or desirable, any amendments thereto, and all additional amendments thereto, each in such form as they or any one of them may approve, and to file the same with all exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done so that such Annual Report shall comply with the Securities Exchange Act of 1934, as amended, and the applicable Rules and Regulations adopted or issued pursuant thereto, as fully and to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or their substitute or resubstitute, may lawfully do or cause to be done by virtue hereof.

This Power of Attorney shall not revoke any powers of attorney previously executed by the undersigned. This Power of Attorney shall not be revoked by any subsequent power of attorney that the undersigned may execute, unless such subsequent power of attorney specifically provides that it revokes this Power of Attorney by referring to the date of the undersigned's execution of this Power of Attorney. For the avoidance of doubt, whenever two or more powers of attorney granting the powers specified herein are valid, the agents appointed on each shall act separately unless otherwise specified.

IN WITNESS WHEREOF, each of the undersigned has hereunto set his or her hand in the City of New York, State of New York on this 23rd day of November, 2010.

/s/ Basil L. Anderson	/s/ Gary A. Mecklenburg
Basil L. Anderson	Gary A. Mecklenburg
/s/ Henry P. Becton, Jr.	/s/ Cathy E. Minehan
Henry P. Becton, Jr.	Cathy E. Minehan
/s/ Edward F. DeGraan	/s/ James F. Orr
Edward F. DeGraan	James F. Orr
/s/ Claire M. Fraser-Liggett	/s/ Willard J. Overlock, Jr.
Claire M. Fraser-Liggett	Willard J. Overlock, Jr.
/s/ Christopher Jones	/s/ Bertram L. Scott
Christopher Jones	Bertram L. Scott
/s/ Marshall O. Larsen	/s/ Alfred Sommer
Marshall O. Larsen	Alfred Sommer
/s/ Adel A.F. Mahmoud	
Adel A.F. Mahmoud	

EXHIBIT 31

CERTIFICATION

I, Edward J. Ludwig, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 24, 2010

/s/ Edward J. Ludwig

Edward J. Ludwig
Chairman and Chief Executive Officer

CERTIFICATION

I, David V. Elkins, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 24, 2010

/s/ David V. Elkins

David V. Elkins
Executive Vice President
and Chief Financial Officer

EXHIBIT 32

The certification set forth below is being submitted in connection with the Annual Report on Form 10-K of Becton, Dickinson and Company for the fiscal year ended September 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report") for the purpose of complying with Rule 13a-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Edward J. Ludwig, the Chief Executive Officer of Becton, Dickinson and Company, certify that:

1. such Report fully complies with the requirements of Section 13(a) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Becton, Dickinson and Company.

Date: November 24, 2010

/s/ Edward J. Ludwig

Edward J. Ludwig
Chairman and Chief Executive Officer

The certification set forth below is being submitted in connection with the Annual Report on Form 10-K of Becton, Dickinson and Company for the fiscal year ended September 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report") for the purpose of complying with Rule 13a-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, David V. Elkins, the Chief Financial Officer of Becton, Dickinson and Company, certify that:

1. such Report fully complies with the requirements of Section 13(a) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Becton, Dickinson and Company.

Date: November 24, 2010

/s/ David V. Elkins

David V. Elkins
Executive Vice President and
Chief Financial Officer