FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

(Mark One)

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

For the quarterly period ended June 30, 1994

OR

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

For the transition period from _______________to_________________

Commission file number 1-4802

Becton, Dickinson and Company

(Exact name of registrant as specified in its charter)

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

1 Becton Drive Franklin Lakes, New Jersey 07417-1880

(Address of principal executive offices)
(Zip Code)

(201) 847-6800

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class of Common Stock	Shares Outstanding as of July 31, 1994
Common stock, par value $1.00	70,970,796

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

Condensed Consolidated Balance Sheets at June 30, 1994 and September 30, 1993

Condensed Consolidated Statements of Operations for the three and nine month periods ended June 30, 1994 and 1993

Condensed Consolidated Statements of Cash Flows for the nine months ended June 30, 1994 and 1993

Notes to Condensed Consolidated Financial Statements

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

<TABLE>
<CAPTION>

Assets	June 30, 1994 (Unaudited)	September 30, 1993
<S>	<C>	<C>
Current Assets:		
Cash and equivalents	$ 51,516	$ 39,126
Short-term investments	60,077	25,753
Trade receivables, net	525,855	557,803
Inventories (Note 2):		
Materials	87,936	89,549
Work in process	72,681	67,257
Finished products	286,523	289,071
	447,140	445,877
Prepaid expenses, deferred taxes and other	80,196	82,183
Total Current Assets	1,164,784	1,150,742
Investments in marketable securities	89,221	123,605
Property, plant and equipment	2,460,452	2,363,856
Less allowances for depreciation and amortization	1,075,534	960,786
	1,384,918	1,403,070
Intangibles, net		
Patents and other	104,060	110,820
Goodwill	115,027	105,272
Other	201,039	194,056
Total Assets	$ 3,059,049	$ 3,087,565
Liabilities and Shareholders' Equity		
Current Liabilities:		
Short-term debt	$ 149,688	$ 206,763
Payables and other liabilities	414,158	429,299
Total Current Liabilities	563,846	636,062
Long-term debt	706,577	680,581
Long-term employee benefit obligations	300,128	294,054
Deferred income taxes and other	28,306	19,915
Shareholders' Equity:		
Preferred stock	56,712	58,108
Common stock	85,349	85,349
Capital in excess of par value	106,432	104,954
Cumulative currency translation adjustments	3,539	(22,048)
Retained earnings	1,679,880	1,581,196
Unearned ESOP compensation	(44,406)	(45,249)
Shares in treasury - at cost	(427,314)	(305,357)
Total Shareholders' Equity	1,460,192	1,456,953
Total Liabilities and Shareholders' Equity	$ 3,059,049	$ 3,087,565

</TABLE>

See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY

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

	Three Months Ended June 30, 1994	Three Months Ended June 30, 1993*	Nine Months Ended June 30, 1994	Nine Months Ended June 30, 1993*
REVENUES	$ 652,988	$ 625,356	$1,841,882	$1,798,352
Cost of products sold	357,857	345,818	1,013,821	1,005,175
Selling and administrative	165,478	166,321	485,471	488,116
Research and development	35,086	35,156	105,573	101,928
TOTAL OPERATING COSTS AND EXPENSES	558,421	547,295	1,604,865	1,595,219
OPERATING INCOME	94,567	78,061	237,017	203,133
Interest expense, net	(13,264)	(14,864)	(37,762)	(41,826)
Other (expense) income, net	(2,419)	7,205	(11,438)	8,768
INCOME BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF ACCOUNTING CHANGES	78,884	70,402	187,817	170,075
Income tax provision	20,810	13,342	46,954	33,675
INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES	58,074	57,060	140,863	136,400
Cumulative effect of accounting changes, net of taxes	-	-	-	(141,057)
NET INCOME (LOSS)	$ 58,074	$ 57,060	$ 140,863	$ (4,657)
EARNINGS (LOSS) PER SHARE				
INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES	$ .78	$ .72	$ 1.87	$ 1.73
Cumulative effect of accounting changes, net of taxes	-	-	-	(1.83)
NET INCOME (LOSS)	$ .78	$ .72	$ 1.87	$ (.10)
DIVIDENDS PER SHARE	$ .185	$ .165	$ .555	$ .495
Average common and common equivalent shares outstanding	72,700	76,770	73,648	77,228

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

See notes to condensed consolidated financial statements

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

	Nine Months Ended June 30, 1994	Nine Months Ended June 30, 1993*
Operating Activities:		
Net income (loss)	$ 140,863	$ (4,657)
Adjustments to net income (loss) to derive net cash provided by operating activities:		
Depreciation and amortization	148,510	140,450

Cumulative effect of accounting changes, net of taxes	-	141,057
Change in working capital	30,645	(32,637)
Other, net	15,321	(2,764)
Net cash provided by operating activities	335,339	241,449
Investing Activities:		
Capital expenditures	(87,959)	(129,213)
Acquisition of business	(11,558)	0
Sale of equity investment	0	59,470
Change in investments, net	742	(15,825)
Other, net	(20,529)	(28,778)
Net cash used for investing activities	(119,304)	(114,346)
Financing Activities:		
Change in short-term debt	(50,693)	(113,728)
Proceeds of long-term debt	27,795	42,044
Payments of long-term debt	(16,534)	(1,559)
Issuance of common stock	9,287	12,252
Repurchase of common stock	(129,766)	(33,827)
Dividends paid	(43,877)	(41,460)
Net cash used for financing activities	(203,788)	(136,278)
Effect of exchange rate changes on cash and equivalents	143	(3,235)
Net increase (decrease) in cash and equivalents	12,390	(12,410)
Opening Cash and Equivalents	39,126	56,631
Closing Cash and Equivalents	$ 51,516	$ 44,221

</TABLE>

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

See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 1994

Note 1 - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, in the opinion of the management of the Company, include all adjustments, which are of a normal recurring nature, necessary for a fair presentation of financial position and the results of operations and cash flows for the periods presented. However, the financial statements do not include all information and footnotes required for a presentation in accordance with generally accepted accounting principles. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included or incorporated by reference in the Company's 1993 Annual Report on Form 10-K. The results of operations for the interim periods are not necessarily indicative of the results of operations to be expected for the full year.

Note 2 - Inventory Valuation

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

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

Results of Operations

Third Quarter 1994 vs. Third Quarter 1993

Third quarter revenues of $653 million exceeded the prior year's revenues of $625 million by 4%. Revenues would have increased 6% after excluding the estimated $8 million adverse impact of foreign currency translation. Orders for high volume Medical and Diagnostic products in the Company's core businesses in the United States and International markets continued to result in good growth rates, confirming that there does not seem to be an adverse effect from the uncertainty about health care reform. The growth in core businesses continued to be driven by product offerings which provide greater value and safety for our customers. Medical Supplies and Devices segment revenues of $366 million and Diagnostic Systems segment revenues of $287 million each increased 4%, but would have increased 6% and 5%, respectively, after excluding the estimated adverse impact of foreign currency translation.

Domestic Medical segment revenues increased 6%. International Medical segment revenues increased 3%, but would have increased 6% after excluding the estimated $5 million adverse impact of foreign currency translation. These growth rates continued to reflect strong sales of safety products and of diabetic and prefillable syringes.

Domestic Diagnostic segment revenues increased 6%. International Diagnostic segment revenues increased 3%, or 5% after excluding the estimated adverse impact of foreign currency translation. Revenue growth was adversely affected by the continuing economic weakness in European countries, especially Italy and Spain, and a general tightening of research funding in the U.S. market. Good growth rates were experienced in Latin America and Asia Pacific.

The gross profit margin of 45.2% improved from last year's third quarter rate of 44.7%. Productivity improvements and the mix of products sold were the principal reasons for the improvement. Selling and administrative expense was 25.3% of revenues, more than a full percentage point better than last year's third quarter ratio of 26.6%, reflecting tight spending controls and cost reduction programs. Expense of $165 million was slightly less than last year's third quarter expense. Investment of $35 million in research and development was the same as last year's third quarter expenditure. As a percent of revenues, research and development expense was 5.4%, slightly lower than last year's third quarter rate of 5.6%.

Operating income of $95 million increased 21% from last year's third quarter amount of $78 million despite the adverse effect of a stronger dollar and the effect of a retirement enhancement program charge of $4.5 million in the third quarter which was recorded primarily in cost of products sold and selling and administrative expense. Operating margin improved from 12.5% in the third quarter last year to 14.5% in the current quarter.

Net interest expense of $13 million was approximately $2 million less than last year's third quarter, principally due to lower interest rates.

Other (expense) income, net was $10 million unfavorable compared with last year's third quarter. The change is principally due to the absence of dividend income and a capital gain of almost $7 million recorded in last year's third quarter in connection with the Company's disposition of its shares of stock in The Perkin-Elmer Corporation. In addition, higher charges related to foreign exchange in the current quarter resulted in an unfavorable comparison of $2 million.

The income tax rate of 26.4%, compared with last year's third quarter rate of 19.0%, resulted from the change in projected mix of income from the various tax rate jurisdictions in which the Company operates.

Earnings per share were $.78, an increase of 8% over last year's $.72 which included a gain of $.07 related to the Perkin-Elmer transaction. Foreign currency translation decreased earnings per share by an estimated $.02.

Nine Months 1994 vs. Nine Months 1993

Reported revenues of $1.842 billion exceeded the prior year level of $1.798 billion by 2%. Revenues would have increased 5% without the estimated adverse impact of foreign currency translation. Medical Supplies and Devices segment revenues increased 3% to $1.014 billion. Diagnostic Systems segment revenues were $828 million, an increase of 2%. Geographically, domestic revenues increased 3% to $1.025 billion and international revenues increased 1% to $816 million, but would have increased 6% after excluding the estimated adverse impact of foreign currency translation.

The gross profit margin of 45.0% improved from 44.1% in 1993. Selling and administrative expense was 26.4% of revenues, lower than last year's rate of 27.1%, reflecting effective spending controls and cost reduction programs. Investment of $106 million in research and development expense increased 4% over last year's expenditures. As a percent of revenues, research and development expense was 5.7%, the same as last year's rate.

Operating income of $237 million increased $34 million over last year. As a percent of revenues, operating income was 12.9% compared with last year's 11.3%, resulting from productivity improvements in both manufacturing and operating expenses.

Other (expense) income, net was $20 million unfavorable compared with last year. The change is principally due to the absence of an $11 million capital gain recorded last year in connection with the Perkin-Elmer transaction, as well as the Company's share of earnings of Applied Biosystems, Inc. prior to its merger with The Perkin-Elmer Corporation, in the amount of $1 million, and other miscellaneous income.

The income tax rate of 25.0%, compared with last year's rate of 19.8%, resulted from the change in projected mix of income from the various tax rate jurisdictions in which the Company operates.

Income before the cumulative effect of accounting changes was $141 million compared with $136 million last year, an increase of 3%. Net income was $141 million, compared with a net loss of $5 million last year which included an after-tax charge of $141 million, or $1.83 per share, representing the cumulative effect of accounting changes adopted in 1993.

Earnings per share were $1.87, an increase of 8% over last year's $1.73 before the cumulative effect of accounting changes. The prior year's amount included a gain of $.11 related to the Perkin-Elmer transaction. Foreign currency translation decreased earnings per share by an estimated $.09.

Financial Condition

During the first nine months of 1994, cash provided by operations was $335 million, compared with $241 million during the first nine months of last year.

Debt decreased $31 million during the first nine months of 1994. The percentage of debt to capitalization (defined as the sum of shareholders' equity, net non-current deferred income tax liabilities, and debt) was 36.8%, lower than 37.6% a year ago. Last year's ratio has been restated to reflect the cumulative effect of accounting changes adopted in fiscal 1993 retroactive to October 1, 1992.

Capital expenditures for the nine months were $88 million compared with $129 million during the first nine months of last year. For the full year, capital expenditures are expected to be less than $140 million.

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

During the first nine months of 1994, the Company repurchased 3.5 million shares of its common stock at an average cost of approximately $37.00 per share. At June 30, 1994, authorization from the Board of Directors remained outstanding to acquire an additional 1.7 million shares.

PART II - OTHER INFORMATION

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

a) Exhibits

11 - Computation of Earnings Per Share.

b) Reports on Form 8-K

A report on Form 8-K dated June 13, 1994 was filed by the Company with the Securities and Exchange Commission on June 13, 1994. The Form 8-K stated that the Company had named Clateo Castellini Chairman of the Board of Directors, President and Chief Executive Officer, succeeding Raymond V. Gilmartin, who resigned to accept a similar position with Merck & Company, Inc. The Form 8-K also stated that John W. Galiardo had been named to the new position of Vice Chairman of the Board of Directors.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Becton, Dickinson and Company
(Registrant)

Date August 11, 1994

/s/ Robert A. Reynolds
Robert A. Reynolds
Vice President - Finance and Controller
(Principal Financial and Accounting Officer)

EXHIBIT INDEX

Exhibit Number	Description	Method of Filing	Sequential Page Number
11	Computation of Earnings Per Share	Filed with this report	12

BECTON, DICKINSON AND COMPANY Exhibit 11

COMPUTATION OF EARNINGS PER SHARE

(All amounts in thousands, except per share data)

<TABLE>
<CAPTION>

	Nine Months Ended June 30, 1994	Nine Months Ended June 30, 1993 *
PRIMARY EARNINGS PER SHARE		
<S>	<C>	<C>
Net Income:		
Income before cumulative effect of accounting changes	$ 140,863	$ 136,400
Less preferred stock dividends	(2,795)	(2,856)
Income before cumulative effect of accounting changes applicable to common stock	138,068	133,544
Cumulative effect of accounting changes, net of taxes	-	(141,057)
Net income(loss) applicable to common stock	$ 138,068	$ (7,513)
Shares:		
Average shares outstanding	72,658	76,053
Add dilutive stock equivalents from stock plans	990	1,175
Weighted average number of common and common equivalent shares outstanding during the year	73,648	77,228
Earnings per share:		
Income before cumulative effect of accounting changes	$ 1.87	$ 1.73
Cumulative effect of accounting changes, net of taxes	-	(1.83)
Net income(loss)	$ 1.87	$ (.10)
FULLY DILUTED EARNINGS PER SHARE**		
Net Income:		
Income before cumulative effect of accounting changes applicable to common stock	$ 138,068	$ 133,544
Add preferred stock dividends using the "if converted" method	2,795	2,856
Less additional ESOP contribution,using the "if converted" method	(1,159)	(1,241)
Income before cumulative effect of accounting changes for fully diluted earnings per share	$ 139,704	$ 135,159
Cumulative effect of accounting changes, net of taxes	-	(141,057)
Net income(loss) for fully diluted earnings per share	$ 139,704	$ (5,898)
Shares:		
Average shares outstanding	72,658	76,053
Add:		
Dilutive stock equivalents from stock plans	1,369	1,374
Shares issuable upon conversion of preferred stock	1,538	1,582
Weighted average number of common shares used in calculating fully diluted earnings per share	75,565	79,009
Fully diluted earnings per share:		
Income before cumulative effect of accounting changes	$ 1.85	$ 1.71
Cumulative effect of accounting changes, net of taxes	-	(1.78)
Net income(loss)	$ 1.85	$ (.07)

</TABLE>

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

** Excluding the assumed conversion of preferred shares in 1993 would yield the following results:
Income before cumulative effect of accounting changes: $1.73;
Cumulative effect of accounting changes, net of taxes: ($1.83); and Net loss: ($.10).