

FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)

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

For the quarterly period ended March 31, 1998

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 001-4802

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 No

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

<u>Class of Common Stock</u>	<u>Shares Outstanding as of April 30, 1998</u>
Common stock, par value \$1.00	123,100,479

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

Condensed Consolidated Balance Sheets at March 31, 1998 and September 30, 1997

Condensed Consolidated Statements of Income for the three and six months ended March 31, 1998 and 1997

Condensed Consolidated Statements of Cash Flows for the six months ended March 31, 1998 and 1997

Notes to Condensed Consolidated Financial Statements

<TABLE>
<CAPTION>

Assets	March 31, 1998	September 30, 1997
-----	-----	-----
	(Unaudited)	
<S>	<C>	<C>
Current Assets:		
Cash and equivalents	\$ 113,111	\$ 112,639
Short-term investments	15,648	28,316
Trade receivables, net	559,373	595,685
Inventories (Note 2):		
Materials	103,670	92,307
Work in process	84,540	79,519
Finished products	281,482	266,511
	-----	-----
Prepaid expenses, deferred taxes and other	469,692	438,337
	155,827	137,632
	-----	-----
Total Current Assets	1,313,651	1,312,609
Property, plant and equipment	2,613,070	2,549,828
Less allowances for depreciation and amortization	1,355,099	1,299,123
	-----	-----
	1,257,971	1,250,705
Goodwill, Net	222,033	164,097
Other Intangibles, Net	167,751	167,847
Other	211,200	184,994
	-----	-----
Total Assets	\$ 3,172,606	\$ 3,080,252
	=====	=====
Liabilities and Shareholders' Equity		

Current Liabilities:		
Short-term debt	\$ 233,840	\$ 132,440
Payables and accrued expenses	520,920	545,757
	-----	-----
Total Current Liabilities	754,760	678,197
Long-Term Debt	564,207	665,449
Long-Term Employee Benefit Obligations	314,832	306,514
Deferred Income Taxes and Other	51,719	44,659
Commitments and Contingencies	-	-
Shareholders' Equity:		
Preferred stock	50,038	51,111
Common stock	166,331	167,245
Capital in excess of par value	125,544	83,422
Cumulative currency translation adjustments	(124,169)	(86,870)
Retained earnings	2,326,544	2,249,463
Unearned ESOP compensation	(28,795)	(28,620)
Shares in treasury - at cost	(1,028,405)	(1,050,318)
	-----	-----
Total Shareholders' Equity	1,487,088	1,385,433
	-----	-----
Total Liabilities and Shareholders' Equity	\$ 3,172,606	\$ 3,080,252
	=====	=====

</TABLE>

See notes to condensed consolidated financial statements

3

BECTON, DICKINSON AND COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Thousands of Dollars, Except Per Share Data
(Unaudited)

<TABLE>
<CAPTION>

Three Months Ended March 31,	Six Months Ended March 31,
-----	-----

	1998	1997	1998	1997
<S>	<C>	<C>	<C>	<C>
REVENUES	\$ 738,433	\$ 699,207	\$1,440,073	\$ 1,355,006
Cost of products sold	364,080	352,674	718,883	695,806
Selling and administrative	186,017	185,454	385,157	371,984
Research and development	43,796	39,411	88,426	79,067
TOTAL OPERATING COSTS AND EXPENSES	593,893	577,539	1,192,466	1,146,857
OPERATING INCOME	144,540	121,668	247,607	208,149
Interest expense, net	(11,427)	(8,563)	(21,668)	(18,010)
Other (expense) income, net	(3,064)	3,333	(5,297)	8,141
INCOME BEFORE INCOME TAXES	130,049	116,438	220,642	198,280
Income tax provision	37,714	33,767	63,986	57,501
NET INCOME	\$ 92,335	\$ 82,671	\$ 156,656	\$ 140,779
Basic Earnings Per Share	\$.75	\$.67	\$ 1.27	\$ 1.13
Diluted Earnings Per Share	\$.71	\$.63	\$ 1.21	\$ 1.08
Dividends Per Common Share	\$.145	\$.13	\$.29	\$.26

</TABLE>

See notes to condensed consolidated financial statements

4

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

<TABLE>
<CAPTION>

	Six Months Ended March 31,	
	1998	1997
Operating Activities:		
<S>	<C>	<C>
Net income	\$ 156,656	\$ 140,779
Adjustments to Net Income to Derive Net Cash Provided by Operating Activities:		
Depreciation and amortization	108,710	101,060
Change in working capital	(40,869)	(46,095)
Other, net	17,245	13,568
Net Cash Provided by Operating Activities	241,742	209,312
Investing Activities:		
Capital expenditures	(89,945)	(62,627)
Acquisitions of businesses, net of cash acquired	(64,838)	-
Proceeds from divestiture of a business	-	20,860
Change in investments, net	7,308	21,112
Other, net	(42,693)	(19,315)
Net Cash Used for Investing Activities	(190,168)	(39,970)
Financing Activities:		
Change in short-term debt	4,648	(20,744)
Proceeds of long-term debt	-	97,838
Payments of long-term debt	(759)	(102,079)
Issuance of common stock	29,079	19,810
Repurchase of common stock	(44,476)	(107,875)
Dividends paid	(37,044)	(33,894)

Net Cash Used for Financing Activities	(48,552)	(146,944)
	-----	-----
Effect of exchange rate changes on cash and equivalents	(2,550)	(6,266)
	-----	-----
Net increase in cash and equivalents	472	16,132
Opening Cash and Equivalents	112,639	135,151
	-----	-----
Closing Cash and Equivalents	\$ 113,111	\$ 151,283
	=====	=====

</TABLE>

See notes to condensed consolidated financial statements

5

BECTON, DICKINSON AND COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Thousands of Dollars, Except Per Share Data
March 31, 1998

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 1997 Annual Report on Form 10-K. The results of operations for the interim periods are not necessarily indicative of the results of operations to be expected for the full year.

Note 2 - Inventory Valuation

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

Note 3 - Subsequent Event

On April 3, 1998, the Company completed its acquisition of the Medical Devices Division of Ohmeda, the health care business of The BOC Group, which has estimated annual revenues of \$200,000. The purchase price was approximately \$452,000 in cash, subject to certain post-closing adjustments.

6

Note 4 - Earnings per Share

In 1998, the Company adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share". All share and per share data for all periods have been presented and, where necessary, restated to conform to the SFAS No. 128 requirements. The reconciliation between the calculation of basic and diluted earnings per share follows:

<TABLE>
<CAPTION>

	Three Months Ended March 31,		Six Months Ended March 31,	
	1998	1997	1998	1997
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Net income	\$ 92,335	\$ 82,671	\$156,656	\$140,779
Preferred stock dividends	(809)	(846)	(1,634)	(1,699)
	-----	-----	-----	-----

Income available to common shareholders (A)	91,526	81,825	155,022	139,080
Preferred stock dividends - using "if converted" method	809	846	1,634	1,699
Additional ESOP contribution - using "if converted" method	(245)	(283)	(500)	(568)
	-----	-----	-----	-----
Income available to common shareholders after assumed conversions (B)	\$ 92,090	\$ 82,388	\$156,156	\$140,211
	=====	=====	=====	=====
Average common shares outstanding (C)	122,476	122,841	122,141	122,984
Dilutive stock equivalents from stock plans	5,149	4,980	4,725	4,416
Shares issuable upon conversion of preferred stock	2,714	2,818	2,714	2,818
	-----	-----	-----	-----
Average common and common equivalent shares outstanding - assuming dilution (D)	130,339	130,639	129,580	130,218
	=====	=====	=====	=====
Basic earnings per share (A/C)	\$.75	\$.67	\$ 1.27	\$ 1.13
	=====	=====	=====	=====
Diluted earnings per share (B/D)	\$.71	\$.63	\$ 1.21	\$ 1.08
	=====	=====	=====	=====

</TABLE>

7

Item 2. Management's Discussion and Analysis of Financial Condition and Results

of Operations.

Results of Operations

Second Quarter 1998 vs. Second Quarter 1997

Second quarter revenues of \$738 million exceeded prior year revenues by 6%. Revenue growth for the quarter was unfavorably impacted by the effect of a stronger dollar versus the prior year, which reduced revenues by an estimated \$26 million. Excluding the estimated impact of foreign currency translation, revenue growth would have been approximately 9%. Medical Supplies and Devices segment ("Medical") revenues of \$384 million increased 2%. Adjusting for the estimated unfavorable impact of foreign currency translation, Medical revenues would have increased approximately 6%. Diagnostic Systems segment ("Diagnostic") revenues of \$355 million increased 10%, or 14% after excluding the estimated unfavorable impact of foreign currency translation.

Domestic Medical revenues of \$199 million increased 3%. International Medical revenues of \$184 million increased 2%, or 9% after adjusting for an estimated \$13 million unfavorable impact of foreign currency translation. Good growth rates were experienced by the infusion therapy and injection systems businesses.

Domestic Diagnostic revenues of \$203 million increased 21%, aided by prior year acquisitions. International Diagnostic revenues of \$152 million declined 3%, but would have increased 6% after excluding the estimated unfavorable effect of foreign currency translation.

The gross profit margin of 50.7% improved more than a full percentage point over last year's second quarter rate of 49.6%. The improvement reflects a more profitable mix of products sold as well as continuing productivity improvements. Selling and administrative expense was \$186 million, or 25.2% of revenues, which improved from last year's second quarter ratio of 26.5%. Investment of \$44 million in research and development increased to 5.9% of revenues from 5.6% in last year's second quarter, primarily reflecting the continuation of strategic investments in support of the Company's key businesses.

Operating income of \$145 million increased 19% from last year's second quarter amount of \$122 million. The improved operating margin of 19.6%, as compared to 17.4%, reflects the improved gross profit margin as well as the lower selling and administrative expense ratio.

Net interest expense of \$11 million was about \$3 million higher than last year due to additional borrowings to fund recent acquisitions. Other (expense) income, net decreased \$6 million from last year, primarily due to the absence of

a \$6 million gain on the sale of an equity investment in the prior year. The second quarter income tax rate was 29%, consistent with last year's rate, which is the expected rate for the year.

8

Net income was \$92 million compared with \$83 million last year, an increase of 12%. Earnings per share of \$.71 increased 13% over last year's \$.63 on a diluted basis, or 19% after adjusting for an estimated \$.04 unfavorable foreign currency translation effect.

Six Months 1998 vs. Six Months 1997

Revenues of \$1.440 billion were 6% higher than last year's revenues of \$1.355 billion. After adjusting for the estimated unfavorable effect of foreign currency translation, revenues would have increased approximately 10%. Medical revenues of \$756 million increased 5%, or 8% after adjusting for the estimated unfavorable impact of foreign currency translation. Aided by prior year acquisitions, Diagnostic revenues of \$684 million increased 8%. After adjusting for the unfavorable effect of foreign currency translation, diagnostic revenues would have grown 13%. Domestic revenues of \$791 million increased 14%, also aided by prior year acquisitions. International revenues of \$649 million decreased 2%, but would have increased 6% after excluding the estimated impact of foreign currency translation.

The gross profit margin of 50.1% was more than a full percentage point higher than last year's rate of 48.6%. Selling and administrative expense was 26.7% of revenues, lower than last year's rate of 27.5%. Research and development spending was \$88 million, 12% higher than last year. As a percentage of revenues, research and development expense was 6.1%, compared with last year's rate of 5.8%. The reasons for these changes are consistent with those previously discussed in the Second Quarter Results of Operations.

Operating income of \$248 million increased \$39 million over the same period last year. As a percent of revenues, operating income was 17.2% compared with last year's rate of 15.4% resulting primarily from the improved gross profit margin.

Other (expense) income, net declined \$13 million compared with last year, principally due to higher foreign exchange losses and the absence of a \$4 million one-time gain which occurred in the first quarter of the prior year, in addition to the reasons discussed in the Second Quarter Results of Operations.

The income tax rate of 29.0% is consistent with last year's rate.

Net income was \$157 million, compared with \$141 million last year, an increase of 11%. Diluted earnings per share of \$1.21 increased 12% over last year's \$1.08, or 20% after excluding an estimated \$.09 unfavorable impact of foreign currency translation compared with the prior year.

Financial Condition

During the first six months of 1998, cash provided by operations was \$242 million, compared with \$209 million during the first six months of last year. Capital expenditures during the first six months were \$90 million compared with \$63 million during the first six months of last

9

year. For the full year, capital expenditures are expected to be slightly higher than last year's amount of \$170 million. In the first quarter, the Company invested \$40 million for the acquisition of a manufacturer of ophthalmic surgical and anesthesia products. In the second quarter, the Company acquired IntelliCode Intelligent Bar Coding Systems and Tru-Fit Marketing Corporation for an aggregate of \$25 million in cash and 297,760 shares of the Company's common stock, subject to certain post-closing adjustments.

As of March 31, 1998, total debt of \$798 million represented 34.6% of total capital (shareholders' equity, net non-current deferred income tax liabilities, and debt) compared with 33.4% a year ago. Because of its strong credit rating, the Company believes it has the capacity to arrange significant additional borrowings should the need arise.

During the first six months of 1998, the Company repurchased 913,500 shares of its common stock for a total expenditure of \$44 million. At March 31, 1998, authorization from the Board of Directors remained in effect to reacquire up to an additional 10.6 million shares, although the Company expects to limit its share repurchases for the balance of the year.

The Company continues to evaluate the appropriate courses of corrective action needed to prepare its computer systems for the year 2000. Based on a preliminary assessment, the Company expects to spend approximately \$6 million to \$10 million to modify and replace its existing computer software to ensure proper transaction processing in the year 2000 and beyond. A portion of these

costs will represent the redeployment of existing internal resources and, therefore, are not expected to be incremental. The Company will expense the costs to modify existing systems and will capitalize the costs to replace software that is not Year 2000 compliant. Accordingly, the cost of the Year 2000 project to be incurred over the next two years is not expected to have a material effect on the Company's results of operations or financial position. A comprehensive evaluation of the impact of the Year 2000 issue on both the Company's infrastructure and its interface with suppliers, distributors and customers has been initiated and is expected to be completed in the latter part of fiscal year 1998. The Company expects the remediation program to be completed by the middle of 1999. There can be no guarantee, however, that the systems of other entities with which the Company's systems interface also will be converted on a timely basis or that any failure to convert by another entity would not have an adverse effect on the Company's systems.

In March 1998, the Board of Directors approved an enterprise-wide systems initiative. This project will develop a platform of common business practices for the Company and will coordinate the installation of a global software system to provide more efficient access to worldwide business information. The initiative is expected to cost \$160 million over the next seven years.

This interim report on Form 10-Q may contain certain forward looking statements (as defined under federal securities laws) regarding the Company's performance, including future revenues, products and income, which are based upon current expectations of the Company and involve a number of business risks and uncertainties. Actual results could vary materially from anticipated results described in any forward looking statement. Factors that could cause actual

10

results to vary materially include, but are not limited to, competitive factors, changes in regional, national or foreign economic conditions, changes in interest or foreign currency exchange rates, delays in product introductions, and changes in health care or other governmental regulation, as well as other factors discussed herein and in other of the Company's filings with the Securities and Exchange Commission.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes in information reported since the fiscal year ended September 30, 1997.

11

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is a party to a number of federal proceedings in the United States brought under the Comprehensive Environmental Response, Compensation and Liability Act, also known as Superfund, and similar state laws. The Company is also involved in other legal proceedings and claims which arise in the ordinary course of business, both as a plaintiff and a defendant. The results of these matters, individually and in the aggregate, are not expected to have a material effect on the Company.

Item 2. Changes in Securities and Use of Proceeds.

On February 18, 1998, the registrant completed the acquisition of Tru-Fit Marketing Corporation, a Massachusetts corporation ("Tru-Fit"), pursuant to an Agreement and Plan of Merger dated January 9, 1998 (the "Merger Agreement"). In connection with the acquisition, the former shareholders of Tru-Fit received certain cash consideration and an aggregate 248,134 shares of the registrant's common stock, par value \$1.00 per share ("Common Stock"), in exchange for all of the issued and outstanding common stock of Tru-Fit. Pursuant to the terms of the Merger Agreement, the former Tru-Fit shareholders may receive up to an additional 49,626 shares of Common Stock pending resolution of certain post-closing adjustments to the merger consideration paid under the Merger Agreement and resolution of post-closing indemnification claims of the registrant, if any.

The Common Stock issued to the former shareholders of Tru-Fit in connection with the acquisition was offered and sold pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"), for transactions not

involving a public offering of securities. In connection with the offer and sale, the registrant relied upon the fact that the offering was made to only two offerees (the former shareholders of Tru-Fit) and did not involve any general advertising or solicitation, the offerees were sophisticated investors, the size of the offering was small in relation to the registrant's market capitalization, and the registrant had taken reasonable steps to prevent resale of the Common Stock by the former shareholders of Tru-Fit in violation of the Securities Act.

12

Item 3. Defaults Upon Senior Securities.

Not applicable.

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

a.) The Annual Meeting of Shareholders of the Company was held on February 10, 1998.

c.) i.) A management proposal for the election of four directors for the terms indicated below was voted upon as follows:

Nominee	Term	Votes For	Votes Withheld
Richard W. Hanselman	2 Years	105,433,443	1,583,370
Henry P. Becton, Jr.	3 Years	105,525,229	1,491,584
Gerald M. Edelman	3 Years	105,524,335	1,492,478
Margaretha af Ugglas	3 Years	105,511,854	1,504,959

ii.) A management proposal to approve the selection of Ernst & Young, LLP as independent auditors for the fiscal year 1998 was voted upon. 106,508,430 shares were voted for the proposal, 234,040 shares were voted against and 274,343 shares abstained.

iii.) A management proposal relating to the adoption of the 1998 Stock Option Plan was voted upon. 98,639,298 shares were voted for the proposal, 7,719,871 shares were voted against and 657,644 shares abstained.

iv.) A shareholder proposal requesting the Board of Directors take the necessary steps to provide for cumulative voting in the election of directors was voted upon. 23,947,019 shares were voted for the proposal, 69,846,443 shares were voted against and 1,973,319 shares abstained.

13

Item 5. Other Information.

Not applicable.

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

a) Exhibits

3(ii) - By-Laws, as amended February 10, 1998
27.1 - Financial Data Schedule
27.2 - Restated Financial Data Schedule

b) Reports on Form 8-K

During the three-month period ending March 31, 1998, the Company filed one Current Report on Form 8-K under Item 5 - Other Events concerning the announcement of the signing of a definitive agreement to acquire the Medical Devices Division of Ohmeda, the health care business of The BOC Group, Inc. This report was dated January 28, 1998 and filed February 3, 1998.

14

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.

Date May 14, 1998

/s/ Edward J. Ludwig

Edward J. Ludwig
Senior Vice President - Finance and Chief Financial Officer
(Principal Financial and Accounting Officer)

15

EXHIBIT INDEX

Exhibit Number	Description	Method of Filing
-----	-----	-----
3(ii)	By-Laws, as amended February 10, 1998	Filed with this report
27.1	Financial Data Schedule	Filed with this report
27.2	Restated Financial Data Schedule	Filed with this report

BY-LAWS
of
BECTON, DICKINSON AND COMPANY
A New Jersey Corporation
as Amended February 10, 1998

ARTICLE I
Offices

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

ARTICLE II
Meetings of Shareholders

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

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

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

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

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

-1-

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

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

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

SECTION 6. PROXIES. Any shareholder of record entitled to vote may be

represented at any annual or special meeting of the shareholders by a duly appointed proxy. All proxies shall be written and properly signed, but shall require no other attestation, and shall be filed with the Secretary of the meeting before being voted.

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

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

ARTICLE III
Directors

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

-2-

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

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

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

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

SECTION 6. QUORUM. A majority of the Directors then in office shall constitute a quorum for the transaction of business, but the Director or Directors present, if less than a quorum, may adjourn any meeting from time to time until such quorum shall be present. All questions coming before the Board of Directors shall be determined and decided by a majority vote of the Directors present, unless the vote of a greater number is required by statute, the Certificate of Incorporation or these By-Laws.

SECTION 7. ACTION WITHOUT A MEETING. The Board of Directors may act without

-3-

a meeting if, prior or subsequent to such action, each Director shall consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

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

ARTICLE IV
Committees

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

- (a) make, alter, or repeal any By-law of the Company;
- (b) elect, appoint or remove any Director, or elect, appoint or remove any corporate officer;
- (c) submit to shareholders any action that requires approval of shareholders;
- (d) amend or repeal any resolution adopted by the terms is amendable or repealable only by the Board of Directors which by its Board;
- (e) act on matters assigned to other committees appointed by the Board of Directors;
- (f) declare or pay any dividends or issue any additional shares of authorized and unissued capital stock; or
- (g) create, dissolve or fill any vacancy on any committee appointed by the Board of Directors.

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

-4-

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

SECTION 3. INVESTMENT COMMITTEE. The Investment Committee shall consist of not less than three members.

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

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

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

SECTION 5. COMPENSATION AND BENEFITS COMMITTEE. The Compensation and Benefits Committee (the "Committee") shall consist of not less than three

members, all of whom are to be "nonemployee directors" within the meaning of Rule 16b-3(b)(3) under the Securities Exchange Act of 1934.

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

-5-

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

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

SECTION 7. COMMITTEE ON DIRECTORS. The Committee on Directors shall consist of not less than 3 members, a majority of whom are neither officers of nor otherwise employed or retained by the Company or any subsidiary.

The Committee on Directors shall: (i) recommend to the Board candidates for election as Directors at the annual meeting of shareholders or to fill vacancies on the Board; and (ii) make recommendations concerning the composition, organization and functions of the Board and the performance, qualifications, conduct, including memberships on other boards, and compensation of Directors.

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

A majority of the members of a committee shall constitute a quorum. The affirmative vote of a majority of all of the members shall be necessary for the adoption of a resolution or to approve any matter within the scope of the authority of a committee. Minutes of the proceedings of a committee shall be recorded in a book provided for that purpose and filed with the Secretary of the Company. A committee may act without a meeting if, prior or subsequent to such action, each member shall consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the committee.

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

ARTICLE V
Officers

SECTION 1. ENUMERATION, APPOINTMENT AND REMOVAL. The corporate officers of the Company shall be a Chairman of the Board, a Vice Chairman of the Board, a President, one or more Executive Vice Presidents, one or more Senior Vice Presidents, one or

-6-

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

Executive Officer of the Company.

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

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

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

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

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

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

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

-7-

office.

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

ARTICLE VI
Certificate of Capital Stock

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

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

Certificates shall be signed by, or in the name of the corporation by, the Chairman or Vice-Chairman of the Board, or the President or a Vice-President, and may be countersigned by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the corporation and may be sealed with the seal of the corporation or a facsimile thereof. Any or all signatures upon a certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon such

certificate, shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of its issue.

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

-8-

days prior to any other action, as the record date for any such determination of shareholders.

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

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

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

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

ARTICLE VII
Dividends

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

ARTICLE VIII
Signatures

Unless otherwise required by law, by the Certificate of Incorporation, by these By-laws, or by resolution of the Board of Directors, the Chief Executive Officer, the President or any Executive Vice President, Senior Vice President, Sector President, Group President, or Vice

-9-

President, or the Controller or the Treasurer of the Company may enter into and execute in the name of the Company, contracts or other instruments in the regular course of business, or contracts or other instruments not in the regular course of business which are authorized either generally or specifically by the Board of Directors, and the Secretary or an Assistant Secretary shall affix the Company seal thereto and attest the same, if required.

ARTICLE IX
Fiscal Year

The fiscal year of the Company shall begin on the 1st day of October in each

year and end on the September 30th next succeeding.

ARTICLE X
Directors May Contract With Company

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

ARTICLE XI
Indemnification

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

ARTICLE XII
Amendments

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

ARTICLE XIII

-10-

Force and Effect of By-Laws

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

-11-

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

This schedule contains summary financial information extracted from the Company's Consolidated Financial Statements and is qualified in its entirety by reference to such financial statements.

</LEGEND>

<MULTIPLIER> 1,000

<S>	<C>
<PERIOD-TYPE>	6-MOS
<FISCAL-YEAR-END>	SEP-30-1998
<PERIOD-END>	MAR-31-1998
<CASH>	113,111
<SECURITIES>	15,648
<RECEIVABLES>	559,373
<ALLOWANCES>	0<F1>
<INVENTORY>	469,692
<CURRENT-ASSETS>	1,313,651
<PP&E>	2,613,070
<DEPRECIATION>	1,355,099
<TOTAL-ASSETS>	3,172,606
<CURRENT-LIABILITIES>	754,760
<BONDS>	564,207
<PREFERRED-MANDATORY>	0
<PREFERRED>	50,038
<COMMON>	166,331
<OTHER-SE>	1,270,719
<TOTAL-LIABILITY-AND-EQUITY>	3,172,606
<SALES>	1,440,073
<TOTAL-REVENUES>	1,440,073
<CGS>	718,883
<TOTAL-COSTS>	718,883
<OTHER-EXPENSES>	0
<LOSS-PROVISION>	0<F1>
<INTEREST-EXPENSE>	27,253
<INCOME-PRETAX>	220,642
<INCOME-TAX>	63,986
<INCOME-CONTINUING>	156,656
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	156,656
<EPS-PRIMARY>	1.27
<EPS-DILUTED>	1.21

<FN>

<F1> These items are consolidated only at year end.

</FN>

</TABLE>

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

This schedule contains restated summary financial information extracted from the Company's Consolidated Financial Statements for such periods and is qualified in its entirety by reference to such financial statements.

</LEGEND>

<RESTATED>

<MULTIPLIER> 1,000

<S>	<C>	<C>
<PERIOD-TYPE>	6-MOS	3-MOS
<FISCAL-YEAR-END>	SEP-30-1997	SEP-30-1997
<PERIOD-END>	MAR-31-1997	DEC-31-1996
<CASH>	151,283	152,677
<SECURITIES>	17,549	17,773
<RECEIVABLES>	533,096	508,383
<ALLOWANCES>	0<F1>	0<F1>
<INVENTORY>	402,753	403,543
<CURRENT-ASSETS>	1,235,027	1,223,748
<PP&E>	2,465,744	2,482,706
<DEPRECIATION>	1,256,502	1,248,622
<TOTAL-ASSETS>	2,793,234	2,822,118
<CURRENT-LIABILITIES>	658,358	676,187
<BONDS>	466,378	468,249
<PREFERRED-MANDATORY>	168,121	169,424
<PREFERRED>	0	0
<COMMON>	51,955	52,493
<OTHER-SE>	1,097,719	1,114,089
<TOTAL-LIABILITY-AND-EQUITY>	2,793,234	2,822,118
<SALES>	1,355,006	655,799
<TOTAL-REVENUES>	1,355,006	655,799
<CGS>	695,806	343,132
<TOTAL-COSTS>	695,806	343,132
<OTHER-EXPENSES>	0	0
<LOSS-PROVISION>	0<F1>	0<F1>
<INTEREST-EXPENSE>	24,246	12,711
<INCOME-PRETAX>	198,280	81,842
<INCOME-TAX>	57,501	23,734
<INCOME-CONTINUING>	140,779	58,108
<DISCONTINUED>	0	0
<EXTRAORDINARY>	0	0
<CHANGES>	0	0
<NET-INCOME>	140,779	58,108
<EPS-PRIMARY>	1.13	0.46
<EPS-DILUTED>	1.08	0.44

<FN>
<F1> These items are consolidated only at year end.

</FN>

</TABLE>