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# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

# FORM 10-Q

(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, 2013**

**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 x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by checkmark 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 | x | Accelerated filer | ¨ |
| Non-accelerated filer | ¨ | Smaller reporting company | ¨ |

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

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 June 30, 2013 |
|---|---|
| **Common stock, par value $1.00** | **194,212,346** |

BECTON, DICKINSON AND COMPANY
FORM 10-Q
For the quarterly period ended June 30, 2013

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

| Assets | June 30, 2013 (Unaudited) | September 30, 2012 |
|---|---|---|
| Current Assets: | | |
| Cash and equivalents | $ 1,962,086 | $ 1,671,165 |
| Short-term investments | 337,118 | 509,566 |
| Trade receivables, net | 1,254,595 | 1,249,549 |
| Inventories: | | |
| Materials | 212,659 | 200,514 |
| Work in process | 282,994 | 247,217 |
| Finished products | 913,455 | 792,948 |
| | 1,409,108 | 1,240,679 |
| Prepaid expenses, deferred taxes and other | 471,604 | 515,255 |
| Assets held for sale | — | 135,857 |
| Total Current Assets | 5,434,511 | 5,322,071 |
| Property, plant and equipment | 7,239,004 | 7,046,045 |
| Less allowances for depreciation and amortization | 3,887,342 | 3,742,117 |
| | 3,351,662 | 3,303,928 |
| Goodwill | 1,092,337 | 1,076,077 |
| Core and Developed Technology, Net | 543,476 | 511,674 |
| Other Intangibles, Net | 297,672 | 301,010 |
| Capitalized Software, Net | 361,644 | 346,182 |
| Other | 505,745 | 499,967 |
| Total Assets | $11,587,047 | $11,360,909 |
| Liabilities and Shareholders' Equity | | |
| Current Liabilities: | | |
| Short-term debt | $ 207,432 | $ 405,142 |
| Payables and accrued expenses | 1,485,385 | 1,572,913 |
| Total Current Liabilities | 1,692,817 | 1,978,055 |
| Long-Term Debt | 3,762,567 | 3,761,112 |
| Long-Term Employee Benefit Obligations | 1,115,482 | 1,224,148 |
| Deferred Income Taxes and Other | 299,661 | 261,705 |
| Commitments and Contingencies | — | — |
| Shareholders' Equity: | | |
| Common stock | 332,662 | 332,662 |
| Capital in excess of par value | 2,040,249 | 1,920,035 |
| Retained earnings | 11,347,943 | 10,435,378 |
| Deferred compensation | 18,177 | 18,917 |
| Common shares in treasury – at cost | (8,158,359) | (7,769,292) |
| Accumulated other comprehensive loss | (864,152) | (801,811) |
| Total Shareholders' Equity | 4,716,520 | 4,135,889 |
| Total Liabilities and Shareholders' Equity | $11,587,047 | $11,360,909 |

See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Thousands of dollars, except per share data
(Unaudited)

| | Three Months Ended June 30, | | Nine Months Ended June 30, | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Revenues | $2,052,664 | $1,980,530 | $5,953,232 | $5,741,211 |
| Cost of products sold | 992,673 | 947,395 | 2,868,993 | 2,789,044 |
| Selling and administrative | 534,320 | 469,130 | 1,544,808 | 1,439,094 |
| Research and development | 121,116 | 114,987 | 361,654 | 343,968 |
| Total Operating Costs and Expenses | 1,648,109 | 1,531,512 | 4,775,455 | 4,572,106 |
| Operating Income | 404,555 | 449,018 | 1,177,777 | 1,169,105 |
| Interest income | 6,272 | 6,253 | 26,012 | 38,379 |
| Interest expense | (34,573) | (34,849) | (104,334) | (99,367) |
| Other income (expense), net | 2,809 | (1,881) | 5,775 | 2,392 |
| Income From Continuing Operations Before Income Taxes | 379,063 | 418,541 | 1,105,230 | 1,110,509 |
| Income tax provision | 87,185 | 106,960 | 266,982 | 275,260 |
| Income From Continuing Operations | 291,878 | 311,581 | 838,248 | 835,249 |
| Income from Discontinued Operations, net | 9,672 | 15,285 | 364,375 | 45,635 |
| Net Income | $ 301,550 | $ 326,866 | $1,202,623 | $ 880,884 |
| Basic Earnings per Share: | | | | |
| Income from Continuing Operations | $ 1.50 | $ 1.54 | $ 4.29 | $ 4.02 |
| Income from Discontinued Operations | 0.05 | 0.08 | 1.87 | 0.22 |
| Basic Earnings per Share | $ 1.55 | $ 1.62 | $ 6.16 | $ 4.24 |
| Diluted Earnings per Share: | | | | |
| Income from Continuing Operations | $ 1.47 | $ 1.52 | $ 4.21 | $ 3.95 |
| Income from Discontinued Operations | 0.05 | 0.07 | 1.83 | 0.22 |
| Diluted Earnings per Share | $ 1.52 | $ 1.59 | $ 6.04 | $ 4.17 |
| Dividends per Common Share | $ 0.495 | $ 0.450 | $ 1.485 | $ 1.350 |

See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Thousands of dollars
(Unaudited)

| | Three Months Ended June 30, | | Nine Months Ended June 30, | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Net Income | $301,550 | $ 326,866 | $1,202,623 | $ 880,884 |
| Other Comprehensive Income (Loss), Net of Tax | | | | |
| Foreign currency translation adjustments | (75,263) | (263,223) | (108,963) | (203,081) |
| Defined benefit pension and postretirement plans | 13,603 | 9,632 | 40,810 | 163,012 |
| Unrealized (loss) gain on investments, net of amounts recognized | (2) | 12 | (2) | (19) |
| Unrealized gains on cash flow hedges, net of amounts realized | 579 | 1,313 | 5,814 | 4,431 |
| Other Comprehensive Loss, Net of Tax | (61,083) | (252,266) | (62,341) | (35,657) |
| Comprehensive Income | $240,467 | $ 74,600 | $1,140,282 | $ 845,227 |

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, | |
|---|---|---|
| | 2013 | 2012 |
| Operating Activities | | |
| Net income | $1,202,623 | $ 880,884 |
| Less: Income from discontinued operations, net | 364,375 | 45,635 |
| Income from continuing operations | 838,248 | 835,249 |
| Adjustments to income from continuing operations to derive net cash provided by continuing operating activities, net of amounts acquired: | | |
| Depreciation and amortization | 403,681 | 383,559 |
| Share-based compensation | 78,741 | 71,689 |
| Deferred income taxes | (28,992) | (5,674) |
| Change in operating assets and liabilities | (228,615) | (117,819) |
| Pension obligation | (70,079) | (39,859) |
| Other, net | (3,696) | 8,791 |
| Net Cash Provided by Continuing Operating Activities | 989,288 | 1,135,936 |
| Investing Activities | | |
| Capital expenditures | (339,024) | (313,481) |
| Capitalized software | (49,162) | (51,225) |
| Proceeds from (purchases of) investments, net | 156,749 | (158,074) |
| Acquisitions of businesses, net of cash acquired | (136,271) | (50,891) |
| Divestitures of businesses | 735,989 | — |
| Other, net | (71,936) | (70,540) |
| Net Cash Provided by (Used for) Continuing Investing Activities | 296,345 | (644,211) |
| Financing Activities | | |
| Change in short-term debt | (199,636) | 5,784 |
| Proceeds from long-term debt | — | 1,488,285 |
| Payments of debt | (18) | (42,337) |
| Repurchase of common stock | (406,485) | (1,250,011) |
| Excess tax benefits from payments under share-based compensation plans | 20,127 | 8,748 |
| Dividends paid | (289,605) | (280,260) |
| Issuance of common stock and other, net | 45,466 | 13,438 |
| Net Cash Used for Financing Activities | (830,151) | (56,353) |
| Discontinued Operations | | |
| Net cash (used for) provided by operating activities | (153,401) | 54,588 |
| Net cash used for investing activities | (217) | (3,959) |
| Net Cash (Used for) Provided by Discontinued Operations | (153,618) | 50,629 |
| Effect of exchange rate changes on cash and equivalents | (10,943) | (2,564) |
| Net increase in cash and equivalents | 290,921 | 483,437 |
| Opening Cash and Equivalents | 1,671,165 | 1,175,282 |
| Closing Cash and Equivalents | $1,962,086 | $ 1,658,719 |

See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Dollar and share amounts in thousands, except per share data
June 30, 2013

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 the financial position and the results of operations and cash flows for the periods presented. However, the financial statements do not include all information and accompanying notes required for a presentation in accordance with U.S. 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 2012 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 – Accounting Changes

In February 2013, the Financial Accounting Standards Board issued guidance to expand the reporting requirements for amounts reclassified out of accumulated other comprehensive income. These requirements are effective, on a prospective basis, for all reporting periods beginning after December 15, 2012. The Company adopted the revised presentation requirements, which did not impact the recognition of items in its consolidated financial statements, on March 31, 2013.

Note 3 – Accumulated Other Comprehensive Income

The components and changes in accumulated other comprehensive income (loss) for the nine-month period ended June 30, 2013 were as follows:

| | Total | Foreign Currency Translation Adjustments | Benefit Plans Adjustments [A] | Unrealized Loss on Investments [B] | Unrealized Losses on Cash Flow Hedges[C] |
|---|---|---|---|---|---|
| Balance at September 30, 2012 | $ (801,811) | $ 51,259 | $ (814,739) | $ (135) | $ (38,196) |
| Other comprehensive (loss) income before reclassifications | (106,673) | (108,963) | — | (2) | 2,292 |
| Amounts reclassified into income [D] | 44,332 | — | 40,810 | — | 3,522 |
| Balance at June 30, 2013 | $ (864,152) | $ (57,704) | $ (773,929) | $ (137) | $ (32,382) |

(A) The reclassifications from accumulated other comprehensive income (loss) are included in the computation of net periodic pension cost and additional details are provided in Note 8. The reclassification amount for the three months ended June 30, 2013 was $13,602. The reclassification amounts for the three and nine months ended June 30, 2012 were $9,632 and $30,828, respectively. Amounts are net of taxes.

(B) Amounts are net of taxes.

(C) The reclassification amount for the three months ended June 30, 2013 was $631. The reclassification amounts for the three and nine months ended June 30, 2012 were $1,313 and $3,564, respectively. Additional details regarding the reclassifications from accumulated other comprehensive income (loss) related to cash flow hedges are provided in Note 12. Amounts are net of taxes.

(D) The benefit plan-related amount is not reclassified into income in its entirety. The reclassification amount for cash flow hedges consists of $4,020 related to interest rate swaps that was recorded in *Interest expense* and $(498) related to commodity forward contracts that was recorded in *Costs of products sold.*

The loss in foreign currency translation adjustments for the nine months ended June 30, 2013 was primarily attributable to the weakening of currencies in Latin America and Asia Pacific, as well as weakening of the Yen, against the U.S. dollar during the period.

The income tax benefits associated with the benefit plan-related reclassification adjustments for amortization of prior service credit and amortization of net actuarial losses for the three months ended June 30, 2013 and 2012 were $7,505 and $5,415, respectively. The income tax benefits associated with the reclassification adjustments for amortization of prior service credit and amortization of net actuarial losses for the nine months ended June 30, 2013 and 2012 were $22,516 and $17,433, respectively.

The income tax benefit recorded in the three months ended June 30, 2013 for unrealized losses on cash flow hedges was $32. There were no unrealized gains or losses recorded on cash flow hedges in the three months ended June 30, 2012. The income tax provision recorded in the nine months ended June 30, 2013 and 2012 for unrealized gains on cash flow hedges was $1,405 and $531, respectively. The tax benefits associated with the reclassification adjustments for realized hedge losses in the three months ended June 30, 2013 and 2012 were $387 and $805, respectively. The tax benefits associated with the reclassification adjustments for realized hedge losses in the nine months ended June 30, 2013 and 2012 were $2,159 and $2,185, 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) were as follows:

| | Three Months Ended June 30, | | Nine Months Ended June 30, | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Average common shares outstanding | 194,879 | 202,015 | 195,312 | 207,605 |
| Dilutive share equivalents from share-based plans | 3,840 | 3,275 | 3,799 | 3,649 |
| Average common and common equivalent shares outstanding – assuming dilution | 198,719 | 205,290 | 199,111 | 211,254 |

Note 5 – 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 indirect purchasers of the Company's products, such as hospitals and retailers (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 3, 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 in Federal court in New Jersey.

Pursuant to a settlement agreement the Company entered into with the Distributor Plaintiffs in these actions on April 27, 2009 and following approval by the District Court (on a preliminarily basis in November 2012 and on a final basis in April 2013), the Company has paid $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.

On July 30, 2013, the Company entered into an agreement with the Hospital Plaintiffs to settle their claims in these actions, which agreement is subject to preliminary and final approval by the court following notice to potential class members. The settlement agreement provides for the Company to pay $22,000 into a fund in exchange for a release by all potential class members of the indirect purchaser claims related to the products and acts enumerated in the complaint, and a dismissal of the case with prejudice. The release will not cover potential class members that opt out of the settlement. The Company currently cannot estimate the range of reasonably possible losses with respect to these class action matters beyond the $22,000 settlement.

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 Integra™ 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, and stayed the non-patent claims during the pendency of the patent claims at the trial court level. 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 Integra™ 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 Integra™ products in their current form, but stayed the injunction for the duration of the Company's appeal. At the same time, the court lifted a stay of RTI's non-patent claims. On July 8, 2011, the Court of Appeals for the Federal Circuit reversed the District Court judgment that the Company's 3ml BD Integra™ products infringed the asserted RTI patents and affirmed the District Court judgment of infringement against the Company's discontinued 1ml BD Integra™ products. On October 31, 2011, the Federal Circuit Court of Appeals denied RTI's request for an en banc rehearing. In January 2013, RTI's petition for review with the U.S. Supreme Court was denied.

The trial on RTI's antitrust and false advertising claims is expected to take place in September 2013. With respect to RTI's antitrust and false advertising claims, BD cannot estimate the possible loss or range of reasonably possible loss, as there are significant legal and factual issues to be resolved. These include summary judgment motions and motions to dismiss that are pending before the court. In addition, each party has filed motions seeking to exclude portions of the other party's expert testimony and to preclude the other party from introducing certain other evidence at trial. In the event that RTI ultimately succeeds at trial and subsequent appeals on its antitrust and false advertising claims, any potential loss could be material as RTI is seeking to recover substantial damages including disgorgement of profits and damages under the federal antitrust laws, which are trebled. BD believes RTI's allegations are without merit.

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.

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 Viper™ and BD Viper™ XTR™ systems and BD ProbeTec™ 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 Max™ instrument infringes Gen-Probe patents. 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. On December 1, 2012, the Company entered into a settlement agreement with Gen-Probe, under which the Company is granted a license to make, use and sell products accused of infringing Gen-Probe patents in the action. The payments that the Company will make to Gen-Probe under the settlement, which include a settlement payment, a licensing fee and ongoing royalties, are not material to the Company's consolidated results of operations and consolidated cash flows. Following the settlement, the case was dismissed with prejudice.

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"). These segments are strategic businesses that are managed separately because each one develops, manufactures and markets distinct products and services. The Company evaluates performance of its business segments and allocates resources to them primarily based upon operating income. Segment operating income represents revenues reduced by product costs and operating expenses. Financial information for the Company's segments was as follows:

| | Three Months Ended June 30, | | Nine Months Ended June 30, | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Revenues (A) | | | | |
| Medical | $1,140,498 | $1,070,076 | $ 3,185,943 | $ 3,041,660 |
| Diagnostics | 655,110 | 642,250 | 1,965,976 | 1,893,012 |
| Biosciences | 257,056 | 268,204 | 801,313 | 806,539 |
| | $2,052,664 | $1,980,530 | $ 5,953,232 | $ 5,741,211 |
| Segment Operating Income | | | | |
| Medical | $ 334,197 | $ 323,868 | $ 913,169 | $ 862,856 |
| Diagnostics | 158,517 | 173,535 | 473,429 | 496,950 |
| Biosciences | 58,138 | 67,157 | 194,583 | 199,582 |
| Total Segment Operating Income | 550,852 | 564,560 | 1,581,181 | 1,559,388 |
| Unallocated Items (B) | (171,789) (C) | (146,019) | (475,951) (C) | (448,879) |
| Income from Continuing Operations Before Income Taxes | $ 379,063 | $ 418,541 | $ 1,105,230 | $ 1,110,509 |

(A) Intersegment revenues are not material.
(B) Includes primarily interest, net; foreign exchange; corporate expenses; and share-based compensation expense.
(C) Includes the $22,000 charge associated with the pending litigation settlement related to indirect purchaser antitrust class action cases as disclosed in Note 5.

| | Three Months Ended June 30, | | Nine Months Ended June 30, | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Revenues by Organizational Units | | | | |
| BD Medical | | | | |
| Medical Surgical Systems | $ 560,916 | $ 531,771 | $ 1,635,420 | $ 1,573,020 |
| Diabetes Care | 249,606 | 232,675 | 724,500 | 677,839 |
| Pharmaceutical Systems | 329,976 | 305,630 | 826,023 | 790,801 |
| | 1,140,498 | 1,070,076 | 3,185,943 | 3,041,660 |
| BD Diagnostics | | | | |
| Preanalytical Systems | 344,869 | 333,454 | 1,009,668 | 973,389 |
| Diagnostic Systems | 310,241 | 308,796 | 956,308 | 919,623 |
| | 655,110 | 642,250 | 1,965,976 | 1,893,012 |
| BD Biosciences | 257,056 | 268,204 | 801,313 | 806,539 |
| | $ 2,052,664 | $ 1,980,530 | $ 5,953,232 | $ 5,741,211 |

Revenues by geographic areas were as follows:

| | Three Months Ended June 30, | | Nine Months Ended June 30, | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Total Revenues | | | | |
| United States | $ 847,692 | $ 836,535 | $ 2,501,357 | $ 2,463,858 |
| International | 1,204,972 | 1,143,995 | 3,451,875 | 3,277,353 |
| | $ 2,052,664 | $ 1,980,530 | $ 5,953,232 | $ 5,741,211 |

Note 7 – Share-Based Compensation

The Company grants share-based awards under the 2004 Employee and Director Equity-Based Compensation Plan (the "2004 Plan"), which provides long-term incentive compensation to employees and directors. The Company believes that such awards align the interests of its employees and directors with those of its shareholders.

The fair value of share-based payments is recognized as compensation expense in net income. For the three months ended June 30, 2013 and 2012, compensation expense charged to income was $20,478 and $18,063, respectively. For the nine months ended June 30, 2013 and 2012, compensation expense was $78,741 and $71,689, respectively. Share-based compensation attributable to discontinued operations was not material.

The amount of unrecognized compensation expense for all non-vested share-based awards as of June 30, 2013 was approximately $120,357, which is expected to be recognized over a weighted-average remaining life of approximately 2.0 years.

The fair values of stock appreciation rights granted during the annual share-based grants in November of 2012 and 2011, respectively, were estimated on the date of grant using a lattice-based binomial valuation model based on the following assumptions:

| | 2013 | 2012 |
|---|---|---|
| Risk-free interest rate | 1.33% | 1.67% |
| Expected volatility | 21.00% | 22.00% |
| Expected dividend yield | 2.60% | 2.50% |
| Expected life | 8.0 years | 7.9 years |
| Fair value derived | $12.08 | $12.61 |

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. Other postretirement benefit plans in foreign countries are not material. The measurement date used for the Company's employee benefit plans is September 30.

Effective January 1, 2013, all plan participants' benefits in the U.S. defined benefit traditional pension plan, which provided benefits to participants based upon a final average pay formula, were converted to a defined benefit cash balance pension plan. Upon conversion, each individual plan participant received an opening balance equal to the actuarial equivalent of individual benefits accrued under the defined benefit traditional pension plan through December 31, 2012. Following conversion, a participant will subsequently accrue benefits under the cash balance plan through monthly pay credits based upon the plan participant's age and length of service. Upon approval and communication of this benefit plan amendment to affected employees during the first quarter of fiscal year 2012, the Company remeasured its U.S. defined pension on November 30, 2011 and this interim remeasurement reduced the net pension cost for fiscal year 2012 by $40,200.

The Company's November 30, 2011 benefit plan remeasurement was based upon a discount rate of 5.1%, compared with the discount rate of 4.9% used on the September 30, 2011 measurement date. The increase in the discount rate reduced total fiscal year 2012 net pension cost by $5,300 and this change in the projected benefit obligation was recognized in *Other comprehensive income (loss)* as an actuarial gain. An increase in plan assets held as of November 30, 2011 compared with assets held as of September 30, 2011 also reduced total fiscal year 2012 net pension cost by $6,200. Total fiscal year 2012 net pension cost was reduced by $28,700 for negative prior service cost.

Net pension and postretirement cost included the following components for the three months ended June 30:

| | Pension Plans | | Other Postretirement Benefits | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Service cost | $ 20,879 | $ 17,295 | $ 1,436 | $ 1,287 |
| Interest cost | 21,618 | 21,020 | 2,515 | 2,405 |
| Expected return on plan assets | (28,995) | (23,862) | — | — |
| Amortization of prior service credit | (3,250) | (2,531) | (284) | (173) |
| Amortization of loss | 18,674 | 12,917 | 976 | 1,041 |
| Net pension and postretirement cost | $ 28,926 | $ 24,839 | $ 4,643 | $ 4,560 |

Net pension and postretirement cost included the following components for the nine months ended June 30:

| | Pension Plans | | Other Postretirement Benefits | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Service cost | $ 62,826 | $ 58,047 | $ 4,322 | $ 4,232 |
| Interest cost | 65,049 | 70,549 | 7,552 | 8,840 |
| Expected return on plan assets | (87,248) | (80,086) | — | — |
| Amortization of prior service credit | (9,779) | (8,495) | (854) | (518) |
| Amortization of loss | 56,190 | 43,347 | 2,930 | 3,366 |
| Net pension and postretirement cost | $ 87,038 | $ 83,362 | $ 13,950 | $ 15,920 |

The amounts provided for amortization of prior service credit and amortization of loss above represent the reclassifications of prior service credits and net actuarial losses that were recognized as *Accumulated other comprehensive (loss) income* in prior periods.

Postemployment benefit costs for the three months ended June 30, 2013 and 2012 were $11,695 and $8,995, respectively. For the nine months ended June 30, 2013 and 2012, postemployment benefit costs were $35,083 and $26,985, respectively.

Note 9 – Acquisitions

*Cato*

On March 11, 2013, the Company acquired a 100% interest in Cato Software Solutions ("Cato"), a privately held Austria-based manufacturer of cato® and chemocato® software, a suite of comprehensive medication safety solutions for pharmacy intravenous medication preparation, physician therapy planning and nurse bedside documentation. This acquisition is an important element of the Company's strategy to help customers eliminate medication errors and streamline workflows, and it expands the Company's presence in the hospital pharmacy space.

The fair value of consideration transferred was $23,307, which included $14,487 in cash, net of $140 in cash acquired, as well as $8,820 in contingent consideration that will be paid based upon the achievement of certain revenue milestones. The fair value of the contingent consideration was estimated using a probability-weighted discounted cash flow model that was based upon the probabilities assigned to the contingent events.

The acquisition was accounted for under the acquisition method of accounting for business combinations, and Cato's results of operations were included in the Medical segment's results from the acquisition date. Pro forma information is 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 June 30, 2013 and may be adjusted should further information regarding events or circumstances existing at the acquisition date become available.

| | |
|---|---|
| Developed technology | $ 8,900 |
| Other intangibles | 3,700 |
| Other assets | 1,078 |
| Total identifiable assets acquired | 13,678 |
| Deferred tax liabilities | (276) |
| Other liabilities | (1,424) |
| Total liabilities assumed | (1,700) |
| Net identifiable assets acquired | 11,978 |
| Goodwill | 11,329 |
| Net assets acquired | $ 23,307 |

The developed technology asset of $8,900 represents Cato's developed automated data sharing and creation system that is used in medication preparation and delivery. The technology's fair value was determined based on the present value of projected cash flows utilizing an income approach which reflected a risk-adjusted discount rate of 14.5%. The technology will be amortized over an expected useful life of 15 years, the period over which the technology is expected to generate substantial cash flows.

The $11,329 of goodwill was allocated to the Medical segment. Goodwill typically results through expected synergies from combining operations of an acquiree and an acquirer, as well as from intangible assets that do not qualify for separate recognition. The goodwill recognized as a result of this acquisition includes, among other things, the Company's ability to accelerate growth of the early-stage market for comprehensive pharmacy workflow solutions. Also, synergies are expected from complementing the Company's existing safety-engineered products with Cato's medication safety solution. No portion of this goodwill is currently expected to be deductible for tax purposes. The Company recognized $650 of acquisition-related costs that were expensed in the current year-to-date period and reported in the Condensed Consolidated Statements of Income as *Selling and administrative*.

*Safety Syringes*

On December 24, 2012, the Company acquired a 100% interest in Safety Syringes, Inc., ("Safety Syringes"), a privately held California-based company that specializes in the development of anti-needlestick devices for prefilled syringes. This acquisition is intended to broaden the Company's existing healthcare worker safety offerings to include passive safety technologies.

The fair value of consideration transferred was $124,088, which included $123,738 in cash, net of $1,262 in cash acquired. The fair value of consideration transferred also included $350 for the effective settlement of an intangible asset associated with a preexisting licensing arrangement the Company entered into with Safety Syringes in fiscal year 2005. The terms of the licensing arrangement were determined to represent fair value at the acquisition date, and as such, the Company did not record any gain or loss separately from the acquisition.

The acquisition was accounted for under the acquisition method of accounting for business combinations, and Safety Syringes' results of operations were included in the Medical segment's results from the acquisition date. Pro forma information is 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 June 30, 2013 and may be adjusted should further information regarding events or circumstances existing at the acquisition date become available.

| | |
|---|---|
| Developed technology | $ 68,800 |
| Other intangibles | 4,750 |
| Property, plant and equipment, net | 6,853 |
| Trade receivables, net | 6,512 |
| Other | 6,507 |
| Total identifiable assets acquired | 93,422 |
| Other liabilities assumed | (3,589) |
| Net identifiable assets acquired | 89,833 |
| Goodwill | 34,255 |
| Net assets acquired | $ 124,088 |

The developed technology asset of $68,800 represents Safety Syringes' developed anti-needlestick technology. The technology's fair value was determined based on the present value of projected cash flows utilizing an income approach which reflected a risk-adjusted discount rate of 16%. The technology will be amortized over an expected useful life of 15 years, the period over which the technology is expected to generate substantial cash flows.

The $34,255 of goodwill was allocated to the Medical segment. Goodwill typically results through expected synergies from combining operations of an acquiree and an acquirer, as well as from intangible assets that do not qualify for separate recognition. The goodwill recognized as a result of this acquisition includes, among other things, the synergies expected from complementing the Company's existing healthcare safety offerings with passive anti-needlestick technologies. Additionally, synergies are expected to result from expanding the market for the passive anti-needlestick offerings through the Company's broader global sales organization and customer relationships. This goodwill is expected to be deductible for tax purposes. The Company recognized $1,980 of acquisition-related costs that were expensed in the current year-to-date period and reported in the Condensed Consolidated Statements of Income as *Selling and administrative*.

Note 10 – Divestiture

On October 31, 2012, the Company completed the sale of its BD Biosciences—Discovery Labware unit, excluding its Advanced Bioprocessing platform, to Corning Incorporated. Gross cash proceeds from the sale were approximately $739,884, and the Company recognized a pre-tax gain on sale from this divestiture of $577,385. The after-tax gain recognized from this divestiture was $355,948. As a result of this divestiture, the Company derecognized $16,601 of goodwill, allocated based upon the relative fair values of the disposed assets.

The Company agreed to perform some contract manufacturing and other transition services for a defined period after the sale; however, the Company will not have the ability to exert significant influence over the Discovery Labware disposal group after the sale, and cash flows associated with these activities are not expected to be material. The net cash flows from these activities are reported in the Condensed Consolidated Statements of Income as *Other income (expense)*.

In connection with the sale of the Discovery Labware disposal group, the Company received an additional payment of approximately $15,800 from the buyer in the third quarter of fiscal year 2013. In accordance with the terms of the Asset Purchase Agreement, the Company is entitled to receive this payment as reimbursement for additional tax costs to be incurred by the Company resulting from the joint election under Internal Revenue Code Section 338(h)(10) for the buyer to treat the acquisition as an asset purchase for federal tax purposes. The Company recorded the payment as additional proceeds from the sale and the resulting gain was recorded in discontinued operations in the third quarter of fiscal year 2013.

The results of operations associated with the Discovery Labware disposal group are reported as discontinued operations for all periods presented in the accompanying Condensed Consolidated Statements of Income and Cash Flows and related disclosures.

Results of discontinued operations were as follows:

| | Three Months Ended June 30, | | Nine Months Ended June 30, | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Revenues | $ — | $ 60,265 | $ 20,196 | $ 178,118 |
| Income from discontinued operations before income taxes | 16,104 | 22,573 | 585,967 | 67,793 |
| Less income tax provision | 6,432 | 7,288 | 221,592 | 22,158 |
| Income from discontinued operations, net | $ 9,672 | $ 15,285 | $ 364,375 | $ 45,635 |

Note 11 – Intangible Assets

Intangible assets consisted of:

| | June 30, 2013 | | September 30, 2012 | |
|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization |
| Amortized intangible assets | | | | |
| Core and developed technology | $ 922,582 | $ 379,106 | $ 856,585 | $ 344,911 |
| Product rights | 159,299 | 19,923 | 163,465 | 12,232 |
| Patents, trademarks, and other | 346,027 | 251,640 | 325,998 | 240,036 |
| | $ 1,427,908 | $ 650,669 | $ 1,346,048 | $ 597,179 |
| Unamortized intangible assets | | | | |
| Acquired in-process research and development | $ 61,236 | | $ 61,138 | |
| Trademarks | 2,673 | | 2,677 | |
| | $ 63,909 | | $ 63,815 | |

Intangible amortization expense for the three months ended June 30, 2013 and 2012 was $21,558 and $17,580, respectively. Intangible amortization expense for the nine months ended June 30, 2013 and 2012 was $62,377 and $50,237, respectively.

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. 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, is recognized in *Other income (expense)*.

The total notional amounts of the Company's outstanding foreign exchange contracts as of June 30, 2013 and September 30, 2012 were $1,610,978 and $2,020,698, respectively.

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. The Company did not enter into contracts to hedge cash flows for fiscal year 2012 and, as of June 30, 2013, the Company had not entered into such contracts to hedge cash flows for fiscal year 2013.

*Interest Rate Risks and Related Strategies*

The Company's primary interest rate exposure results from changes in 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 $5,456, net of tax.

The total notional amount of the Company's outstanding interest rate swaps designated as fair value hedges was $200,000 at September 30, 2012. The outstanding swap represented 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. This swap was terminated, concurrent with the maturity of the underlying notes, in April 2013.

The Company had no outstanding interest rate swaps designated as cash flow hedges as of June 30, 2013 or as of September 30, 2012.

*Other Risk Exposures*

The Company purchases resins, which are oil-based components used in the manufacture of certain products. Significant increases in world oil prices that lead to increases in resin purchase costs could impact future operating results. From time to time, the Company has managed price risks associated with these commodity purchases. In July 2012, the Company entered into cash-settled forward contracts to hedge approximately 16% of its expected global resin purchase volumes in fiscal year 2013. These contracts were designated as cash flow hedges, and the total notional amount of these contracts at June 30, 2013 and September 30, 2012 was $5,742 and $22,534, respectively.

*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 for hedge accounting.

| | June 30, 2013 | September 30, 2012 |
|---|---|---|
| Asset derivatives-designated for hedge accounting | | |
| Interest rate swap | $ — | $ 2,353 |
| Commodity forward contracts | 542 | — |
| Total asset derivatives-designated for hedge accounting | 542 | 2,353 |
| Asset derivatives-undesignated for hedge accounting | | |
| Forward exchange contracts | 14,178 | 17,197 |
| Total asset derivatives (A) | $ 14,720 | $ 19,550 |
| Liability derivatives-designated for hedge accounting | | |
| Commodity forward contracts | $ — | $ 1,666 |
| Liability derivatives-undesignated for hedge accounting | | |
| Forward exchange contracts | 10,741 | 16,563 |
| Total liability derivatives (B) | $ 10,741 | $ 18,229 |

(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 three months ended June 30 consisted of:

| Derivatives Accounted for as Designated Cash Flow Hedging Relationships | Gain (Loss) Recognized in OCI on Derivatives, Net of Tax | | Location of Gain (Loss) Reclassified from Accumulated OCI into Income | Gain (Loss) Reclassified from Accumulated OCI into Income, Net of Tax | |
|---|---|---|---|---|---|
| | 2013 | 2012 | | 2013 | 2012 |
| Interest rate swaps | $ — | $ — | Interest expense | $ (1,340) | $ (1,313) |
| Commodity forward contracts | (52) | — | Cost of products sold | 709 | — |
| | $ (52) | $ — | | $ (631) | $ (1,313) |

The location and amount of gains and losses on designated derivative instruments recognized in the consolidated statement of income for the nine months ended June 30 consisted of:

| Derivatives Accounted for as Designated Cash Flow Hedging Relationships | Gain (Loss) Recognized in OCI on Derivatives, Net of Tax | | Location of Gain (Loss) Reclassified from Accumulated OCI into Income | Gain (Loss) Reclassified from Accumulated OCI into Income, Net of Tax | |
|---|---|---|---|---|---|
| | 2013 | 2012 | | 2013 | 2012 |
| Interest rate swaps | $ — | $ 867 | Interest expense | $ (4,020) | $ (3,564) |
| Commodity forward contracts | 2,292 | — | Cost of products sold | 498 | — |
| | $ 2,292 | $ 867 | | $ (3,522) | $ (3,564) |

The Company's designated derivative instruments are highly 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 three and nine-month periods ending June 30, 2013.

*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 were as follows:

| Income Statement Classification | Gain/(Loss) on Swap | | | | Gain/(Loss) on Borrowings | | | |
|---|---|---|---|---|---|---|---|---|
| | Three Months Ended June 30, | | Nine Months Ended June 30, | | Three Months Ended June 30, | | Nine Months Ended June 30, | |
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Other income (expense) (A) | $ (193) | $ (975) | $(2,353) | $(2,707) | $ 193 | $ 975 | $ 2,353 | $ 2,707 |

(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 were as follows:

| Derivatives Not Designated as Hedging Instruments | Location of Gain (Loss) Recognized in Income on Derivatives | Amount of Gain (Loss) Recognized in Income on Derivatives | | | |
|---|---|---|---|---|---|
| | | Three Months Ended June 30, | | Nine Months Ended June 30, | |
| | | 2013 | 2012 | 2013 | 2012 |
| Forward exchange contracts (B) | Other income (expense) | $ (5,063) | $ (19,319) | $ (817) | $ (13,280) |

(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 income (expense)*.

Note 13 – Financial Instruments and Fair Value Measurements

The fair values of financial instruments, including those not recognized on the statement of financial position at fair value, carried at June 30, 2013 and September 30, 2012 are classified in accordance with the fair value hierarchy in the tables below:

| | June 30, 2013 Total | 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 | $1,126,063 | $ 1,126,063 | $ — | $ — |
| Forward exchange contracts | 14,178 | — | 14,178 | — |
| Commodity forward contracts | 542 | — | 542 | — |
| Total Assets | $1,140,783 | $ 1,126,063 | $ 14,720 | $ — |
| Liabilities | | | | |
| Forward exchange contracts | $ 10,741 | $ — | $ 10,741 | $ — |
| Contingent consideration liabilities | 29,470 | — | — | 29,470 |
| Total Liabilities | $ 40,211 | $ — | $ 10,741 | $ 29,470 |

| | September 30, 2012 Total | 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 | $1,065,629 | $ 1,065,629 | $ — | $ — |
| Forward exchange contracts | 17,197 | — | 17,197 | — |
| Interest rate swap | 2,353 | — | 2,353 | — |
| Total Assets | $1,085,179 | $ 1,065,629 | $ 19,550 | $ — |
| Liabilities | | | | |
| Forward exchange contracts | $ 16,563 | $ — | $ 16,563 | $ — |
| Commodity forward contracts | 1,666 | — | 1,666 | — |
| Contingent consideration liabilities | 20,261 | — | — | 20,261 |
| Total Liabilities | $ 38,490 | $ — | $ 18,229 | $ 20,261 |

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 were $836,023 and $605,536 at June 30, 2013 and September 30, 2012, 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 is provided by the financial institutions that are counterparties to these arrangements.

Long-term debt is recorded at amortized cost. The fair value of long-term debt is measured based upon quoted prices in active markets for similar instruments, which are considered Level 2 inputs in the fair value hierarchy. The fair value of long-term debt was $4,003,112 and $4,317,059 at June 30, 2013 and September 30, 2012, respectively. The fair value of $200,000 of 4.55% notes due on April 15, 2013 that were repaid during the third quarter of fiscal year 2013 was $206,452 at September 30, 2012.

The contingent consideration liabilities were recognized as part of the consideration transferred in the Company's acquisitions of the following: KIESTRA, which occurred in the second quarter of fiscal year 2012; Sirigen, which occurred in the fourth quarter of fiscal year 2012; and Cato, which occurred in the second quarter of fiscal year 2013. The fair values of the contingent consideration liabilities were estimated using probability-weighted discounted cash flow models that were based upon the probabilities assigned to the contingent events. The estimated fair values of the contingent consideration liabilities are remeasured at each reporting period based upon increases or decreases in the probability of the contingent payments.

A net year-to-date increase of $202 in the contingent consideration liability for the KIESTRA acquisition included an increase in the liability that was recognized in the Condensed Consolidated Statements of Income as *Cost of products sold* in the third quarter of fiscal year 2013 as a result of the remeasurement of performance-based contingent payments under the acquisition agreement. An increase in the contingent consideration liability relating to development milestone payments was recognized in the second quarter 2013 as *Research and development* and a payment was made in the third quarter of fiscal year 2013 upon the completion of this development milestone. The contingent consideration liabilities relating to the KIESTRA and Cato acquisitions were additionally impacted by foreign currency translation during the three and nine-month periods ended June 30, 2013.

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 three and nine months ended June 30, 2013 and 2012.

Note 14 – Income Taxes

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 accruals 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.

It is reasonably possible that the Company's existing liabilities for uncertain tax benefits may decrease within the next twelve months primarily due to the progression of audits in process in multiple jurisdictions or the expiration of statutes of limitation. The impact of these items is not expected to be material to the Company's consolidated results of operations.

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

Company Overview

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.

Overview of Financial Results and Financial Condition

Third quarter revenues of $2.053 billion represented an increase of 3.6% from the same period a year ago, and reflected volume increases of approximately 4.9%, and favorable price impacts, including product mix, of approximately 0.2%, partially offset by unfavorable foreign currency translation of approximately 1.5%. Revenue growth in the third quarter of fiscal year 2013 was driven by our Medical and Diagnostics segments and was attributable to new product sales, growth from acquisitions, sales of safety-engineered products and geographic expansion. Revenue growth also benefitted from the reversal of unfavorable order timing which affected revenues in the second quarter of fiscal year 2013. Revenues in our Biosciences segment benefitted from slight growth in instrument placements in the U.S., but were unfavorably impacted by continued softness in Western European sales due to austerity measures, the timing of government funding in Japan, and the unfavorable timing of Advanced Bioprocessing orders. This unfavorable timing of Advanced Bioprocessing orders, as well as ongoing softness in the Diagnostics segment's Women's Health and Cancer platform, unfavorably impacted U.S. revenue growth in the third quarter of fiscal year 2013. International revenues in our Medical and Diagnostics segments reflected continued strength in emerging market sales and strong sales of safety-engineered products. Sales of safety-engineered devices in the United States in the third quarter of 2013 of $301 million increased 5.6% over the prior year's quarter. International sales of safety-engineered devices of $237 million in the third quarter of 2013 grew 9.9% over the prior year's period, including an estimated 2.8% unfavorable impact due to foreign currency translation. International safety-engineered device revenue growth continues to be driven by strong growth in the Medical segment, with the largest growth in Western Europe and emerging markets.

We continue to invest in research and development spending, geographic expansion, and new product promotions to drive further revenue and profit growth. 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. The healthcare industry continues to face a challenging economic environment. The current economic conditions and other circumstances have resulted in pricing pressures for some of our products. Continued uncertainty in the research spending environment could adversely affect our Biosciences segment. In other areas of our U.S. business, healthcare utilization is stable but constrained. Additionally, we have experienced constrained healthcare utilization in Europe due to continued macroeconomic challenges in that region, although we currently view the environment as stable.

In addition to the economic conditions in the United States and elsewhere, numerous other factors can affect our ability to achieve our goals including, without limitation, increased competition and healthcare reform initiatives. For example, the U.S. Patient Protection and Affordable Care Act contains the medical device excise tax that, effective January 1, 2013, imposes a 2.3% tax on certain U.S. sales of medical devices. The impact of this tax on our results for the three and nine-month periods ended June 30, 2013 are further discussed below. We currently estimate the full year fiscal 2013 impact from this excise tax (impacting only three quarters for fiscal year 2013) will be about $40 to $45 million.

Our financial position remains strong, with cash flows from operating activities totaling $989 million in the first nine months of 2013. At June 30, 2013, we had $2.3 billion in cash and equivalents and short-term investments. Cash outflows relating to acquisitions primarily represented the purchase of Safety Syringes, Inc. (“Safety Syringes”), a privately held California-based company that specializes in the development of anti-needlestick devices for prefilled syringes for $124 million, net of cash acquired. Cash flows relating to acquisitions also included the purchase of Cato Software Solutions (“Cato”), a privately held Austria-based manufacturer of a suite of comprehensive medication safety software solutions, for $14 million, net of cash acquired. Refer to Note 9 in the Notes to Condensed Consolidated Financial Statements for further discussion of these acquisitions. Cash inflows from divestitures of $736 million represented the sale of Biosciences’ Discovery Labware unit, excluding its Advanced Bioprocessing platform. Refer to Note 10 in the Notes to Condensed Consolidated Financial Statements for additional information. Also, we continued to return value to our shareholders in the form of share repurchases and dividends. During the first nine months of 2013, we repurchased $406 million of our common stock and paid cash dividends of $290 million.

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. We evaluate our results of operations on both an as reported and a foreign currency-neutral basis, which excludes the impact of fluctuations in foreign currency exchange rates. We calculate foreign currency-neutral percentages by converting our current-period local currency financial results using the prior-period foreign currency exchange rates and comparing these adjusted amounts to our current-period reported results. From time to time, we may 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. For further discussion, refer to Note 12 in the Notes to Condensed Consolidated Financial Statements.

Comparisons of income from continuing operations between the third-quarter and nine-month periods of fiscal year 2013 and the prior-year periods of fiscal year 2012 are affected by the following items that are reflected in our financial results:

- During the third-quarter and nine-month periods of fiscal year 2013, we recorded a pre-tax charge of $22 million, or $0.07 diluted earnings per share from continuing operations, in selling and administrative expense for the pending litigation settlement related to the indirect purchaser antitrust class action cases as disclosed in Note 5 in the Notes to Condensed Consolidated Financial Statements.

- During the third quarter of fiscal year 2013, we recorded a pre-tax charge of $13 million, or $0.04 diluted earnings per share from continuing operations, in selling and administrative expense relating to the medical device excise tax discussed above. The pre-tax charge relating to this tax was $27 million, or $0.09 diluted earnings per share from continuing operations, for the nine-month period of fiscal year 2013.

Results of Operations

Revenues

Refer to Note 6 in the Notes to Condensed Consolidated Financial Statements for segment financial data.

*Medical Segment*

Third quarter revenues of $1.140 billion increased 6.6% over the prior year's quarter, which reflected an estimated unfavorable foreign currency translation impact of 1.3%.

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

| | Three months ended June 30, | | | |
|---|---|---|---|---|
| (millions of dollars) | 2013 | 2012 | Total Change | Estimated Foreign Exchange Impact |
| Medical Surgical Systems | $ 561 | $ 532 | 5.5% | (1.1)% |
| Diabetes Care | 250 | 233 | 7.3% | (2.1)% |
| Pharmaceutical Systems | 330 | 306 | 8.0% | (1.2)% |
| Total Revenues* | $ 1,140 | $ 1,070 | 6.6% | (1.3)% |

* Amounts may not add due to rounding

Medical segment revenue growth was driven by strong international sales, strong sales of safety-engineered products and the reversal of unfavorable order timing which affected revenues in the second quarter of fiscal year 2013. Solid revenue growth in the Medical Surgical Systems unit was largely attributable to sales in emerging markets and strong international sales of safety-engineered products, including the BD PhaSeal™ System. Revenue growth in the Diabetes Care unit reflected strong sales of pen needles, including the BD Ultra-Fine™ Nano and PentaPoint™ products as well as the BD AutoShield™ Duo Pen Needle. Revenue growth in Diabetes Care also reflected the favorable timing of orders. Revenue growth in the Pharmaceutical Systems unit benefitted from the favorable timing of orders and from revenue growth attributable to the acquisition of Safety Syringes in the first quarter of fiscal year 2013. Global sales of safety-engineered products were $268 million, compared with $240 million in the prior year's quarter, and included an estimated $3 million unfavorable impact due to foreign currency translation. Total Medical revenues for the nine-month period ended June 30, 2013 increased by 4.7% from the prior-year nine-month period, including an estimated 1.1% unfavorable impact from foreign

currency translation. For the nine-month period ended June 30, 2013, global sales of safety-engineered products were $776 million, compared with $716 million in the prior year's period, and included an estimated $6 million unfavorable impact due to foreign currency translation.

Medical operating income for the third quarter was $334 million, or 29.3% of Medical revenues, compared with $324 million, or 30.3% of segment revenues, in the prior year's quarter. Gross profit margin was higher in the current quarter than the third quarter of 2012 primarily due to lower manufacturing costs resulting from Project ReLoCo, a global, cross-functional business initiative to drive sustained low-cost capability primarily benefitting Medical Surgical Systems. Gross profit margin was also favorably impacted by pricing on certain product lines. These favorable impacts on gross profit margin were partially offset by unfavorable foreign currency translation. See further discussion on gross profit margin below. Selling and administrative expense as a percent of Medical revenues in the third quarter of 2013 was higher than in the third quarter of 2012. This increase reflected the medical device excise tax previously discussed, as well as increased spending for expansion in emerging markets. Research and development expenses for the quarter increased $5 million, or 12% above the prior year's period, reflecting ongoing investment in new products and platforms. Segment operating income for the nine-month period was $913 million, or 28.7% of Medical revenues, compared with $863 million, or 28.4%, in the prior year's period.

*Diagnostics Segment*

Third quarter revenues of $655 million increased 2.0% over the prior year's quarter, which reflected an estimated unfavorable foreign currency translation impact of 1.6%.

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

| | Three months ended June 30, | | | |
|---|---|---|---|---|
| (millions of dollars) | 2013 | 2012 | Total Change | Estimated Foreign Exchange Impact |
| Preanalytical Systems | $ 345 | $ 333 | 3.4% | (1.2)% |
| Diagnostic Systems | 310 | 309 | 0.5% | (2.0)% |
| Total Revenues | $ 655 | $ 642 | 2.0% | (1.6)% |

Diagnostics segment revenue growth was driven by solid sales in the Preanalytical Systems unit. Revenues in the Diagnostic Systems unit were unfavorably impacted by the timing of lab automation system installations globally, as well as ongoing softness in the United States in the Women's Health and Cancer platform due to guidelines providing for increased Pap smear testing intervals. Global sales of safety-engineered products in the Preanalytical Systems unit totaled $270 million, compared with $261 million in the prior year's quarter, and included an estimated $3 million unfavorable impact due to foreign currency translation. Total Diagnostics revenues for the nine-month period ended June 30, 2013 increased by 3.9% from the prior-year nine-month period, including an estimated 1.0% unfavorable impact from foreign currency translation. For the nine-month period ended June 30, 2013, global sales of safety-engineered products in the Preanalytical Systems unit were $788 million, compared with $761 million in the prior year's period, and included an estimated $6 million unfavorable impact due to foreign currency translation.

Diagnostics operating income for the third quarter was $159 million, or 24.2% of Diagnostics revenues, compared with $174 million, or 27.0% of segment revenues, in the prior year's quarter. Gross profit margin was lower in the current quarter than in the prior year's quarter primarily due to amortization expense related to the Jaguar Plus Platform, an in-process research development project that was acquired in the Company's fiscal year 2010 acquisition of HandyLab, Inc. and completed in the fourth quarter of fiscal year 2012. Gross profit margin in the third quarter of 2013 was also unfavorably impacted by foreign currency translation. These unfavorable impacts on gross profit margin were partially offset by pricing on certain product lines. See further discussion on gross profit margin below. Selling and administrative expense as a percentage of Diagnostics revenues in the third quarter of 2013 was higher than in the third quarter of 2012. This increase reflected the medical device excise tax previously discussed, as well as increased spending for expansion in emerging markets and spending for new product launches. Research and development expenses in the third quarter of 2013 were flat compared with the prior year's period, and reflected the timing of expenses in fiscal year 2013. Segment operating income for the nine-month period was $473 million, or 24.1% of Diagnostics revenues, compared with $497 million, or 26.3%, in the prior year's period.

*Biosciences Segment*

Third quarter revenues of $257 million decreased 4.2% over prior year quarter revenues of $268 million, which reflected an estimated unfavorable foreign currency translation impact of 1.7%. Biosciences revenues in the third quarter reflected slight growth in instrument placements in the U.S. but were unfavorably impacted by weaker Western European sales due to austerity measures, the timing of government funding in Japan, and unfavorable timing of Advanced Bioprocessing orders. For the nine-month period ended June 30, 2013, total Biosciences revenues decreased by 0.6% from the prior-year nine-month period, including an estimated 1.5% unfavorable impact from foreign currency translation.

Biosciences operating income for the third quarter was $58 million, or 22.6% of Biosciences revenues, compared with $67 million, or 25.0% of segment revenues, in the prior year's quarter. Gross profit margin as a percent of Biosciences revenues, was lower in the current quarter than in the prior year's quarter primarily due to unfavorable foreign currency translation. See further discussion on gross profit margin below. Selling and administrative expense as a percentage of Biosciences revenues in the third quarter of 2013 was higher compared with the prior year's quarter. This increase reflected the medical device excise tax previously discussed as well as increased spending for expansion in emerging markets. Research and development expenses in the third quarter of 2013 increased by $2 million, or 8% above the prior year's period, and reflected increased investment in new products and platforms. Segment operating income for the nine-month period was $195 million, or 24.3% of Biosciences revenues, compared with $200 million, or 24.7%, in the prior year's period.

*Geographic Revenues*

Revenues in the United States for the third quarter of $848 million represented an increase of 1.3% over the prior year's quarter. We view the environment in the U.S. as constrained, but stable. U.S. revenue growth in the Medical segment was partially driven by the reversal of the unfavorable timing of orders in the Pharmaceutical Systems and Diabetes Care units which

affected revenues in the second quarter of fiscal year 2013. U.S. revenues in the Medical segment also reflected growth attributable to the acquisition of Safety Syringes in the first quarter of fiscal year 2013. Diagnostics segment revenue growth in the United States was unfavorably impacted by a decline in our Women's Health and Cancer platform sales due to guidelines providing for increased Pap smear testing intervals. Biosciences revenue growth in the United States reflected slight growth in instrument placements that was more than offset by the unfavorable timing of Advanced Bioprocessing orders. We remain cautious about the U.S. environment for this segment given the continued uncertainty around U.S. government research funding due to the impact of automatic U.S. government spending cuts, or sequestration, that went into effect in March 2013.

International revenues for the third quarter of $1.205 billion represented an increase of 5.3% over the prior year's quarter, including a 2.6% unfavorable impact due to foreign currency translation. International revenues for the third quarter of 2013 reflected continued strength in emerging market revenues and strong sales of safety-engineered products for the Medical and Diagnostics segments. International Biosciences revenue growth was unfavorably impacted by weaker sales in Western Europe due to austerity measures and the timing of government funding in Japan.

Gross Profit Margin

Gross profit margin was 51.6% for the third quarter, compared with 52.2% for the comparable prior-year period. The decrease in gross profit margin reflected 60 basis points primarily relating to unfavorable foreign currency translation. Operating performance was favorably impacted by approximately 60 basis points primarily due to lower manufacturing costs from continuous improvement projects, such as Project ReLoCo, and pricing on certain product lines. These favorable impacts were offset by 60 basis points primarily due to, among other items, amortization of intangibles associated with recent acquisitions and higher start-up costs.

Gross profit margin was 51.8% in the nine-month period of 2013, compared with 51.4% for the comparable prior-year period. The increase primarily reflected operating performance. Gross profit margin was favorably impacted by approximately 80 basis points primarily due to lower manufacturing costs from continuous improvement projects and lower raw material costs. Gross profit margin was also favorably impacted by approximately 30 basis points due to the Company's change in useful lives of certain machinery and equipment assets. Gross profit margin was adversely affected by approximately 70 basis points primarily due to, among other items, amortization of intangibles associated with recent acquisitions and pricing pressures on certain product lines.

Selling and Administrative Expense

Selling and administrative expense was 26.0% of revenues for the third quarter, compared with 23.7% for the prior year's period. Aggregate expenses for the third quarter reflected an increase in core spending of $32 million, primarily relating to expansion of our business in emerging markets and higher expenses resulting from recent acquisitions. Aggregate expenses for the third quarter of 2013 also reflected the $22 million charge for the pending litigation settlement previously discussed and $13 million related to the medical device excise tax also previously discussed. Selling and administrative expenses in the current year's period also reflected an unfavorable comparison to the prior-year period of $5 million due to the timing of litigation costs in the current quarter. These increases were partially offset by favorable foreign currency translation of $7 million.

Selling and administrative expense was 25.9% of revenues for the nine-month period of fiscal year 2013, compared with 25.1% for the prior year's period. Aggregate expenses for the nine-month period reflected an increase in core spending of $94 million, primarily relating to expansion of our business in emerging markets and higher expenses resulting from recent acquisitions. Aggregate expenses for the nine-month period also reflected the $22 million charge for the pending litigation settlement and $27 million related to the medical device excise tax. These increases were partially offset by favorable foreign currency translation of $16 million and a decrease in deferred compensation expense of $4 million. This change in the deferred compensation liability is further discussed below. Selling and administrative expenses in the current year's nine-month period also reflected a favorable comparison to the prior-year period of $17 million due to the timing of litigation costs. We expect such costs to increase in the fourth quarter of fiscal year 2013 in anticipation of the RTI trial in September 2013. For further discussion, refer to Note 5 in the Notes to Condensed Consolidated Financial Statements.

Research and Development Expense

Research and development expense was $121 million, or 5.9% of revenues, for the third quarter, representing an increase of 5.3% compared with the prior year's amount of $115 million, or 5.8% of revenues. The increase in research and development expense compared with the prior year's quarter reflected increased investment in new products and platforms primarily within the Medical and Biosciences segments. Research and development expense was $362 million, or 6.1% of revenues, for the nine-month period in the current year, compared with the prior year's amount of $344 million, or 6.0% of revenues. The current nine-month period's increase in research and development expense compared with the prior year's period reflected increased investment in new products and platforms primarily within the Medical and Diagnostics segments.

Non-Operating Expense and Income

Interest income and interest expense in the third quarter of fiscal year 2013 were comparable to the prior-year period's amounts. Interest income was $26 million in the nine-month period of 2013, compared with $38 million in the prior year's period. The decrease in interest income in the nine-month period of fiscal year 2013 compared with the prior year's period reflected the impact of lower rates on investments outside the U.S. and lower investment gains on assets related to our deferred compensation plan. The offsetting movements in the deferred compensation plan liability were recorded in selling and administrative expense. Interest expense in the nine-month period of fiscal year 2013 was $104 million, compared with $99 million in the prior year's period. The increase in interest expense in the nine-month period of fiscal year 2013 primarily reflected higher levels of long-term fixed-rate debt.

Income Taxes

The income tax rate was 23.0% for the third quarter, compared with the prior year's rate of 25.6%. The nine-month tax rate was 24.2% compared with the prior year's rate of 24.8%. The tax rate for the third quarter of fiscal year 2013 reflected the favorable impact of the reinstatement of the U.S. research and development tax credit on the annual tax rate whereas the tax rate for the prior year's quarter reflected other items that vary from year to year. The tax rate for the year-to-date period ending June 30, 2013 reflected the reinstatement of the U.S. research and development tax credit. The income tax rate in the first nine months of 2012 reflected the favorable impact of various tax settlements in multiple jurisdictions.

Income from Continuing Operations and Diluted Earnings Per Share from Continuing Operations

Income from continuing operations and diluted earnings per share from continuing operations for the third quarter of 2013 were $292 million and $1.47, respectively. Income from continuing operations and diluted earnings per share from continuing operations for the prior year's third quarter were $312 million and $1.52, respectively. The charge relating to the pending litigation settlement decreased income from continuing operations by $14 million, or $0.07 diluted earnings per share. The medical device excise tax decreased income from continuing operations for the third quarter of fiscal year 2013 by $9 million, or $0.04 diluted earnings per share. The current quarter's diluted earnings per share from continuing operations reflected an estimated $0.05 unfavorable impact due to foreign currency translation.

For the nine-month periods, income from continuing operations and diluted earnings per share from continuing operations were $838 million and $4.21, respectively, in 2013 and $835 million and $3.95, respectively, in 2012. The charge relating to the pending litigation settlement decreased income from continuing operations for the nine-month period of 2013 by $14 million, or $0.07 diluted earnings per share. The medical device excise tax decreased income from continuing operations for the nine-month period of fiscal year 2013 by $18 million, or $0.09 diluted earnings per share. The current nine-month period's diluted earnings per share from continuing operations reflected an estimated $0.05 unfavorable impact due to foreign currency translation.

Liquidity and Capital Resources

Cash generated from operations, along with available cash and cash equivalents, is expected to be sufficient to fund our normal operating needs in fiscal year 2013. Normal operating needs in fiscal year 2013 include working capital, capital expenditures, cash dividends and common stock repurchases. Net cash provided by continuing operating activities was $989 million during the first nine months of 2013, compared with $1.136 billion in the same period in 2012. The current period change in operating assets and liabilities was a net use of cash and primarily reflected higher levels of inventory and lower levels of accounts payable and accrued expenses, partially offset by lower levels of prepaid expenses. Net cash provided by continuing operating activities in the first nine months of 2013 was reduced by changes in the pension obligation resulting primarily from discretionary cash contributions of approximately $138 million. Net cash provided by continuing operating activities in the prior-year period was also reduced by changes in the pension obligation resulting primarily from discretionary cash contributions of approximately $100 million.

Net cash provided by continuing investing activities for the first nine months of the current year was $296 million, compared with net cash used for continuing investing activities of $644 million in the prior-year period. The current period's net cash provided by continuing investing activities included approximately $736 million of net proceeds from the sale of the Discovery Labware disposal group in the first quarter of fiscal year 2013. Cash outflows relating to acquisitions were $136 million in the first nine months of the current year, primarily as a result of the Company's acquisitions of Safety Syringes and Cato in the first and second quarters of fiscal year 2013, respectively. Cash outflows relating to acquisitions were $51 million in the prior year's period as a result of the Company's second quarter 2012 acquisition of KIESTRA. Capital expenditures were $339 million in the first nine months of 2013 and $313 million in the same period in 2012.

Net cash used for financing activities for the first nine months of the current year was $830 million, compared with $56 million in the prior-year period. The current period's net cash used for financing activities reflected the repayment of $200 million of 4.55% notes due on April 15, 2013. The prior period's net cash provided by financing activities included the proceeds from $500 million of 5-year 1.75% notes and $1 billion of 10-year 3.125% notes issued on November 3, 2011.

For the first nine months of the current year, we repurchased approximately 5 million shares of our common stock for $406 million, compared with approximately 16.7 million shares of our common stock for $1.25 billion in the prior-year period. Aggregate common stock repurchases are estimated to be between $450 and $500 million for the full fiscal year 2013, subject to market conditions. At June 30, 2013, a total of approximately 3.2 million common shares remained available for purchase under the Board of Directors' July 2011 repurchase authorization.

At June 30, 2013, total worldwide cash and short-term investments were approximately $2.3 billion, of which $2.0 billion was held in jurisdictions outside of the United States. We regularly review the amount of cash and short-term investments held outside of the United States and currently intend to use most of such amounts to fund our international operations and their growth initiatives. However, if these amounts were moved out of these jurisdictions or repatriated to the United States, there could be adverse tax consequences. It is anticipated that cash above the Company's normal amount of annual repatriations may be repatriated out of fiscal year 2013 earnings. The cost of such potential incremental cash repatriations is not anticipated to materially impact the Company's forecasted effective tax rate for the full fiscal year 2013.

As of June 30, 2013, total debt of $4 billion represented 45.4% of total capital (shareholders' equity, net non-current deferred income tax liabilities, and debt), versus 49.7% at September 30, 2012. Short-term debt decreased to 5.2% of total debt at the end of June 30, 2013, from 9.7% at September 30, 2012 due to the repayment of $200 million of 4.55% notes due on April 15, 2013.

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 June 30, 2013. We have available a $1 billion syndicated credit facility with an expiration date of May 2017. This credit facility, under which there were no borrowings outstanding at June 30, 2013, provides backup support for our commercial paper program and can also be used for other general corporate purposes. It includes a provision that enables BD, subject to additional commitments made by the lenders, to access up to an additional $500 million in financing through the facility, for a maximum aggregate commitment of $1.5 billion. The credit facility 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 has ranged from 13-to-1 to 19-to-1. In addition, we have informal lines of credit outside the United States.

Government Receivables

Accounts receivable balances include sales to government-owned or government-supported healthcare facilities in several countries, which are subject to delays. Payment may be dependent upon the financial stability and creditworthiness of those countries' national economies. Deteriorating credit and economic conditions in parts of Western Europe, particularly in Italy and Spain, may continue to increase the average length of time it takes us to collect our accounts receivable in certain regions within these countries. Outstanding governmental receivable balances, net of reserves, in Italy and Spain at June 30, 2013 were $79 million and $53 million, respectively.

We continually evaluate all governmental receivables for potential collection risks associated with the availability of government funding and reimbursement practices. We believe the current reserves related to all governmental receivables are adequate and that this concentration of credit risk will not have a material adverse impact on our financial position or liquidity.

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 in our 2012 Annual Report on Form 10-K.

- Continued weakness in the global economy and financial markets, and the potential adverse effect on the cost of operating our business, the demand for our products and services, prices for our products and services due to increases in pricing pressure, or our ability to produce our products, including the impact on developing countries. In particular, deficit reduction efforts or other adverse changes in the availability of

government funding for healthcare and research, particularly in the U.S. and Europe, could further weaken demand for our products and result in additional pricing pressures, as well as create potential collection risks associated with such sales. In that regard, in the U.S., automatic spending cuts, or sequestration that went into effect in March 2013, are impacting government healthcare spending and research funding.

- The consequences of the Patient Protection and Affordable Care Act 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.
- Future healthcare reform in the countries in which we do business may also involve changes in government pricing and reimbursement policies or other cost containment reforms.
- 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).
- Our ability to penetrate developing and emerging markets, which depends on local 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.
- Regional, national and foreign economic factors, including inflation, deflation, 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, environmental protection, price controls and 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 events that adversely impact 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, including pandemics, natural disasters, or environmental factors.
- 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. Delays in obtaining necessary approvals or clearances from the FDA or other regulatory agencies or changes in the regulatory process (including potential 510(k) reforms) may also delay product launches and increase development costs.
- 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 university or U.S. and international governmental funding and policies for life sciences research.
- Our ability to achieve our projected level or mix of product sales, as our earnings forecasts are 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.
- Security breaches of our computer and communications systems, including computer viruses, “hacking” and “cyber-attacks,” which could impair our ability to conduct business, or result in the loss of BD trade secrets or otherwise compromise sensitive information of BD or its customers, suppliers and other business partners.

- Pending and potential future litigation or other proceedings adverse to BD, including antitrust claims, product liability claims, environmental claims and patent infringement claims, and the availability or collectability 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 on 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, including the recent civil unrest in parts of the Middle East.
- 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 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in information reported since the end of the fiscal year ended September 30, 2012.

Item 4. Controls and Procedures

An evaluation was carried out 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 June 30, 2013. 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 our internal control over financial reporting during the fiscal quarter ended June 30, 2013 identified in connection with the above-referenced evaluation that have materially affected, or are reasonably likely to materially affect, BD's internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

We are involved, both as a plaintiff and a defendant, in various legal proceedings which arise in the ordinary course of business, including product liability and environmental matters as set forth in our 2012 Annual Report on Form 10-K and in Note 5 of the Notes to Condensed Consolidated Financial Statements in this report. Since March 31, 2013, the following developments have occurred with respect to the legal proceedings in which we are involved:

Antitrust Class Actions

As previously reported, BD entered into an agreement on July 30, 2013 with the indirect purchasers to settle their claims in these actions. The agreement is subject to preliminary and final approval by the court following notice to potential class members. The settlement agreement provides for BD to pay $22 million into a fund in exchange for a release by all potential class members of the indirect purchaser claims related to the products and acts enumerated in the complaint, and a dismissal of the case with prejudice. The release will not cover potential class members that opt out of the settlement.

Summary

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 above, 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 1A. Risk Factors

There have been no material changes to the risk factors disclosed in Part 1, Item 1A, of our 2012 Annual Report on Form 10-K except as provided below.

Breaches of our information technology systems could have a material adverse effect on our operations. We rely on information technology systems to process, transmit, and store electronic information in our day-to-day operations. Like many multinational corporations, our information technology systems have been subjected to computer viruses or other malicious codes, unauthorized access attempts, and cyber- or phishing-attacks, and we expect to be subject to similar attacks in the future. We also store certain information with third parties that could be subject to these types of attacks. These attacks could result in our intellectual property and other confidential information being lost or stolen, disruption of our operations, and other negative consequences, such as increased costs for security measures or remediation costs, and diversion of management attention. Recently, we became aware that certain of our information systems have been compromised by an external threat. We have retained an independent third-party security firm to help us assess the nature and extent of the unauthorized access, and implemented additional security measures while we continue to investigate the matter. To date, this incident has not caused any material interruption of or damage to our information systems, material disruption of our operations or material increases in our operating expenses due to the costs of the additional security measures. While we are implementing additional protective measures to reduce the risk of and detect future cyber incidents, cyber-attacks are becoming more sophisticated and frequent, and the techniques used in such attacks change rapidly. There can be no assurances that our protective measures will prevent future attacks that could have a significant impact on our business.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The table below sets forth certain information regarding our purchases of common stock of BD during the quarter ended June 30, 2013.

Issuer Purchases of Equity Securities

| For the three months ended June 30, 2013 | 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 (2) |
|---|---|---|---|---|
| April 1 – 30, 2013 | 430 | $ 94.12 | — | 3,665,581 |
| May 1 – 31, 2013 | 245,000 | $ 101.15 | 245,000 | 3,420,581 |
| June 1 – 30, 2013 | 259,017 | $ 98.32 | 256,496 | 3,164,085 |
| Total | 504,447 | $ 99.69 | 501,496 | 3,164,085 |

(1) Includes 2,951 shares purchased during the quarter in open market transactions by the trust relating to BD's Deferred Compensation and Retirement Benefit Restoration Plan and 1996 Directors' Deferral Plan.

(2) The repurchases were made pursuant to a repurchase program covering 18 million shares authorized by the Board of Directors on July 26, 2011, for which there is no expiration date.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

| | |
|---|---|
| Exhibit 31 | Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to SEC Rule 13a—14(a). |
| Exhibit 32 | Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to Rule 13a—14(b) and Section 1350 of Chapter 63 of Title 18 of the U.S. Code. |
| Exhibit 101 | The following materials from this report, formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Income, (iii) the Condensed Consolidated Statements of Comprehensive Income, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements. |

SIGNATURES

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)

Dated: August 5, 2013

/s/ Suketu Upadhyay
Suketu Upadhyay
Senior Vice President, Finance
(Duly Authorized Officer and Principal Accounting Officer)

INDEX TO EXHIBITS

| Exhibit Number | Description of Exhibits |
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CERTIFICATIONS

I, Vincent A. Forlenza, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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: August 5, 2013

/s/ Vincent A. Forlenza
Vincent A. Forlenza
Chairman, Chief Executive Officer and President

I, Christopher Reidy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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: August 5, 2013

/s/ Christopher Reidy

Christopher Reidy
Chief Financial Officer and Executive Vice President of Administration

Exhibit 32

The certification set forth below is being submitted in connection with the Quarterly Report on Form 10-Q of Becton, Dickinson and Company for the quarter ended June 30, 2013 (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, Vincent A. Forlenza, 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.

August 5, 2013

/s/ Vincent A. Forlenza

Name: Vincent A. Forlenza
Chief Executive Officer

The certification set forth below is being submitted in connection with the Quarterly Report on Form 10-Q of Becton, Dickinson and Company for the quarter ended June 30, 2013 (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, Christopher Reidy, the Chief Financial Officer and Executive Vice President of Administration 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.

August 5, 2013

/s/ Christopher Reidy
Name: Christopher Reidy
Chief Financial Officer