AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON DECEMBER 20, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002 COMMISSION FILE NUMBER 1-4802

BECTON, DICKINSON AND COMPANY
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

NEW JERSEY	22-0760120
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)
1 BECTON DRIVE FRANKLIN LAKES, NEW JERSEY	07417-1880
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(ZIP CODE)

(201) 847-6800
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, par value $1.00	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:
None

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by checkmark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).
Yes [x] No [ ]

As of June 30, 2002, 256,898,665 shares of the registrant's common stock were outstanding and the aggregate market value of such common stock held by

nonaffiliates of the registrant was approximately $8,822,907,027.

DOCUMENTS INCORPORATED BY REFERENCE

(1) Portions of the registrant's Annual Report to Shareholders for the fiscal year ended September 30, 2002 are incorporated by reference into Parts I and II hereof.

(2) Portions of the registrant's Proxy Statement for the Annual Meeting of Shareholders to be held February 11, 2003 are incorporated by reference into Part III hereof.

PART I

ITEM 1. BUSINESS.

GENERAL

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

BD is a medical technology company engaged principally in the manufacture and sale of a broad range of medical supplies, devices, laboratory equipment and diagnostic products used by healthcare institutions, life science researchers, clinical laboratories, industry and the general public.

BUSINESS SEGMENTS

BD's operations consist of three worldwide business segments: BD Medical Systems ('Medical Systems'), BD Clinical Laboratory Solutions ('Clinical Laboratory Solutions') and BD Biosciences ('Biosciences'). Information with respect to BD's business segments appears on pages 54-55 of BD's Annual Report to Shareholders for the fiscal year ended September 30, 2002 (the '2002 Annual Report'), and is incorporated herein by reference as part of Exhibit 13.

BD Medical Systems

The major products in this segment are hypodermic syringes and needles for injection, insulin syringes and pen needles and blood glucose monitoring systems for diabetes care, infusion therapy devices, prefillable drug delivery systems and surgical blades and scalpels. This segment also includes specialty blades and cannulas for ophthalmic surgery procedures, anesthesia needles, critical care systems, elastic support products and thermometers.

BD Clinical Laboratory Solutions

The major products in this segment are clinical and industrial microbiology products, sample collection products, specimen management systems, hemotology instruments, DNA probe instruments and other diagnostic systems, including immunodiagnostic test kits. This segment also includes consulting services and customized and automated bar-code systems.

BD Biosciences

This segment provides integrated systems, products and services for a variety of applications in life sciences. The major products are flow cytometry systems for cell analysis, monoclonal antibodies for biomedical research, molecular biology products for the study of genes and their functions, cell growth and screening products, and labware products.

INTERNATIONAL OPERATIONS

BD's products are manufactured and sold worldwide. The principal markets for BD's products outside the United States are Europe, Japan, Asia Pacific, Canada and Latin America. The principal products sold by BD outside of the United States are hypodermic needles and syringes, insulin syringes and pen needles, diagnostic systems, VACUTAINER'r' brand blood collection products, HYPAK'r' brand prefillable syringe systems, and infusion therapy products. BD has manufacturing operations outside the United States in Brazil, China, France, Germany, India, Ireland, Japan, Korea, Mexico, Pakistan, Singapore, Spain, Sweden and the United Kingdom. Geographic information with respect to BD's operations appears on page 55 of the 2002 Annual Report, and is incorporated herein by reference as part of Exhibit 13.

Foreign economic conditions and exchange rate fluctuations have caused the profitability from foreign revenues to fluctuate more than the profitability from domestic revenues. BD believes its activities in some

countries outside the United States involve greater risk than its domestic business due to the foregoing factors, as well as local commercial and economic policies and political uncertainties.

REVENUES AND DISTRIBUTION

BD's products and services are marketed in the United States and internationally through sales representatives and independent distribution channels, and directly to end-users. Sales to a distributor, which supplies BD products from the Medical Systems and Clinical Laboratory Solutions segments to many end-users, accounted for approximately 11% of total BD revenues in fiscal 2002. Order backlog is not material to BD's business inasmuch as orders for BD products generally are received and filled on a current basis, except for items temporarily out of stock.

Revenue on the sale of certain instruments in the Biosciences segment is recognized upon completion of installation of the instrument at the customer's site. Revenue related to branded insulin syringe products sold to distributors in the U.S. consumer trade channel is recognized upon the sell-through of such products from the distributor to the end customer. Substantially all other revenue is recognized when products are shipped to customers.

RESEARCH AND DEVELOPMENT

BD conducts its research and development activities at its operating units, at Becton Dickinson Technologies in Research Triangle Park, North Carolina, and in collaboration with selected universities, medical centers and other entities. BD also retains individual consultants to support its efforts in specialized fields. BD spent approximately $220 million on research and development during the fiscal year ended September 30, 2002, and approximately $212 million and $224 million, respectively, during the two immediately preceding fiscal years.

COMPETITION

A number of companies, some of which are more specialized than BD, compete in the medical technology field. In each such case, competition involves only a part of BD's product lines. Competition in BD's markets is based on a combination of factors, including price, quality, service, reputation, distribution and promotion. Ongoing investments in research, quality management, quality improvement, product innovation and productivity improvement are required to maintain an advantage in the competitive environments in which BD operates.

New companies have entered the medical technology field and established companies have diversified their business activities into this area. Other firms engaged in the distribution of medical technology products have become manufacturers as well. Some of BD's competitors have greater financial resources than BD. BD also competes with products manufactured outside the United States.

INTELLECTUAL PROPERTY AND LICENSES

BD owns significant intellectual property, including patents, patent applications, technology, trade secrets, know-how, copyrights and trademarks in

the United States and other countries. BD is also licensed under domestic and foreign patents, patent applications, technology, trade secrets, know-how, copyrights and trademarks owned by others. In the aggregate, these intellectual property assets and licenses are of material importance to BD's business. BD believes, however, that no single patent, technology, trademark, intellectual property asset or license is material in relation to BD's business as a whole.

RAW MATERIALS

BD purchases many different types of raw materials, including plastics, glass, metals, yarn and yarn goods, paper products, agricultural products, electronic and mechanical sub-assemblies and various biological, chemical and petrochemical products. All but a few of BD's principal raw materials, primarily related to the Biosciences business, are available from multiple sources.

For various reasons, including quality assurance, sole source availability and cost effectiveness, we purchase certain raw materials from sole suppliers. Due primarily to regulatory requirements, we may not always be able to quickly establish additional or replacement sources for certain of these sole-sourced raw materials. While BD works closely with its suppliers to ensure continuity of supply, the termination, reduction or interruption in supply of these sole-sourced raw materials could have an adverse impact on our ability to manufacture and sell certain of our products.

REGULATION

BD's medical technology products and operations are subject to regulation by the United States Food and Drug Administration and various other federal and state agencies, as well as by a number of foreign governmental agencies. BD believes it is in compliance in all material respects with the regulations promulgated by such agencies, and that such compliance has not had, and BD believes, should not have, a material adverse effect on its business.

BD also believes that its operations comply in all material respects with applicable environmental laws and regulations. Such compliance has not had, and BD believes, should not have, a material adverse effect on BD's capital expenditures, earnings or competitive position. See Item 3. Legal Proceedings -- Environmental Matters.

EMPLOYEES

As of September 30, 2002, BD had 25,249 employees, of whom 11,487 were employed in the United States (including Puerto Rico). BD believes that its employee relations are satisfactory.

CAUTIONARY STATEMENT PURSUANT TO PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 -- 'SAFE HARBOR' FOR FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 (the 'Act') provides a safe harbor for forward-looking statements made by or on behalf of BD. 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 this report and filings with the Securities and Exchange Commission and in our other reports to shareholders. Forward-looking statements may be identified by the use of words like '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 which 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 and statements expressing views about future operating results -- are forward-looking statements within the meaning of the Act.

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 whether as a result of new information, future events and developments or otherwise.

The following are some important factors that could cause our actual results to differ from our expectations in any forward-looking statements:

- Regional, national and foreign economic factors, including inflation and fluctuations in interest rates and foreign currency exchange rates and the potential effect of such fluctuations on revenues, expenses and resulting margins.

- Competitive product and pricing pressures and our ability to gain or maintain market share in the global market as a result of actions by competitors, including technological advances achieved and patents attained by competitors as patents on our products expire. While we believe our opportunities for sustained, profitable growth are considerable, actions of our competitors could impact our earnings, share of sales and volume growth.

- Changes in domestic and foreign healthcare resulting in pricing pressures, including the continued consolidation among healthcare providers, trends toward managed care and healthcare cost containment and government laws and regulations relating to sales and promotion, reimbursement and pricing generally.

- The effects, if any, of governmental and media activities relating to U.S. Congressional hearings regarding the business practices of group purchasing organizations, which negotiate product prices on behalf of their member hospitals with BD and other suppliers.

- Fluctuations in the cost and availability of raw materials and the ability to maintain favorable supplier arrangements and relationships.

- Adoption of or changes in government laws and regulations affecting domestic and foreign operations, including those relating to trade, monetary and fiscal policies, taxation, environmental matters, sales practices, price controls, licensing and regulatory approval of new products, or changes in enforcement practices with respect to any such laws and regulations.

- 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, or gain and maintain market approval of products, and the possibility of encountering infringement claims by competitors with respect to patent or other intellectual property rights, all of which can preclude or delay commercialization of a product.

- Significant litigation adverse to BD, including product liability claims, patent infringement claims, and antitrust claims, as well as other risks and uncertainties detailed from time to time in our Securities and Exchange Commission filings.

- The effects, if any, of adverse media exposure or other publicity regarding BD's business, operations or allegations made or related to litigation pending against BD.

- Our ability to achieve earnings forecasts, which are generated based on projected volumes and sales of many product types, some of which are

more profitable than others. There can be no assurance that we will achieve the projected level or mix of product sales.

- The effect of market fluctuations on the value of the assets in BD's pension plans and the possibility that BD may need to make additional contributions to the plans as a result of any decline in the value of such assets.

- Our ability to effect infrastructure enhancements and incorporate new systems technologies into our operations.

- Product efficacy or safety concerns resulting in product recalls, regulatory action on the part of the Food and Drug Administration (or foreign counterparts) or declining sales.

- Economic and political conditions in international markets, including civil unrest, governmental changes and restrictions on the ability to transfer capital across borders.

- Our ability to penetrate developing and emerging markets, which also depends on economic and political conditions, and our ability to successfully acquire or form strategic business alliances with local companies and make necessary infrastructure enhancements to production facilities, distribution networks, sales equipment and technology.

- The impact of business combinations, including acquisitions and divestitures, both internally for BD and externally, in the healthcare industry.

- Issuance of new or revised accounting standards by the American Institute of Certified Public Accountants, 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 2. PROPERTIES.

BD's executive offices are located in Franklin Lakes, New Jersey. BD owns and leases approximately 13,800,000 square feet of manufacturing, warehousing, administrative and research facilities throughout the world. The U.S. facilities, including Puerto Rico, comprise approximately 5,800,000 square feet of owned and 2,200,000 square feet of leased space. The international facilities comprise approximately 3,800,000 square feet of owned and 2,000,000 square feet of leased space. Sales offices and distribution centers included in the total square footage are also located throughout the world.

Operations in each of BD's business segments are conducted at both U.S. and international locations. Particularly in the international marketplace, facilities often serve more than one business segment and are used for multiple purposes, such as administrative/sales, manufacturing and/or warehousing/distribution. BD generally seeks to own its manufacturing facilities, although some are leased. Most of BD's administrative, sales and warehousing/distribution facilities are leased.

BD believes that its facilities are of good construction and in good physical condition, are suitable and adequate for the operations conducted at those facilities, and are, with minor exceptions, fully utilized and operating at normal capacity.

The U.S. facilities include facilities in Arizona, California, Colorado, Connecticut, Georgia, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, Missouri, Nebraska, New Jersey, New York, North Carolina, South Carolina, Tennessee, Texas, Utah, Virginia, Wisconsin and Puerto Rico.

The international facilities are grouped as follows:

-- Canada includes approximately 105,900 square feet of leased space.

-- Europe and Eastern Europe, Middle East and Africa include facilities in Austria, Belgium, Denmark, Egypt, England, Finland, France, Germany, Greece, Hungary, Ireland, Italy, the Netherlands, Poland, Russia, South Africa, Spain, Sweden, Switzerland, Turkey and the United Arab Emirates, and are comprised of approximately 1,900,000 square feet of owned and 900,000 square feet of leased space.

-- Latin America includes facilities in Argentina, Bolivia, Brazil, Chile, Colombia, Guatemala, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela, and is comprised of approximately 783,000 square feet of owned and 614,000 square feet of leased space.

-- Asia Pacific includes facilities in Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam, and is comprised of approximately 1,121,000 square feet of owned and 400,000 square feet of leased space.

The table below summarizes property information by business segment:

CATEGORY	CORPORATE	BIOSCIENCES	MEDICAL SYSTEMS	CLINICAL LABORATORY SOLUTIONS	MIXED(A)	TOTAL(B)
Leased						
Sites	2	16	122	6	17	163
Square feet	10,000	405,000	2,012,000	92,000	1,717,000	4,236,000
Manufacturing square footage	0	89,000	314,000	15,000	10,000	428,000
Manufacturing sites	0	2	7	1	1	11
Owned						
Sites	2	4	26	13	5	50
Square feet	431,000	613,000	5,129,000	2,580,000	807,000	9,560,000
Manufacturing square footage	0	265,000	3,200,000	1,461,000	52,000	4,978,000
Manufacturing sites	0	4	25	12	1	42
Total						
Sites	4	20	148	19	22	213
Square feet	441,000	1,018,000	7,141,000	2,672,000	2,524,000	13,796,000
Manufacturing square footage	0	354,000	3,514,000	1,476,000	62,000	5,406,000
Manufacturing sites	0	6	32	13	2	53

(footnotes on next page)

(footnotes from previous page)

(A) Facilities used by all business segments.

(B) Does not include 41,000 square foot facility in Florida that is presently not in use by BD.

ITEM 3. LEGAL PROCEEDINGS.

Litigation -- Other than Environmental

In 1986, we acquired a business that manufactured, among other things, latex surgical gloves. In 1995, we divested this glove business. We, along with a number of other manufacturers, have been named as a defendant in approximately

520 product liability lawsuits related to natural rubber latex that have been filed in various state and Federal courts. Cases pending in Federal Court are being coordinated under the matter In re Latex Gloves Products Liability Litigation (MDL Docket No. 1148) in Philadelphia, and analogous procedures have been implemented in the state courts of California, Pennsylvania, New Jersey and New York. Generally, these actions allege that medical personnel have suffered allergic reactions ranging from skin irritation to anaphylaxis as a result of exposure to medical gloves containing natural rubber latex. Since the inception of this litigation, 227 of these cases have been closed with no liability to BD (166 of which were closed with prejudice), and 14 cases have been settled for an aggregate de minimis amount. We are vigorously defending the remaining lawsuits.

We, along with another manufacturer and several medical product distributors, are named as a defendant in six product liability lawsuits relating to healthcare workers who allegedly sustained accidental needlesticks, but have not become infected with any disease. We had previously been named as a defendant in five similar suits relating to healthcare workers who allegedly sustained accidental needlesticks, each of which has either been dismissed with prejudice or voluntarily withdrawn. Regarding the six pending suits:

In Texas, Usrey vs. Becton Dickinson et al., the Court of Appeals for the Second District of Texas filed an Opinion on August 16, 2001 reversing the trial court's certification of a class, and remanding the case to the trial court for further proceedings consistent with that opinion. Plaintiffs petitioned the appellate court for rehearing, which the Court of Appeals denied on October 25, 2001.

In Ohio, Grant vs. Becton Dickinson et al. (Case No. 98CVB075616, Franklin County Court), which was filed on July 22, 1998, the court issued a decision on July 17, 2002 certifying a class. We have filed an appeal of the court's ruling with the Ohio Court of Appeals for the 10th Appellate Judicial District.

In Illinois, McCaster vs. Becton Dickinson et al. (Case No. 98L09478, Cook County Circuit Court), which was filed on August 13, 1998, the appeals court issued a decision on March 6, 2002 denying plaintiff's petition for review of the trial court's January 11, 2002 decision to deny class certification. On July 30, 2002, the plaintiff filed a motion with the trial court to reopen the issue of certification based on the Ohio decision in the Grant case. On November 22, 2002, the court issued an order denying plaintiff's renewed motion for class certification.

In New York, Oklahoma and South Carolina, cases have been filed on behalf of an unspecified number of healthcare workers seeking class action certification under the laws of these states. Generally, these remaining actions allege that healthcare workers have sustained needle sticks using hollow-bore needle devices manufactured by BD and, as a result, require medical testing, counseling and/or treatment. Several actions additionally allege that the healthcare workers have sustained mental anguish. Plaintiffs seek money damages in all of these actions, which are pending in state court in Oklahoma, under the caption Palmer vs. Becton Dickinson et al. (Case No. CJ-98-685, Sequoyah County District Court), filed on October 27, 1998; in state court in South Carolina, under the caption Bales vs. Becton Dickinson et al. (Case No. 98-CP-40-4343, Richland County Court of Common Pleas), filed on November 25, 1998; and in Federal court in New York, under the caption Benner vs. Becton Dickinson et al. (Case No. 99Civ4798(WHP)), filed on June 1, 1999.

We continue to oppose class action certification in these cases and will continue vigorously to defend these lawsuits, including pursuing all appropriate rights of appeal.

BD has insurance policies in place, and believes that a substantial portion of the potential liability, if any, in the latex and class action matters would be covered by insurance. In order to protect our rights to additional coverage, we filed an action for declaratory judgement under the caption Becton Dickinson and Company vs.

Adriatic Insurance Company et al. (Docket No. MID-L-3649-99MT, Middlesex County Superior Court) in New Jersey state court. We have withdrawn this action, with the right to refile, so that settlement discussions with the insurance companies may proceed. We have established reserves to cover reasonably anticipated defense costs in all product liability lawsuits, including the needlestick class action and latex matters.

On January 18, 2002, Retractable Technologies, Inc. ('plaintiff') filed a second amended complaint against BD, another manufacturer, and two group purchasing organizations ('GPOs') under the caption Retractable Technologies, Inc. vs. Becton Dickinson and Company, et al. (Civil Action No. 501 CV 036, United States District Court, Eastern District of Texas). Plaintiff alleges that BD and other defendants conspired to exclude it from the market and to maintain BD's market share by entering into long-term contracts in violation of state and Federal antitrust laws. Plaintiff also has asserted claims for business disparagement, common law conspiracy, and tortious interference with business relationships. Plaintiff seeks money damages in an as yet undisclosed amount. On February 22, 2002, BD filed a motion to dismiss the second amended complaint. On August 2, 2002, the court issued a Memorandum Opinion and Order denying that motion. Discovery is proceeding, and a trial date has been set for April 8, 2003. We continue to vigorously defend this matter.

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

We currently are engaged in discovery or are otherwise in the early stages with respect to certain of the litigation to which we are a party, and therefore, it is difficult to predict the outcome of such litigation. In addition, given the uncertain nature of litigation generally and of the current litigation environment, it is difficult to predict the outcome of any litigation regardless of its stage. A number of the cases pending against BD present complex factual and legal issues and are subject to a number of variables, including, but not limited to, the facts and circumstances of each particular case, the jurisdiction in which each suit is brought, and differences in applicable law. As a result, we are not able to estimate the amount or range of loss that could result from an unfavorable outcome of such matters. While we believe that the claims against BD are without merit and, upon resolution, should not have a material adverse effect on BD, in view of the uncertainties discussed above, we could incur charges in excess of currently established reserves and, to the extent available, excess liability insurance. Accordingly, in the opinion of management, any such future charges, individually or in the aggregate, could have a material adverse effect on BD's consolidated results of operations and consolidated net cash flows in the period or periods in which they are recorded or paid. We continue to believe that we have a number of valid defenses to each of the suits pending against BD and are engaged in a vigorous defense of each of these matters.

Environmental Matters

We are also 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. For all sites, there are other potentially responsible parties that may be jointly or severally liable to pay all cleanup costs. We accrue costs for estimated environmental liabilities based upon our best estimate within the range of probable losses, without considering possible third-party recoveries. While we believe that, upon resolution, the environmental claims against BD should not have a material adverse effect on BD, we could incur charges in excess of presently established reserves and, to the extent available, excess liability insurance. Accordingly, in the opinion of management, any such future charges, individually or in the aggregate, could have a material adverse effect on BD's consolidated results of operations and consolidated net cash flows in the period or periods in which they are recorded or paid.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT (AS OF DECEMBER 1, 2002)

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

NAME	AGE	POSITION
Edward J. Ludwig.....	51	Director since 1999; Chairman, President and Chief Executive Officer since February 2002; President and Chief Executive Officer from January 2000 to February 2002; President from May 1999 to January 2000; Executive Vice President from July 1998 to May 1999; and prior thereto, Senior Vice President -- Finance and Chief Financial Officer.
Gary M. Cohen.....	43	President -- BD Medical Systems since May 1999; Executive Vice President from July 1998 to May 1999; and President -- Becton Dickinson Europe and Worldwide Sample Collection from October 1997 to June 1998.
John R. Considine.....	52	Executive Vice President and Chief Financial Officer since June 2000; Senior Vice President, Finance of Wyeth (formerly American Home Products Corporation) from February to June 2000; and prior thereto, Vice President, Finance of Wyeth.
Jean-Marc Dageville.....	43	Vice President -- Human Resources since March 2001; prior thereto, Vice President -- Human Resources, BD Medical Systems; Vice President -- Human Resources, Europe from 1998 to 2000; and prior thereto HR Director, Europe for the Microbiology, Consumer Healthcare and Medical and Infusion Therapy businesses.
Vincent A. Forlenza.....	49	Senior Vice President -- Technology, Strategy and Development since February 1999; and prior thereto, President -- Worldwide Microbiology Systems.
Bridget M. Healy.....	47	Vice President, General Counsel and Corporate Secretary since May 2000; and prior thereto, Vice President and Corporate Secretary.
William A. Kozy.....	50	President -- BD Clinical Laboratory Solutions and Company Operations since May 2002; Senior Vice President -- Company Operations from November 2000 to May 2002; Senior Vice President -- Manufacturing from October 1998 to November 2000; and prior thereto, President -- Worldwide Injection Systems.
Deborah J. Neff.....	49	President -- BD Biosciences since February 1999; and prior thereto, President -- Worldwide Immunocytometry Systems.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

BD's common stock is listed on the New York Stock Exchange. As of November 30, 2002 there were approximately 10,035 shareholders of record. The balance of the information required by this item appears under the caption 'Common Stock Prices and Dividends' on page 56 of BD's 2002 Annual Report and is incorporated herein by reference as part of Exhibit 13.

ITEM 6. SELECTED FINANCIAL DATA.

The information required by this item is included under the caption

'Ten-Year Summary of Selected Financial Data' on pages 22-23 of BD's 2002 Annual Report and is incorporated herein by reference as part of Exhibit 13.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The information required by this item is included in the text contained under the caption 'Financial Review' on pages 24-32 of BD's 2002 Annual Report and is incorporated herein by reference as part of Exhibit 13.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The information required by this item is included in the text contained on pages 25-26 of the 'Financial Review' section of BD's 2002 Annual Report, and in notes 1 and 10 to the consolidated financial statements contained in BD's 2002 Annual Report, and each is incorporated herein by reference as part of Exhibit 13.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The information required by this item is included on page 17 herein and on pages 33-55 of BD's 2002 Annual Report and is incorporated herein by reference as part of Exhibit 13.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The information relating to directors required by this item will be contained under the captions 'Board of Directors', 'Election of Directors', 'Nominees for Director' and 'Continuing Directors' in a definitive Proxy Statement involving the election of directors which the registrant will file with the Securities and Exchange Commission not later than 120 days after September 30, 2002 (the 'Proxy Statement'), and such information is incorporated herein by reference.

The information relating to executive officers required by this item is included herein in Part I under the caption 'Executive Officers of the Registrant'.

The information required pursuant to Item 405 of Regulation S-K will be contained under the caption 'Section 16(a) Beneficial Ownership Reporting Compliance' in BD's Proxy Statement, and such information is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION.

The information required by this item will be contained under the captions 'Board of Directors' and 'Executive Compensation' in BD's Proxy Statement, and such information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The information required by this item will be contained under the caption 'Share Ownership of Management and Certain Beneficial Owners' in BD's Proxy Statement, and such information is incorporated herein by reference.

The following table provides certain information regarding BD's equity compensation plans as of September 30, 2002:

PLAN CATEGORY	(A) NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	(B) WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	(C) NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (A))
Equity compensation plans approved by security holders	30,533,022(1)	$26.00	17,416,740(2)
Equity compensation plans not approved by security holders	75,281	$32.98	924,719
Total	30,608,303	$26.02	18,341,459

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(1) Includes 219,685 shares relating to the undistributed portions of awards previously granted under BD's Stock Award Plan. The Stock Award Plan authorizes grants of restricted stock awards to key employees. Awards under the Plan include a portion that is distributed in five equal annual installments, beginning on the first anniversary of the date of grant, and a deferred portion that is paid out in five equal annual installments following retirement, involuntary separation or discharge other than for cause.

(2) Includes 2,321,073 shares available for grants of awards under the Stock Award Plan.

Equity compensation plans approved by BD's securities holders include BD's 1995 Stock Option Plan, 1998 Stock Option Plan, 2002 Stock Option Plan and Stock Award Plan.

The one equity compensation plan of BD which was not approved by BD's securities holders is the Non-Employee Directors 2000 Stock Option Plan (the 'Director Plan'). The Director Plan provides for the granting of unqualified stock options at each annual meeting of shareholders of BD to each non-employee director elected at or continuing to serve after such meeting. The options have a monetary value of $35,000, using the Black Scholes ratio used to calculate the value of the then most recent annual stock option grants to executive officers of BD. The exercise price of stock options granted under the Director Plan must be at least 100% of the fair market value of BD's common stock on the date of grant.

Each option granted under the Director Plan has a term of ten years, beginning from its date of grant (or such shorter term as may have been provided for in the then most recent annual stock option grants to BD's executive officers). The options vest over the same period as provided for with respect to the then most recent annual stock option grants to BD's executive officers. In the event of a tender offer for more than 25% of the outstanding BD common stock, or a 'change in control' of BD (as defined in the Director Plan), all outstanding options under the Director Plan become immediately exercisable.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Not applicable.

PART IV

ITEM 14. CONTROLS AND PROCEDURES.

Within the 90-day period prior to the filing of this report, an evaluation was carried out under the supervision and with the participation of BD's management, including our 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-14(c) under the Securities Exchange Act of 1934). 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 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 significant changes in our internal controls or, to our knowledge, in other factors that could significantly affect these internal controls subsequent to the date of their evaluation.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a)(1) Financial Statements

The following consolidated financial statements of BD included in BD's 2002 Annual Report at the pages indicated in parentheses, are incorporated by reference in Item 8 hereof:

Report of Independent Auditors (page 33)

Consolidated Statements of Income -- Years ended September 30, 2002, 2001 and 2000 (page 34)

Consolidated Statements of Comprehensive Income -- Years ended September 30, 2002, 2001 and 2000 (page 35)

Consolidated Balance Sheets -- September 30, 2002 and 2001 (page 36)

Consolidated Statements of Cash Flows -- Years ended September 30, 2002, 2001 and 2000 (page 37)

Notes to Consolidated Financial Statements (pages 38-55)

(a)(2) Financial Statement Schedules

The following consolidated financial statement schedule of BD is included herein at the page indicated in parentheses:

Schedule II -- Valuation and Qualifying Accounts (page 17)

All other schedules for which provision is made in the applicable accounting regulations of the Securities Exchange Act of 1934 are not required under the related instructions or are inapplicable, and therefore have been omitted.

(a)(3) Exhibits

See Exhibit Index on pages 18-21 hereof for a list of all management contracts, compensatory plans and arrangements required by this item (Exhibit Nos. 10(a)(i) through 10(p)), and all other Exhibits filed or incorporated by reference as a part of this report.

(b) Reports on Form 8-K

During the three-month period ended September 30, 2002, BD filed the following Current Reports on Form 8-K:

(1) On July 19, 2002, under Item 5 -- Other Events, BD reported the granting of class certification in an Ohio product liability lawsuit.

(2) On July 25, 2002, under Item 5 -- Other Events, BD reported its results for the third quarter ended June 30, 2002.

(3) On August 12, 2002, under Item 9 -- Regulation FD Disclosure, BD furnished information regarding the sworn statements submitted by each of BD's Chief Executive Officer and Chief Financial Officer to the Securities and Exchange Commission in accordance with Securities and Exchange Commission Order No. 4-460.

(4) On August 13, 2002, under Item 9 -- Regulation FD Disclosure, BD furnished information regarding (i) the submission to the Securities and Exchange Commission of the certifications of each of BD's Chief Executive Officer and Chief Financial Officer relating to BD's Quarterly Report on Form 10-Q for the period ended June 30, 2002, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, (ii) the purchase of shares of BD common stock by an executive officer and (iii) the investment in shares of BD common stock by three executive officers

through the deferral of compensation under BD's Deferred Compensation Plan.

(5) On August 23, 2002, under Item 9 -- Regulation FD Disclosure, BD furnished information regarding the termination of negotiations with AorTech International plc relating to the sale of BD's critical care product line.

(6) On September 4, 2002, under Item 5 -- Other Events, BD reported the death of a member of its Board of Directors.

(7) On September 19, 2002, under Item 9 -- Regulation FD Disclosure, BD furnished information regarding a revision to BD's previous earnings guidance resulting from the termination of negotiations for the sale of its critical care product line.

(8) On September 24, 2002, under Item 5 -- Other Events, BD reported the election of Bertram L. Scott to its Board of Directors.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BECTON, DICKINSON AND COMPANY

By: /s/ BRIDGET M. HEALY
BRIDGET M. HEALY
VICE PRESIDENT, GENERAL COUNSEL AND CORPORATE SECRETARY

Dated: December 20, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on the 20th day of December, 2002 by the following persons on behalf of the registrant and in the capacities indicated.

NAME	CAPACITY
/s/ EDWARD J. LUDWIG (EDWARD J. LUDWIG)	Chairman, President and Chief Executive Officer (Principal Executive Officer)
/s/ JOHN R. CONSIDINE (JOHN R. CONSIDINE)	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ WILLIAM A. TOZZI (WILLIAM A. TOZZI)	Vice President and Controller (Principal Accounting Officer)
/s/ HARRY N. BEATY, M.D.	Director

(HARRY N. BEATY, M.D.)	
/s/ HENRY P. BECTON, JR.	Director
(HENRY P. BECTON, JR.)	
/s/ CLATEO CASTELLINI	Director
(CLATEO CASTELLINI)	
/s/ FRANK A. OLSON	Director
(FRANK A. OLSON)	
/s/ JAMES F. ORR	Director
(JAMES F. ORR)	
/s/ WILLARD J. OVERLOCK, JR.	Director
(WILLARD J. OVERLOCK, JR.)	
/s/ JAMES E. PERRELLA	Director
(JAMES E. PERRELLA)	

NAME	CAPACITY
/s/ ALFRED SOMMER	Director
(ALFRED SOMMER)	
/s/ BERTRAM L. SCOTT	Director
(BERTRAM L. SCOTT)	
/s/ MARGARETHA AF UGGLAS	Director
(MARGARETHA AF UGGLAS)	

CERTIFICATIONS

I, Edward J. Ludwig, certify that:

1. I have reviewed this annual report on Form 10-K of Becton, Dickinson and Company;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures 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 annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the 'Evaluation Date'); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 20, 2002

/s/ EDWARD J. LUDWIG
Edward J. Ludwig
Chairman, President and
Chief Executive Officer

I, John R. Considine, certify that:

1. I have reviewed this annual report on Form 10-K of Becton, Dickinson and Company;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures 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 annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the 'Evaluation Date'); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 20, 2002

/s/ JOHN R. CONSIDINE
John R. Considine
Executive Vice President and
Chief Financial Officer

SCHEDULE II

BECTON, DICKINSON AND COMPANY
VALUATION AND QUALIFYING ACCOUNTS
YEARS ENDED SEPTEMBER 30, 2002, 2001 AND 2000
(THOUSANDS OF DOLLARS)

COL. A	COL. B	COL. C	COL. D	COL. E
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	DEDUCTIONS	BALANCE AT END OF PERIOD
2002				
Against trade receivables:				
For doubtful accounts	$29,748	$ 3,354	$ 5,591(A)	$27,511
For cash discounts	12,544	22,596	24,632	10,508

Total	$42,292	$25,950	$30,223	$38,019
2001				
Against trade receivables:				
For doubtful accounts	$32,986	$ 7,063	$10,301(A)	$29,748
For cash discounts	10,656	27,201	25,313	12,544
Total	$43,642	$34,264	$35,614	$42,292
2000				
Against trade receivables:				
For doubtful accounts	$34,775	$ 691	$ 2,480(A)	$32,986
For cash discounts	14,261	28,022	31,627	10,656
Total	$49,036	$28,713	$34,107	$43,642

(A) Accounts written off.

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION	METHOD OF FILING
3(a)(i)	Restated Certificate of Incorporation, as amended January 22, 1990	Incorporated by reference to Exhibit 3(a) to the registrant's Annual Report on Form 10-K for fiscal year ended September 30, 1990
3(a)(ii)	Amendment to the Restated Certificate of Incorporation, as of August 5, 1996	Incorporated by reference to Exhibit 3(a) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 1996
3(a)(iii)	Amendment to the Restated Certificate of Incorporation, as of August 10, 1998	Incorporated by reference to Exhibit 3(b) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 1998
3(b)	By-Laws, as amended and restated as of November 26, 2002	Filed with this report.
4(a)	Indenture, dated as of December 1, 1982, between the registrant and Manufacturers Hanover Trust Company	Incorporated by reference to Exhibit 4 to Registration Statement No. 2-80707 on Form S-3 filed by the registrant
4(b)	First Supplemental Indenture, dated as of May 15, 1986, between the registrant and Manufacturers Hanover Trust Company	Incorporated by reference to Exhibit 4(b) to Registration Statement No. 33-5663 on Form S-3 filed by the registrant
4(c)	Second Supplemental Indenture, dated as of January 10, 1995, between the registrant and The Chase Manhattan Bank (formerly known as Chemical Bank, the successor by merger to Manufacturers Hanover Trust Company)	Incorporated by reference to Exhibit 4(c) to Form 8-K filed by the registrant on January 12, 1995
4(d)	Indenture, dated as of March 1, 1997, between the registrant and The Chase Manhattan Bank	Incorporated by reference to Exhibit 4(a) to Form 8-K filed by the registrant on July 31, 1997 (the registrant hereby agrees to furnish to the Commission upon request a copy of any

		other instruments which define the rights of holders of long-term debt of the registrant)
4(e)(i)	Rights Agreement, dated November 28, 1995, as amended and restated as of March 28, 2000, between the registrant and EquiServe Trust Company, N.A., which includes as thereto, the Form of Right Certificate, and as Exhibit B thereto, the Summary of Rights to Purchase Preferred Stock (the 'Amended and Restated Rights Agreement')	Incorporated by reference to Exhibit 4(e)(i) to the registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2000
4(e)(ii)	Amendment No. 1 to the Amended and Restated Rights Agreement, dated as of April 24, 2000	Incorporated by reference to Exhibit 4(e)(ii) to the registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2000
10(a)(i)	Form of Employment Agreement providing for certain payments to Executive Officers in the event of a discharge or significant change in such officers' respective duties after a change of control of the registrant	Incorporated by reference to Exhibit 10(b)(i) to the registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2000

EXHIBIT NUMBER	DESCRIPTION	METHOD OF FILING
10(a)(ii)	Form of Employment Agreement providing for certain payments to Corporate Officers in the event of a discharge or significant change in such officers' respective duties after a change of control of the registrant	Incorporated by reference to Exhibit 10(b)(ii) to the registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2000
10(b)(i)	Form of Split Dollar Agreement and related Collateral Assignment covering the providing to certain corporate officers of a life insurance policy in an amount equal to two times base salary in lieu of full participation in the registrant's group life insurance program	Incorporated by reference to Exhibit 10(e) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1987
10(b)(ii)	Form of Endorsement Method Split Agreement covering the providing to certain corporate officers of a life insurance policy in an amount equal to two times base salary in lieu of full participation in the registrant's group life insurance program	Incorporated by reference to Exhibit 10(c)(ii) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1999
10(c)(i)	Stock Award Plan, as amended and restated effective February 11, 1992	Incorporated by reference to Exhibit 10(d) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1992
10(c)(ii)	Amendment dated as of April 24, 2000 to the Stock Award Plan, as amended and restated effective February 11, 1992	Incorporated by reference to Exhibit 10(d) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2000
10(d)	Performance Incentive Plan, as amended and restated January 23, 2001	Incorporated by reference to Exhibit 10(d) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2001

10(e)(i)	1982 Unqualified Stock Option Plan, as amended and restated February 8, 1994	Incorporated by reference to Exhibit 10(f) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1994
10(e)(ii)	Amendment dated as of April 24, 2000 to the 1982 Unqualified Stock Option Plan, as amended and restated February 8, 1994	Incorporated by reference to Exhibit 10(f) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2000
10(f)	Deferred Compensation Plan, as amended and restated November 1, 2001	Incorporated by reference to Exhibit 10(f) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1992
10(g)(i)	1996 Directors' Deferral Plan	Incorporated by reference to Exhibit 4 to Registration Statement No. 333-16091 on Form S-8 filed by the registrant
10(g)(ii)	Amendment dated as of April 24, 2000 to the 1996 Directors' Deferral Plan, dated November 1, 1996	Incorporated by reference to Exhibit 10(g)(ii) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2000

EXHIBIT NUMBER	DESCRIPTION	METHOD OF FILING
10(h)(i)	1990 Stock Option Plan, as amended and restated February 8, 1994	Incorporated by reference to Exhibit 10(i) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1994
10(h)(ii)	Amendment dated as of April 24, 2000 to the 1990 Stock Option Plan, as amended and restated February 8, 1994	Incorporated by reference to Exhibit 10(h) to the registrant's Quarterly Report on Form 10-K for the period ended June 30, 2000
10(i)(i)	Retirement Benefit Restoration Plan, as amended and restated as of November 27, 2000	Incorporated by reference to Exhibit 10(i)(i) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2000
10(i)(ii)	Amendment to the Retirement Benefit Restoration Plan dated October 16, 2001	Incorporated by reference to Exhibit 10(i)(ii) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2001
10(i)(iii)	Employee Participation Agreement dated November 27, 2000 between the registrant and John R. Considine	Incorporated by reference to Exhibit 10(i)(iii) to the registrant's Annual Report on Form 10-K for the period ended September 30, 2000
10(i)(iv)	Agreement dated December 18, 2000 between the registrant and John R. Considine	Incorporated by reference to Exhibit 10(i)(iv) to the registrant's Annual Report on Form 10-K for the period ended September 30, 2000
10(j)(i)	1994 Restricted Stock Plan for Non-Employee Directors	Incorporated by reference to Exhibit A to the registrant's Proxy Statement dated January 5, 1994
10(j)(ii)	Amendment to the 1994 Restricted Stock Plan for Non-Employee Directors as of November 26, 1996	Incorporated by reference to Exhibit 10(j)(ii) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1996

10(k)(i)	1995 Stock Option Plan, as amended and restated January 27, 1998	Incorporated by reference to Exhibit 10(k) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1998
10(k)(ii)	Amendments dated as of April 24, 2000 to the 1995 Stock Option Plan, as amended and restated January 27, 1998	Incorporated by reference to Exhibit 10(k) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2000
10(l)(i)	1998 Stock Option Plan	Incorporated by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q/A for the period ended March 31, 1998
10(l)(ii)	Amendments dated as of April 24, 2000 to the 1998 Stock Option Plan	Incorporated by reference to Exhibit 10(l) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2000
10(m)	Australian, French and Spanish addenda to the Becton, Dickinson and Company Stock Option Plans	Incorporated by reference to Exhibit 10(m) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1998

EXHIBIT NUMBER	DESCRIPTION	METHOD OF FILING
10(n)	Indian addendum to the Becton, Dickinson and Company Stock Option Plans	Incorporated by reference to Exhibit 10(n) to registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1999
10(n)(i)	China and Japan addenda to Becton, Dickinson and Company Stock Option Plans	Filed with this report
10(o)(i)	Non-Employee Directors 2000 Stock Option Plan	Incorporated by reference to Exhibit 10(o) to the registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2000
10(o)(ii)	Amendments dated as of April 24, 2000 to the Non-Employee Directors 2000 Stock Option Plan	Incorporated by reference to Exhibit 10(o) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2000
10(p)	2002 Stock Option Plan	Incorporated by reference to Appendix A to the registrant's Proxy Statement dated January 2, 2002
13	Portions of the registrant's Annual Report to Shareholders for fiscal year 2002	Filed with this report
21	Subsidiaries of the registrant	Filed with this report
23	Consent of independent auditors	Filed with this report

Copies of any Exhibits not accompanying this Form 10-K are available at a charge of 25 cents per page by contacting: Investor Relations, Becton, Dickinson and Company, 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, Phone: 1-800-284-6845.

BD maintains a website at www.BD.com. BD makes available on its website, without charge, its Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q and its Current Reports on Form 8-K, and other filings, as soon as reasonably practicable after those reports and other filings are electronically filed or furnished to the Securities and Exchange Commission. These filings can be found at www.BD.com/investors.

Copies of BD's Statement of Corporate Governance Principles, BD's Business Conduct and Compliance Guide, and the charters of the Committees of BD's Board of Directors also are posted on BD's website at www.BD.com/investors.

Printed copies of the foregoing documents may be obtained, without charge, by contacting Investor Relations at the address above.

STATEMENT OF DIFFERENCES

The registered trademark symbol shall be expressed as.....'r'

Exhibit 3(b)

BY-LAWS
of
BECTON, DICKINSON AND COMPANY
A New Jersey Corporation
as Amended and Restated November 26, 2002

ARTICLE I
Offices

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

ARTICLE II
Meetings of Shareholders

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

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

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

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

D. ADVANCE NOTICE OF NOMINATIONS AND BUSINESS TO BE TRANSACTED AT ANNUAL MEETINGS OF SHAREHOLDERS. No business may be transacted at an annual meeting of shareholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (c) otherwise properly brought before the annual meeting by any shareholder of the Company (i) who is a shareholder of record on the date of the giving of the notice provided for in this Section 2.D. and on the record date for the determination of shareholders entitled to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section 2.D.

In addition to any other applicable requirements, for nominations of persons for election to the Board of Directors or for other business to be properly brought before an annual meeting by a shareholder, such shareholder must have given timely notice thereof in proper written form to the Secretary of the Company.

To be timely, a shareholder's notice to the Secretary must be delivered

to or mailed and received at the principal executive offices of the Company not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided however, that in the event that the annual meeting is called for on a date that is not within 30 days before or after such anniversary date, notice by the shareholder in order to be timely must be so received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of shareholder's notice as described above.

Notwithstanding anything in the first sentence of the preceding paragraph to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased and there is no notice or public disclosure by the Company naming all of the nominees for director or specifying the size of the increased Board of Directors at least 70 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 2.D. shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Company not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made.

To be in proper written form, a shareholder's notice to the Secretary must set forth (a) as to each person whom the shareholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended and Rule 14a-11 thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), (b) as to each matter such shareholder proposes to bring before the annual meeting, a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (c) the name and record address of such shareholder, (d) the class or series and number of shares of capital stock of the Company that are owned beneficially or of record by such shareholder, (e) a description of all arrangements or understandings between such shareholder and any other person or persons (including their names) in connection with

such nomination or proposal of such business by such shareholder and any material interest of such shareholder in such business and (f) a representation that such shareholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

No business shall be conducted at the annual meeting of shareholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 2.D; provided, however, that, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in Section 2.D. shall be deemed to preclude discussion by any shareholder of any such business. If the Chairman of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

SECTION 3. QUORUM. The presence, in person or by proxy, of the holders of shares representing a majority of the votes entitled to be cast at a meeting shall constitute a quorum. The shareholders present in person or by proxy at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. If a quorum not be present or represented at any meeting, the Chairman of the meeting or a majority of the shareholders present in person, or by proxy,

shall have power to adjourn the meeting without notice until the required voting shares shall be represented. At such adjourned meeting with the requisite amount of voting shares represented, any business may be transacted which might have been transacted at the meeting as originally notified.

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

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

SECTION 6. PROXIES. Any shareholder of record entitled to vote may be represented at any annual or special meeting of the shareholders by a duly appointed proxy. All proxies shall be written and properly signed, but shall require no other attestation, and shall be filed with the Secretary of the meeting before being voted.

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

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

SECTION 9. RECORD DATE FOR ACTION BY WRITTEN CONSENT. In order that the Corporation may determine the shareholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any shareholder of record seeking to have the shareholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within 10 days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within 10 days of the date on which such a request is received, the record date for determining shareholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in New Jersey, its principal place of business or to any officer or agent of the Corporation

having custody of the book in which proceedings of meetings of shareholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining shareholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action. Nothing in this Article II, Section 9 shall require the Board of Directors to take any action with respect to any proposed action or other proposal for which consent is sought other than to fix a record date as provided for herein; and the fixing of any such record date shall not be deemed to be an action taken by the Board of Directors with

respect to any such proposed action or other proposal for which consent is sought for any other purpose.

SECTION 10. INSPECTORS OF WRITTEN CONSENT. In the event of the delivery, in the manner provided by Article II, Section 9, to the Company of the requisite written consent or consents to take corporate action and/or any related revocation or revocations, the Company shall engage nationally recognized independent inspectors of elections for the purpose of promptly performing a ministerial review of the validity of the consents and revocations. For the purpose of permitting the inspectors to perform such review, no action by written consent without a meeting shall be effective until such date as the independent inspectors certify to the Company that the consents delivered to the Company in accordance with Article II, Section 9 represent at least the minimum number of votes that would be necessary to take the corporate action. Nothing contained in this paragraph shall in any way be construed to suggest or imply that the Board of Directors or any shareholder shall not be entitled to contest the validity of any consent or revocation thereof, whether before or after such certification by the independent inspectors, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

SECTION 11. EFFECTIVENESS OF WRITTEN CONSENT. Every written consent shall bear the date of signature of each shareholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated written consent received in accordance with Article II, Section 9, a written consent or consents signed by a sufficient number of holders to take such action are delivered to the Company in the manner prescribed in Article II, Section 9.

ARTICLE III
Directors

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

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

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

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

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

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

SECTION 7. ACTION WITHOUT A MEETING. The Board of Directors may act without a meeting if, prior or subsequent to such action, each Director shall consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

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

ARTICLE IV
Committees

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

(a) make, alter, or repeal any By-law of the Company;

(b) elect, appoint or remove any Director, or elect, appoint or remove any corporate officer;

(c) submit to shareholders any action that requires approval of shareholders;

(d) amend or repeal any resolution adopted by the Board of Directors which by its terms is amendable or repealable only by the Board;

(e) act on matters assigned to other committees appointed by the Board of Directors;

(f) declare or pay any dividends or issue any additional shares of authorized and unissued capital stock; or

(g) create, dissolve or fill any vacancy on any committee appointed by the Board of Directors.

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

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

SECTION 3. FINANCE AND INVESTMENT COMMITTEE. The Finance and Investment Committee shall consist of not less than four members. Based upon periodic reports and recommendations of management, the Finance and Investment Committee shall regularly review the financial and accounting affairs of the Company and shall:

(i) monitor the Company's financial structure and recommend to the Board appropriate debt or equity financing to meet the Company's long-term objectives;

(ii) review and approve the Company's dividend policy and recommend to the Board appropriate dividend action;

(iii) review and approve financial plans, capital expenditure budgets and capital expenditures (including leases) that on an individual basis exceed $10 million and that are not included in the capital expenditure budget;

(iv) review and approve purchases and dispositions of real property; provided, that notwithstanding the foregoing or anything contained in clause (iii) above to the contrary, any two executive officers of the Company acting together shall have the power, without the need for any approval of the Finance and Investment Committee or the Board, to approve, execute and effect from time to time (A) acquisitions of real property that on an individual basis have purchase prices of up to and including $25 million, and (B) dispositions of real property that on an individual basis have sale prices of up to and including $25 million and do not result in a pre-tax loss of $5 million or more on the consolidated books of the Company;

(v) review and recommend appropriate Board action with respect to acquisitions and divestitures of assets (including, without limitation, stock and other equity interests in corporations,

partnerships or other entities and intellectual property rights, but excluding individual purchases and dispositions of real property and acquisitions of assets approved pursuant to clause (iii) above) that, individually or in the aggregate, in one or more of a series of related transactions, have a purchase or sale price, as applicable, equal to or greater than $10 million;

(vi) review and approve (A) the establishment of a subsidiary in a country in which the Company has no other subsidiary if the operation of such subsidiary would involve an investment of more than $2.5 million, (B) the dissolution of a subsidiary that would result in a pre-tax loss of $5 million or more on the consolidated books of the Company, (C) the establishment of a subsidiary in a country in which the Company has an existing subsidiary if the operation of such new subsidiary would involve an investment of more than $25 million, and (D) any change in capital of a subsidiary that exceeds $25 million or that would result in a pre-tax charge of $5 million or more on the consolidated books of the Company;

(vii) (a) periodically review actual results versus original estimates for acquisitions and/or capital expenditures approved five years earlier in individual amounts of $10 million or greater and (b) review on a quarterly basis, pursuant to guidelines established from time to time by this Committee, (i) actions taken by management during the prior three-month

period without specific Board or Committee approval, pursuant to the delegations of authority set forth in sub-paragraphs (iv), (v) and (vi) above, (ii) any notable changes or deviations in financial condition, and (iii) the Company's foreign exchange exposure and its management thereof; and

(viii) periodically undertake a comprehensive review of the Company's risk management strategy.

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

SECTION 4. AUDIT COMMITTEE. The Audit Committee shall consist of not less than three members, none of whom are current or former officers or employees of the Company or any subsidiary of the Company and each of whom is appointed by the Board. The Audit Committee, which is part of the Board, shall assist the Board in monitoring (1) the integrity of the financial statements of the Company, and (2) the independence and performance of the Company's internal and external auditors.

The members of the Audit Committee shall meet the independence and expertise requirements of the New York Stock Exchange. The members of the Audit Committee shall be appointed by the Board on the recommendation of the Corporate Governance and Nominating Committee.

The Audit Committee shall have the authority, following notice to the Chairman of the Board and Chief Executive Officer of the Company, to retain special legal, accounting or other consultants to advise the Committee. The Audit Committee may request any officer or employee of the Company, or the Company's outside counsel or independent auditor, to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The Audit Committee shall make regular reports to the Board.

The Audit Committee shall:

In regards to the independent auditor:

1. Recommend to the Board the appointment of the independent auditor, which firm is ultimately accountable to the Audit Committee and the Board, and evaluate, with management, the performance of the independent auditor, and, if so determined by the Audit Committee, recommend to the Board the replacement of the independent auditor.

2. Receive reports from the independent auditor at least annually regarding the auditor's independence, discuss such reports with the auditor to the extent they disclose any relationships or services that may impact the objectivity and independence of the outside auditor, and, if so determined by the Audit Committee, recommend that the Board take appropriate action to satisfy itself of the independence of the auditor.

In regards to financial reporting:

1. Review the annual and quarterly financial statements with management and the independent auditor, including significant reporting issues and judgements made in connection with such financial statements.

2. Review the Company's accounting principles and any changes thereto suggested by the independent auditor, internal auditors or management.

3. Submit the Audit Committee report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.

In regards to the audit process of the independent auditor:

1. Meet with the independent auditor prior to the audit to review planning and staffing.

2. Review with the independent auditor any problems or difficulties the auditor may have encountered in the course of the audit, and any management letter provided by the auditor and the Company's response to that letter.

3. Discuss with the independent auditor the matters outlined by Statement on Auditing Standards No. 61, as amended from time to time, relating to the conduct of the audit, and obtain from the independent auditor assurance that the procedural, reporting and other requirements of Section 10A of the Securities Exchange Act of 1934 have been satisfied.

In regards to the internal audit process:

1. Review the appointment and replacement of the senior internal auditing executive, the adequacy of the internal audit staff and the scope of its activities.

2. Review the significant reports to management prepared by the internal auditing department and management's responses.

3. Review with management, internal audit and the independent auditor the adequacy of internal controls that could significantly affect the Company's financial statements.

In regards to legal matters:

1. Review with the Company's General Counsel and management legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditor. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor or to assure compliance with laws and regulations and the Company's Code of Conduct.

The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

SECTION 5. COMPENSATION AND BENEFITS COMMITTEE. The Compensation and Benefits Committee (the "Committee") shall consist of not less than three members, all of whom are to be "nonemployee directors" within the meaning of Rule 16b-3(b)(3) under the Securities Exchange Act of 1934.

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

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

SECTION 6. CORPORATE AFFAIRS COMMITTEE. The Corporate Affairs Committee shall oversee the Company's policies, practices and procedures, as a responsible corporate citizen, in the general areas of ethical conduct and legal compliance, including, but not limited to, issues relating to the following areas:

- Communications
  - To investors; governments; employees; and public, including crisis management organization and activities.
- Employment Practices
  - Equal employment opportunity; business ethics; health and safety matters; and compliance with laws.
- Community Relations
  - Charitable contributions; and environmental compliance.
- Customer Relations
  - Quality control; recall process; and litigation

relating to products or to business practices.

- o Business Practices and Ethics
  - Foreign Corrupt Practices Act; anti-boycott legislation; antitrust compliance; conflict of interest policy; and insider trading.

SECTION 7. CORPORATE GOVERNANCE AND NOMINATING COMMITTEE. The Corporate Governance and Nominating Committee shall consist of not less than four members and shall be responsible for monitoring, considering and making recommendations to the Board in its areas of responsibility, which are:

(i) To recommend to the Board candidates for election as directors at the annual meeting of shareholders or to fill vacancies on the Board;

(ii) To make recommendations concerning the composition, organization and functions of the Board and the performance, qualifications, conduct, including memberships on other boards, and compensation of directors;

(iii) To monitor and consider the Company's corporate governance and board practices and develop and periodically review a Statement of Corporate Governance Principles for the Company;

(iv) To monitor and recommend the functions and charters of the various committees of the Board;

(v) To make recommendations on the structure of Board meetings;

(vi) To recommend matters for consideration by the Board;

(vii) To review periodically the Company's shareholder rights plan; and

(viii) To review periodically the Company's by-laws and certificate of incorporation;

provided, however, that any director who is, or at any time in the prior two years was, an officer or employee of the Company or of any subsidiary of the Company, shall recuse him- or herself from all determinations regarding the nomination of candidates for election to the Board and the compensation of directors.

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

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

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

ARTICLE V

Officers

SECTION 1. ENUMERATION, APPOINTMENT AND REMOVAL. The corporate officers of the Company shall be a Chairman of the Board, a Vice Chairman of the Board, a President, one or more Executive Vice Presidents, one or more Senior Vice Presidents, one or more Sector Presidents, one or more Group Presidents, one or more Vice Presidents, a Controller, a Treasurer, a Secretary and such other corporate officers (including assistant corporate officers) as the Board of Directors may deem necessary or desirable for the transaction of the business of the Company. In its discretion, the Board of Directors may leave unfilled any office except those of the President, Treasurer, and Secretary, and should any vacancy occur among said officers by death, resignation or otherwise, the same shall be filled at the next regular meeting of the Board of Directors or at a special meeting. Any two or more offices may be held by the same person. The

Board of Directors, by resolution adopted by a majority of the Directors, then in office, shall designate the Chairman of the Board or the President to serve as the Chief Executive Officer of the Company.

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

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

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

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

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

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

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

SECTION 7. SECRETARY. The Secretary shall attend all meetings of the Board of Directors and of the shareholders, and shall record all proceedings of such meetings in books to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the shareholders and the Board of Directors. He shall have the custody of the seal of the Company and shall affix the same to all instruments

requiring it, and attest the same. He shall perform such other duties and possess such other powers as are incident to his office.

ARTICLE VI
Certificate of Capital Stock

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

Transfers of shares of the capital stock of the Company shall be made only on the books of the Company, which shall include the books of the stock transfer agent, by the registered holder thereof, or by his attorney authorized by power of attorney duly executed and filed with the Secretary of the Company, or a transfer agent appointed as provided in Section 4 of this Article, and on surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon. The person in whose name shares of capital stock stand on the books of the Company shall be deemed the owner thereof for all purposes. The Board may, from time to time, make such additional rules and regulations as it may deem expedient concerning the issue, transfer, and registration of certificates for shares of the capital stock of the Company. Certificates shall be signed by, or in the name of the corporation by, the Chairman or Vice Chairman of the Board, or the President or a Vice-President, and may be countersigned by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the corporation and may be sealed with the seal of the corporation or a facsimile thereof. Any or all signatures upon a certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon such certificate, shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of its issue.

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

SECTION 3. LOST, STOLEN, DESTROYED, OR MUTILATED CERTIFICATES. No certificate for shares of capital stock in the Company shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of evidence of such loss, destruction or theft and on delivery to the Company, if the Board of Directors shall so require, of a bond of indemnity upon such terms and secured by such surety as the Board of Directors may in its discretion require. A new

certificate may be issued without requiring any bond when, in the judgment of the Board of Directors, it is proper to do so.

SECTION 4. TRANSFER AGENT AND REGISTRAR. The Board of Directors may appoint one or more transfer agents and one or more registrars, and may require

all certificates of capital stock to bear the signature or signatures of any of them. One corporation may serve as both transfer agent and registrar.

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

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

ARTICLE VII
Dividends

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

ARTICLE VIII
Signatures

Unless otherwise required by law, by the Certificate of Incorporation, by these By-laws, or by resolution of the Board of Directors, the Chief Executive Officer, the President or any Executive Vice President, Senior Vice President, Sector President, Group President, or Vice President, or the Controller or the Treasurer of the Company may enter into and execute in the name of the Company, contracts or other instruments in the regular course of business, or contracts or other instruments not in the regular course of business which are authorized either generally or specifically by the Board of Directors, and the Secretary or an Assistant Secretary shall affix the Company seal thereto and attest the same, if required.

ARTICLE IX
Fiscal Year

The fiscal year of the Company shall begin on the 1st day of October in each year and end on the September 30th next succeeding.

ARTICLE X
Directors May Contract With Company

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

ARTICLE XI
Indemnification

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

investigative) by reason of the fact that he is or was a corporate agent of this Company.

ARTICLE XII
Amendments

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

ARTICLE XIII
Force and Effect of By-Laws

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

Exhibit 10(n)(i)

BECTON, DICKINSON AND COMPANY
1995, 1998 AND 2002 STOCK OPTION PLANS

CHINESE ADDENDUM

This Addendum to the Becton, Dickinson and Company (the "Company") 1995, 1998 and 2002 Stock Option Plans (the "Plans") modifies and supplements the terms and conditions of the Plans with respect to the grant of Stock Options to Employees in China ("Chinese Employees"). All options granted under the Plans to Chinese Employees may be exercised only through Salomon Smith Barney using the "Cashless Exercise" procedure as set forth in the Plans.

JAPANESE ADDENDUM

This Addendum to the Becton, Dickinson and Company (the "Company") 1995, 1998 and 2002 Stock Option Plans (the "Plans") modifies and supplements the terms and conditions of the Plans with respect to the grant of Stock Options to any employee resident in Japan ("Japanese Optionholders"). All options granted under the Plans to Japanese Optionholders during calendar years 1999 and 2000 may be exercised only through Salomon Smith Barney using the "Cashless Exercise" procedure as set forth in the Plans.

Summary

Ten-Year Summary of Selected Financial Data
Years Ended September 30
Dollars in millions, except per-share amounts

	2002	2001	2000	1999
Operations				
Revenues	$4,033.1	$3,746.2	$3,618.3	$3,418.4
Research and Development Expense	220.2	211.8	223.8	254.0
Operating Income	675.7	637.8	514.8	445.2
Interest Expense, Net	33.3	55.4	74.2	72.1
Income Before Income Taxes and Cumulative Effect of Accounting Changes	628.6	576.8	519.9	372.7
Income Tax Provision	148.6	138.3	127.0	96.9
Net Income	480.0	401.7(A)	392.9	275.7
Basic Earnings Per Share	1.85	1.55(A)	1.54	1.09
Diluted Earnings Per Share	1.79	1.49(A)	1.49	1.04
Dividends Per Common Share	.39	.38	.37	.34
Financial Position				
Current Assets	$1,928.7	$1,762.9	$1,660.7	$1,683.7
Current Liabilities	1,252.5	1,264.7	1,353.5	1,329.3
Property, Plant and Equipment, Net	1,765.7	1,716.0	1,576.1	1,431.1
Total Assets	5,040.5	4,802.3	4,505.1	4,437.0
Long-Term Debt	803.0	783.0	779.6	954.2
Shareholders' Equity	2,488.0	2,328.8	1,956.0	1,768.7
Book Value Per Common Share	9.74	8.98	7.72	7.05
Financial Relationships				
Gross Profit Margin	48.3%	48.9%	48.9%	49.9%
Return on Revenues	11.9%	11.7%(D)	10.9%	8.1%
Return on Total Assets(C)	13.6%	13.7%	13.6%	10.9%
Return on Equity	19.9%	20.3%(D)	21.1%	16.3%
Debt to Capitalization(E)	32.5%	34.1%	41.4%	47.2%
Additional Data				
Number of Employees	25,200	24,800	25,000	24,000
Number of Shareholders	10,050	10,329	10,822	11,433
Average Common and Common Equivalent Shares Outstanding-Assuming Dilution (millions)	268.2	268.8	263.2	264.6
Depreciation and Amortization	$ 304.6	$ 305.7	$ 288.3	$ 258.9
Capital Expenditures	259.7	370.8	376.4	311.5

(A) Includes cumulative effect of accounting change of $36.8 ($.14 per basic and diluted share).

(B) Includes cumulative effect of accounting changes of $141.1 ($.47 per basic share; $.45 per diluted share).

(C) Earnings before interest expense, taxes and cumulative effect of accounting changes as a percent of average total assets.

(D) Excludes the cumulative effect of accounting changes.

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

1998	1997	1996	1995	1994	1993

$3,116.9	$2,810.5	$2,769.8	$2,712.5	$2,559.5	$2,465.4
217.9	180.6	154.2	144.2	144.2	139.1
405.4	450.5	431.2	396.7	325.0	270.4
56.3	39.4	37.4	42.8	47.6	53.4
340.9	422.6	393.7	349.6	296.2	222.9
104.3	122.6	110.2	97.9	69.0	10.1
236.6	300.1	283.4	251.7	227.2	71.8(B)
.95	1.21	1.10	.92	.77	.22(B)
.90	1.15	1.05	.89	.76	.22(B)
.29	.26	.23	.21	.19	.17
$1,542.8	$1,312.6	$1,276.8	$1,327.5	$1,326.6	$1,150.7
1,091.9	678.2	766.1	720.0	678.3	636.1
1,302.7	1,250.7	1,244.1	1,281.0	1,376.3	1,403.1
3,846.0	3,080.3	2,889.8	2,999.5	3,159.5	3,087.6
765.2	665.4	468.2	557.6	669.2	680.6
1,613.8	1,385.4	1,325.2	1,398.4	1,481.7	1,457.0
6.51	5.68	5.36	5.37	5.27	4.88
50.6%	49.7%	48.4%	47.0%	45.3%	44.5%
7.6%	10.7%	10.2%	9.3%	8.9%	8.6%(D)
11.7%	15.9%	15.2%	13.3%	11.5%	9.2%
15.8%	22.1%	20.8%	17.5%	15.5%	13.3%(D)
41.4%	36.3%	34.3%	35.2%	36.1%	37.8%
21,700	18,900	17,900	18,100	18,600	19,000
9,784	8,944	8,027	7,712	7,489	7,463
262.1	259.6	267.6	280.4	298.6	313.2
$ 228.7	$ 209.8	$ 200.5	$ 207.8	$ 203.7	$ 189.8
181.4	170.3	145.9	123.8	123.0	184.2

Financial Review

Company Overview

Becton, Dickinson and Company ("BD") is a medical technology company that serves healthcare institutions, life science researchers, clinical laboratories, industry and the general public. BD manufactures and sells a broad range of medical supplies, devices, laboratory equipment and diagnostic products. We focus strategically on achieving growth in three worldwide business segments-BD Medical Systems ("Medical"), BD Clinical Laboratory Solutions ("Clinical Lab") and BD Biosciences ("Biosciences"). Our products are marketed in the United States and internationally through independent distribution channels, directly to end users and by sales representatives. The following references to years relate to our fiscal year, which ends on September 30.

Adoption of New Accounting Standards

Effective October 1, 2001, we adopted the provisions of Statement of Financial Accounting Standard ("SFAS") No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets," as more fully discussed in Note 2 of the Notes to Consolidated Financial Statements. As a result of the adoption of these Statements, we are no longer amortizing goodwill and indefinite-lived intangible assets, and have reclassified certain assets to Goodwill, Net from Other Intangibles, Net that did not meet the criteria for recognition apart from goodwill.

Revenues and Earnings

Worldwide revenues in 2002 were $4 billion, an increase of 8% over 2001 and

resulted primarily from volume increases in all segments. Sales of safety-engineered devices grew 38% to $573 million. As more fully discussed in Note 10 of the Notes to Consolidated Financial Statements, $8 million of hedging costs relating to currency option contracts that were originally recorded in Other Expense, Net in 2001 have been reclassified as a reduction of revenues to conform to the current year presentation.

Medical revenues in 2002 of $2.2 billion increased 7% over 2001, or 8% excluding unfavorable foreign currency translation. The primary growth drivers were the conversion to safety-engineered devices, which accounted for $353 million in revenues compared with $253 million in the prior year. Also contributing to the growth of this segment were sales of worldwide prefillable drug delivery devices, which grew $48 million or 17%. Medical revenue growth was partially offset by reduced sales of conventional devices in the United States due to the transition to safety-engineered devices and, to a lesser extent, by lower U.S. sales of consumer healthcare products, reflecting the impact of redirecting promotional efforts toward branded insulin syringe sales at the retail level. See discussion on revenue recognition in "Critical Accounting Policies" below.

Medical operating income was $470 million in 2002 compared with $447 million in 2001. Medical operating income in 2002 was negatively impacted by special charges and related manufacturing restructuring costs, as discussed below. Excluding these charges, Medical operating income grew 8%, when compared to 2001, adjusted to exclude goodwill amortization recorded in 2001 prior to the adoption of SFAS Nos. 141 and 142, as discussed above. This increase reflects the gross profit margin improvement resulting from continued conversion to safety-engineered devices from conventional products. Medical operating income was negatively impacted by economic conditions in Latin America and the redirection of promotional efforts, as noted above.

Clinical Lab revenues in 2002 of $1.2 billion rose 7% over 2001, or 8% excluding unfavorable foreign currency translation. Major elements comprising this underlying revenue growth were the continued conversion to safety-engineered products in the Preanalytical Solutions component of the segment, which accounted for $220 million in revenues compared with $163 million in the prior year. Clinical Lab revenue growth was partially offset by reduced sales of conventional devices in the United States. Revenue growth was favorably impacted by incremental BD ProbeTecET System sales of $19 million over 2001 in the Diagnostic Systems component of the segment.

Clinical Lab operating income was $251 million in 2002 compared with $213 million last year. Excluding goodwill amortization in 2001, Clinical Lab operating income grew 14%. This increase reflects gross profit margin improvement resulting from continued conversion to safety-engineered devices from conventional products and the improved profitability of the BD ProbeTecET platform.

Biosciences revenues in 2002 of $645 million increased 9% over 2001, or 10% excluding unfavorable foreign currency translation. This growth was led by sales of immunocytometry products, particularly the BD FACS brand flow cytometry systems, which contributed approximately 5% of the underlying revenue growth. In addition, sales of discovery labware products and immunology/cell biology reagents each contributed about 3% of the underlying revenue growth. Molecular biology reagent revenues decreased about $6 million from the prior year due to continued weakness in some portions of the molecular biology market, largely due to a softness in pharmaceutical/biotech research and development spending, and a shift in pharmaceutical focus from early stage drug target identification to later stage drug development. As a result, we are refocusing our research and development efforts in the area of molecular biology toward producing a product portfolio aligned with changing customer focus, as well as streamlining our operations.

Biosciences operating income in 2002 was $117 million compared with $97 million in 2001. Excluding goodwill amortization in 2001, Biosciences operating income grew 6%. Profit margins on immunology/cell biology reagents and discovery labware products improved due to lower manufacturing costs and shifts to sales of products with higher gross profit margins than the mix of products sold in 2001. Biosciences operating income was negatively impacted primarily by lower margins on molecular biology reagents due to the market weakness described above and to a lesser extent by lower margins on flow cytometry products.

On a geographic basis, revenues outside the United States in 2002 increased 8% to $1.9 billion. Excluding the estimated impact of unfavorable foreign currency translation, underlying revenue growth outside the United States was 9%. Revenues in Europe accounted for 5% of the underlying revenue growth and were led by strong sales of prefillable syringes, BD FACS brand flow cytometry systems and hypodermic products. Revenues in the Asia Pacific region contributed 2% of the underlying revenue growth and were led by strong sales growth of immunocytometry products and I.V. catheters. As indicated earlier, revenues were adversely impacted by economic conditions in Latin America.

Revenues in the United States in 2002 of $2.2 billion increased 8%, primarily from strong sales of safety-engineered devices. Revenue growth was partially offset by lower sales of diabetes healthcare products and molecular biology reagent revenues, as discussed above.

Gross profit margin was 48.3% in 2002, compared with 48.9% last year. Excluding costs related to the restructuring program discussed below, gross profit margin would have been 48.5% compared with 49% in 2001, adjusted to exclude goodwill amortization. Higher gross margins from sales of our safety-engineered products were more than offset by lower sales of products with overall higher gross profit margins, including insulin syringes and molecular biology products in the Biosciences segment, as discussed earlier.

Selling and administrative expense of $1 billion in 2002 was 25.6% of revenues, compared to $983 million in 2001, or 26.2% of revenues. Excluding goodwill amortization in 2001, the prior year's selling and administrative expense as a percent of revenues would have been 25.4%.

Investment in research and development in 2002 was $220 million, or 5.5% of revenues, compared with $212 million, or 5.7% of revenues in 2001. Incremental spending was concentrated primarily in the Biosciences segment and in key initiatives, including blood glucose monitoring.

Included in the 2002 special charges were $26 million of charges related to a manufacturing restructuring program in the Medical segment, as more fully described in Note 5 of the Notes to Consolidated Financial Statements. Special charges were net of the reversal of $4 million of fiscal 2000 special charges, primarily due to lower-than-anticipated employee severance and lease cancellation costs. Fiscal 2002 results also reflect $7 million of other manufacturing restructuring costs, primarily accelerated depreciation, related to the restructuring program that are included in cost of products sold. For 2003, we expect manufacturing restructuring costs to be fully offset by related cost savings. For 2004, we expect to achieve total savings of approximately $8 million relating to this restructuring program.

Operating margin in 2002 was 16.8% of revenues, compared with 17% in 2001. Excluding the aforementioned impact of special charges and related other manufacturing restructuring costs in the current year and goodwill amortization in the prior year, operating margin as a percent of revenue would have been 17.5% in 2002 compared with 18% in 2001. This decline primarily reflects the decrease in gross profit margin.

Net interest expense of $33 million in 2002 was $22 million lower than in 2001. This decline is primarily due to lower interest rates, partially offset by lower capitalized interest in 2002.

Other Expense, Net of $14 million in 2002 included net losses on equity investments of $19 million, which reflect declines in fair values that were deemed other than temporary. Also included in Other Expense, Net in 2002 were foreign exchange gains of $16 million that were substantially offset by other asset write-downs of $14 million. Other Expense, Net in 2001 of $6 million included write-downs of equity investments to fair value of $6 million.

The effective tax rate in 2002 was 23.6% compared to 24% in 2001.

Net income and diluted earnings per share in 2002 were $480 million, or $1.79, respectively, compared with $438 million, or $1.63 in 2001, before the

cumulative effect of accounting change, as described below. Excluding the impact of special charges in 2002 and goodwill amortization in 2001, net income and diluted earnings per share before the cumulative effect of accounting change in 2002 were $497 million, or $1.85, respectively, compared with $466 million, or $1.73, in 2001.

We adopted the provisions of Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements,"("SAB 101") in the fourth quarter of 2001 and, as a result, recorded the following accounting changes, described below, effective October 1, 2000 (beginning of fiscal 2001). We changed our method of accounting for revenue related to branded insulin syringe products that are sold to distributors in the U.S. consumer trade channel. These products were predominantly sold under incentive programs and we concluded that the preferable method is to defer revenue recognition until such product is sold by the distributor to the end customer. We also changed our accounting method for Biosciences instruments to defer revenue from these products until completion of installation at the customer's site. As a result of these accounting changes, we recorded a total cumulative effect of change in accounting principle of $37 million, net of tax in 2001. See Note 2 of the Notes to Consolidated Financial Statements for additional discussion of the accounting change. Net income and diluted earnings per share in 2001 were $402 million, or $1.49 per share, after reflecting the after-tax cumulative effect of accounting change of $.14 per share.

Financial Instrument Market Risk

We selectively use financial instruments to manage the impact of foreign exchange rate and interest rate fluctuations on earnings. The counterparties to these contracts are a diversified group of major financial institutions. We do not have significant exposure to any one counterparty. We do not enter into financial instruments for trading or speculative purposes.

Our foreign currency exposure is concentrated in Western Europe, Asia Pacific, Japan and Latin America. We face transactional currency exposures that arise when we enter into transactions in non-hyperinflationary countries, generally on an intercompany basis, that are denominated in currencies other than our functional currency. We hedge substantially all such foreign exchange exposures primarily through the use of forward contracts and currency

options. We also face currency exposure that arises from translating the results of our worldwide operations to the U.S. dollar at exchange rates that have fluctuated from the beginning of the period. We purchase option and forward contracts to partially protect against adverse foreign exchange rate movements. Gains or losses on our derivative instruments are largely offset by the losses or gains on the underlying hedged transactions. For foreign currency derivative instruments, market risk is determined by calculating the impact on fair value of an assumed one-time change in foreign exchange rates relative to the U.S. dollar. Fair values were estimated based on market prices, when available, or dealer quotes. The reduction in fair value of our purchased option contracts is limited to the option's fair value. With respect to the derivative instruments outstanding at September 30, 2002, a 10% appreciation of the U.S. dollar over a one-year period would increase pre-tax earnings by approximately $27 million, while a 10% depreciation of the U.S. dollar would decrease pre-tax earnings by approximately $15 million. Comparatively, considering our derivative instruments outstanding at September 30, 2001, a 10% appreciation of the U.S. dollar over a one-year period would have increased pre-tax earnings by approximately $34 million, while a 10% depreciation of the U.S. dollar would have decreased pre-tax earnings by approximately $15 million. These calculations do not reflect the impact of exchange gains or losses on the underlying positions that would be offset, in part, by the results of the derivative instruments.

Our primary interest rate exposure results from changes in short-term U.S. dollar interest rates. Our debt portfolio at September 30, 2002, is

primarily U.S. dollar-denominated, with less than 2% being foreign denominated. Therefore, transaction and translation exposure relating to our debt portfolio is minimal. In an effort to manage interest rate exposures, we strive to achieve an acceptable balance between fixed and floating rate debt and may enter into interest rate swaps to help maintain that balance. For interest rate derivative instruments, market risk is determined by calculating the impact to fair value of an assumed one-time change in interest rates across all maturities. Fair values were estimated based on market prices, when available, or dealer quotes. A change in interest rates on short-term debt is assumed to impact earnings and cash flow but not fair value because of the short maturities of these instruments. A change in interest rates on long-term debt is assumed to impact fair value but not earnings or cash flow because the interest rates are fixed. See Note 9 of the Notes to Consolidated Financial Statements for additional discussion of our debt portfolio. Based on our overall interest rate exposure at September 30, 2002 and 2001, a change of 10% in interest rates would not have a material effect on our earnings or cash flows over a one-year period. An increase of 10% in interest rates would decrease the fair value of our long-term debt and interest rate swaps at September 30, 2002 and 2001 by approximately $27 million and $26 million, respectively. A 10% decrease in interest rates would increase the fair value of our long-term debt and interest rate swaps at both September 30, 2002 and 2001 by approximately $30 million.

See Note 10 of the Notes to Consolidated Financial Statements for additional discussion of our outstanding forward exchange contracts, currency options and interest rate swaps at September 30, 2002.

Liquidity and Capital Resources

Cash provided by operations, which continues to be our primary source of funds to finance operating needs and capital expenditures, was $836 million in 2002 compared to $779 million in 2001. In fiscal 2002, net cash provided by operating activities was reduced by a $100 million cash contribution to the U.S pension plan. An additional cash contribution of $100 million was made to the U.S. pension plan early in fiscal 2003. We made these contributions because of the decline in the market value of pension assets during 2001 and 2002. The increase in cash provided by changes in working capital reflects lower trade receivables and inventory levels in 2002.

Capital expenditures were $260 million in 2002, compared to $371 million in the prior year. This decline reflects an overall reduction of spending from the peak period of capital expenditures relating to the conversion of safety-engineered devices. Medical capital spending, which totaled $182 million in 2002, included spending for safety-engineered devices and capacity expansion for prefillable syringes in Columbus, Nebraska. Clinical Lab capital spending, which totaled $42 million in 2002, included spending for safety-engineered devices and various capacity expansions. Biosciences capital spending, which totaled $23 million in 2002, included spending on various production expansions. Funds expended outside the above segments included amounts related to our enterprise-wide program to upgrade our business information systems, known internally as Genesis. We expect capital expenditures to be approximately $275 million in 2003.

Net cash used for financing activities was $314 million in 2002 as compared to $201 million during 2001. The increase in cash used for financing activities was due primarily to the repurchase of 6.6 million shares of our common stock for $224 million during 2002. At September 30, 2002, 3.4 million shares remained under a September 2001 Board of Directors' resolution that authorized the repurchase of up to 10 million common shares. Total debt at September 30, 2002 remained virtually unchanged from the prior year. Short-term debt was 35% of total debt at year-end, compared to 37% at the end of 2001. Floating rate debt was 59% of total debt at the end of 2002 and 69% of total debt at the end of 2001. Our weighted average cost of total debt at the end of 2002 was 4%, down from 4.8% at the end of last year due to lower short-term interest rates. Debt to capitalization at year-end improved to 32.5% from 34.1% last year, reflecting an increase in shareholder's equity, while debt remained virtually unchanged. Cash and equivalents were $243 million and $82 million at September 30, 2002 and 2001, respectively. We anticipate generating excess cash in 2003, which could be used to repay debt and repurchase additional common shares.

In August 2001, we negotiated a $900 million syndicated credit facility, consisting of a $450 million five-year line of credit and a $450 million 364-day line of credit. In August 2002, the 364-day line of credit was renewed and extended for an additional 364-day period. There were no borrowings outstanding under this syndicated credit facility at September 30, 2002. It can be used to support our commercial paper program, under which $415 million was outstanding at September 30, 2002, and for other general corporate purposes. In addition, we have informal lines of credit outside the United States. At September 30, 2002, our long-term debt was rated "A2" by Moody's and "A+" by Standard and Poor's and our commercial paper ratings were "P-1" by Moody's and "A-1" by Standard and Poor's. We continue to have a high degree of confidence in our ability to refinance maturing short-term and long-term debt, as well as to incur substantial additional debt, if required.

Return on equity was 19.9% in 2002 compared with 18.7% in 2001 or 20.5%, excluding the cumulative effect of change in accounting principle and goodwill amortization in 2001.

Other Matters

We believe that our core products, our international diversification and our ability to meet the needs of the worldwide healthcare industry with cost-effective and innovative products will continue to cushion the long-term impact on BD of potential economic and political disruptions in the countries in which we do business, including the effects of possible healthcare system reforms. In 2002, inflation did not have a material impact on our overall operations.

On April 8, 2002, we entered into a non-binding letter of intent with AorTech International plc ("AorTech") to sell our critical care product line. During the fourth quarter of 2002, AorTech announced that it would not proceed with the acquisition of this product line. We will, therefore, continue to manage and support the critical care product line and, accordingly, will not incur a loss on the sale, as originally anticipated. As of September 30, 2002, we have no plans to divest any other product line.

Litigation-Other than Environmental

In 1986, we acquired a business that manufactured, among other things, latex surgical gloves. In 1995, we divested this glove business. We, along with a number of other manufacturers, have been named as a defendant in approximately 519 product liability lawsuits related to natural rubber latex that have been filed in various state and Federal courts. Cases pending in Federal court are being coordinated under the matter In re Latex Gloves Products Liability Litigation (MDL Docket No. 1148) in Philadelphia, and analogous procedures have been implemented in the state courts of California, Pennsylvania, New Jersey and New York. Generally, these actions allege that medical personnel have suffered allergic reactions ranging from skin irritation to anaphylaxis as a result of exposure to medical gloves containing natural rubber latex. Since the inception of this litigation, 227 of these cases have been closed with no liability to BD (166 of which were closed with prejudice), and 14 cases have been settled for an aggregate de minimis amount. We are vigorously defending these remaining lawsuits.

We, along with another manufacturer and several medical product distributors, are named as a defendant in six product liability lawsuits relating to healthcare workers who allegedly sustained accidental needlesticks, but have not become infected with any disease. We had previously been named as a defendant in five similar suits relating to healthcare workers who allegedly sustained accidental needlesticks, each of which has either been dismissed with prejudice or voluntarily withdrawn. Regarding the six pending suits:

- In Texas, Usrey vs. Becton Dickinson et al., the Court of Appeals for the Second District of Texas filed an Opinion on August 16, 2001, reversing the trial court's certification of a class, and remanding the case to the trial court for further proceedings consistent with that opinion. Plaintiffs

petitioned the appellate court for rehearing, which the Court of Appeals denied on October 25, 2001.

- In Ohio, Grant vs. Becton Dickinson et al. (Case No. 98CVB075616, Franklin County Court), which was filed on July 22, 1998, the court issued a decision on July 17, 2002, certifying a class. We have filed an appeal of the court's ruling with the Ohio Court of Appeals for the 10th Appellate Judicial District.

- In Illinois, McCaster vs. Becton Dickinson et al. (Case No. 98L09478, Cook County Circuit Court), which was filed on August 13, 1998, the appeals court issued a decision on March 6, 2002, denying plaintiff's petition for review of the trial court's January 11, 2002 decision to deny class certification. On July 30, 2002, the plaintiff filed a motion with the trial court to reopen the issue of certification based on the Ohio decision in the Grant case. On November 22, 2002, the court issued an order denying plaintiff's renewed motion for class certification.

- In New York, Oklahoma and South Carolina, cases have been filed on behalf of an unspecified number of healthcare workers seeking class action certification under the laws of these states. Generally, these remaining actions allege that healthcare workers have sustained needlesticks using hollow-bore needle devices manufactured by BD and, as a result, require medical testing, counseling and/or treatment. Several actions additionally allege that the healthcare workers have sustained mental anguish. Plaintiffs seek money damages in all of these actions, which are pending in state court in Oklahoma, under the caption Palmer vs. Becton Dickinson et al. (Case No. CJ-98-685, Sequoyah County District Court), filed on October 27, 1998; in state court in South Carolina, under the caption Bales vs. Becton Dickinson et al. (Case No. 98-CP-40-4343, Richland County Court of Common Pleas), filed on November 25, 1998; and in Federal court in New York, under the caption Benner vs. Becton Dickinson et al. (Case No. 99Civ 4798[WHP]), filed on June 1, 1999.

We continue to oppose class action certification in these cases and will continue vigorously to defend these lawsuits, including pursuing all appropriate rights of appeal.

BD has insurance policies in place, and believes that a substantial portion of the potential liability, if any, in the latex and class action matters would be covered by insurance. In order to protect our rights to additional coverage, we filed an action for declaratory judgment under the caption Becton Dickinson and Company vs. Adriatic Insurance Company et al. (Docket No. MID-L-3649-99MT, Middlesex County Superior Court) in New Jersey state court. We have withdrawn this action, with the right to refile, so that settlement discussions with the insurance companies may proceed. We have established reserves to cover reasonably anticipated defense costs in all product liability lawsuits, including the needlestick class action and latex matters.

On January 18, 2002, Retractable Technologies, Inc. ("plaintiff") filed a second amended complaint against BD, another manufacturer, and two group purchasing organizations ("GPOs") under the caption Retractable Technologies, Inc. vs. Becton Dickinson and Company, et al. (Civil Action No. 501 CV 036, United States District Court, Eastern District of Texas). Plaintiff alleges that BD and other defendants conspired to exclude it from the market and to maintain BD's market share by entering into long-term contracts in violation of state and Federal antitrust laws. Plaintiff also has asserted claims for business disparagement, common law conspiracy, and tortious interference with business relationships. Plaintiff seeks money damages in an as yet undisclosed amount. On February 22, 2002, BD filed a motion to dismiss the second amended complaint. On August 2, 2002, the court issued a Memorandum Opinion and Order denying that motion. Discovery is proceeding, and a trial date has been set for April 8, 2003. We continue to vigorously defend this matter.

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

We currently are engaged in discovery or are otherwise in the early stages with respect to certain of the litigation to which we are a party, and therefore, it is difficult to predict the outcome of such litigation. In addition, given the uncertain nature of litigation generally and of the current litigation environment, it is difficult to predict the outcome of any litigation regardless of its stage. A number of the cases pending against BD present complex factual and legal issues and are subject to a number of variables, including, but not limited to, the facts and circumstances of each particular case, the jurisdiction in which each suit is brought, and differences in applicable law. As a result, we are not able to estimate the amount or range of loss that could result from an unfavorable outcome of such matters. While we believe that the claims against BD are without merit and, upon resolution, should not have a material adverse effect on BD, in view of the uncertainties discussed above, we could incur charges in excess of currently established reserves and, to the extent available, excess liability insurance. Accordingly, in the opinion of management, any such future charges, individually or in the aggregate, could have a material adverse effect on BD's consolidated results of operations and consolidated net cash flows in the period or periods in which they are recorded or paid. We continue to believe that we have a number of valid defenses to each of the suits pending against BD and are engaged in a vigorous defense of each of these matters.

Environmental Matters

We believe that our operations comply in all material respects with applicable laws and regulations. We are 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. For all sites, there are other potentially responsible parties that may be jointly or severally liable to pay all cleanup costs. We accrue costs for estimated environmental liabilities based upon our best estimate within the range of probable losses, without considering possible third-party recoveries. While we believe that, upon resolution, the environmental claims against BD should not have a material adverse effect on BD, we could incur charges in excess of presently established reserves and, to the extent available, excess liability insurance. Accordingly, in the opinion of management, any such future charges, individually or in the aggregate, could have a material adverse effect on BD's consolidated results of operations and consolidated net cash flows in the period or periods in which they are recorded or paid.

2001 Compared With 2000

Worldwide revenues in 2001 were $3.7 billion, an increase of 4% over 2000. Unfavorable foreign currency translation impacted revenue growth by 3%. Underlying revenue growth of 7%, which excludes the effects of foreign currency translation, resulted primarily from volume increases in all segments.

Medical revenues in 2001 increased 2% over 2000 to $2.0 billion. Excluding unfavorable foreign currency translation of an estimated 4%, underlying revenue growth was 6%. The primary growth drivers were the conversion to safety-engineered devices, which contributed approximately 4% to the underlying revenue growth, and prefillable syringes and other related devices, which contributed approximately 2%. Medical revenue growth also benefited from a favorable comparison with 2000, which reflected the impact of the discontinuance of U.S. medical surgical distributor incentive programs in that year. In addition, revenue growth was offset by a $28 million decline in sales of consumer healthcare products compared with 2000, primarily as a result of our beginning to redirect promotional efforts in the United States toward branded syringe sales at the retail level.

Clinical Lab revenues in 2001 rose 5% over 2000 to $1.2 billion. Excluding unfavorable foreign currency translation of an estimated 3%, underlying revenue growth was 8%. The conversion to safety-engineered products in the United States was the primary growth driver, contributing approximately 3% to underlying revenue growth. In addition, increased worldwide sales of the molecular diagnostic platform, the BD ProbeTecET System, contributed 1% to underlying revenue growth. Clinical Lab revenue growth also benefited from a favorable comparison with 2000, which reflected the impact of the discontinuance of U.S. distributor incentive programs in that year.

Biosciences revenues in 2001 increased 7% over 2000 to $590 million. Excluding unfavorable foreign currency translation of an estimated 4%, underlying revenue growth was 11%. Such growth was led by sales of immunocytometry products, particularly the BD FACS brand flow cytometry systems, which contributed 5% of the underlying revenue growth. In addition, sales of immunology/cell biology and molecular biology reagents contributed 4% of the underlying revenue growth. We believe that the events of September 11 adversely affected fourth quarter 2001 revenues by as much as $5 million due to disruptions to air shipments and research and business activities at several private and government sector customers.

Special charges of $58 million were recorded in 2000. These charges included $32 million relating to severance costs and $6 million of impaired assets and other exit costs associated with a worldwide organizational restructuring plan to align our existing infrastructure with our projected growth programs. The annual savings from the reduction in salaries and wages expense were estimated to be $30 million. As anticipated, these savings, beginning in 2001, offset incremental costs relating to programs, such as advanced protection technologies, blood glucose monitoring, molecular oncology and Genesis. Special charges in 2000 also included $20 million for estimated litigation defense costs associated with our divested latex gloves business. See "Litigation-Other than Environmental" section above for additional discussion. We also recorded other charges of $13 million in cost of products sold in 2000 relating to the recall of certain manufacturing lots of the BD Insyte Autoguard Shielded IV catheter. These charges consisted primarily of costs associated with product returns, disposal of the affected product and other direct recall costs. In 1998, we recorded special charges of $91 million, primarily associated with the restructuring of certain manufacturing operations and the write-down of impaired assets. For the 1998 restructuring plan, the estimated annual benefits of $4 million related to reduced manufacturing costs and tax savings associated with the move of a surgical blade plant are expected to be realized in 2003. Beginning in 1999, we realized a reduction in amortization expense of $5 million, resulting from the write-down of certain assets, which offset incremental costs associated with Genesis. For additional discussion of these charges, see Note 5 of the Notes to Consolidated Financial Statements.

Gross profit margin was 48.9% in 2001. Excluding the unfavorable impact of the previously discussed other charges in 2000, gross profit margin would have been 49.3% in 2000. Gross profit margin in 2001 reflects the impact of lower sales of consumer healthcare products and unfavorable foreign exchange, offset largely by the higher gross margin from our safety-engineered products.

Selling and administrative expense of $983 million in 2001 was 26.2% of revenues, compared to $974 million in 2000, or 26.9% of revenues. Incremental spending for growth initiatives was offset, in part, by favorable foreign currency translation and savings associated with the 2000 worldwide organizational restructuring plan.

Investment in research and development in 2001 was $212 million, or 5.7% of revenues. Research and development expense in 2000 was $219 million, or 6% of revenues, excluding an in-process research and development charge of $5 million. This charge represented the fair value of certain acquired research and development projects in the area of cancer diagnostics, which were determined not to have reached technological feasibility and which do not have alternative future uses. Incremental spending was primarily in the Biosciences segment and in key initiatives, including blood glucose monitoring. Investment in research and development in 2001 reflects lower spending than in 2000, which included clinical trial costs for the BD Phoenix instrument platform and costs relating to the transdermal business unit that was divested in the first quarter of 2001.

Operating margin in 2001 was 17% of revenues. Excluding special and other charges and purchased in-process research and development charges in 2000,

operating margin would have been 16.3% in 2000. The increase in operating margin reflects the revenue growth, along with the favorable effect of continued control over costs.

Net interest expense of $55 million in 2001 was $19 million lower than in 2000, primarily due to lower debt levels and lower short-term interest rates.

Other income, net in 2000 of $79 million included gains on investments of $73 million relating to the sale of two equity investments, which are described more fully in Note 8 of the Notes to Consolidated Financial Statements. Other income, net in 2000 also included the favorable effect of legal settlements and a gain on an investment hedge that more than offset foreign exchange losses and net losses relating to assets held for sale.

The effective tax rate in 2001 was 24% compared to 24.4% in 2000, reflecting a favorable mix in income among tax jurisdictions.

Net income and diluted earnings per share before the cumulative effect of accounting change in 2001 were $438 million, or $1.63, respectively, compared with $393 million, or $1.49 in 2000. Earnings per share in 2000 would have remained about the same, excluding special and other charges, purchased in-process research and development charges, investment gains and a favorable tax benefit from the conclusion of a number of tax examinations in 2000.

As discussed above, we adopted SAB 101, effective October 1, 2000 and recorded a cumulative effect of change in accounting principle of $37 million, net of income tax benefit of $25 million. See Note 2 of the Notes to Consolidated Financial Statements for additional discussion.

Net income in 2001 was $402 million, or $1.49 per share, after reflecting the after-tax cumulative effect of accounting change of $.14 per share.

Capital expenditures were $371 million in 2001, compared to $376 million in 2000, reflecting continued spending for safety-engineered devices. Medical, Clinical Lab and Biosciences capital spending totaled $266 million, $62 million and $24 million, respectively, in 2001. Funds expended outside the above segments included amounts related to Genesis.

Net cash used for financing activities was $201 million in 2001 as compared to $219 million during 2000. During 2001, total debt decreased $180 million, primarily as a result of increased funds from operations that were used to pay down short-term debt. Short-term debt was 37% of total debt at year end, compared to 45% at the end of 2000. Our weighted average cost of total debt at the end of 2001 was 4.8%, down from 7.0% at the end of 2000 due to the reduction in interest rates of short-term borrowings and the impact of interest rate swaps entered into in 2001.

Return on equity was 18.7% in 2001, or 20.3% excluding the 2001 cumulative effect of change in accounting principle, compared with 21.1% in 2000.

Future Impact of Currently Known Trends

Pension Plan Assets and Assumptions-We have experienced a reduction in the market value of assets held by our U.S. pension plan primarily as a result of the decline in the U.S. equity markets. Our pension plan assets also were reduced by normally scheduled benefit payments to plan participants. As previously discussed, because of these declines, we made a $100 million funding contribution to the U.S. pension plan early in fiscal 2003, in addition to the $100 million contribution made in fiscal 2002. The market value decline is expected to negatively impact pension expense in 2003. In addition, based on an annual internal study of actuarial assumptions, the expected long-term rate of

return on plan assets was reduced to 8.00% from 9.75%, the discount rate was reduced to 6.75% from 7.50% and the salary rate was reduced to 4% from 4.25%. As a result of these developments, the 2003 net periodic benefit cost for the U.S. pension plan is anticipated to be approximately $24 million higher than in 2002.

Pending Adoption of New Accounting Standards-The Financial Accounting Standards Board (FASB) issued, in August 2001, SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." This Statement requires that one accounting model be used for long-lived assets to be disposed of by sale and it broadens the presentation of discontinued operations to include more disposal transactions.The provisions relating to long-lived assets to be disposed of by sale or otherwise are effective for disposal activities initiated by a commitment to a plan after the effective date of the Statement. We have adopted the provisions of this Statement effective October 1, 2002, and do not expect that the Statement will have a material impact on our consolidated financial position or results of operations in 2003.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." This Statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Previous guidance had required that liabilities for exit costs be recognized at the date of an entity's commitment to an exit plan. We are required to adopt the provisions of this Statement for any exit or disposal activities that are initiated after December 31, 2002, and do not expect that this Statement will have a material impact on our consolidated financial position or results of operations in 2003.

Critical Accounting Policies

The Financial Review discusses our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities at the date of the financial statements. Some of those judgments can be subjective and complex and consequently, actual results could differ from those estimates. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. For any given estimate or assumption made by management, there may also be other estimates or assumptions that are reasonable. However, we believe that given the current facts and circumstances, it is unlikely that applying any such alternative judgments would materially impact the accompanying financial statements. Management believes the following critical accounting policies affect the more significant judgments and estimates used in the preparation of BD's consolidated financial statements.

Revenue Recognition-We recognize revenue for instruments sold from the Biosciences segment upon installation at the customer's site, due to the fact that a substantive installation effort is required and only we can perform the service. We also defer revenue recognition related to branded insulin syringe products that are sold to distributors in the U.S. consumer trade channel. These products were predominantly sold under incentive programs and these distributors have implied rights of return on unsold merchandise held by them. We recognize revenue on these products upon the sell-through of the respective product from the distribution channel partner to its end customer. In determining the amount of sales to record each quarter, we rely on independent sales and inventory data provided to us from distribution channel partners. Substantially all other revenue is recognized when products are shipped to customers.

Investments-We hold minority interests in companies having operations or technology in areas within or adjacent to BD's strategic focus. Some of these

companies are publicly traded for which share prices are available, and some are non-publicly traded whose value is difficult to determine. We write down an investment when management believes an investment has experienced a decline in value that is other than temporary. Future adverse changes in market conditions or poor operating results of the underlying investments could result in an inability to recover the carrying value of the investments, thereby possibly requiring impairment charges in the future.

Restructuring-During the current year, we recorded reserves in connection with our Medical manufacturing restructuring program. These reserves include estimates pertaining to employee separation costs. In fiscal years 2000 and 1998, we also recorded reserves related to restructuring programs. These reserves included estimates pertaining to employee separation costs, as well as litigation defense costs associated with our latex glove business, which was divested in 1995. See "Litigation-Other than Environmental" section above and "Contingencies" section below for further discussion. Although we do not anticipate significant changes, the actual costs may differ from these estimates. As discussed earlier, the accounting for certain restructuring costs will change upon the future adoption of SFAS No. 146; however, it is not expected to impact charges already recorded.

Contingencies-We are involved, both as a plaintiff and a defendant, in various legal proceedings that arise in the ordinary course of business, including, without limitation, product liability and environmental matters, as further discussed in Note 13 of the Notes to Consolidated Financial Statements. We assess the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable losses. A determination of the amount of reserves, if any, for these contingencies is made after careful analysis of each individual issue and, when appropriate, is developed after consultation with outside counsel. The reserves may change in the future due to new developments in each matter or changes in our strategy in dealing with these matters.

Benefit Plans-We have significant pension and post-retirement benefit costs that are developed from actuarial valuations. Inherent in these valuations are key assumptions including discount rates and expected return on plan assets. We consider current market conditions, including changes in interest rates and market returns, in selecting these assumptions. Changes in the related pension and post-retirement benefit costs may occur in the future due to changes in the assumptions. See additional discussion above concerning our U.S. pension plan.

Stock-Based Compensation-As permitted by SFAS No. 123, "Accounting for Stock-Based Compensation," we currently account for stock options by the disclosure-only provision of this Statement, and therefore we use the intrinsic value method as prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," for accounting for stock-based compensation. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of our stock at the date of the option grant over the exercise price. We have not incurred any such compensation expense during the last three fiscal years.

If we had elected to account for our stock-based compensation awards issued subsequent to October 1, 1995 using the fair value method, the estimated fair value of awards would have been charged against income on a straight-line basis over the vesting period. For the year ended September 30, 2002, our net income and diluted earnings per share would have been lower by an estimated $35 million and 13 cents, respectively, under the fair value method. This effect may not be representative of the pro forma effect on net income in future years.

Cautionary Statement Pursuant to Private Securities Litigation Reform Act of 1995-"Safe Harbor" for Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 (the "Act") provides a safe harbor for forward-looking statements made by or on behalf of BD. 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 this report and filings with the Securities and Exchange Commission and in our other reports to shareholders. Forward-looking statements may be identified by the use of words like "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 which 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 and statements expressing views about future operating results-are forward-looking statements within the meaning of the Act.

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 whether as a result of new information, future events and developments or otherwise.

The following are some important factors that could cause our actual results to differ from our expectations in any forward-looking statements:

- Regional, national and foreign economic factors, including inflation and fluctuations in interest rates and foreign currency exchange rates and the potential effect of such fluctuations on revenues, expenses and resulting margins.

- Competitive product and pricing pressures and our ability to gain or maintain market share in the global market as a result of actions by competitors, including technological advances achieved and patents attained by competitors as patents on our products expire. While we believe our opportunities for sustained, profitable growth are considerable, actions of competitors could impact our earnings, share of sales and volume growth.

- Changes in domestic and foreign healthcare resulting in pricing pressures, including the continued consolidation among healthcare providers, trends toward managed care and healthcare cost containment and government laws and regulations relating to sales and promotion, reimbursement and pricing generally.

- The effects, if any, of governmental and media activities relating to U.S. Congressional hearings regarding the business practices of group purchasing organizations, which negotiate product prices on behalf of their member hospitals with BD and other suppliers.

- Fluctuations in the cost and availability of raw materials and the ability to maintain favorable supplier arrangements and relationships.

- Adoption of or changes in government laws and regulations affecting domestic and foreign operations, including those relating to trade, monetary and fiscal policies, taxation, environmental matters, sales practices, price controls, licensing and regulatory approval of new products, or changes in enforcement practices with respect to any such laws and regulations.

- 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, or gain and maintain market approval of products, and the possibility of encountering infringement claims by competitors with respect to patent or other intellectual property rights, all of which can preclude or delay commercialization of a product.

- Significant litigation adverse to BD, including product liability claims, patent infringement claims, and antitrust claims, as well as other risks and uncertainties detailed from time to time in our Securities and Exchange Commission filings.

- The effects, if any, of adverse media exposure or other publicity regarding allegations made or related to litigation pending against BD.

- Our ability to achieve earnings forecasts, which are generated based on projected volumes and sales of many product types, some of which are more profitable than others. There can be no assurance that we will achieve the projected level or mix of product sales.

- The effect of market fluctuations on the value of assets in BD's pension plans and the possibility that BD may need to make additional contributions to the plans as a result of any decline in the value of such assets.

- Our ability to effect infrastructure enhancements and incorporate new systems technologies into our operations.

- Product efficacy or safety concerns resulting in product recalls, regulatory action on the part of the Food and Drug Administration (or foreign counterparts) or declining sales.

- Economic and political conditions in international markets, including civil unrest, governmental changes and restrictions on the ability to transfer capital across borders.

- Our ability to penetrate developing and emerging markets, which also depends on economic and political conditions, and how well we are able to acquire or form strategic business alliances with local companies and make necessary infrastructure enhancements to production facilities, distribution networks, sales equipment and technology.

- The impact of business combinations, including acquisitions and divestitures, both internally for BD and externally, in the health-care industry.

- Issuance of new or revised accounting standards by the American Institute of Certified Public Accountants, 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.

Report of Management

The following consolidated financial statements have been prepared by management in conformity with accounting principles generally accepted in the United States and include, where required, amounts based on the best estimates and judgments of management. The integrity and objectivity of data in the financial statements and elsewhere in this Annual Report are the responsibility of management.

In fulfilling its responsibilities for the integrity of the data presented and to safeguard the Company's assets, management employs a system of internal accounting controls designed to provide reasonable assurance, at appropriate cost, that the Company's assets are protected and that transactions are appropriately authorized, recorded and summarized. This system of control is supported by the selection of qualified personnel, by organizational assignments that provide appropriate delegation of authority and division of responsibilities, and by the dissemination of written policies and procedures. This control structure is further reinforced by a program of internal audits, including a policy that requires responsive action by management.

The consolidated financial statements have been audited by Ernst &

Young LLP, independent auditors, whose report follows. Their audits were conducted in accordance with auditing standards generally accepted in the United States and included a review and evaluation of the Company's internal accounting controls to the extent they considered necessary for the purpose of expressing an opinion on the consolidated financial statements. This, together with other audit procedures and tests, was sufficient to provide reasonable assurance as to the fairness of the information included in the consolidated financial statements and to support their opinion thereon.

The Board of Directors monitors the internal control system, including internal accounting controls, through its Audit Committee which consists of five outside Directors. The Audit Committee meets periodically with the independent auditors, internal auditors and financial management to review the work of each and to satisfy itself that they are properly discharging their responsibilities. The independent auditors and internal auditors have full and free access to the Audit Committee and meet with its members, with and without financial management present, to discuss the scope and results of their audits including internal control, auditing and financial reporting matters.

Edward J. Ludwig	John R. Considine	William A. Tozzi
Edward J. Ludwig Chairman, President and Chief Executive Officer	John R. Considine Executive Vice President and Chief Financial Officer	William A. Tozzi Vice President and Controller

Report of Ernst & Young LLP, Independent Auditors

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

We have audited the accompanying consolidated balance sheets of Becton, Dickinson and Company as of September 30, 2002 and 2001, and the related consolidated statements of income, comprehensive income, and cash flows for each of the three years in the period ended September 30, 2002. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Becton, Dickinson and Company at September 30, 2002 and 2001, and the consolidated results of its operations and its cash flows for each of the three years in the period ended September 30, 2002, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 2 to the financial statements, in fiscal year 2001 the Company changed its method of accounting for revenue recognition in accordance with guidance provided in Securities and Exchange Commission Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements."

Ernst & Young LLP

New York, New York
November 6, 2002

Financial Statements

Consolidated Statements of Income
Years Ended September 30
Thousands of dollars, except per-share amounts

	2002	2001	2000
Operations			
Revenues	$4,033,069	$ 3,746,182	$ 3,618,334
Cost of products sold	2,083,669	1,913,292	1,848,332
Selling and administrative expense	1,032,043	983,296	973,902
Research and development expense	220,186	211,834	223,782
Special charges	21,508	--	57,514
Total Operating Costs and Expenses	3,357,406	3,108,422	3,103,530
Operating Income	675,663	637,760	514,804
Interest expense, net	(33,304)	(55,414)	(74,197)
Other (expense) income, net	(13,770)	(5,596)	79,327
Income Before Income Taxes and Cumulative Effect of Change in Accounting Principle	628,589	576,750	519,934
Income tax provision	148,607	138,348	127,037
Income Before Cumulative Effect of Change in Accounting Principle	479,982	438,402	392,897
Cumulative effect of change in accounting principle, net of tax	--	(36,750)	--
Net Income	$ 479,982	$ 401,652	$ 392,897
Basic Earnings Per Share			
Before Cumulative Effect of Change in Accounting Principle	$ 1.85	$ 1.69	$ 1.54
Cumulative effect of change in accounting principle, net of tax	--	(0.14)	--
Basic Earnings Per Share	$ 1.85	$ 1.55	$ 1.54
Diluted Earnings Per Share			
Before Cumulative Effect of Change in Accounting Principle	$ 1.79	$ 1.63	$ 1.49
Cumulative effect of change in accounting principle, net of tax	--	(0.14)	--
Diluted Earnings Per Share	$ 1.79	$ 1.49	$ 1.49

See Notes to Consolidated Financial Statements

Consolidated Statements of Comprehensive Income
Years Ended September 30
Thousands of dollars

	2002	2001	2000
Net Income	$479,982	$401,652	$ 392,897
Other Comprehensive Loss, Net of Tax			

Foreign currency translation adjustments	16,472	(38,704)	(161,304)
Minimum pension liability adjustment	(77,661)	--	--
Unrealized gains (losses) on investments, net of amounts recognized	4,005	(3,616)	2,558
Unrealized losses on cash flow hedges, net of amounts realized	(380)	(4,013)	--
Other Comprehensive Loss	(57,564)	(46,333)	(158,746)
Comprehensive Income	$422,418	$355,319	$ 234,151

See Notes to Consolidated Financial Statements

Consolidated Balance Sheets
September 30
Thousands of dollars, except per-share amounts and numbers of shares

	2002	2001
Assets		
Current Assets		
Cash and equivalents	$ 243,115	$ 82,129
Short-term investments	1,850	4,571
Trade receivables, net	745,998	768,047
Inventories	697,696	707,744
Prepaid expenses, deferred taxes and other	240,048	200,451
Total Current Assets	1,928,707	1,762,942
Property, Plant and Equipment, Net	1,765,730	1,716,023
Goodwill, Net	492,327	431,452
Core and Developed Technology, Net	283,166	304,688
Other Intangibles, Net	126,758	164,643
Capitalized Software, Net	284,109	231,123
Other	159,663	191,416
Total Assets	$ 5,040,460	$ 4,802,287
Liabilities		
Current Liabilities		
Short-term debt	$ 434,642	$ 454,012
Accounts payable	224,645	205,046
Accrued expenses	310,238	352,589
Salaries, wages and related items	225,694	202,900
Income taxes	57,234	50,129
Total Current Liabilities	1,252,453	1,264,676
Long-Term Debt	802,967	782,996
Long-Term Employee Benefit Obligations	391,607	335,731
Deferred Income Taxes and Other	105,459	90,117
Shareholders' Equity		
ESOP convertible preferred stock-$1 par value: authorized-1,016,949 shares; issued and outstanding-639,262 shares in 2002 and 686,922 shares in 2001	37,945	40,528
Preferred stock, series A-$1 par value: authorized-500,000 shares; none issued	--	--
Common stock-$1 par value: authorized-640,000,000 shares; issued-332,662,160 shares in 2002 and 2001	332,662	332,662
Capital in excess of par value	185,122	148,690
Retained earnings	3,514,465	3,137,304
Unearned ESOP compensation	(7,847)	(12,001)
Deferred compensation	8,496	7,096
Common shares in treasury-at cost-77,132,248 shares in 2002 and 73,425,478 shares in 2001	(1,137,583)	(937,790)
Accumulated other comprehensive loss	(445,286)	(387,722)
Total Shareholders' Equity	2,487,974	2,328,767
Total Liabilities and Shareholders' Equity	$ 5,040,460	$ 4,802,287

See Notes to Consolidated Financial Statements

Consolidated Statements of Cash Flows
Years Ended September 30
Thousands of dollars

	2002	2001	2000
Operating Activities			
Net income	$ 479,982	$ 401,652	$ 392,897
Adjustments to net income to derive net cash provided by operating activities:			
Depreciation and amortization	304,865	305,700	288,255
Pension contribution	(100,000)	--	--
Cumulative effect of change in accounting principle, net of tax	--	36,750	--
Non-cash special charges	6,526	--	4,543
Deferred income taxes	57,202	37,400	37,246
Losses (gains) on investments, net	18,576	--	(76,213)
Change in operating assets (excludes impact of acquisitions):			
Trade receivables	32,585	(34,063)	11,688
Inventories	21,112	(32,290)	(64,663)
Prepaid expenses, deferred taxes and other	(222)	(18,652)	(12,106)
Accounts payable, income taxes and other liabilities	(1,241)	67,519	44,854
Other, net	16,648	14,629	(11,008)
Net Cash Provided by Operating Activities	836,033	778,645	615,493
Investing Activities			
Capital expenditures	(259,703)	(370,754)	(376,372)
Acquisitions of businesses, net of cash acquired	--	(30,953)	(21,272)
Proceeds (purchases) of short-term investments, net	3,054	(530)	1,299
Proceeds from sales of long-term investments	4,598	7,632	101,751
Purchases of long-term investments	(3,397)	(24,938)	(9,273)
Capitalized software	(81,376)	(72,231)	(50,397)
Other, net	(24,297)	(50,155)	(49,135)
Net Cash Used for Investing Activities	(361,121)	(541,929)	(403,399)
Financing Activities			
Change in short-term debt	(18,819)	(82,600)	(98,496)
Proceeds of long-term debt	4,526	2,987	948
Payment of long-term debt	(11,096)	(103,104)	(60,923)
Repurchase of common stock	(223,961)	--	--
Issuance of common stock	38,069	82,925	34,724
Dividends paid	(102,459)	(101,329)	(95,749)
Net Cash (Used for) Provided by Financing Activities	(313,740)	(201,121)	(219,496)
Effect of exchange rate changes on cash and equivalents	(186)	(2,662)	(3,334)
Net Increase (Decrease) in Cash and Equivalents	160,986	32,933	(10,736)
Opening Cash and Equivalents	82,129	49,196	59,932
Closing Cash and Equivalents	$ 243,115	$ 82,129	$ 49,196

See Notes to Consolidated Financial Statements

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

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1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Becton, Dickinson and Company and its majority-owned subsidiaries ("Company") after the elimination of inter-company transactions.

Reclassifications

The Company has reclassified certain prior year information to conform with the current year presentation.

Cash Equivalents

Cash equivalents are stated at cost plus accrued interest, which approximates market. The Company considers all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents.

Inventories

Inventories are stated at the lower of cost or market. The Company uses the last-in, first-out ("LIFO") method of determining cost for substantially all inventories in the United States. All other inventories are accounted for using the first-in, first-out ("FIFO") method.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are principally provided on the straight-line basis over estimated useful lives, which range from 20 to 45 years for buildings, four to 10 years for machinery and equipment and three to 20 years for leasehold improvements. Depreciation expense was $201,558, $179,411, and $168,846 in fiscal 2002, 2001, and 2000, respectively.

Intangibles

The Company adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," effective October 1, 2001, as discussed in Note 2. As a result, goodwill is no longer amortized, but instead is reviewed annually for impairment in accordance with the provisions of the Statement. Core and developed technology continues to be amortized over periods ranging from 15 to 20 years, using the straight-line method. Both goodwill and core and developed technology arise from acquisitions.

Other intangibles with finite useful lives, which include patents, are amortized over periods principally ranging from three to 40 years, using the straight-line method. These intangibles are periodically reviewed to assess recoverability from future operations using undiscounted cash flows. To the extent carrying values exceed fair values, an impairment loss is recognized in operating results. Other intangibles also include certain trademarks that are considered to have indefinite lives, as they are expected to generate cash flows indefinitely. Therefore, in accordance with the provisions of SFAS No. 142, these trademarks are no longer amortized but are reviewed annually for impairment.

Capitalized Software

Capitalized software primarily represents costs associated with our enterprise-wide program to upgrade our business information systems, known internally as "Genesis". The costs associated with the Genesis program will be fully amortized by 2009, with amortization expense being primarily reported as Selling and administrative expense.

Revenue Recognition

Revenue is recognized on the sale of instruments in the Biosciences segment upon completion of installation at the customer's site. The Company also defers revenue recognition related to branded insulin syringe products sold to distributors in the U.S. consumer trade channel. Revenue is recognized for these sales upon the sell-through of such product from the distribution channel partner to the end customer. See Note 2 for additional discussion. Substantially all other revenue is recognized when products are shipped to customers.

Shipping and Handling Costs

Shipping and handling costs are included in Selling and administrative expense. Shipping expense was $174,942, $164,401, and $148,571 in fiscal 2002, 2001, and 2000, respectively.

Warranty

Estimated future warranty obligations related to applicable products are provided by charges to operations in the period in which the related revenue is recognized.

Income Taxes

United States income taxes are not provided on substantially all undistributed earnings of foreign subsidiaries since the subsidiaries reinvest such earnings or remit them to the Company without tax consequence. Income taxes are provided and tax credits are recognized based on tax laws enacted at the dates of the financial statements.

Earnings Per Share

Basic earnings per share are computed based on the weighted average number of common shares outstanding. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions. These estimates or assumptions affect reported assets, liabilities, revenues and expenses as reflected in the financial statements. Actual results could differ from these estimates.

Derivative Financial Instruments

In accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, all derivatives are recorded in the balance sheet at fair value and changes in fair value are recognized currently in earnings unless specific hedge accounting criteria are met. See Note 10 for additional discussion on financial instruments.

Derivative financial instruments are utilized by the Company in the management of its foreign currency and interest rate exposures. The Company hedges its foreign currency exposures by entering into offsetting forward exchange contracts and currency options, when it deems appropriate. The Company also occasionally enters into interest rate swaps, interest rate caps, interest rate collars, and forward rate agreements in order to reduce the impact of fluctuating interest rates on its short-term debt and investments. In connection with issuances of long-term debt, the Company may also enter into forward rate agreements in order to protect itself from fluctuating interest rates during the

period in which the sale of the debt is being arranged. The Company also occasionally enters into forward contracts in order to reduce the impact of fluctuating market values on its available-for-sale securities as defined by SFAS No. 115. The Company does not use derivative financial instruments for trading or speculative purposes.

Any deferred gains or losses associated with derivative instruments, which on infrequent occasions may be terminated prior to maturity, are recognized in income in the period in which the underlying hedged transaction is recognized. In the event a designated hedged item is sold, extinguished or matures prior to the termination of the related derivative instrument, such instrument would be closed and the resultant gain or loss would be recognized in income.

Stock-Based Compensation

Under the provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," the Company accounts for stock-based employee compensation using the intrinsic value method prescribed by Accounting Principles Board Opinion ("APB") No. 25, "Accounting for Stock Issued to Employees," and related interpretations. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the exercise price.

2. Accounting Changes

Goodwill and Other Intangible Assets

Effective October 1, 2001, the Company adopted the provisions of SFAS No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141, among other things, changes the criteria for recognizing intangible assets apart from goodwill. SFAS No. 142 stipulates that goodwill and indefinite-lived intangible assets will no longer be amortized, but instead will be periodically reviewed for impairment. Diluted earnings per share for fiscal 2002 reflect an approximate ten-cent benefit from the adoption of SFAS No. 142.

Upon adoption of these Statements, the Company reclassified approximately $28,500 of assets from Other Intangibles, Net to Goodwill, Net, primarily related to assembled workforce. These assets did not meet the criteria for recognition apart from goodwill under SFAS No. 141. Of this amount, approximately $18,400 related to the Biosciences segment and approximately $10,100 related to the Medical segment. The Company also ceased amortizing certain trademarks that were deemed to have indefinite lives as they are expected to generate cash flows indefinitely. The following table reconciles reported net income to that which would have been reported if the current method of accounting for goodwill and indefinite-lived asset amortization was used for the years ended September 30, 2001, and 2000:

	2002	2001	2000
Reported Net Income	$479,982	$401,652	$392,897
Goodwill Amortization	--	25,943	25,590
Amortization of Indefinite-Lived Intangible Assets	--	1,307	1,311
Adjusted Net Income	$479,982	$428,902	$419,798
Basic Earnings Per Share	$ 1.85	$ 1.55	$ 1.54
Goodwill Amortization	--	.10	.10
Amortization of Indefinite-Lived			

Intangible Assets	--	.01	.01
Adjusted Basic Earnings Per Share	$ 1.85	$ 1.66	$ 1.65
Diluted Earnings Per Share	$ 1.79	$ 1.49	$ 1.49
Goodwill Amortization	--	.10	.10
Amortization of Indefinite-Lived Intangible Assets	--	--	--
Adjusted Diluted Earnings Per Share	$ 1.79	$ 1.59	$ 1.59

Intangible amortization expense was $37,753 in fiscal 2002. The estimated aggregate amortization expense for the fiscal years ending September 30, 2003 to 2007 are as follows: 2003-$37,500; 2004-$36,900; 2005-$35,200; 2006-$32,200; 2007-$32,100.

Intangible assets at September 30 consisted of:

	2002		2001	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets				
Core and Developed Technology	$370,044	$ 86,878	$ 370,044	$ 65,356
Patents, Trademarks, & Other	308,202	199,065	358,604	193,961
Goodwill	--	--	594,695	163,243
Total	$678,246	$285,943	$1,323,343	$422,560
Unamortized intangible assets				
Goodwill(A)	$492,327		--	
Trademarks(B)	17,621		--	
Total	$509,948		$ --	

(A) Net of accumulated amortization of $175,903.

(B) Net of accumulated amortization of $6,175.

On March 31, 2002, the Company completed its goodwill impairment assessment as required by SFAS No. 142. The adoption of this aspect of SFAS No. 142 did not result in a goodwill impairment and therefore had no impact on the results of operations or financial condition of the Company.

Revenue Recognition

Effective October 1, 2000, the Company changed its method of revenue recognition for certain products in accordance with Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements," ("SAB 101"). As a result, the Company recorded the following accounting changes.

The Company changed its accounting method for revenue recognition related to branded insulin syringe products that are sold to distributors in the U.S. consumer trade channel. These products were predominantly sold under incentive programs and these distributors have implied rights of return on unsold merchandise held by them. The Company previously recognized this revenue

upon shipment to these distributors, net of appropriate allowances for sales returns. Effective October 1, 2000, the Company changed its method of accounting for revenue related to these product sales to recognize such revenues upon the sell-through of the respective product from the distribution channel partner to the end customer. The Company believes this change in accounting principle is the preferable method. The cumulative effect of this change in accounting method was a charge of $52,184 or $30,789, net of taxes.

The Company also changed its accounting method for recognizing revenue on certain instruments in the Biosciences segment. Prior to the adoption of SAB 101, the Company's accounting policy was to recognize revenue upon delivery of instruments to customers but prior to installation at the customer's site. The Company had routinely completed such installation services successfully in the past, but a substantive effort is required for the installation of these instruments and only the Company can perform the service. Therefore, effective October 1, 2000, the Company recognizes revenues for these instruments upon completion of installation at the customer's site. The cumulative effect of this change in accounting method was a charge of $9,772, or $5,961 net of taxes.

The total cumulative effect of these accounting changes on prior years resulted in an after-tax charge to income of $36,750 for the year ended September 30, 2001. Of the $80,700 of revenues included in the cumulative effect adjustment, $44,300 and $28,500 were included in the restated revenues for the first and second quarters of fiscal 2001, respectively, with the remainder substantially recognized by the end of the third quarter. The adoption of SAB 101 increased Biosciences revenues for 2001 by approximately $3,400 and decreased Medical Systems revenues for 2001 by about $3,100. Consequently, the adoption of SAB 101 had an immaterial effect on revenues for the year ended September 30, 2001.

As of September 30, 2002 and 2001, the deferred profit balances recorded as Accrued Expenses were $10,807 and $62,100, respectively.

If the accounting change were made retroactively, the unau-dited pro forma consolidated net income, basic earnings per share, and diluted earnings per share for the year ended September 30, 2000, would have been $385,721, $1.52, and $1.46, respectively.

Adoption of New Accounting Standards

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." This Statement requires that one accounting model be used for long-lived assets to be disposed of by sale and it broadens the presentation of discontinued operations to include more disposal transactions. The provisions relating to long-lived assets to be disposed of by sale or otherwise are effective for disposal activities initiated by a commitment to a plan after the effective date of the Statement. The Company will adopt the provisions of this Statement effective October 1, 2002, and does not expect that this Statement will have a material impact on its consolidated financial position or results of operations in 2003.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." This Statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Previous guidance had required that liabilities for exit costs be recognized at the date of an entity's commitment to an exit plan. The Company is required to adopt the provisions of this Statement for any exit or disposal activities that are initiated after December 31, 2002, and does not expect that this Statement will have a material impact on its consolidated financial position or results of operations in 2003.

3. Employee Stock Ownership Plan/
Savings Incentive Plan

The Company has an Employee Stock Ownership Plan ("ESOP") as part of its voluntary defined contribution plan (Savings Incentive Plan) covering most domestic employees. The ESOP is intended to satisfy all or part of the Company's obligation to match 50% of employees' contributions, up to a maximum of 3% of each participant's salary. To accomplish this, in 1990, the ESOP borrowed $60,000 in a private debt offering and used the proceeds to buy the Company's ESOP convertible preferred stock. Each share of preferred stock has a guaranteed liquidation value of $59 per share and is convertible into 6.4 shares of the Company's common stock. The preferred stock pays an annual dividend of $3.835 per share, a portion of which is used by the ESOP, together with the Company's contributions, to repay the ESOP debt. Since the ESOP debt is guaranteed by the

Company, it is reflected on the consolidated balance sheet as short-term and long-term debt with a related amount shown in the shareholders' equity section as Unearned ESOP compensation.

The amount of ESOP expense recognized is equal to the cost of the preferred shares allocated to plan participants and the ESOP interest expense for the year, reduced by the amount of dividends paid on the preferred stock.

Selected financial data pertaining to the ESOP/Savings Incentive Plan follows:

	2002	2001	2000
Total expense of the Savings Incentive Plan	$ 2,737	$2,989	$3,442
Compensation expense (included in total expense above)	$ 1,863	$1,855	$2,017
Dividends on ESOP shares used for debt service	$ 2,553	$2,721	$2,916
Number of preferred shares allocated at September 30	476,938	457,921	441,530

The Company guarantees employees' contributions to the fixed income fund of the Savings Incentive Plan. The amount guaranteed was $105,879 at September 30, 2002.

4. Benefit Plans

The Company has defined benefit pension plans covering substantially all of its employees in the United States and certain foreign locations. The Company also provides certain postretirement healthcare and life insurance benefits to qualifying domestic retirees. Postretirement benefit plans in foreign countries are not material.

In November 2001, the Company made a $100 million cash contribution to the U.S. pension plan. The Company made an additional $100 million cash contribution to this plan in the first quarter of fiscal year 2003. The Company made these contributions because of the decline in the market value of pension assets during fiscal years 2002 and 2001.

The change in benefit obligation, change in plan assets, funded status and amounts recognized in the consolidated balance sheets at September 30, 2002 and 2001 for these plans were as follows:

	Pension Plans		Other Postretirement Benefits	
	2002	2001	2002	2001
Change in benefit obligation:				
Benefit obligation at beginning of year	$707,392	$654,588	$200,011	$185,425
Service cost	35,702	33,121	2,609	2,418
Interest cost	49,095	46,344	14,419	13,841
Plan amendments	4,220	2,503	--	(2,500)
Benefits paid	(41,064)	(51,660)	(18,497)	(16,031)
Actuarial loss	84,547	25,914	23,832	16,858
Settlement	--	(4,335)	--	--
Other, includes translation	13,030	917	--	--
Benefit obligation at end of year	$852,922	$707,392	$222,374	$200,011

Change in plan assets:				
Fair value of plan assets at beginning of year	$490,913	$592,835	$ --	$ --
Actual return on plan assets	(50,215)	(62,126)	--	--
Employer contribution	110,325	14,697	--	--
Benefits paid	(41,064)	(51,660)	--	--
Settlement	--	(4,335)	--	--
Other, includes translation	9,202	1,502	--	--
Fair value of plan assets at end of year	$519,161	$490,913	$ --	$ --
Funded status:				
Unfunded benefit obligation	$(333,761)	$(216,479)	$(222,374)	$(200,011)
Unrecognized net transition obligation	1,241	1,325	--	--
Unrecognized prior service cost	2,992	(1,646)	(37,919)	(44,084)
Unrecognized net actuarial loss	307,067	119,662	61,904	39,495
Accrued benefit cost	$ (22,461)	$ (97,138)	$(198,389)	$(204,600)
Amounts recognized in the consolidated balance sheets consisted of:				
Prepaid benefit cost	$ 13,258	$ 17,410	$ --	$ --
Accrued benefit liability	(168,907)	(114,548)	(198,389)	(204,600)
Intangible asset	2,918	--	--	--
Accumulated other comprehensive income, before income taxes	130,270	--	--	--
Net amount recognized	$ (22,461)	$ (97,138)	$(198,389)	$(204,600)

Foreign pension plan assets at fair value included in the preceding table were $134,300 and $125,568 at September 30, 2002 and 2001, respectively. The foreign pension plan projected benefit obligations were $189,066 and $147,283 at September 30, 2002 and 2001, respectively.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets were $771,060, $613,018, and $446,908, respectively as of September 30, 2002, and $35,257, $29,653, and $18,349, respectively as of September 30, 2001.

Net pension and postretirement expense included the following components:

	Pension Plans			Other Postretirement Benefits		
	2002	2001	2000	2002	2001	2000
Components of net pension and postretirement costs:						
Service cost	$ 35,702	$ 33,121	$ 32,743	$ 2,609	$ 2,418	$ 2,237
Interest cost	49,095	46,344	43,213	14,419	13,841	13,505
Expected return on plan assets	(52,560)	(58,203)	(58,880)	--	--	--
Amortization of prior service cost	(136)	(282)	(1,212)	(6,233)	(6,017)	(6,017)
Amortization of (gain) loss	3,064	(268)	(659)	1,626	363	694
Amortization of net obligation	12	22	(575)	--	--	--
Curtailment gain	--	--	(1,528)	--	--	--
Special termination benefits	--	--	143	--	--	--
Net pension and postretirement costs	$ 35,177	$ 20,734	$ 13,245	$12,421	$10,605	$10,419

Net pension expense attributable to foreign plans included in the preceding table was $8,478, $7,189, and $8,580 in 2002, 2001, and 2000, respectively.

The assumptions used in determining benefit obligations were as follows:

	Pension Plans		Other Postretirement Benefits	
	2002	2001	2002	2001

Discount rate:				
U.S. plans	6.75%	7.50%	6.75%	7.50%
Foreign plans (average)	5.18%	5.74%	--	--
Expected return on plan assets:(A)				
U.S. plans	8.00%	9.75%	--	--
Foreign plans (average)	7.15%	7.37%	--	--
Rate of compensation increase:				
U.S. plans	4.00%	4.25%	4.00%	4.25%
Foreign plans (average)	3.17%	3.51%	--	--

(A) Used in the determination of the subsequent year's net pension expense.

At September 30, 2002, the healthcare trend rates were 10% pre- and post-age 65, deceasing to an ultimate rate of 5% beginning in 2008. At September 30, 2001, the corresponding healthcare trend rates were 7% pre-age 65, 6% post-age 65 and an ultimate rate of 6% beginning in 2003. A one percentage point increase in healthcare cost trend rates in each year would increase the accumulated postre-tirement benefit obligation as of September 30, 2002, by $10,455 and the aggregate of the service cost and interest cost components of 2002 annual expense by $710. A one percentage point decrease in the health-care cost trend rates in each year would decrease the accumulated postretirement benefit obligation as of September 30, 2002, by $9,009 and the aggregate of the 2002 service cost and interest cost by $611.

The Company utilizes a service-based approach in applying the provisions of SFAS No. 112, "Employers' Accounting For Postemployment Benefits," for most of its postemployment benefits. Such an approach recognizes that actuarial gains and losses may result from experience that differs from baseline assumptions. Postemployment benefit costs were $13,599, $15,107, and $22,364 in 2002, 2001, and 2000, respectively.

5. Special and Other Charges

The Company recorded special charges of $21,508, $57,514, and $90,945 in fiscal years 2002, 2000, and 1998, respectively.

Fiscal Year 2002

The Company recorded special charges of $9,937 and $15,760 during the second and third quarters of fiscal 2002, respectively, related to a manufacturing restructuring program in the BD Medical Systems ("Medical") segment that is aimed at optimizing manufacturing efficiencies and improving the Company's competitiveness in the different markets in which it operates. Of these charges, $19,171 represented exit costs, which included $18,533 related to severance costs. This program involves the termination of 533 employees in China, France, Germany, Ireland, Mexico, and the United States. As of September 30, 2002, 268 of the targeted employees had been severed. The Company expects these terminations to be completed and the related accrued severance to be substantially paid by the end of fiscal 2003. Also included in current year special charges were asset write-downs of $6,526. Included in this amount were asset impairments in China of $5,109 that represented the excess carrying values over the fair values of machinery and equipment, based on discounted cash flow estimates. The depreciation of the remaining carrying value of these assets is being accelerated over the period remaining until the completion of the exit plan. The remaining asset write-downs recorded in the special charge included machinery and equipment, which were written down to zero. These assets were taken out of service immediately after the write-down occurred and will be scrapped.

Offsetting special charges in the third quarter of 2002 were $4,189 of reversals of fiscal 2000 special charges. These charges primarily related to a manufacturing restructuring that took place in

Europe and includes excess reserves primarily related to severance and lease cancellation costs. The lower severance costs were due to the ability to sever individuals at a lower cost. The lower lease cancellation cost was due to the

decision not to exit a leased facility as originally planned. These changes primarily resulted from further analysis of our European manufacturing structure and a modified restructuring plan approved in the third quarter of 2002. These reversals, the majority of which related to the Medical segment, were recorded to Special Charges, consistent with the original accounting treatment.

A summary of the 2002 special charge accrual activity follows:

	Severance	Restructuring
2002 Special Charges	$18,500	$600
Payments	(5,100)	--
Accrual Balance at September 30, 2002	$13,400	$600

Fiscal Year 2000

The Company developed a worldwide organizational restructuring plan to align its existing infrastructure with its projected growth programs. This plan included the elimination of open positions and employee terminations from all businesses, functional areas and regions for the sole purpose of cost reduction. As a result of the approval of this plan in September 2000, the Company recorded $33,000 of exit costs, of which $31,700 related to severance costs. As discussed earlier, the Company reversed $4,189 of these charges in the third quarter of fiscal 2002 primarily related to severance and lease cancellation costs. Of the 600 employees originally targeted for termination under this plan, approximately 15 remained to be severed as of September 30, 2002. The remaining terminations and related accrued severance are expected to be substantially completed and paid by the first half of 2003.

Asset impairments relating to this restructuring plan totaled $4,514 and represented the write-down to fair value less cost to sell of assets held for sale or disposal in the Medical Systems segment. Also included in special charges in 2000 was $20,000 for estimated litigation defense costs associated with the Company's latex glove business, which was divested in 1995. Further discussion of legal proceedings is included in Note 13.

A summary of the 2000 special charge accrual activity follows:

	Severance	Restructuring	Other
Accrual Balance at September 30, 2000	$ 31,700	$ 1,300	$20,000
Payments	(25,400)	(100)	(8,300)
Accrual Balance at September 30, 2001	6,300	1,200	11,700
Reversals	(3,000)	(1,200)	--
Payments	(2,600)	--	(9,300)
Accrual Balance at September 30, 2002	$ 700	$ --	$ 2,400

The Company recorded $13,100 of charges in Cost of products sold in the second quarter of fiscal 2000, associated with a product recall. These charges consisted primarily of costs associated with product returns, disposal of affected product, and other direct recall costs.

Fiscal Year 1998

In an effort to improve manufacturing efficiencies at certain locations, the Company initiated in 1998 two restructuring plans: the closing of a surgical

blade plant in Hancock, New York and the consolidation of other production functions in Brazil, Spain, Australia and France. Total charges of $35,300 were recorded in 1998 relating to these restructuring plans, primarily in the Medical segment, and consisted of $15,400 relating to severance and other employee termination costs; $15,400 relating to manufacturing equipment write-offs; and $4,500 relating to remaining lease obligations.

The original anticipated completion date for the Hancock facility closing was May 2000. The Company had estimated that approximately 200 employees would be terminated and recorded a $9,900 charge relating to severance and a $2,400 charge relating to other employee termination costs. Severance was originally estimated based on the severance arrangement communicated to employees in June 1998. The shutdown of the Hancock facility involved the transfer of three major production lines to new locations. Two of these production moves occurred in September 1999, as planned. At that time, a total of 50 employees were terminated and severance was paid and charged against the reserve. The move of the remaining production line for surgical blades has been delayed due to the following events:

1. The original plan did not anticipate the need for safety stock to serve the blade market during the move since the Company planned to use a new blade grinding technology that would allow for parallel production of blades during the eventual wind down and phase out of the old technology in Hancock. Problems arose with this new technology during fiscal 1999, which resulted in the Company's decision to maintain the existing technology. In addition, the blade business experienced a surge in demand for surgical blades around the world, particularly in Europe, between October 1998 and June 1999. This increased demand seriously hampered the Company's ability to build the required inventory levels to enable a move by May 2000. As a result, the Hancock closure date was revised to the latter part of fiscal 2001.

2. During the latter part of fiscal 1999 and early fiscal 2000, the U.S. healthcare marketplace experienced increased activity in the area of healthcare worker safety and sharp device injuries. In response to this significant shift in the marketplace and the enactment of state laws and the expected enactment of Federal law requiring the use of safety-engineered products, the Company reprioritized its efforts to deliver safety surgical blades to the marketplace. This decision resulted in an extension of the timeline necessary to enable the blade production move and the closure of the Hancock facility.

The severance estimates increased as a result of the extension of the Hancock final closing date. The impact of the estimated increase in severance costs was offset by savings from certain other factors, including lower actual salary increases, and lower out-placement fees than were originally anticipated. Production at the Hancock facility ceased in September 2002, and approximately 28 employees remain to be terminated upon completion of remaining shutdown activities. The Company expects the accruals related to this restructuring plan to be substantially paid by December 2002.

The Company originally scheduled to complete the consolidation of the other production facilities within 12 to 18 months from the date the plans were finalized. Approximately 150 employees were estimated to be affected by these consolidations. Exit costs of approximately $23,000 associated with these activities included $3,100 of severance costs, with the remainder primarily related to write-offs of manufacturing equipment with a fair value of zero. At the time, the Company expected to remove all such assets, with the exception of Brazil and Spain manufacturing assets, from operations by September 1998. The Company reversed $6,300 of the charges relating to the Brazil and Spain restructuring plans in fiscal 1999 as a result of the decision not to exit certain production activities as originally planned. The Company also recorded

a catch-up adjustment to cost of sales for depreciation not taken since the initial write-off of assets relating to these locations. The remaining consolidation activities in Australia and France were completed as planned, with a total of approximately 30 employees terminated.

The Company also recorded $37,800 of special charges to recognize impairment losses on other non-manufacturing assets. Approximately $25,600 of this charge related to the write-down of goodwill and other assets associated with prior acquisitions in the area of manual microbiology. The impairment loss was recorded as a result of the carrying value of these assets exceeding their fair value, calculated on the basis of discounted estimated future cash flows. The carrying amount of such goodwill and other intangibles was $24,000. The balance of the impairment loss of $1,600 was recognized as a write-down of related fixed assets. Also included in the $37,800 charge was a $4,700 write-down of a facility held for sale, which was subsequently sold in fiscal 2000 at its adjusted book value.

The remaining special charges of $17,845 primarily consisted of $12,300 of estimated litigation defense costs associated with the Company's latex glove business, which was divested in 1995, as well as a number of miscellaneous asset write-downs.

A summary of the 1998 special charge accrual activity follows:

	Severance	Restructuring	Other
Special Charges	$13,000	$ 4,500	$15,100
Payments	(500)	(50)	(2,400)
Accrual Balance at September 30, 1998	12,500	4,450	12,700
Reversals	(1,500)	--	--
Payments	(1,700)	(300)	(6,600)
Accrual Balance at September 30, 1999	9,300	4,150	6,100
Payments	(1,900)	(2,400)	(4,500)
Accrual Balance at September 30, 2000	7,400	1,750	1,600
Payments	(500)	(250)	(300)
Accrual Balance at September 30, 2001	6,900	1,500	1,300
Payments	(1,100)	(1,100)	(300)
Accrual Balance at September 30, 2002	$ 5,800	$ 400	$ 1,000

Other accruals of $15,100 primarily represented the estimated litigation defense costs, as discussed above.

6. Acquisitions

In January 2001, the Company completed its acquisition of Gentest Corporation, a privately held company serving the life sciences market in the areas of drug metabolism and toxicology testing of pharmaceutical candidates. The purchase price was approximately $29,000 in cash. Unaudited pro forma consolidated results, after giving effect to this acquisition, would not have been materially different from the reported amounts for either 2001 or 2000.

This acquisition was recorded under the purchase method of accounting and, therefore, the purchase price has been allocated to assets acquired and liabilities assumed based on estimated fair values. The results of operations of the acquired company was included in the consolidated results of the Company from the acquisition date.

7. Income Taxes

The provision for income taxes is composed of the following charges (benefits):

	2002	2001	2000
Current:			
Domestic:			
Federal	$ 33,016	$ 49,053	$ 20,201
State and local, including Puerto Rico	7,900	7,728	13,843
Foreign	50,489	44,167	55,747
	91,405	100,948	89,791
Deferred:			
Domestic	57,651	29,342	35,029
Foreign	(449)	8,058	2,217
	57,202	37,400	37,246
	$148,607	$138,348	$127,037

In accordance with SFAS No. 109, "Accounting for Income Taxes," deferred tax assets and liabilities are netted on the balance sheet by separate tax jurisdictions. At September 30, 2002 and 2001, net current deferred tax assets of $71,362 and $64,121, respectively, were included in Prepaid expenses, deferred taxes and other. There were no net non-current deferred tax assets in 2002 and 2001. Net current deferred tax liabilities of $4,635 and $744, respectively, were included in Current Liabilities-Income taxes. Net non-current deferred tax liabilities of $77,249 and $57,318, respectively, were included in Deferred Income Taxes and Other. Deferred taxes are not provided on substantially all undistributed earnings of foreign subsidiaries. At September 30, 2002, the cumulative amount of such undistributed earnings approximated $1,614,000 against which substantial tax credits are available. Determining the tax liability that would arise if these earnings were remitted is not practicable.

Deferred income taxes at September 30 consisted of:

	2002		2001		2000	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Compensation and benefits	$161,574	$ --	$155,889	$ --	$158,167	$ --
Property and equipment	--	124,718	--	118,223	--	109,419
Purchase acquisition adjustments	--	70,656	--	87,603	--	98,472
Other	159,546	134,182	172,981	110,338	199,726	118,186
	321,120	329,556	328,870	316,164	357,893	326,077
Valuation allowance	(2,086)	--	(6,647)	--	(17,276)	--
	$319,034	$329,556	$322,223	$316,164	$340,617	$326,077

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

	2002	2001	2000
Federal statutory tax rate	35.0%	35.0%	35.0%
State and local income taxes, net of federal tax benefit	1.2	.6	.9
Effect of foreign and Puerto Rican income and foreign tax credits	(9.3)	(8.2)	(8.7)
Research tax credit	(1.4)	(2.0)	(1.6)
Purchased in-process research and development	--	--	.3
Adjustments to estimated liability for prior years' taxes	--	--	(2.0)
Other, net	(1.9)	(1.4)	.5
	23.6%	24.0%	24.4%

The approximate dollar and diluted per-share amounts of tax reductions related to tax holidays in various countries in which the Company does business were: 2002-$40,860 and $.15; 2001-$43,275 and $.16; and 2000-$40,500 and $.15. The tax holidays expire at various dates through 2018.

The Company made income tax payments, net of refunds, of $52,603 in 2002, $53,498 in 2001, and $51,010 in 2000.

The components of Income Before Income Taxes and Cumulative Effect of Change in Accounting Principle follow:

	2002	2001	2000
Domestic, including Puerto Rico	$336,596	$340,073	$285,228
Foreign	291,993	236,677	234,706
	$628,589	$576,750	$519,934

8. Supplemental Financial Information

Other (Expense) Income, Net

Other expense, net in 2002 included net losses on equity investments of $18,576. Included in these charges was a $9,725 loss on an equity investment in a publicly traded company. This investment had been trading below its original cost basis of $15,350 since the end of January 2002. As a result, the Company has deemed this decline in value as being other than temporary and has written down this investment to its fair value as of September 30, 2002. Other expense, net in 2002 also included other asset write-downs of $14,149, which includes $7,257 relating to assets held for sale. These charges were partially offset by foreign exchange gains of $15,596, net of hedging costs.

Other expense, net in 2001 included foreign exchange losses of $8,762, including net hedging costs, and write-downs of investments to market value of $6,401. As discussed in Note 10, hedging costs of $8,121 related to option contracts, originally recorded in other income, net, have been reclassified as a reduction in revenues to conform with current year presentation.

Other income, net in 2000 included net gains on investments of $76,213 related primarily to transactions involving two equity investments. In fiscal 2000, the Company sold portions of an investment for net gains of $44,508 before taxes and proceeds of $52,506. The cost of this investment was determined based

upon the specific identification method. The Company had entered into a forward sale contract to hedge a portion of the proceeds. Also during fiscal 2000, the Company received 480,000 shares of common stock in a publicly traded company (parent) in exchange for its shares in a majority-owned subsidiary of the parent company. The total value of the stock received by the Company was $50,820. Based upon the fair value of the parent common stock at the date of the exchange and the cost basis of subsidiary stock, the Company recorded a gain upon the exchange of the shares. The Company also entered into forward sale contracts to hedge the proceeds from the anticipated sale of the parent common stock. The Company subsequently sold the parent common stock and settled the forward sale contracts. As a result of these transactions, the Company recorded a net gain of $28,810 before taxes.

Trade Receivables

Allowances for doubtful accounts and cash discounts netted against trade receivables were $39,875 and $42,292 at September 30, 2002 and 2001, respectively.

Inventories	2002	2001
Materials	$137,688	$160,208
Work in process	132,051	115,257
Finished products	427,957	432,279
	$697,696	$707,744

Inventories valued under the LIFO method were $440,994 in 2002 and $422,805 in 2001. At September 30, 2002 and 2001, inventories valued under the LIFO method approximated current cost.

Property, Plant and Equipment	2002	2001
Land	$ 61,756	$ 60,752
Buildings	1,071,799	1,022,908
Machinery, equipment and fixtures	2,430,456	2,278,919
Leasehold improvements	57,350	57,715
	3,621,361	3,420,294
Less allowances for depreciation and amortization	1,855,631	1,704,271
	$1,765,730	$1,716,023

Supplemental Cash Flow Information

Noncash investing activities for the years ended September 30:

	2002	2001	2000
Exchange of an investment in common stock	$ --	$ --	$35,800
Stock issued for business acquisitions	$241	$243	$ 212

9. Debt

The components of Short-Term Debt follow:

	2002	2001
Loans payable:		
Domestic	$415,131	$416,395
Foreign	9,280	25,836
Current portion of long-term debt	10,231	11,781
	$434,642	$454,012

Domestic loans payable consist of commercial paper. Foreign loans payable consist of short-term borrowings from financial institutions. The weighted average interest rates for loans payable were 2.0% and 3.8% at September 30, 2002 and 2001, respectively. In 2001, the Company put in place a $900 million syndicated credit facility, consisting of a $450 million 364-day line of credit expiring in August 2002 and a $450 million five-year line of credit expiring in August 2006. In August 2002, the 364-day line was renewed and extended for an additional 364-day period. The facility is available to support the Company's commercial paper borrowing program and for other general corporate purposes. Restrictive covenants include a minimum interest coverage ratio. There were no borrowings outstanding under the facility at September 30, 2002. In addition, the Company had unused short-term foreign lines of credit pursuant to informal arrangements of approximately $267,000 at September 30, 2002.

The components of Long-Term Debt follow:

	2002	2001
Domestic notes due through 2015 (average year-end interest rate: 4.8% - 2002; 5.6% - 2001)	$ 17,923	$ 15,126
Foreign notes due through 2011 (average year-end interest rate: 4.8% - 2002; 4.6% - 2001)	9,965	9,897
9.45% Guaranteed ESOP Notes due through July 1, 2004	3,715	10,810
6.90% Notes due October 1, 2006	104,945	98,977
7.15% Notes due October 1, 2009	225,686	211,075
8.70% Debentures due January 15, 2025	105,683	102,061
7.00% Debentures due August 1, 2027	168,000	168,000
6.70% Debentures due August 1, 2028	167,050	167,050
	$802,967	$782,996

Long-term debt balances as of September 30, 2002 and 2001 have been impacted by certain interest rate swaps that have been designated as fair value hedges, as discussed in Note 10.

The Company has available $100,000 under a $500,000 shelf registration statement filed in October 1997 for the issuance of debt securities.

The aggregate annual maturities of long-term debt during the fiscal years ending September 30, 2004 to 2007 are as follows: 2004-$6,065; 2005-$6,075; 2006-$1,294; 2007-$101,357.

The Company capitalizes interest costs as a component of the cost of construction in progress. The following is a summary of interest costs:

	2002	2001	2000
Charged to operations	$40,269	$61,585	$ 86,511
Capitalized	17,952	28,625	24,946
	$58,221	$90,210	$111,457

Interest paid, net of amounts capitalized, was $39,153 in 2002, $63,760 in 2001, and $78,272 in 2000.

10. Financial Instruments

Foreign Exchange Contracts and Currency Options

The Company uses foreign exchange forward contracts and currency options to reduce the effect of fluctuating foreign exchange rates on certain foreign currency denominated receivables and payables, third-party product sales, and investments in foreign subsidiaries. Gains and losses on the derivatives are intended to offset

gains and losses on the hedged transaction. The Company's foreign currency risk exposure is primarily in Western Europe, Asia Pacific, Japan, and Latin America.

The Company hedges substantially all of its transactional foreign exchange exposures, primarily intercompany payables and receivables, through the use of forward contracts and currency options with maturities of less than 12 months. Gains or losses on these contracts are largely offset by gains and losses on the underlying hedged items. These foreign exchange contracts do not qualify for hedge accounting under SFAS No. 133.

In addition, the Company enters into option and forward contracts to hedge certain forecasted sales that are denominated in foreign currencies. These contracts are designated as cash flow hedges, as defined by SFAS No. 133, and are effective as hedges of these revenues. These contracts are intended to reduce the risk that the Company's cash flows from certain third-party transactions will be adversely affected by changes in foreign currency exchange rates. Changes in the effective portion of the fair value of these contracts are included in other comprehensive income until the hedged sales transactions are recognized in earnings. Once the hedged transaction occurs, the gain or loss on the contract is reclassified from accumulated other comprehensive income to revenues. The Company recorded hedge net gains of $3,502 and $12,368 to revenues in fiscal 2002 and 2001, respectively.

Fiscal 2002 and 2001 revenues included hedging costs of $10,612 and $9,861, respectively, related to the purchased option contracts. In April 2001, the Company re-designated its cash flow hedges pursuant to Statement 133 implementation guidance released by the Derivatives Implementation Group of the FASB. This interpretation allows changes in time value of options to be included in effectiveness testing. Prior to the release of this guidance and the re-designation of these hedges, the Company recorded the change in the time value of options in Other expense, net. Hedging costs related to the option contracts of $8,121 in 2001 that had been recorded in Other expense, net have been reclassified as a reduction in revenues, to conform with current year presentation. The Company continues to record to Other expense, net the premium on the forward contracts, which is excluded from the assessment of hedge effectiveness. This premium was $2,209 and $994 in fiscal 2002 and 2001, respectively. All outstanding contracts that were designated as cash flow hedges as of September 30, 2002, will mature by September 30, 2003.

The Company enters into forward exchange contracts to hedge its net investments in certain foreign subsidiaries. These forward contracts are

designated and effective as net investment hedges, as defined by SFAS No. 133. The Company recorded a loss of $1,071 in fiscal 2002 and a gain of $2,321 in fiscal 2001, to foreign currency translation adjustments in other comprehensive income for the change in the fair value of the contracts.

Interest Rate Swaps

The Company's policy is to manage interest cost using a mix of fixed and floating debt. The Company has entered into interest rate swaps in which it agrees to exchange, 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, as defined by SFAS No. 133. For fair value hedges, 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. For cash flow hedges, changes in the fair value of the interest rate swap are offset by changes in other comprehensive income. There was no ineffective portion to the hedges recognized in earnings during the period.

As of September 30, 2002, other comprehensive income included an unrealized loss of $4,393, net of tax, relating to cash flow hedges.

Fair Value of Financial Instruments

Cash equivalents, short-term investments and short-term debt are carried at cost, which approximates fair value. Other investments are classified as available-for-sale securities. Available-for-sale securities are carried at fair value, with unrecognized gains and losses reported in other comprehensive income, net of taxes. Losses on available-for-sale securities are recognized when a loss is determined to be other than temporary or when realized. In accordance with the provisions of SFAS No. 133, forward exchange contracts and currency options are recorded at fair value. Fair values were estimated based on market prices, where available, or dealer quotes. The fair value of certain long-term debt is based on redemption value. The estimated fair values of the Company's financial instruments at September 30, 2002 and 2001 were as follows:

	2002		2001	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
Other investments (non-current)(A)	$ 6,431	$ 6,337	$ 20,299	$ 13,627
Currency options(B)	6,878	6,878	6,833	6,833
Forward exchange contracts(B)	3,480	3,480	--	--
Interest rate swaps(B)	36,314	36,314	12,113	12,113
Liabilities:				
Forward exchange contracts(C)	--	--	1,635	1,635
Long-term debt	802,967	855,331	782,996	806,337
Interest rate swaps(C)	1,677	1,677	--	--

(A) Included in Other non-current assets.

(B) Included in Prepaid expenses, deferred taxes and other.

(C) Included in Accrued Expenses.

Concentration of Credit Risk

Substantially all of the Company's trade receivables are due from public and private entities involved in the healthcare industry. Due to the large size and diversity of the Company's customer base, concentrations of credit risk with respect to trade receivables are limited. The Company does not normally require collateral. The Company is exposed to credit loss in the event of nonperformance by financial institutions with which it conducts business. However, this loss is limited to the amounts, if any, by which the obligations of the counterparty to the financial instrument contract exceed the obligations of the Company. The Company also minimizes exposure to credit risk by dealing with a diversified group of major financial institutions.

11. Shareholders' Equity

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

	Series B, ESOP Preferred Stock Issued	Common Stock Issued at Par Value	Capital in Excess of Par Value	Retained Earnings	Unearned ESOP Compensation	Deferred Compensation
Balance at October 1, 1999	$46,717	$332,662	$ 44,626	$2,539,020	$(20,310)	$5,949
Net income				392,897		
Cash dividends:						
Common ($.37 per share)				(93,544)		
Preferred ($3.835 per share), net of tax benefits				(2,465)		
Common stock issued for:						
Employee stock plans, net			29,581			
Business acquisitions			189			
Common stock held in trusts						541
Reduction in unearned ESOP compensation for the year					4,155	
Adjustment for redemption provisions	(3,147)		679			
Balance at September 30, 2000	43,570	332,662	75,075	2,835,908	(16,155)	6,490
Net income				401,652		
Cash dividends:						
Common ($.38 per share)				(97,897)		
Preferred ($3.835 per share), net of tax benefits				(2,359)		
Common stock issued for:						
Employee stock plans, net			72,745			
Business acquisitions			215			
Common stock held in trusts						606
Reduction in unearned ESOP compensation for the year					4,154	
Adjustment for redemption provisions	(3,042)		655			
Balance at September 30, 2001	40,528	332,662	148,690	3,137,304	(12,001)	7,096
Net income				479,982		
Cash dividends:						
Common ($.39 per share)				(100,521)		
Preferred ($3.835 per share), net of tax benefits				(2,300)		
Common stock issued for:						
Employee stock plans, net			35,679			
Business acquisitions			198			
Common stock held in trusts						1,400
Reduction in unearned ESOP compensation for the year					4,154	
Repurchase of common stock						
Adjustment for redemption provisions	(2,583)		555			
Balance at September 30, 2002	$37,945	$332,662	$185,122	$3,514,465	$ (7,847)	$8,496

	Treasury Stock	
	Shares	Amount
Balance at October 1, 1999	(81,864,329)	$ (997,333)
Net income		
Cash dividends:		
Common ($.37 per share)		
Preferred ($3.835 per share), net of tax benefits		
Common stock issued for:		

Employee stock plans, net	2,357,340	15,220
Business acquisitions	3,480	23
Common stock held in trusts	(3,592)	(541)
Reduction in unearned ESOP compensation for the year		
Adjustment for redemption provisions	341,393	2,468
Balance at September 30, 2000	(79,165,708)	(980,163)
Net income		
Cash dividends:		
Common ($.38 per share)		
Preferred ($3.835 per share), net of tax benefits		
Common stock issued for:		
Employee stock plans, net	5,423,069	40,564
Business acquisitions	3,630	28
Common stock held in trusts	(16,346)	(606)
Reduction in unearned ESOP compensation for the year		
Adjustment for redemption provisions	329,877	2,387
Balance at September 30, 2001	(73,425,478)	(937,790)
Net income		
Cash dividends:		
Common ($.39 per share)		
Preferred ($3.835 per share), net of tax benefits		
Common stock issued for:		
Employee stock plans, net	2,634,109	23,497
Business acquisitions	4,767	43
Common stock held in trusts	(42,141)	(1,400)
Reduction in unearned ESOP compensation for the year		
Repurchase of common stock	(6,607,800)	(223,961)
Adjustment for redemption provisions	304,295	2,028
Balance at September 30, 2002	(77,132,248)	$(1,137,583)

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

Preferred Stock Purchase Rights

In accordance with the Company's shareholder rights plan, each certificate representing a share of outstanding common stock of the Company also represents one Preferred Stock Purchase Right (a "Right"). Each whole Right entitles the registered holder to purchase from the Company one eight-hundredths of a share of Preferred Stock, Series A, par value $1.00 per share, at a price of $67.50. The Rights will not become exercisable unless and until, among other things, a third party acquires 15% or more of the Company's outstanding common stock. The Rights are redeemable under certain circumstances at $.01 per Right and will expire, unless earlier redeemed, on April 25, 2006. There are 500,000 shares of preferred stock designated Series A, none of which has been issued.

12. Comprehensive Income

The components of Accumulated other comprehensive loss are as follows:

	2002	2001
Foreign currency translation adjustments	$(363,300)	$(379,772)
Minimum pension liability adjustment	(77,661)	--
Unrealized gains (losses) on investments	68	(3,937)
Unrealized losses on cash flow hedges	(4,393)	(4,013)
	$(445,286)	$(387,722)

Generally, the net assets of foreign operations are translated into U.S. dollars using current exchange rates. The U.S. dollar results that arise from such translation, as well as exchange gains and losses on intercompany balances of a long-term investment nature, are included in the cumulative currency translation adjustments in Accumulated other comprehensive loss.

The income tax provision recorded in fiscal year 2002 for the unrealized gains on investments was $2,800, while in fiscal year 2001 there was an income tax benefit of $2,500 on the unrealized losses on investments. The income tax benefits recorded in fiscal years 2002 and 2001 for cash flow hedges were $1,900 and $2,800, respectively. The income tax benefit amounts recorded in fiscal year 2002 for the minimum pension liability adjustment were $52,600. Income taxes are generally not provided for translation adjustments.

The unrealized gains on investments included in other comprehensive loss for 2002 are net of reclassification adjustments of $8,000, net of tax, for recognized losses as defined by SFAS No. 115. The tax expense associated with these reclassification adjustments was $5,600. Reclassification adjustments related to investments were not significant in fiscal 2001.

The unrealized losses on cash flow hedges included in other comprehensive loss for 2002 and 2001 are net of reclassification adjustments of $4,200 and $5,000, net of tax, respectively, for realized hedge gains recorded to revenues. These amounts had been included in Accumulated other comprehensive loss in prior periods. The tax expense associated with these reclassification adjustments was $2,900 and $3,500, respectively.

13. Commitments and Contingencies

Commitments

Rental expense for all operating leases amounted to $52,600 in 2002; $49,600 in 2001; and $49,200 in 2000. Future minimum rental commitments on noncancelable leases are as follows: 2003-$35,500; 2004-$31,500; 2005-$30,000; 2006-$18,900; 2007-$16,800 and an aggregate of $43,200 thereafter.

As of September 30, 2002, the Company has certain future capital commitments aggregating approximately $84,400, which will be expended over the next several years.

Contingencies

Litigation-Other than Environmental

In 1986, the Company acquired a business that manufactured, among other things, latex surgical gloves. In 1995, the Company divested this glove business. The Company, along with a number of other manufacturers, has been named as a defendant in approximately 519 product liability lawsuits related to natural rubber latex that have been filed in various state and Federal courts. Cases pending in Federal court are being coordinated under the matter In re Latex Gloves Products Liability Litigation (MDL Docket No. 1148) in Philadelphia, and analogous procedures have been implemented in the state courts of California, Pennsylvania, New Jersey and New York. Generally, these actions allege that medical personnel have suffered allergic reactions ranging from skin irritation to anaphylaxis as a result of exposure to medical gloves containing natural rubber latex. Since the inception of this litigation, 227 of these cases have been closed with no liability to the Company (166 of which were closed with prejudice), and 14 cases have been settled for an aggregate de minimis amount. The Company is vigorously defending these remaining lawsuits.

The Company, along with another manufacturer and several medical product distributors, is named as a defendant in six product liability lawsuits relating to healthcare workers who allegedly sustained accidental needlesticks,

but have not become infected with any disease. The Company had previously been named as a defendant in five similar suits relating to healthcare workers who allegedly sustained accidental needlesticks, each of which has either been dismissed with prejudice or voluntarily withdrawn. Regarding the six pending suits:

- In Texas, Usrey vs. Becton Dickinson et al., the Court of Appeals for the Second District of Texas filed an Opinion on August 16, 2001, reversing the trial court's certification of a class, and remanding the case to the trial court for further proceedings consistent with that opinion. Plaintiffs petitioned the appellate court for rehearing, which the Court of Appeals denied on October 25, 2001.

- In Ohio, Grant vs. Becton Dickinson et al. (Case No. 98CVB075616, Franklin County Court), which was filed on July 22, 1998, the court issued a decision on July 17, 2002, certifying a class. We have filed an appeal of the court's ruling with the Ohio Court of Appeals for the 10th Appellate Judicial District.

- In Illinois, McCaster vs. Becton Dickinson et al. (Case No. 98L09478, Cook County Circuit Court), which was filed on August 13, 1998, the appeals court issued a decision on March 6, 2002, denying plaintiff's petition for review of the trial court's January 11, 2002 decision to deny class certification. On July 30, 2002, the plaintiff filed a motion with the trial court to reopen the issue of certification based on the Ohio decision in the Grant case. On November 22, 2002, the court issued an order denying plaintiff's renewed motion for class certification.

- In New York, Oklahoma and South Carolina, cases have been filed on behalf of an unspecified number of healthcare workers seeking class action certification under the laws of these states. Generally, these remaining actions allege that healthcare workers have sustained needlesticks using hollow-bore needle devices manufactured by the Company and, as a result, require medical testing, counseling and/or treatment. Several actions additionally allege that the healthcare workers have sustained mental anguish. Plaintiffs seek money damages in all of these actions, which are pending in state court in Oklahoma, under the caption Palmer vs. Becton Dickinson et al. (Case No. CJ-98-685, Sequoyah County District Court), filed on October 27, 1998; in state court in South Carolina, under the caption Bales vs. Becton Dickinson et al. (Case No. 98-CP-40-4343, Richland County Court of Common Pleas), filed on November 25, 1998; and in Federal court in New York, under the caption Benner vs. Becton Dickinson et al. (Case No. 99Civ 4798[WHP]), filed on June 1, 1999.

The Company continues to oppose class action certification in these cases and will continue vigorously to defend these lawsuits, including pursuing all appropriate rights of appeal.

The Company has insurance policies in place, and believes that a substantial portion of the potential liability, if any, in the latex and class action matters would be covered by insurance. In order to protect its rights to additional coverage, the Company has filed an action for declaratory judgment under the caption Becton Dickinson and Company vs. Adriatic Insurance Company et al. (Docket No. MID-L-3649-99 MT, Middlesex County Superior Court) in New Jersey state court. The Company has withdrawn this action, with the right to refile, so that settlement discussions with the insurance companies may proceed. The Company has established reserves to cover reasonably anticipated defense costs in all product liability lawsuits, including the needlestick class action and latex matters.

On January 18, 2002, Retractable Technologies, Inc. ("plaintiff") filed a second amended complaint against the Company, another manufacturer, and two group purchasing organizations ("GPOs") under the caption Retractable Technologies, Inc. vs. Becton Dickinson and Company, et al. (Civil Action No.

501 CV 036, United States District Court, Eastern District of Texas). Plaintiff alleges that the Company and other defendants conspired to exclude it from the market and to maintain the Company's market share by entering into long-term contracts in violation of state and Federal antitrust laws. Plaintiff also has asserted claims for business disparagement, common law conspiracy, and tortious interference with business relationships. Plaintiff seeks money damages in an as yet undisclosed amount. On February 22, 2002, the Company filed a motion to dismiss the second amended complaint. On August 2, 2002, the court issued a Memorandum Opinion and Order denying that motion. Discovery is proceeding, and a trial date has been set for April 8, 2003. The Company continues to vigorously defend this matter.

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

The Company currently is engaged in discovery or is otherwise in the early stages with respect to certain of the litigation to which it is a party, and therefore, it is difficult to predict the outcome of such litigation. In addition, given the uncertain nature of litigation generally and of the current litigation environment, it is difficult to predict the outcome of any litigation regardless of its stage. A number of the cases pending against the Company present complex factual and legal issues and are subject to a number of variables, including, but not limited to, the facts and circumstances of each particular case, the jurisdiction in which each suit is brought, and differences in applicable law. As a result, the Company is not able to estimate the amount or range of loss that could result from an unfavorable outcome of such matters. While the Company believes that the claims against it are without merit and, upon resolution, should not have a material adverse effect on the Company, in view of the uncertainties discussed above, the Company could incur charges in excess of currently established reserves and, to the extent available, excess liability insurance. Accordingly, in the opinion of management, any such future charges, individually or in the aggregate, could have a material adverse effect on the Company's consolidated results of operations and consolidated net cash flows in the period or periods in which they are recorded or paid. The Company continues to believe that it has a number of valid defenses to each of the suits pending against it and is engaged in a vigorous defense of each of these matters.

Environmental Matters

The Company also 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 "Super-fund," and similar state laws. For all sites, there are other potentially responsible parties that may be jointly or severally liable to pay all cleanup costs. The Company accrues costs for estimated environmental liabilities based upon its best estimate within the range of probable losses, without considering possible third-party recoveries. While the Company believes that, upon resolution of such matters, the claims against it should not have a material adverse effect on it, the Company could incur charges in excess of presently established reserves and, to the extent available, excess liability insurance. Accordingly, in the opinion of management, any such future charges, individually or in the aggregate, could have a material adverse effect on the Company's consolidated results of operations and consolidated net cash flows in the period or periods in which they are recorded or paid.

14. Stock Plans

Stock Option Plans

The Company has stock option plans under which options have been granted to purchase shares of the Company's common stock at prices established by the Compensation and Benefits Committee of the Board of Directors. The 1995, 1998

and 2002 Stock Option Plans made available 24,000,000; 10,000,000; and 12,500,000 shares of the Company's common stock for the granting of options to employees, respectively. At September 30, 2002, shares available for future grant under the 1995, 1998 and 2002 Plans were 545,119; 2,050,548; and 12,500,000, respectively. The Non-Employee Directors 2000 Stock Option Plan made available 1,000,000 common shares for the granting of options, of which 924,719 remained available for future grant as of September 30, 2002. All stock plan data has been retroactively restated to reflect the two-for-one stock splits in prior years, where applicable.

A summary of changes in outstanding options is as follows:

	2002		2001		2000	
	Options for Shares	Weighted Average Exercise Price	Options for Shares	Weighted Average Exercise Price	Options for Shares	Weighted Average Exercise Price
Balance at October 1	28,271,329	$23.80	30,516,315	$21.29	30,122,274	$20.33
Granted	5,460,162	32.45	4,635,232	31.90	3,727,955	27.94
Exercised	(2,570,626)	13.53	(5,354,447)	15.34	(2,287,523)	15.09
Forfeited, canceled or expired	(772,247)	31.98	(1,525,771)	28.20	(1,046,391)	30.80
Balance at September 30	30,388,618	$26.02	28,271,329	$23.80	30,516,315	$21.29
Exercisable at September 30	19,682,329	$22.92	20,534,073	$21.30	26,641,132	$20.23
Weighted average fair value of options granted	$ 11.59		$ 12.08		$ 11.53	
Available for grant at September 30	16,020,386		8,246,462		11,555,118	

The maximum term of options is ten years. Options outstanding as of September 30, 2002, expire on various dates from January 2003 through September 2012.

	September 30, 2002					
	Options Outstanding			Options Exercisable		
Range Of Option Exercise Price	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number Exercisable	Weighted Average Exercise Price
$8.64-$12.55	4,481,658	$10.81	2.8 Years	4,481,658	$10.81
18.83- 25.63	8,255,582	22.63	5.0 Years	8,231,162	22.62
27.25- 34.96	15,281,174	30.89	8.5 Years	4,720,346	29.12
35.06- 41.56	2,370,204	35.19	7.4 Years	2,249,163	35.09
	30,388,618	$26.02	7.2 Years	19,682,329	$22.92

As permitted by SFAS No. 123, "Accounting for Stock-Based Compensation," the Company has adopted the disclosure-only provision of the Statement and applies APB Opinion No. 25 and related interpretations in accounting for its employee stock plans.

The 1990 Plan has a provision whereby unqualified options may be granted at, below, or above market value of the Company's stock. If the option price is less than the market value of the Company's stock on the date of grant,

the discount is recorded as compensation expense over the service period in accordance with the provisions of APB Opinion No. 25. There was no such compensation expense in 2002, 2001, or 2000.

Under certain circumstances, the stock option plans permit the optionee the right to receive cash and/or stock at the Company's discretion equal to the difference between the market value on the date of exercise and the option price. This difference would be recorded as compensation expense over the vesting period.

The following pro forma net income and earnings per share information has been determined as if the Company had accounted for its stock-based compensation awards issued subsequent to October 1, 1995 using the fair value method. Under the fair value method, the estimated fair value of awards would be charged against income on a straight-line basis over the vesting period, which generally ranges from zero to four years. The pro forma effect on net income for 2002, 2001, and 2000 may not be representative of the pro forma effect on net income in future years since compensation cost is allocated on a straight-line basis over the vesting periods of the grants, which extend beyond the reported years.

	2002		2001		2000	
	As Reported	Pro Forma	As Reported	Pro Forma	As Reported	Pro Forma
Net Income	$479,982	$445,092	$401,652	$368,135	$392,897	$361,639
Earnings Per Share:						
Basic	1.85	1.72	1.55	1.42	1.54	1.42
Diluted	1.79	1.66	1.49	1.37	1.49	1.38

The pro forma amounts and fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants in 2002, 2001, and 2000: risk free interest rates of 4.50%, 5.57%, and 6.64%, respectively; expected volatility of 33.0%, 32.8%, and 35.4%, respectively; expected dividend yields of 1.16%; and expected lives of 6 years for each year presented.

Other Stock Plans

The Company has a compensatory Stock Award Plan, which allows for grants of common shares to certain key employees. Distribution of 25% or more of each award, as elected by the grantee, is deferred until after retirement or involuntary termination. Commencing on the first anniversary of a grant following retirement, the remainder is distributable in five equal annual installments. During 2002, 64,915 shares were distributed. No awards were granted in 2002, 2001, or 2000. At September 30, 2002, 2,321,073 shares were reserved for future issuance, of which awards for 219,685 shares have been granted.

The Company has a compensatory Restricted Stock Plan for Non-Employee Directors, which reserves for issuance 300,000 shares of the Company's common stock. No restricted shares were issued in 2002, 2001, or 2000.

The Company has a Directors' Deferral Plan, which provides a means to defer director compensation, from time to time, on a deferred stock or cash basis. As of September 30, 2002, 155,801 shares were held in trust, of which 11,323 shares represented Directors' compensation in 2002, in accordance with the provisions of the Plan. Under the Plan, which is unfunded, directors have an unsecured contractual commitment from the Company to pay directors the amounts due to them under the Plan.

15. Earnings Per Share

For the years ended September 30, 2002, 2001, and 2000, the following table sets forth the computations of basic and diluted earnings per share, before the cumulative effect of accounting change (shares in thousands):

	2002	2001	2000
Income before cumulative effect of accounting change	$479,982	$438,402	$392,897
Preferred stock dividends	(2,553)	(2,721)	(2,916)
Income available to common shareholders(A)	477,429	435,681	389,981
Preferred stock dividends-using "if converted" method	2,553	2,721	2,916
Additional ESOP contribution-using "if converted" method	(613)	(645)	(689)
Income available to common shareholders after assumed conversions(B)	$479,369	$437,757	$392,208
Average common shares outstanding(C)	258,016	257,128	252,454
Dilutive stock equivalents from stock plans	6,076	7,309	6,059
Shares issuable upon conversion of preferred stock	4,091	4,396	4,726
Average common and common equivalent shares outstanding-assuming dilution(D)	268,183	268,833	263,239
Basic earnings per share before cumulative effect of change in accounting principle(A/C)	$ 1.85	$ 1.69	$ 1.54
Diluted earnings per share before cumulative effect of change in accounting principle(B/D)	$ 1.79	$ 1.63	$ 1.49

16. Segment Data

The Company's organizational structure is based upon its three principal business segments: BD Medical Systems ("Medical"), BD Clinical Laboratory Solutions ("Clinical Lab") and BD Biosciences ("Biosciences"). Fiscal 2000 information has been reclassified to conform to current year presentation.

The major products in the Medical segment are hypodermic products, specially designed devices for diabetes care, prefillable drug delivery systems, infusion therapy products, elastic support products and thermometers. The Medical segment also includes disposable scrubs, specialty needles, and surgical blades. The major products in the Biosciences segment are flow cytometry systems for cellular analysis, reagents and tissue culture labware. The major products in the Clinical Lab segment are clinical and industrial microbiology products, sample collection products, specimen management systems, hematology instruments, and other diagnostic systems, including immunodiagnostic test kits. This segment also includes consulting services and customized, automated bar-code systems.

The Company evaluates performance based upon operating income. Segment operating income represents revenues reduced by product costs and operating expenses. The calculations of segment operating income and assets are in accordance with the accounting policies described in Note 1. During fiscal 2001, the Company refined its methodology for allocating indirect expenses for purposes of reporting segment operating income to the chief operating decision maker. The Company had previously allocated consolidated amounts using reasonable allocation methods. These consolidated amounts are now reported locally by the various regions, which allocate these expenses to the appropriate operating segment. The Company believes this approach is a more preferable method for allocating shared expenses as the allocations are being performed at a more detailed level of reporting. As a result of this change in methodology, fiscal 2000 segment operating income was restated to conform to current year

presentation.

Distribution of products is both through distributors and directly to hospitals, laboratories and other end users. Sales to a distributor, which supplies the Company's products to many end users, accounted for approximately 11% of revenues in 2002, 11% in 2001, and 10% in 2000, and included products from the Medical and Clinical Lab segments. No other customer accounted for 10% or more of revenues in each of the three years presented.

Revenues	2002	2001	2000
Medical Systems	$2,151,374	$2,004,626	$1,966,039
Clinical Lab	1,236,319	1,151,517	1,102,352
Biosciences	645,376	590,039	549,943
Total(A)	$4,033,069	$3,746,182	$3,618,334

Segment Operating Income(B)			
Medical Systems	$470,168(C)	$446,940	$394,858(C)
Clinical Lab	251,004(D)	212,837	169,880(D)
Biosciences	116,926(E)	97,293	73,173(E)
Total Segment Operating Income	838,098	757,070	637,911
Unallocated Expenses(F)	(209,509)	(180,320)	(117,977)
Income Before Income Taxes and Cumulative Effect of Change in Accounting Principle	$628,589	$576,750	$519,934

Segment Assets			
Medical Systems	$2,537,185	$2,432,709	$2,289,304
Clinical Lab	1,190,382	1,093,735	1,059,144
Biosciences	938,641	830,550	811,081
Total Segment Assets	4,666,208	4,356,994	4,159,529
Corporate and All Other(G)	374,252	445,293	345,567
Total Assets	$5,040,460	$4,802,287	$4,505,096

Capital Expenditures	2002	2001	2000
Medical Systems	$182,479	$265,531	$246,928

Clinical Lab	41,774	62,009	66,270
Biosciences	22,747	24,083	33,881
Corporate and All Other	12,703	19,131	29,293
Total	$259,703	$370,754	$376,372

Depreciation and Amortization

Medical Systems	$150,849	$145,702	$133,787
Clinical Lab	89,275	89,117	81,577
Biosciences	50,587	58,204	63,070
Corporate and All Other	14,154	12,677	9,821
Total	$304,865	$305,700	$288,255

(A) Intersegment revenues are not material.

(B) Restated, as described above.

(C) Includes $22,600 in 2002 and $39,844 in 2000 for special charges discussed in Note 5.

(D) Includes $(468) in 2002 and $7,697 in 2000 for special charges discussed in Note 5.

(E) Includes $(447) in 2002 and $4,576 in 2000 for special charges discussed in Note 5.

(F) Includes interest, net; foreign exchange; corporate expenses; gains on sales of investments; and certain legal costs. Also includes special charges of $(177) in 2002 and $5,397 in 2000, respectively, as discussed in Note 5.

(G) Includes cash and investments and corporate assets.

Geographic Information

The countries in which the Company has local revenue-generating operations have been combined into the following geographic areas: the United States, including Puerto Rico; and International, which is composed of Europe, Canada, Latin America, Japan and Asia Pacific.

Revenues to unaffiliated customers are based upon the source of the product shipment. Long-lived assets, which include net property, plant and equipment, are based upon physical location. Intangible assets are not included since, by their nature, they do not have a physical or geographic location.

	2002	2001	2000
Revenues			
United States	$2,172,894	$2,016,523	$1,863,555
International	1,860,175	1,729,659	1,754,779
Total	$4,033,069	$3,746,182	$3,618,334

Long-Lived Assets

United States	$ 974,797	$ 956,138	$ 866,125
International	653,464	633,671	578,741

Corporate	137,469	126,214	131,192
Total	$1,765,730	$1,716,023	$1,576,058

Quarterly Data (Unaudited)
Thousands of dollars, except per-share amounts

	2002				
	1st	2nd	3rd	4th	Year
Revenues	$944,946	$1,012,971	$998,460	$1,076,692	$4,033,069
Gross Profit	445,184	489,838	484,389	529,989	1,949,400
Net Income	99,673	129,188	119,725	131,396	479,982(A)
Earnings Per Share:					
Basic	.38	.50	.46	.51	1.85
Diluted	.37	.48	.44	.50	1.79

	2001				
	1st	2nd	3rd	4th	Year
Revenues	$864,418	$950,949	$943,290	$987,525	$3,746,182
Gross Profit	410,500	464,211	468,399	489,780	1,832,890
Income Before Cumulative Effect of Accounting Change	73,698	114,165	118,129	132,410	438,402
Net Income	36,948(B)	114,165	118,129	132,410	401,652(B)
Basic Earnings Per Share:					
Income Before Cumulative Effect	.29	.44	.46	.51	1.69
Net Income	.15(B)	.44	.46	.51	1.55(B)
Diluted Earnings Per Share:					
Income Before Cumulative Effect	.28	.42	.44	.49	1.63
Net Income	.14(B)	.42	.44	.49	1.49(B)

(A) Includes $9,937 and $11,571 of special charges in the second and third quarters, respectively.

(B) Includes an after-tax charge of $36,750, or $.14 per share, for the cumulative effect of accounting change.

Corporate Information

Annual Meeting
2:00 p.m.
Tuesday, February 11, 2003
Woodcliff Lake Hilton
200 Tice Boulevard
Woodcliff Lake, NJ 07675

Direct Stock Purchase Plan
The Direct Stock Purchase Plan established through EquiServe Trust Company, N.A., enhances the services provided to existing shareholders and facilitates initial investments in BD shares. Additional information may be obtained by calling EquiServe Trust Company, N.A. at 1-800-955-4743.

NYSE Symbol
BDX

Transfer Agent and Registrar
EquiServe Trust Company, N.A.
P.O. Box 2500
Jersey City, NJ 07303-2500
Phone: 1-800-519-3111
E-mail: equiserve@equiserve.com
Internet:www.equiserve.com

Shareholder Information
BD's Statement of Corporate Governance Principles, BD's Business Conduct and Compliance Guide, the charters of BD's Audit, Compensation and Benefits, and Corporate Governance and Nominating Committees of the Board of Directors, and BD's reports and statements filed with or furnished to the Securities and Exchange Commission, are posted on BD's Web site at www.bd.com/investors/.

Shareholders may receive, without charge, printed copies of these documents, including BD's 2002 Annual Report to the Securities and Exchange Commission on Form 10-K, by contacting:

Investor Relations
BD
1 Becton Drive
Franklin Lakes, NJ 07417-1880
Phone: 1-800-284-6845
Internet: www.bd.com

Independent Auditors
Ernst & Young LLP
787 Seventh Avenue
New York, NY 10019-6085
Phone: 212-773-3000
Internet: www.ey.com

Certain BD Biosciences products are intended for research use only, and not for use in diagnostic or therapeutic procedures.

Common Stock Prices and Dividends

By Quarter	2002			2001		
	High	Low	Dividends	High	Low	Dividends
First	$38.11	$32.02	$0.0975	$35.13	$26.56	$0.095
Second	37.72	32.15	0.0975	39.00	31.31	0.095
Third	38.47	33.66	0.0975	36.00	30.14	0.095
Fourth	33.78	25.01	0.0975	37.55	33.49	0.095

Exhibit 21

SUBSIDIARIES OF BECTON, DICKINSON AND COMPANY

Name of Subsidiary	State of Jurisdiction of Incorporation	Percentage of Voting Securities Owned
B-D (Cambridge U.K.) Ltd.	United Kingdom	100% (1)
BD Holding S. de R.L. de C.V.	Mexico	100% (1)
BD Matrex Holdings, Inc.	Delaware	100%
BD Biosciences, Systems and Reagents Inc.	California	100%
BDX INO LLC	Delaware	100%
Becton Dickinson A/S	Denmark	100% (1)
Becton Dickinson AcuteCare Holdings, Inc.	Delaware	100%
Becton Dickinson AcuteCare, Inc.	Massachusetts	100% (1)
Becton Dickinson Advanced Pen Injection Systems GmbH	Switzerland	100% (1)
Becton Dickinson Argentina S.R.L.	Argentina	100% (1)
Becton Dickinson Asia Limited	Hong Kong	100% (1)
Becton Dickinson Asia Pacific Limited	British Virgin Islands	100%
Becton Dickinson Austria GmbH	Austria	100% (1)
Becton Dickinson Benelux N.V.	Belgium	100% (1)
Becton Dickinson Canada Inc.	Canada	100% (1)
Becton Dickinson Caribe, Ltd.	Cayman Islands	100% (1)
Becton Dickinson Catheter Systems Singapore Pte Ltd.	Singapore	100% (1)
Becton Dickinson Cellular Imaging Systems B.V.	Netherlands	100% (1)
Becton Dickinson Colombia Ltda.	Colombia	100% (1)
Becton Dickinson Critical Care Systems Pte Ltd.	Singapore	100% (1)
Becton Dickinson Czechia s.r.o.	Czech	

Republic 100% (1)

Becton Dickinson del Uruguay S.A.	Uruguay	100% (1)
Becton Dickinson Distribution Center N.V.	Belgium	100% (1)
Becton Dickinson East Africa Ltd.	Kenya	100% (1)
Becton Dickinson Foreign Sales Corporation	Barbados	100% (1)
Becton Dickinson Guatemala S.A.	Guatemala	100% (1)
Becton Dickinson Hellas S.A.	Greece	100% (1)
Becton Dickinson Holdings GmbH	Germany	100% (1)
Becton Dickinson Hungary Kft.	Hungary	100% (1)
Becton Dickinson India Private Limited	India	100% (1)
Becton Dickinson Infusion Therapy AB	Sweden	100% (1)
Becton Dickinson Infusion Therapy B.V.	Netherlands	100% (1)
Becton Dickinson Infusion Therapy GmbH	Germany	100% (1)
Becton Dickinson Infusion Therapy Holdings AB	Sweden	100% (1)
Becton Dickinson Infusion Therapy Holdings Inc.	Delaware	100%
Becton Dickinson Infusion Therapy Systems Inc., S.A. de C.V.	Mexico	100% (1)
Becton Dickinson Infusion Therapy UK	United Kingdom	100% (1)
Becton Dickinson Infusion Therapy Systems Inc.	Delaware	100%
Becton Dickinson Infusion Therapy Holdings UK Limited	United Kingdom	100% (1)
Becton Dickinson Insulin Syringe, Ltd.	Cayman Islands	100% (1)
Becton Dickinson Ithalat Ihracat Limited Sirketi	Turkey	100% (1)
Becton Dickinson Korea Holding, Inc.	Delaware	100%
Becton Dickinson Malaysia, Inc.	Oregon	100%
Becton Dickinson (Mauritius) Limited	Mauritius	100%
Becton Dickinson Medical (S) Pte Ltd.	Singapore	100% (1)
Becton Dickinson Medical Devices Co. Ltd., Suzhou	P.R.C.	99%
Becton Dickinson Medical Products Pte. Ltd.	Singapore	100%
Becton Dickinson Ltd.	New Zealand	100% (1)
Becton Dickinson O.Y.	Finland	100% (1)
Becton Dickinson Overseas Services Ltd.	Nevada	100%
Becton Dickinson Pen Limited	Ireland	100% (1)
Becton Dickinson Penel Limited	Cayman Islands	100% (1)
Becton Dickinson Philippines, Inc.	Philippines	100% (1)
Becton Dickinson Polska Ltd. Sp. z.o.o.	Poland	100% (1)
Becton Dickinson Pty. Ltd.	Australia	100% (1)
Becton Dickinson (Pty) Ltd.	South Africa	100% (1)
Becton Dickinson Sdn. Bhd.	Malaysia	100% (1)
Becton Dickinson Service (Pvt.) Ltd.	Pakistan	100%
Becton Dickinson Sample Collection GmbH	Switzerland	100% (1)
Becton Dickinson (Thailand) Limited	Thailand	100% (1)
Becton Dickinson Venezuela, C.A.	Venezuela	100% (1)
Becton Dickinson Venture LLC	Delaware	100%
BD Ventures LLC	New Jersey	100%
Becton Dickinson Worldwide, Inc.	Delaware	100%
Becton Dickinson, S.A.	Spain	100% (1)
Becton Dickinson (Royston) Limited	United Kingdom	100% (1)
Becton, Dickinson A.G.	Switzerland	100% (1)
Becton, Dickinson Aktiebolag	Sweden	100% (1)
Becton, Dickinson and Company, Ltd.	Ireland	100% (1)
Becton, Dickinson B.V.	Netherlands	100% (1)
Becton, Dickinson de Mexico, S.A. de C.V.	Mexico	100% (1)
Becton Dickinson France S.A.	France	100% (1)
Becton Dickinson GmbH	Germany	100% (1)
Becton, Dickinson Industrias Cirurgicas, Ltda.	Brazil	100% (1)
Becton, Dickinson Italia S.p.A.	Italy	100% (1)
B-D U.K. Holdings Limited	United Kingdom	100% (1)

Becton Dickinson U.K. Limited	United Kingdom	100% (1)
Bedins Ltd.	Bermuda	100% (1)
Bedins Vermont Indemnity Company	Vermont	100%
Benex Ltd.	Ireland	100% (1)
Boin Medica Co., Ltd.	Korea	100% (1)
Clontech Laboratories, Inc.	Delaware	100%
Clontech Laboratories UK Limited	United Kingdom	100% (1)
Critical Device Corporation	California	100%
D.L.D., Ltd.	Bermuda	100% (1)
Dantor S.A.	Uruguay	100% (1)
Difco Laboratories GmbH	Germany	100% (1)
Difco Laboratories Incorporated	Michigan	100%
Difco Laboratories Limited	United Kingdom	100% (1)
Discovery Labware, Inc.	Delaware	100%
Distribuidora BD, S.A. de C.V.	Mexico	100% (1)
EPV S.A. de C.V.	Mexico	100% (1)
Franklin Lakes Enterprises, L.L.C.	New Jersey	100%
Healthcare Holdings in Sweden AB	Sweden	100% (1)
IBD Holdings LLC	Delaware	50%(1)
Johnston Laboratories, Inc.	Maryland	100%
Life Science Support & Service Company, Ltd.	Japan	100% (1)
Luther Medical Products, Inc.	California	100% (1)
Staged Diabetes Management LLC	New Jersey	50% (1)
Matrex Salud, de R.L. de C.V.	Mexico	50% (1)
Med-Safe Systems, Inc.	California	100%
Nippon Becton Dickinson Company, Ltd.	Japan	100% (1)
PharMingen	California	100%
Phase Medical, Inc.	California	100% (1)
PreAnalytiX GmbH	Switzerland	50% (1)
Promedicor de Mexico, S.A. de C.V.	Mexico	100% (1)
Saf-T-Med Inc.	Delaware	100%
Tru-Fit Marketing Corporation	Massachusetts	100%
Visitec Limited	United Kingdom	100% (1)

(1) owned by a wholly-owned subsidiary of Becton, Dickinson and Company

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statement Nos. 33-23055, 33-33791, 33-53375, 33-58367, 33-64115, 333-11885, 333-16091, 333-46089 and 333-59238 on Form S-8, Registration Statement Nos. 333-23559 and 333-38193 on Form S-3 and the related Prospectuses, and this Annual Report (Form 10-K) of our report dated November 6, 2002, with respect to the consolidated financial statements of Becton, Dickinson and Company included in the 2002 Annual Report to Shareholders of Becton, Dickinson and Company.

Our audits also included the financial statement schedule of Becton, Dickinson and Company listed in Item 15(a). This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

/s/ ERNST & YOUNG, LLP

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Ernst & Young, LLP

New York, New York
December 20, 2002