

BRISTOL MYERS SQUIBB CO  
Form 11-K  
June 24, 2014

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2013

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

COMMISSION FILE NUMBER 1-1136

A. Full title of the plan and the address of plan, if different from that of the issuer named below:

BRISTOL-MYERS SQUIBB COMPANY  
SAVINGS AND INVESTMENT PROGRAM

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

BRISTOL-MYERS SQUIBB COMPANY  
345 PARK AVENUE  
NEW YORK, NY 10154  
(212) 546-4000

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Bristol-Myers Squibb Company Savings Plan Committee has duly caused this annual report to be signed on its behalf by the undersigned, hereunto duly authorized.

Date: June 24, 2014

BRISTOL-MYERS SQUIBB COMPANY  
SAVINGS AND INVESTMENT PROGRAM

By: /s/ Jeffrey Galik

Jeffrey Galik

Chairman, Bristol-Myers Squibb

Company Savings Plan Committee

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BRISTOL-MYERS SQUIBB COMPANY  
SAVINGS AND INVESTMENT PROGRAM  
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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Report of Independent Registered Public Accounting Firm

To the Participants of the Bristol-Myers Squibb Company Savings and Investment Program  
and the Bristol-Myers Squibb Company Savings Plan Committee:

We have audited the accompanying statements of net assets available for benefits of the Bristol-Myers Squibb Company Savings and Investment Program (the "Program") as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013. These financial statements are the responsibility of the Program'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 of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits 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 the Program's 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 net assets available for benefits of the Bristol-Myers Squibb Company Savings and Investment Program as of December 31, 2013 and 2012, and the changes in its net assets available for benefits for the year ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at December 31, 2013) is presented only for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Program's management. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic 2013 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ Withum Smith + Brown, PC

Morristown, New Jersey  
June 24, 2014

BRISTOL-MYERS SQUIBB COMPANY  
 SAVINGS AND INVESTMENT PROGRAM  
 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
 AS OF DECEMBER 31, 2013 AND 2012

(Dollars in Thousands)	2013	2012
Assets:		
Participant directed investments, at fair value:		
Program interest in Savings Plan Master Trust	\$4,815,988	\$3,815,453
Receivables:		
Employer contributions	83,209	84,835
Participants contributions	4,710	3,690
Dividends receivable	5,493	-
Notes receivable from participants	23,604	21,397
Total receivables	117,016	109,922
Net Assets Available for Benefits, at fair value	4,933,004	3,925,375
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(2,088 )	(22,635 )
Net Assets Available for Benefits	\$4,930,916	\$3,902,740

The accompanying notes are an integral part of these financial statements.

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BRISTOL-MYERS SQUIBB COMPANY  
 SAVINGS AND INVESTMENT PROGRAM  
 STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

(Dollars in Thousands)

Additions:

Program's share of net investment income in Savings Plan Master Trust	\$978,593
Contributions:	
Employer contributions	163,126
Participants contributions	160,980
Rollover contributions	26,966
Interest on notes receivable from participants	915
Revenue credit account	2,111
Total additions	1,332,691

Deductions:

Distributions and withdrawals	(432,944 )
Administrative expenses	(1,387 )
Total deductions	(434,331 )

Increase in net assets before transfers 898,360

Net Transfers into Program 129,816

Increase in net assets 1,028,176

Net Assets Available for Benefits:

Beginning of Year	3,902,740
End of Year	\$4,930,916

The accompanying notes are an integral part of this financial statement.



BRISTOL-MYERS SQUIBB COMPANY  
SAVINGS AND INVESTMENT PROGRAM  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Program DESCRIPTION AND RELATED INFORMATION

Description of the Program - The Bristol-Myers Squibb Company Savings and Investment Program (the Program) is a defined contribution retirement plan that includes a cash or deferred arrangement as defined by Section 401(k) of the Internal Revenue Code of 1986, as amended (the Code), and is sponsored by Bristol-Myers Squibb Company (the Company). The Program is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and is intended to be a qualified plan under section 401(a) of the Code.

The description of the Program in the following notes provides only general information and does not modify any provision of the Program. Participants should refer to the Program's governing documents and/or Summary Program Description for more complete disclosure of the Program's provisions.

Program Administration - The Bristol-Myers Squibb Company Savings Plan Committee (the Committee) is the Administrator, as defined by ERISA, of the Program and named fiduciary with respect to Program assets. Fidelity Employer Services Company provides recordkeeping services with respect to the Program. The assets of the Program are maintained in the Bristol-Myers Squibb Company Savings Plan Master Trust (the Master Trust), of which Fidelity Management Trust Company (Fidelity Trust) serves as directed trustee.

Employee Eligibility - In general, any United States employee not covered by a collective bargaining agreement is eligible to participate in the Program and may participate following their date of hire.

Participant Contributions - Participants can elect to contribute up to 25% of his or her eligible compensation (as defined in the Program document) on a pre-tax and/or after-tax basis, in all events, subject to Internal Revenue Service (IRS) annual limits and non-discrimination test results. The definition of eligible compensation, as stated in the governing documents, applies for purposes of determining employee contributions and all Company contributions made on behalf of each eligible participant and includes base salary or wages, annual bonuses and sales bonuses, overtime and shift differentials, and merit payments. If an eligible employee does not enroll, automatic contributions begin starting with the first available payroll period after the date that is 45 days after the employee's date of hire. These contributions are employee pre-tax contributions and matched on the same terms as elected employee pre-tax contributions. The participant may change the contribution rate, including ceasing all elective contributions, and may elect after-tax or a combination of pre-tax and after-tax elective contributions at any time. In the absence of an affirmative investment direction from the participant, 100% of the automatic contribution will be invested in the qualified default investment alternative, which is currently the T. Rowe Price Target Date Retirement Fund for the year closest to the year in which the participant would attain age 65. The Program also has an annual increase feature that allows participants to schedule an automatic increase in their pre-tax and/or after-tax contributions to the Program of 1% to 3% annually, subject in all events to the Program's maximum deferral rate of 25%. Upon taking a hardship distribution, participant contributions are generally suspended for six months.

The Program also allows for catch-up contributions for participants who are 50 years of age or older. Catch-up contributions are intended to give eligible participants the opportunity to make additional pre-tax contributions over the applicable IRS and Program limits. Catch-up contributions can be from 1% to 25% of the participant's annual benefit salary or wages, but was limited to \$5,500 in 2013 and 2012. There is no Company match on catch-up contributions.

Employer Contributions - The Company makes a matching contribution equal to one dollar for each dollar of participant contributions not to exceed 6% of the participant's eligible compensation. The Company may also make an additional annual contribution for each eligible employee regardless of whether the eligible employee contributes to the Program. As a default, the additional annual contribution is determined as a defined percentage of eligible compensation which ranges from 3% up to 6% based on points equal to the sum of age plus years of service, rounded up, as of the December 31<sup>st</sup> of the calendar year for which the contribution is made. Subject to limited exceptions, to be an eligible employee, the employee must be actively employed, as defined in the Program documents, on December 31<sup>st</sup> of the year for which the contribution is made in order to receive an additional annual contribution. The limited exceptions include that the otherwise eligible employee is not actively at work on the last day of the year due to death, disability or retirement during the year or due to involuntary termination effective on or after September 30 of the year or are involuntarily terminated and qualify for "Rule of 70" benefits, which apply if the sum of the employee's age and respective years of service is equal to or greater than 70.

Additionally, the Company may also make a transition contribution for participants, who, as of December 31, 2009, have: (1) age plus service equal to at least 60; and (2) completed at least 10 years of vesting service. The transition contribution is equal to 2% of annual benefit salary or wages. The eligible participant must continue to be actively employed on December 31<sup>st</sup> of the year for which the contribution is made in order to receive a transition contribution, subject to the same exceptions as indicated above. Transition contributions will continue for up to five years through December 31, 2014, as long as the eligible participant remains employed. At December 31,

BRISTOL-MYERS SQUIBB COMPANY  
SAVINGS AND INVESTMENT PROGRAM  
NOTES TO FINANCIAL STATEMENTS

2013 and 2012, the Program accrued transition employer contributions of \$6.7 million and \$7.5 million, respectively, which were each funded in the subsequent year.

**Investment Decisions** - The Program gives participants the opportunity to direct the manner in which contributions made to the Program in their name, including matching and, where applicable, additional annual and transition contributions, and earnings thereon, are invested among a variety of investments. All contributions were invested in any one or more of the funds or (effective June 1, 2013) the self-directed brokerage investment option, all of which comprise the Savings Plan Master Trust, see “-Note 5. Savings Plan Master Trust” for further information regarding investments.

**Participant Accounts** - Each participant’s account under the Program is credited with the participant’s elected pre-tax and/or after-tax contributions, the Company’s contributions, and the participant’s respective share of Program earnings and is charged with participant withdrawals and distributions, and the participant’s respective share of Program losses. The benefit to which a participant is entitled is the participant’s vested Program account.

**Notes Receivable from Participant** - While employed, a participant may request a loan from the Program. The amount of the loan may not exceed the lesser of: (1) 50% of the participant’s entire vested interest under the Program, determined as of the valuation date, or (2) \$50,000 less the highest outstanding loan balance during the previous 12 months. As permitted by IRS regulations and the terms of the Program, loans are secured by the balance in the participant accounts and bear interest at fixed rates set by the Committee. Repayments and interest are credited to the Program account of the participant. Such currently outstanding loans mature through 2023.

**Withdrawals Prior to Retirement** - While employed, a participant may withdraw all or part of the employee and vested employer contributions, subject to certain restrictions imposed pursuant to the Program and excise taxes imposed by the Code.

**Vesting - Matching**, additional annual and transition contributions vest at the rate of 20% for each year of qualifying service. In addition, upon becoming eligible for benefits under the Company’s long-term disability benefits plan prior to July 1, 2010, death or normal retirement, or a “change in control” as defined in the Bristol-Myers Squibb Company Change in Control Separation Benefits Plan, a participant will become 100% vested in matching, additional annual, and transition contributions regardless of his or her years of service. Employees who become eligible for benefits under the Company’s long term disability benefit plan on or after July 1, 2010, will continue to be credited with hours of service and vest ratably over a 5 year period. A participant is always 100% vested in their pre-tax, after-tax, rollover contributions from other plans and catch-up contributions, as well as earnings thereon.

**Forfeitures** - If a participant’s employment terminates before he or she has become fully vested, the unvested portion of matching contributions credited to his or her account are forfeited (as of the earlier of: (1) when the participant receives a distribution or (2) the end of the period of five consecutive one-year breaks in service) and may be used to reduce future matching contributions or pay expenses of Program administration. During the year ended December 31, 2013, matching contributions were reduced by \$3.0 million through forfeitures. The balance of unused forfeited funds available to offset future Company matching contributions was \$0.1 million at both December 31, 2013 and 2012. Participants who return to work for the Company who were partially or fully vested prior to their termination will be reinstated to their previous level of vesting and may immediately enroll in the Program.

Termination of Employment and Payment of Benefits - Upon the termination of employment, the participant, or in the event of his or her death, the participant's spouse or designated beneficiary, may, under varying circumstances, receive: (1) a lump sum payment, (2) installment payments for a period between two and 15 years, and in the event there are minimum required distributions, the installment payment shall not exceed the joint life expectancy of the participant and the participant's spouse (five years if payment is by reason of death) or (3) an annuity for employees hired prior to October 1, 1994. If the participant chooses to have the payments made in annual installments, then the participant may also choose to have payments continue to his or her beneficiary if the participant dies before receiving all of the installments. If the participant chooses to have the payment made in installments and does not elect to have payments continue to his or her beneficiary on an installment basis, in the event of the participant's death, the beneficiary can choose to receive the unpaid balance in a single payment or over a period of two to five years. In each case the payment will be based on the vested value in the respective funds allocated to the participant.

Method of Payment - Installment payments are made in cash. Lump-sum distributions may be made in cash, or, if elected by the employee, in a combination of cash and shares of Bristol-Myers Squibb Company stock for the portion of the account invested in the Bristol-Myers Squibb Company Stock Fund.

BRISTOL-MYERS SQUIBB COMPANY  
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NOTES TO FINANCIAL STATEMENTS

Net Transfers - A participant's account may be transferred to or from another qualified defined contribution plan sponsored by the Company if his or her employment status changes such that he or she becomes eligible to participate in a different plan. A participant's account could also be transferred to another company's qualified defined contribution plan if required by the terms of a Company transaction. Similarly, new accounts could be transferred in from another company's qualified defined contribution plan, if required under the terms of a business acquisition.

Payment of Benefits - Benefit payments are recorded upon distribution. There were no amounts allocated to accounts of persons who have elected to withdraw from the Program, but have not yet been paid as of December 31, 2013 and 2012.

Termination of the Program - Although the Company has not expressed any intent to do so, it has the right to discontinue its contributions, amend, and terminate the Program at any time in its sole discretion in accordance with the provisions of ERISA. If the Program is terminated, the interest of each participant in all unvested employer contributions will vest immediately.

Revenue Credit Account - Under the agreement between Fidelity and the Company, Fidelity makes deposits to this account in the amount of the revenue sharing received from each investment manager and calculated for each quarter using the fund balances in the Program. Amounts in this account are used to offset plan administrative expenses and any amounts unused for expenses may be allocated to participant accounts.

NOTE 2 - SIGNIFICANT PROGRAM ACTIVITY

On June 29, 2012, the Company announced the acquisition of Amylin, which became a wholly owned subsidiary of the Company in August 2012. Effective December 31, 2013, the Amylin 401(k) Plan was merged into the Program and in connection with this merger: (a) assets of \$136.9 million were merged into the Savings Plan Master Trust, (b) all Amylin Plan participants who were active employees as of December 31, 2013, became participants in the Program as of January 1, 2014 and (c) all active Amylin Plan participants transferred balances and future Company contributions were immediately 100% vested.

In February 2013, the Company entered into an alliance agreement with The Medicines Company. Certain employees were transferred to The Medicines Company at the start of the alliance period. In May 2013, there was an asset transfer of approximately \$7.1 million from the Program to The Medicines Company Plan.

NOTE 3 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Note receivable from participants - Notes receivable from participants are measured at their unpaid principal balance, plus any accrued interest. Delinquent notes receivable are classified as distributions based upon the terms of the Program document.

Investment Valuation - The assets of the Program, as well as the assets of the Bristol-Myers Squibb Company Employee Incentive Thrift Plan (the Thrift Plan) and the Bristol-Myers Squibb Puerto Rico, Inc. Savings and

Investment Program (the Puerto Rico Program) are maintained in the Savings Plan Master Trust, see “-Note 5. Savings Plan Master Trust.” For a discussion of the valuation policies for each investment class, see “-Note 4. Fair Value Measurement.”

Income Recognition - Interest, dividends, and realized and unrealized gains/(losses) earned/(incurred) from participation in the Savings Plan Master Trust are allocated to the Program based upon participants’ account balances and activity. This investment activity is presented on a net basis in the Statement of Changes in Net Assets Available for Benefits as the Program’s share of net investment income in the Savings Plan Master Trust and is accounted for as follows:

Interest is recorded as earned.

Dividends are recorded on the ex-dividend date.

Purchases and sales of securities are recorded on a trade-date basis.

Realized gains and losses for security transactions are recorded using the average cost method.

Administrative Expenses - All expenses incurred by the Program are the obligation of the Program and are payable by the Savings Plan Master Trust fund’s assets unless the Company, in its sole discretion, pays such expenses, in which event, the Company may request and the Savings Plan Master Trust may provide reimbursement to the Company.

Fees charged to the Program for investment management

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SAVINGS AND INVESTMENT PROGRAM  
NOTES TO FINANCIAL STATEMENTS

services are deducted from income earned on a daily basis and are not separately reflected in the Program's share of net investment income in the Savings Plan Master Trust. Consequently, these fees are reflected as a reduction of the return for such investments and are not readily determinable.

**Use of Estimates** - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions and deductions to the net assets available for benefits during the reporting period. Actual results may or may not differ from estimated results.

**Risks and Uncertainties** - The Savings Plan Master Trust holds various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. The Savings Plan Master Trust is exposed to credit loss in the event of non-performance by the guaranteed investment contract (GIC) issuers. However, GIC issuer non-performance is not considered probable and the risk to the Savings Plan Master Trust portfolio from credit loss is mitigated by the diversified nature of the underlying assets held. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in value of investment securities, it is reasonably possible that significant changes in the values of investment securities could occur in the near term and such changes could have a material adverse effect on the Program's financial statements.

**Income Taxes and Tax Status** - In the Program's latest determination letter dated October 29, 2012, the IRS stated that the Program, as then designed, was in compliance with the applicable requirements of the Code. Since receiving the determination letter, the Program was amended and the Company believes, to the best of its knowledge, that the Program is still in compliance with the Code. The Company also believes, to the best of its knowledge, that the Program (including merged plans) is currently designed and operated in material compliance with the applicable requirements of the Code and ERISA, and that the Program and Savings Plan Master Trust continue to be exempt from federal income taxes pursuant to Section 501(a) of the Code. Accordingly, no provision for income taxes has been included in the Program's financial statements. Contributions made by participants on a pre-tax basis, the Company's matching and, where applicable, additional annual and transition contributions, and the earnings thereon are not included in participants' gross income for purposes of federal income taxes until distributed from the Program.

U.S. GAAP requires Program management to evaluate tax positions taken by the Program and recognize a related tax liability (or asset) if the program has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Program management has analyzed the tax positions taken by the Program, and has concluded that as of December 31, 2013 and 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Program is subject to routine audits by taxing jurisdictions. The Program, including the merged Medarex Savings Plan, is currently under examination by the IRS for the 2010 plan year. The examination is in its final stages and is expected to be completed in the Program's year ending December 31, 2014. Program management, based on an assessment of all relevant factors and the status of discussions with the IRS, does not expect the ultimate outcome of the examination will have a material adverse effect on the Program's financial statements and its related tax exempt determination.

Program management believes it is no longer subject to income tax examinations for the years prior to 2010. In addition, there have been no tax related interest or penalties for periods presented in these financial statements.

NOTE 4 - FAIR VALUE MEASUREMENT

Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Program utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The fair values of Savings Plan Master Trust investments held are classified into the following fair value hierarchy levels:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable prices for similar instruments, quoted prices for identical or similar instruments in markets that are not active, or other observable inputs that can be corroborated by market data for substantially the full term of the assets or liabilities
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs. There were no Level 3 investments as of December 31, 2013 and December 31, 2012.



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SAVINGS AND INVESTMENT PROGRAM  
NOTES TO FINANCIAL STATEMENTS

The Savings Plan Master Trust's investment valuation policies for each investment class are as follows:

The Company Stock Fund consists primarily of shares of common stock of Bristol-Myers Squibb Company, and is valued based upon quoted prices at the last reported sales price at the end of the year, or, if there was not a sale that day, the last reported bid price. From time to time, the Company Stock Fund may invest in U.S. government obligations or other investments of a short-term nature, which will ultimately be used for the purchase of shares of the Company's common stock. Such investments are valued at cost plus interest earned, which approximates fair value.

Mutual funds are valued at quoted market prices which represent the net asset value (NAV) of shares held at year end.

Money market funds are valued at cost plus interest earned, which approximates fair value.

Brokerage self-directed investments are valued at quoted market prices.

Common collective trust (CCT) fund fair values are determined daily by the respective fund manager and represent the NAV of the underlying investments within the respective CCTs. The net asset value represents the price at which Program participants would transact their respective CCT interest at any point in time. The CCTs are comprised of equity index funds and equity funds primarily invested in publicly traded securities, cash investments, and other short term investments. There were no significant unfunded commitments or restrictions on redemptions related to the CCTs as of December 31, 2013 and 2012.

Fixed Income Fund investments include fully benefit-responsive investment contracts, comprised of traditional GICs, security-backed contracts (synthetic GICs), and the Wells Fargo Stable Return Fund and Wells Fargo Short Term Investment Fund, fixed income collective trust funds. These investments are stated at fair value within the Program's interest in Savings Plan Master Trust line item and then adjusted on a separate line item to contract value in the Statements of Net Assets Available for Benefits. The Fixed Income Fund utilizes a NAV that reflects interest earned by a daily increase to NAV. There were no significant unfunded commitments or restrictions on redemptions related to the Fixed Income Fund as of December 31, 2013 and 2012.

The fair value of the GICs is generally calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations. If the duration of the GIC is less than 6 months, the contracted interest rate is used to discount the remaining cash flow. Discount rates of 4.20% - 5.31% were utilized during 2012. The Program did not hold GICs as of December 31, 2013.

The fair value of synthetic GICs equals the total of the fair value of the underlying assets plus the fair value of the wrapper contract. A wrapper contract is an agreement by another party to make payments to the Fixed Income Fund in certain circumstances. The fair value of these wrapper contracts was not considered to be material as of December 31, 2013 and 2012. Wrapper contracts are designed to allow synthetic GIC portfolios to maintain NAV and to ensure the future minimum interest crediting rate does not fall below zero. The assets underlying the synthetic GICs were primarily comprised of U.S. government securities in fixed income funds. The fair value of the fixed income funds is determined by the respective fund manager on a daily basis and represents the NAV of the underlying investments. In the event that wrapper contracts fail to perform as intended, the Fixed Income Fund's NAV may decline if the market value of its assets declines. The Fixed Income Fund's ability to receive amounts due pursuant to these wrapper contracts is dependent on the third-party issuer's ability to meet their financial obligations. The wrapper issuer's ability to meet its contractual obligations under the wrapper contracts may be affected by future economic and regulatory developments.

The Fixed Income Fund is unlikely to maintain a stable NAV if, for any reason, it cannot obtain or maintain wrapper contracts covering all of its underlying assets. This could result from the Fund's inability to promptly find a replacement wrapper contract following termination of a wrapper contract. Wrapper contracts are non-transferable and have no trading market. There are a limited number of wrapper issuers.

The fair value of the Wells Fargo Stable Return Fund and Wells Fargo Stable Return Fund is determined by the fund manager on a daily basis and represents the NAV of the underlying investments. These funds primarily invest in GICs, synthetic GICs, and cash equivalents.

The valuation methods as described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Program believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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NOTES TO FINANCIAL STATEMENTS

NOTE 5 – SAVINGS PLAN MASTER TRUST

The Program's investment assets are held in the Savings Plan Master Trust (The Master Trust), a tax-exempt collective trust described in IRS Revenue Ruling 81-100. The Program's share of the Savings Plan Master Trust's net assets and investment activities is based upon the total of each individual participant's share of the Master Trust.

The major classes of investments of the Master Trust as of December 31 were as follows:

(Dollars in Thousands)

2013

2012