

BECTON DICKINSON & CO
Form 10-K
November 23, 2007

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, 2007

COMMISSION FILE NUMBER 1-4802

BECTON, DICKINSON AND COMPANY

(Exact name of registrant as specified in its charter)

New Jersey
(State or other jurisdiction of
incorporation or organization)

22-0760120
(I.R.S. Employer
Identification No.)

1 Becton Drive
Franklin Lakes, New Jersey
(Address of principal executive offices)

07417-1880
(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

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Edgar Filing: BECTON DICKINSON & CO - Form 10-K

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 a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Act).

Large accelerated filer Accelerated filer Non-accelerated filer

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

As of March 30, 2007, the aggregate market value of the registrant's outstanding common stock held by non-affiliates of the registrant was approximately \$18,791,822,502.

As of October 31, 2007, 243,899,512 shares of the registrant's common stock were outstanding.

Documents Incorporated by Reference

(1) Portions of the registrant's Annual Report to Shareholders for the fiscal year ended September 30, 2007 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 January 29, 2008 are incorporated by reference into Part III hereof.

PART I

Item 1. Business.

General

Becton, Dickinson and Company (also known as "BD") was incorporated under the laws of the State of New Jersey in November 1906, as successor to a New York business started in 1897. BD's executive offices are located at 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, and its 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, BD Diagnostics and BD Biosciences. Information with respect to BD's business segments is included in Note 15 to the consolidated financial statements contained in the portions of BD's Annual Report to Shareholders for the fiscal year ended September 30, 2007 attached hereto as Exhibit 13, and is incorporated herein by reference.

BD Medical

BD Medical produces a broad array of medical devices that are used in a wide range of healthcare settings. They include many safety-engineered injection, infusion and surgery products. BD Medical's principal product lines include needles, syringes and intravenous catheters for medication delivery; prefilled IV flush syringes; and syringes and pen needles for the self-injection of insulin and other drugs used in the treatment of diabetes; prefilled drug delivery devices provided to pharmaceutical companies and sold to end-users as drug/device combinations; surgical blades/scalpels and regional anesthesia needles and trays; critical care monitoring devices; ophthalmic surgical instruments; sharps disposal containers; and home healthcare products such as ACE® brand elastic bandages. The primary markets served by BD Medical are hospitals and clinics; physicians' office practices; consumers and retail pharmacies; public health agencies; pharmaceutical companies; and healthcare workers.

BD Diagnostics

BD Diagnostics provides products for the safe collection and transport of diagnostic specimens and instrumentation for analysis across a broad range of infectious disease testing, including healthcare-associated infections (HAIs). BD Diagnostics' principal products and services include integrated systems for specimen collection; an extensive line of safety-engineered blood collection products and systems; plated media; automated blood culturing systems; molecular testing systems for sexually transmitted diseases and HAIs; microorganism identification and drug susceptibility systems; liquid-based cytology systems for cervical cancer screenings; and rapid diagnostic assays. BD Diagnostics serves hospitals, laboratories and clinics; reference laboratories; blood banks; healthcare workers; patients; physicians' office practices; and industrial microbiology laboratories.

BD Biosciences

BD Biosciences produces research and clinical tools that facilitate the study of cells, and the components of cells, to gain a better understanding of normal and disease processes. That information is used to aid the discovery and development of new drugs and vaccines, and to improve the diagnosis and management of diseases. BD Biosciences' principal product lines include fluorescence-activated cell sorters and analyzers; cell imaging systems, monoclonal antibodies and kits for performing cell analysis; reagent systems for life sciences research; tools to aid in drug discovery and growth of tissue and cells; cell culture media supplements for biopharmaceutical manufacturing; and diagnostic assays. The primary markets served by BD Biosciences are research and clinical laboratories; hospitals and transplant centers; blood banks; and biotechnology and pharmaceutical companies.

Acquisitions

On December 20, 2006, BD acquired the outstanding shares (approximately 93.8%) of TriPath Imaging, Inc. (TriPath) that it did not previously own. TriPath develops, manufactures, markets and sells innovative solutions to improve the clinical management of cancer, including detection, diagnosis, staging and treatment. The acquisition advances BD's position in cancer diagnostics.

On May 4, 2007, BD acquired all of the outstanding shares of Plasso Technology, Ltd. (Plasso), a privately-held company that is developing the next generation of surface-critical research tools utilizing functional coating technology for applications in glycomics and cell culture.

See further discussion of these acquisitions in Note 3 to the consolidated financial statements contained in Exhibit 13, which is incorporated herein by reference.

International Operations

BD's products are manufactured and sold worldwide. BD's operations outside the United States are conducted in Canada and in five geographic regions: Europe (which includes the Middle East and Africa); Japan; Asia Pacific (which includes Australia and all of Asia except Japan); South Latin America (which includes Brazil); and North Latin America (which includes Mexico). The principal products sold by BD outside of the United States are hypodermic needles and syringes; insulin syringes and pen needles; diagnostic systems; BD Vacutainer brand blood collection products; BD Hypak brand prefillable syringe systems; infusion therapy products; flow cytometry instruments and reagents; and disposable laboratory products. BD has manufacturing operations outside the United States in Brazil, Canada, China, France, Germany, India, Ireland, Japan, Korea, Mexico, Pakistan, Singapore, Spain, Sweden and the United Kingdom. Geographic information with respect to BD's operations is included under the heading "Geographic Information" in Note 15 to the consolidated financial statements included in Exhibit 13, and is incorporated herein by reference.

Foreign economic conditions and exchange rate fluctuations have caused the profitability related to foreign revenues to fluctuate more than the profitability related to domestic revenues. BD believes its activities in some countries outside the United States involve greater risk than its domestic business due to the factors cited herein, as well as local commercial and economic policies and political uncertainties. See further discussion of this risk in Item 1A. Risk Factors.

Distribution

BD's products and services are marketed in the U.S. and internationally through independent sales representatives and independent distribution channels, and directly to end-users. Sales to a single U.S. distributor that supplies products from the BD Medical and BD Diagnostics segments to many end-users accounted for approximately 9% of total BD revenues in fiscal 2007. However, the end-users of BD's products have access to them through other distributors, and, as a result, BD believes that sales to this distributor would be replaced largely, if not entirely, by other sales if BD no longer sold products to this distributor. 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. BD's worldwide sales are not generally seasonal, with the exception of certain medical devices in the BD Medical segment and respiratory and flu diagnostic products in the BD Diagnostics segment that relate to seasonal diseases such as influenza.

Raw Materials

BD purchases many different types of raw materials, including plastics, glass, metals, textiles, paper products, agricultural products, electronic and mechanical sub-assemblies and various biological, chemical and petrochemical products. Certain raw materials (primarily related to the BD Biosciences segment) are not available from multiple sources. In the case of certain principal raw materials that are available from multiple sources, for various reasons (including quality assurance and cost effectiveness), BD elects to purchase these raw materials from sole suppliers. In other cases where there are regulatory requirements relating to qualification of suppliers, BD may not be able to establish additional or replacement sources on a timely basis. 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 impact our ability to manufacture and sell certain of our products.

Research and Development

BD conducts its research and development activities at its operating units and at BD Technologies in Research Triangle Park, North Carolina. Substantially all of BD's research and development activities are conducted in the U.S. BD also collaborates with certain universities, medical centers and other entities on research and development programs. BD also retains individual consultants to support its efforts in specialized fields. BD spent approximately \$360 million, \$302 million and \$268 million on research and development during the fiscal years ended September 30, 2007, 2006 and 2005, respectively. In addition, BD incurred acquired in-process research and development charges of \$122 million related to the acquisitions of TriPath and Plaso in fiscal year 2007, and \$53 million related to the acquisition of GeneOhm in fiscal year 2006.

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, or any business segment.

Competition

BD operates in the increasingly complex and challenging medical technology marketplace whose dynamics are changing. Technological advances and scientific discoveries have accelerated the pace of change in medical technology, and regulation of increasingly more sophisticated and complex medical products is increasing. Companies of varying sizes compete in the global medical technology field. Some are more specialized than BD with respect to particular markets, and some have greater financial resources than BD. New companies have entered the field, particularly in the areas of safety-engineered devices and in life sciences, and established companies have diversified their business activities into the medical technology area. Other firms engaged in the distribution of medical technology products have become manufacturers of medical devices and instruments as well. Acquisitions and collaborations by and among other companies seeking a competitive advantage also affect the competitive environment.

BD competes in this evolving marketplace on the basis of many factors, including price, quality, innovation, service, reputation, distribution and promotion. The impact of these factors on BD's competitive position varies among BD's various product offerings. In order to implement one of its core strategies—to increase revenue growth by focusing on products that deliver greater benefits to patients, healthcare workers and researchers—and maintain an advantage in the competitive environment in which it operates, BD continues to make investments in research and development, quality management, quality improvement, product innovation and productivity improvement.

Third-Party Reimbursement

Healthcare providers and/or facilities are generally reimbursed for their services through numerous payment systems designed by governmental agencies (e.g., Medicare and Medicaid in the U.S., the National Health Service in the U.K., the Joint Federal Committee in Germany, the Commission d'Évaluation des Produits et Prestations in France, and the Ministry for Health, Labor and Welfare in Japan), private insurance companies, and managed care programs. The manner and level of reimbursement in any given case typically depends on the procedure(s) performed, the final patient diagnosis, the device(s) and/or drug(s) utilized, or a combination of these factors, and coverage and payment levels are determined at the payer's discretion. The coverage policies and reimbursement levels of third-party payers may impact the decisions of healthcare providers and facilities regarding which medical products they purchase and the prices they are willing to pay for those products. Thus, changes in reimbursement level or method may either positively or negatively impact sales of BD products. While BD is actively engaged in promoting the value of its products for payers and patients and it employs various efforts and resources to positively impact coverage, coding and payment processes in this regard, it has no direct control over payer decision-making with respect to coverage and adequate payment level for BD products. Additionally, we expect many payers to continue to explore cost-containment strategies (e.g., competitive bidding for clinical laboratory services within the Medicare program, so-called "pay-for-performance" programs implemented by various public and private payers, etc.) that could potentially impact coverage and/or payment levels for current or future BD products.

As BD's product offerings are diverse across many healthcare settings, they are affected to varying degrees by the many payment systems. Therefore, while individual countries, product lines or product classes may be impacted, BD does not believe that significant changes to any one of these systems would have a material adverse effect on BD.

Regulation

BD's medical technology products and operations are subject to regulation by the U.S. Food and Drug Administration ("FDA") and various other federal and state agencies, as well as by foreign governmental agencies.

Edgar Filing: BECTON DICKINSON & CO - Form 10-K

These agencies enforce laws and regulations that govern the development, testing, manufacturing, labeling, advertising, marketing and distribution, and market surveillance of BD's medical products. The scope of the activities of these agencies, particularly in the Europe, Japan and Asia Pacific regions in which BD operates, has been increasing.

Prior to marketing or selling most of its products, BD must secure approval from the FDA and counterpart non-U.S. regulatory agencies. Following the introduction of a product, these agencies engage in periodic reviews of BD's manufacturing processes and product performance. These regulatory controls can affect the time and cost associated with the development, introduction and

Edgar Filing: BECTON DICKINSON & CO - Form 10-K

continued availability of new products. Where possible, BD anticipates these factors in its product development and planning processes.

These agencies possess the authority to take various administrative and legal actions against BD, such as product recalls, product seizures and other civil and criminal sanctions. BD also undertakes voluntary compliance actions such as voluntary recalls.

In November 2006, we received a warning letter from the FDA with respect to our facility in San Lorenzo, Puerto Rico, at which we manufacture certain blood collection products. The warning letter makes certain observations regarding our compliance with the Current Good Manufacturing Practices requirements of the FDA's Quality System regulation. In response to the warning letter, BD developed and implemented a comprehensive corrective and preventive action plan that was completed in fiscal year 2007. The FDA recently re-inspected the San Lorenzo facility and found all warning letter commitments met and satisfactory. We are awaiting a close-out letter.

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 BD. 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. See Item 3. Legal Proceedings.

Employees

As of September 30, 2007, BD had 28,018 employees, of whom 12,803 were employed in the United States (including Puerto Rico). BD believes that its employee relations are satisfactory.

Other Matters

Becton Dickinson France, S.A. (BD-France), a subsidiary of BD, was listed among approximately 2,200 other companies in an October 27, 2005 report of the Independent Inquiry Committee (IIC) of the United Nations (UN) as having been involved in humanitarian contracts in which unauthorized payments were suspected of having been made to the Iraqi Government in connection with the UN's Oil-for-Food Programme (the Programme). In connection with the IIC's report, Becton Dickinson AG, a Swiss subsidiary of BD, received a letter of inquiry from the Vendor Review Committee (VRC) of the United Nations Procurement Service dated November 22, 2005. The letter of inquiry said that the VRC is reviewing Becton Dickinson AG's registration status in light of BD-France being listed in the IIC's report and asked us for any information we might provide relating to the findings of the report. BD conducted an internal review and found no evidence that BD or any BD employee made, authorized, or approved improper payments to the Iraqi Government in connection with the Programme. The representative utilized by BD in Iraq also unequivocally denied having made any such payments, and BD was unable to find any evidence of such payments being made by this representative. BD has also reported the results of its internal review to the VRC. In May 2007, the French Judicial Police conducted searches of BD-France's offices in France with respect to the matters that were the subject of the 2005 IIC report. We were informed that it is one of a number of companies named in the IIC report that is being investigated by the French Judicial Police. We are cooperating fully with the investigation.

Available Information

BD maintains a website at www.bd.com. BD makes available its Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q, and its Current Reports on Form 8-K (and amendments to those reports) as soon as reasonably practicable after those reports are electronically filed with or furnished to the Securities and Exchange Commission (SEC). These filings may be found at www.bd.com/investors. Printed copies of the foregoing documents may also be obtained, without charge, by contacting: Investor Relations, Becton, Dickinson and Company, 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, phone: 1-800-284-6845.

Forward-Looking Statements

BD and its representatives may from time-to-time make certain forward-looking statements in publicly released materials, both written and oral, including statements contained in this report and filings with the SEC

and in our other reports to shareholders. Additional information regarding our forward-looking statements is contained in the "Financial Review" contained in Exhibit 13.

Item 1A. Risk Factors.

An investment in BD involves a variety of risks and uncertainties. The following describes some of the significant risks that could adversely affect BD's business, financial condition, operating results or cash flows.

BD's future growth is dependent upon the development of new products, and there can be no assurance that such products will be developed.

A significant element of our strategy is to increase revenue growth by focusing on products that deliver greater benefits to patients, healthcare workers and researchers. The development of these products requires significant research and development, clinical trials and regulatory approvals. The results of our product development efforts may be affected by a number of factors, including BD's ability to innovate, develop and manufacture new products, complete clinical trials, obtain regulatory approvals and reimbursement in the United States and abroad, or gain and maintain market approval of our products. In addition, patents attained by others can preclude or delay our commercialization of a product. There can be no assurance that any products now in development or that we may seek to develop in the future will achieve technological feasibility, obtain regulatory approval, or gain market acceptance.

The medical device industry is very competitive.

The medical device industry is subject to rapid technological changes, and we face significant competition across our product lines and in each market in which our products are sold. We face this competition from a wide range of companies. These include large medical device companies, some of which may have greater financial and marketing resources than us. We also face competition from firms that are more specialized than us with respect to particular markets. Non-medical device companies, including pharmaceutical companies, also offer alternative therapies for disease states that may be delivered without a medical device. See "Competition" under Item 1. Business. The development of new or improved products, processes or technologies by other companies may render our products or proposed products obsolete or less competitive. In addition, some competitors have established manufacturing sites or have contracted with suppliers located in China and other low-cost manufacturing locations as a means to lower their costs. New entrants may also appear, particularly from these low-cost countries.

Inflation and fluctuations in the cost of raw materials could adversely affect the results of our operations.

It is possible that general inflation rates will rise in 2008 and beyond, and could have a greater impact on worldwide economies and, consequently, on BD. BD purchases supplies of resins, which are oil-based components used in the manufacture of certain products. Any significant increases in resin purchase costs could impact future operating results.

A reduction or interruption in the supply of certain raw materials would adversely affect BD's manufacturing operations and related product sales.

BD purchases many different types of raw materials. We have generally been able to obtain adequate supplies of these materials. However, certain raw materials (primarily related to the BD Biosciences segment) are not available from multiple sources. In addition, for quality assurance, cost-effectiveness and other reasons, BD elects to purchase certain raw materials from sole suppliers. While we work with suppliers to ensure continuity of supply, no assurance can be given that these efforts will be successful. In addition, where there are regulatory requirements relating to the qualification of suppliers, we may not be able to establish additional or replacement

sources on a timely basis. The termination, reduction or interruption in supply of these sole-sourced raw materials could impact our ability to manufacture and sell certain of our products.

Interruption of our manufacturing operations could adversely affect BD's future revenues and operating income.

We have manufacturing sites all over the world. In addition, in some instances, the manufacturing of certain of our product lines is concentrated in one or more of our plants. As a result, natural disasters (including pandemic disease), political change, or damage to one or more of our facilities could adversely affect our ability to manufacture our products.

BD is subject to a number of pending lawsuits.

BD is a defendant in a number of pending lawsuits, including purported class action lawsuits for alleged antitrust violations and product liability, and could be subject to additional lawsuits in the future. A more detailed description of these lawsuits is contained in Item 3. Legal Proceedings. Given the uncertain nature of litigation generally, we are not able in all cases to estimate the amount or range of loss that could result from an unfavorable outcome of the litigation to which we are a party. In view of these uncertainties, we could incur charges in excess of any currently established accruals and, to the extent available, excess liability insurance. Any such future charges, individually or in the aggregate, could have a material adverse effect on BD's results of operations and cash flows.

Consolidation in the healthcare industry could adversely affect BD's future revenues and operating income.

The medical device industry has experienced a significant amount of consolidation. As a result of this consolidation, competition to provide goods and services to customers has increased. In addition, group purchasing organizations ("GPOs") and integrated health delivery networks ("IDNs") have served to concentrate purchasing decisions for some customers, which has placed pricing pressure on medical device suppliers. Further consolidation in the industry could exert additional pressure on the prices of our products.

Changes in reimbursement practices of third-party payers could affect the demand for our products and the prices at which they are sold.

Our sales depend, in part, on the extent to which healthcare providers and facilities are reimbursed by government authorities, private insurers and other third-party payers for the costs of our products. The coverage policies and reimbursement levels of third-party payers may affect which products customers purchase and the prices they are willing to pay for these products. Legislative or administrative reforms to reimbursement systems in the U.S. or abroad in a manner could significantly reduce reimbursement for procedures using BD medical devices, or result in denial of reimbursement for those products. See "Third-Party Reimbursement" under Item 1. Business.

Product defects could adversely affect the results of our operations.

The design, manufacture and marketing of medical devices involve certain inherent risks. Manufacturing or design defects, unanticipated use of our products, or inadequate disclosure of risks relating to the use of the product can lead to injury or other adverse events. These events could lead to recalls or safety alerts relating to our products (either voluntary or required by the FDA or similar governmental authorities in other countries), and could result, in certain cases, in the removal of a product from the market. Any recall could result in significant costs, as well as negative publicity that could reduce demand for our products. Personal injuries relating to the use of our products can also result in product liability claims being brought against us. In some circumstances, such adverse events could also cause delays in new product approvals.

BD is subject to extensive regulation.

BD is subject to extensive regulation by the FDA pursuant to the Federal Food, Drug and Cosmetic Act, by comparable agencies in foreign countries, and by other regulatory agencies and governing bodies. Most of BD's products must receive clearance or approval from the FDA or counterpart non-U.S. regulatory agencies before they can be marketed or sold. The process for obtaining marketing approval or clearance may take a significant

period of time and require the expenditure of substantial resources. The process may also require changes to our products or result in limitations on the indicated uses of the products.

Following the introduction of a product, these agencies also periodically review our manufacturing processes and product performance. Our failure to comply with the applicable good manufacturing practices, adverse event reporting, clinical trial and other requirements of these agencies could delay the production or marketing of our products and result in fines, delays or suspensions of regulatory clearances, or seizures or recalls of products.

We cannot guarantee that any of BD's strategic acquisitions, investments or alliances will be successful.

While our strategy to increase revenue growth is driven primarily by internal product development, we will seek to supplement our growth through strategic acquisitions, investments and alliances. Such transactions are inherently risky. The success of any acquisition, investment or alliance may be affected by a number of factors, including our ability to properly assess and value the potential business opportunity or to successfully integrate it into our existing business. There can be no assurance that any past or future transaction will be successful.

We are subject to foreign currency exchange risk.

Over half of our fiscal year 2007 revenues were derived from international operations. Our revenues outside the U.S. are affected by fluctuations in foreign currency exchange rates. A discussion of the financial impact of exchange rate fluctuations and the ways and extent to which we attempt to mitigate such impact is contained under the heading "Financial Instrument Market Risk" under "Financial Review" contained in Exhibit 13, which is incorporated herein by reference. We cannot predict with any certainty changes in foreign currency exchange rates.

The international operations of BD's business may subject BD to certain business risks.

BD operations outside the U.S. subject BD to certain risks, including the effects of fluctuations in foreign currency exchange (as discussed above), changes in foreign regulatory requirements, potential political instability, trade barriers, weakening of the protection of intellectual property rights in some countries, and restrictions on the transfer of capital across borders. The success of our operations outside the U.S. will depend, in part, on our ability to acquire or form alliances with local companies and make necessary infrastructure enhancements to, among other things, our production facilities and distribution networks.

Reductions in customers' research budgets or government funding may adversely affect our BD Biosciences segment.

Our BD Biosciences segment sells products to researchers at pharmaceutical and biotechnology companies, academic institutions, government laboratories and private foundations. Research and development spending of our customers can fluctuate based on spending priorities and general economic conditions. A number of these customers are also dependent upon grants from U.S. government agencies, such as the U.S. National Institutes of Health ("NIH"), and agencies in other countries for their funding. The level of government funding of research and development is unpredictable. In addition, there have been instances where NIH grants have been frozen or otherwise unavailable for extended periods. Any reduction or delay in governmental funding could cause our customers to delay or forego purchases of our products.

Our operations are dependent in part on patents and other intellectual property rights.

Many of BD's businesses rely on patent, trademark and other intellectual property rights. While we do not believe that the loss of any one patent or other intellectual property asset would materially affect BD operations, these intellectual property assets, in the aggregate, are of material importance to our business. BD can lose the protection afforded by these intellectual property assets through patent expirations, legal challenges or governmental action. Patents attained by competitors, particularly as patents on our products expire, may also adversely affect our competitive position. The loss of a significant portion of our portfolio of intellectual property assets may have a material adverse effect on our earnings, financial condition or cash flows.

Natural disasters, war or terrorism could adversely affect BD's future revenues and operating income.

Natural disasters, war, terrorism and international conflicts, and actions taken by the United States and other governments in response to such events, could cause significant economic disruption and political and social instability in the U.S. and in areas outside of the U.S. in which we operate. These events could result in decreased demand for our products, adversely affect our manufacturing and distribution capabilities or our ability to source materials from our suppliers.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

BD's executive offices are located in Franklin Lakes, New Jersey. As of November 1, 2007, BD owned and leased approximately 15,754,942 square feet of manufacturing, warehousing, administrative and research facilities throughout the world. The U.S. facilities, including Puerto Rico, comprise approximately 6,772,412 square feet of owned and 1,967,193 square feet of leased space. The international facilities comprise approximately 4,846,112 square feet of owned and 2,169,225 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, Connecticut, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Michigan, Missouri, Nebraska, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Washington, DC, Washington, Wisconsin and Puerto Rico.

The international facilities are grouped as follows:

□Canada includes approximately 152,891 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, Kenya, the Netherlands, Norway, Poland, Russia, Saudi Arabia, South Africa, Spain, Sweden, Switzerland, Turkey and the United Arab Emirates, and are comprised of approximately 2,582,327 square feet of owned and 650,438 square feet of leased space.

□Latin America includes facilities in Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, Peru and Venezuela, and is comprised of approximately 1,331,100 square feet of owned and 540,260 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 1,506,177 square feet of owned and 332,349 square feet of leased space.

The following table summarizes property information by business segment.

	<u>Corporate</u>	<u>Biosciences</u>	<u>Medical</u>	<u>Diagnostic</u>	<u>Mixed (A)</u>	<u>Total</u>
LEASED						
Sites	2	11	72	11	36	132
Square feet	5,112	350,117	1,508,930	226,318	1,584,434	3,674,911
Manufacturing square footage	0	29,914	363,353	46,213	0	439,480
Manufacturing sites	0	3	8	3	0	14
OWNED						
Sites	2	6	24	12	9	53
Square feet	448,094	831,330	5,787,318	2,453,278	2,671,996	12,192,016
Manufacturing square footage	0	395,330	3,721,623	1,419,761	297,881	5,834,595
Manufacturing sites	0	6	23	12	2	43
TOTAL						

Edgar Filing: BECTON DICKINSON & CO - Form 10-K

Sites	4	17	96	23	45	185
Square feet	453,206	1,181,447	7,296,248	2,679,596	4,256,430	15,866,927
Manufacturing square footage	0	425,244	4,084,976	1,465,974	297,881	6,274,075
Manufacturing sites	0	9	31	15	2	57

(A) Facilities used by all business segments.

Item 3. Legal Proceedings.

BD is named as a defendant in five purported class action suits brought on behalf of direct purchasers of BD's products, such as distributors, alleging that BD violated federal antitrust laws, resulting in the charging of higher prices for BD's products to the plaintiff and other purported class members. The cases filed are as follows: Louisiana Wholesale Drug Company, Inc., et. al. vs. Becton Dickinson and Company (Civil Action No. 05-1602, U.S. District Court, Newark, New Jersey), filed on March 25, 2005; SAJ Distributors, Inc. et. al. vs. Becton Dickinson & Co. (Case 2:05-CV-04763-JD, United States District Court, Eastern District of Pennsylvania), filed on September 6, 2005; Dik Drug Company, et. al. vs. Becton, Dickinson and Company (Case No. 2:05-CV-04465, U.S. District Court, Newark, New Jersey), filed on September 12, 2005; American Sales Company, Inc. et. al. vs. Becton, Dickinson & Co. (Case No. 2:05-CV-05212-CRM, U.S. District Court, Eastern District of Pennsylvania), filed on October 3, 2005; and Park Surgical Co. Inc. et. al. vs. Becton, Dickinson and Company (Case 2:05-CV-05678-CMR, United States District Court, Eastern District of Pennsylvania), filed on October 26, 2005.

The actions brought by Louisiana Wholesale Drug Company and Dik Drug Company in New Jersey have been consolidated under the caption "In re Hypodermic Products Antitrust Litigation."

BD is also named as a defendant in four purported class action suits brought on behalf of indirect purchasers of BD's products, alleging that BD violated federal antitrust laws, resulting in the charging of higher prices for BD's products to the plaintiff and other purported class members. The cases filed are as follows: Jabo's Pharmacy, Inc., et. al. v. Becton Dickinson & Company (Case No. 2:05-CV-00162, United States District Court, Greenville, Tennessee) filed on June 7, 2005; Drug Mart Tallman, Inc., et. al. v. Becton Dickinson and Company (Case No. 2:06-CV-00174, U.S. District Court, Newark, New Jersey), filed on January 17, 2006; Medstar v. Becton Dickinson (Case No. 06-CV-03258-JLL (RJH), U.S. District Court, Newark, New Jersey), filed on May 18, 2006; and The Hebrew Home for the Aged at Riverdale v. Becton Dickinson and Company (Case No. 07-CV-2544, U.S. District Court, Southern District of New York), filed on March 28, 2007. A fifth purported class action on behalf of indirect purchasers (International Multiple Sclerosis Management Practice v. Becton Dickinson & Company (Case No. 2:07-cv-10602, U.S. District Court, Newark, New Jersey), filed on April 5, 2007) was voluntarily withdrawn by the plaintiff.

The plaintiffs in each of the antitrust class action lawsuits seek monetary damages. All of the antitrust class action lawsuits have been consolidated for pre-trial purposes in a Multi-District Litigation (MDL) in federal court in New Jersey.

On August 31, 2005, Daniels Sharpsmart filed suit against BD, another manufacturer and three group purchasing organizations under the caption Daniels Sharpsmart, Inc. v. Tyco International, (US) Inc., et. al. (Civil Action No. 505CV169, United States District Court, Eastern District of Texas). The plaintiff alleged, among other things, that BD and the other defendants conspired to exclude the plaintiff from the sharps-collection market by entering into long-term contracts in violation of federal and state antitrust laws, and sought monetary damages. On September 28, 2007, BD and the plaintiff entered into an agreement to settle the matter on terms that are not material to BD.

On June 6, 2006, UltiMed, Inc., a Minnesota company, filed suit against BD in the United States District Court in Minneapolis, Minnesota (UltiMed, Inc. v. Becton, Dickinson and Company (06CV2266)). The plaintiff alleges, among other things, that BD excluded the plaintiff from the market for home use insulin syringes by entering into anticompetitive contracts in violation of federal and state antitrust laws. The plaintiff seeks money damages and injunctive relief.

In June 2007, Retractable Technologies, Inc. (plaintiff) filed a complaint against BD under the caption Retractable Technologies, Inc. vs. Becton Dickinson and Company (Civil Action No. 2:07-cv-250, United States District Court, Eastern District of Texas). Plaintiff alleges that the BD Integra syringes infringe patents licensed exclusively to the plaintiff. This patent claim was not covered by the release contained in the July 2004 settlement agreement between BD and plaintiff to settle the lawsuit previously filed by plaintiff. In its complaint, plaintiff also alleges that BD engaged in false advertising with respect to certain of BD's safety-engineered products in violation of the Lanham Act; acted to exclude the plaintiff from various product markets and to maintain its market share through, among other things, exclusionary contracts in violation of state and Federal antitrust laws; and engaged in unfair competition. The non-patent claims purport to relate to actions allegedly taken by BD following the date of the July 2004 settlement agreement referenced above. Plaintiff seeks treble damages, attorney's fees and injunctive relief.

BD, along with another manufacturer and several medical product distributors, is named as a defendant in three product liability lawsuits relating to healthcare workers who allegedly sustained accidental needlesticks, but have not become infected with any disease. Generally, these 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. In some cases, these actions additionally allege that the healthcare workers have sustained mental anguish. Plaintiffs seek money damages in all of these actions. BD had previously been named as a defendant in eight 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 three pending suits:

Edgar Filing: BECTON DICKINSON & CO - Form 10-K

- In Ohio, Grant vs. Becton Dickinson et al. (Case No. 98CVB075616, Franklin County Court), on September 21, 2006, the Ohio Court of Appeals reversed the trial court's grant of class certification. The matter has been remanded to the trial court for a determination of whether the class can be redefined.
- In 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 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, and 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.

BD continues to oppose class action certification in these cases, including pursuing all appropriate rights of appeal.

BD, along with a number of other manufacturers, was named as a defendant in approximately 524 product liability lawsuits in various state and Federal courts related to natural rubber latex gloves which BD ceased manufacturing in 1995. 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, 467 of these cases have been closed with no liability to BD, and 46 cases have been settled for an aggregate de minimis amount.

On August 8, 2005, BD received a subpoena issued by the Attorney General of the State of Connecticut, which seeks documents and information relating to BD's participation as a member of Healthcare Research & Development Institute, LLC (HRDI), a healthcare trade organization. The subpoena indicated that it was issued as part of an investigation into possible violations of the antitrust laws. On August 21, 2006, BD received a subpoena issued by the Attorney General of the State of Illinois which sought documents and information relating to BD's participation as a member of HRDI. The subpoena indicated that it was issued as part of an investigation into possible violations of the Illinois Consumer Fraud and Deceptive Business Practices Act, Charitable Trust Act, and Solicitation for Charity Act. An independent member of BD's board of directors, Gary Mecklenburg, also served as a member and the non-executive chairman of HRDI until November 5, 2006. In January 2007, it was reported that HRDI entered into a settlement with the Attorneys General of Connecticut and Florida with respect to the investigation being conducted by the Connecticut Attorney General (BD has not been contacted by the State of Florida). To BD's knowledge, both the Connecticut and Illinois investigations are still ongoing. BD believes that its participation in HRDI complied fully with the law and has responded to these subpoenas. BD has not received any communication with respect to either investigation since completing its document production.

On May 28, 2004, Therasense, Inc. (Therasense) filed suit against BD in the U.S. District Court for the Northern District of California (Case Number: C 04-02123 WDB) asserting that BD's blood glucose monitoring products infringe certain Therasense patents. On August 10, 2004, in response to a motion filed by Therasense in the U.S. District Court for the District of Massachusetts, the court transferred to the court in California an action previously filed by BD against Therasense requesting a declaratory judgment that BD's products do not infringe the Therasense patents and that the Therasense patents are invalid.

In July 2007, BD received notice of a suit instituted in Saudi Arabia by El Seif Development (El Seif), a former distributor of BD (Case No. 7516, Board of Grievances, Saudi Arabia). El Seif seeks monetary damages arising out of the termination of its distributor agreement and other contractual arrangements with BD.

BD has been served with a qui tam complaint filed by a private party against BD in the United States District Court, Northern District of Texas, alleging violations of the Federal False Claims Act (FCA) and the Texas False Claims Act (the TFCA). Under the FCA, the United States Department of Justice, Civil Division has a certain period of time in which to decide whether to join the claim against BD as an additional plaintiff; if not, the private plaintiff is free to pursue the claim on its own. A similar process is followed under the TFCA. To BD's knowledge, no decision has yet been made by the Civil Division or the State of Texas whether to join this claim.

BD believes that it has meritorious defenses to each of the above-mentioned suits pending against BD and is engaged in a vigorous defense of each of these matters.

Edgar Filing: BECTON DICKINSON & CO - Form 10-K

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

BD is a party to a number of Federal proceedings in the United States brought under the Comprehensive Environment Response, Compensation and Liability Act, also known as "Superfund," and similar state laws. The affected sites are in varying stages of development. In some instances, the remedy has been completed, while in others, environmental studies are commencing. For all sites, there are other potentially responsible parties that may be jointly or severally liable to pay all cleanup costs.

Edgar Filing: BECTON DICKINSON & CO - Form 10-K

Given the uncertain nature of litigation generally, BD is not able in all cases to estimate the amount or range of loss that could result from an unfavorable outcome of the litigation to which BD is a party. In accordance with U.S. generally accepted accounting principles, BD establishes accruals to the extent probable future losses are estimable (in the case of environmental matters, without considering possible third-party recoveries). In view of the uncertainties discussed above, BD could incur charges in excess of any currently established accruals and, to the extent available, excess liability insurance. In the opinion of management, any such future charges, individually or in the aggregate, could have a material adverse effect on BD's consolidated results of operations and consolidated cash flows.

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

None.

Executive Officers of the Registrant

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 executive officer or director of BD.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Edward J. Ludwig	56	Director since 1999; Chairman, President and Chief Executive Officer since February 2002.
Donna M. Boles	54	Senior Vice President—Human Resources since June 2006; Vice President—Human Resources from June 2005 to June 2006; and, prior thereto, Vice President, Human Resources, BD Medical.
Scott P. Bruder	45	Senior Vice President and Chief Technology Officer since September 2007; Worldwide Vice President, Johnson & Johnson Regenerative Therapeutics, LLC from December 2005 to August 2007; Worldwide Vice President, DePuy Biologics, a unit of DePuy, Inc., a Johnson & Johnson Company, from October 2003 to November 2005; and, prior thereto, Worldwide Vice President, Orthobiologics, DePuy Spine, DePuy Orthopaedics, and DePuy Mitek, operating companies within DePuy, Inc.
Gary M. Cohen	48	Executive Vice President since June 2006; and, prior thereto, President—BD Medical.
John R. Considine	57	Senior Executive Vice President and Chief Financial Officer since June 2006; and, prior thereto, Executive Vice President and Chief Financial Officer.
David T. Durack	62	Senior Vice President—Corporate Medical Affairs since June 2006; and, prior thereto, Vice President—Corporate Medical Affairs.
Vincent A. Forlenza	54	Executive Vice President since June 2006; President—BD Biosciences from March 2003 to June 2006; and, prior thereto, Senior Vice President—Technology, Strategy and Development.
A. John Hanson	63	Executive Vice President since June 2006; and, prior thereto, President—BD Europe.
William A. Kozy	55	Executive Vice President since June 2006; President—BD

Diagnostics from November 2003 to June 2006; President BD
Clinical Laboratory Solutions and Company Operations from May

2002 to November 2003; and, prior thereto, Senior Vice President
Company Operations.

Jeffrey S. Sherman 52 Senior Vice President and General Counsel since June 2006; Vice President and General Counsel from January 2004 to June 2006; and, prior thereto, Vice President and Associate General Counsel of Wyeth.

Patricia B. Shrader 57 Senior Vice President—Corporate Regulatory and External Affairs since June 2006; Vice President, Corporate Regulatory and External Affairs from February 2005 to June 2006; Vice President, Corporate Regulatory, Public Policy and Communication from March 2004 to February 2005; and, prior thereto, Vice President—Regulatory Affairs.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

BD's common stock is listed on the New York Stock Exchange. As of October 31, 2007, there were approximately 8,862 shareholders of record. Additional information required by this item appears under the caption "Common Stock Prices and Dividends" on page 64 of Exhibit 13, and is incorporated herein by reference. Certain other information required by this item will be contained under the captions "Equity Compensation Plan Information" and "Ownership of BD Stock" in BD's Proxy Statement, and such information is incorporated herein by reference.

Issuer Repurchases of Equity Securities

The table below sets forth certain information regarding BD's purchases of its common stock during the fiscal quarter ended September 30, 2007.

Issuer Purchases of Equity Securities

	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number of Shares that may yet be Purchased Under the Plans or Programs
For the three months ended September 30, 2007				
July 1 - 31, 2007	2,742	\$ 75.89	-	11,601,814
August 1 - 31, 2007	496,832	\$ 76.92	490,000	11,111,814
September 1 - 30, 2007	924	\$ 80.15	-	11,111,814
Total	500,498	\$ 76.92	490,000	11,111,814

(1) Includes for the quarter 3,047 shares purchased in open market transactions by trustee under BD's Deferred Compensation Plan and 1996 Directors' Deferral Plan. Also includes 7,451 shares delivered to the Company in connection with stock option exercises.

(2) These repurchases were made pursuant to a repurchase program for 10 million shares announced on November 22, 2005. An additional repurchase program for 10 million shares was announced on July 24, 2007. Neither program has an expiration date.

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 18-19 of Exhibit 13 and is incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation.

The information required by this item is included in the text contained under the caption "Financial Review" on pages 20-32 of Exhibit 13 and is incorporated herein by reference.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The information required by this item is included in the text contained under the caption "Financial Instrument Market Risk" on page 24 of, and in notes 1 and 9 to, the consolidated financial statements contained in Exhibit 13, and each is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data.

The information required by this item is included on page 17 herein and on pages 33-62 of Exhibit 13 and is incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

An evaluation was conducted by BD's management, with the participation of BD's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of BD's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of September 30, 2007. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were, as of the end of the period covered by this report, effective and designed to ensure that material information relating to BD and its consolidated subsidiaries would be made known to them by others within these entities. There were no changes in BD's internal control over financial reporting during the fiscal quarter ended September 30, 2007 identified in connection with the above-referenced evaluations that has materially affected, or is reasonably likely to materially affect, the internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting and the Report of Independent Registered Public Accounting Firm on pages 33 and 35, respectively, of Exhibit 13 are incorporated herein by reference.

Item 9B. Other Information.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information relating to directors and the Audit Committee of the BD Board of Directors required by this item will be contained under the captions "Board of Directors", "Audit Committee" and Proposal 1. "Election of Directors" in a definitive Proxy Statement involving the election of directors, which the registrant will file with the SEC not later than 120 days after September 30, 2007 (the "Proxy Statement"), and such information is incorporated herein by reference.

Edgar Filing: BECTON DICKINSON & CO - Form 10-K

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

Certain other information required by this item will be contained under the captions "Section 16(a) Beneficial Ownership Reporting Compliance" and "Corporate Governance" Significant Governance Practices" Business Conduct and Compliance Guide" 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" "Non-Management Directors" Compensation," "Corporate Governance" "Significant Governance Practices" "Compensation Committee Interlocks and Insider Participation", "Compensation Discussion and Analysis," "Report of the Compensation and Benefits Committee," and "Compensation of Named Executive Officers" 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 "Ownership of BD Common Stock" in BD's Proxy Statement, and such information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item will be contained under the caption "Corporate Governance" "Significant Governance Practices" "Director Independence/Certain Relationships and Related Transactions" in BD's Proxy Statement, and such information is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

The information required by this item will be contained under the caption "Proposal 2. Ratification of Selection of Independent Registered Public Accounting Firm" in BD's Proxy Statement, and such information is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) *Financial Statements*

The following consolidated financial statements of BD included in Exhibit 13 at the pages indicated in parentheses, are incorporated by reference in Item 8 of this report:

- Reports of Independent Registered Public Accounting Firm (pages 34-35)
- Consolidated Statements of Income"Years ended September 30, 2007, 2006 and 2005 (page 36)
- Consolidated Statements of Comprehensive Income"Years ended September 30, 2007, 2006 and 2005 (page 37)
- Consolidated Balance Sheets"September 30, 2007 and 2006 (page 38)
- Consolidated Statements of Cash Flows"Years ended September 30, 2007, 2006 and 2005 (page 39)
- Notes to Consolidated Financial Statements (pages 40-62)

(b) *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.

(c) *Exhibits*

See the Exhibit Index beginning on page 18 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.

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/ DEAN J. PARANICAS

Dean J. Paranicas
Vice President, Corporate
Secretary
and Public Policy

Dated: November 21, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on the 21st day of November, 2007 by the following persons on behalf of the registrant and in the capacities indicated.

<u>Name</u>	<u>Capacity</u>
/s/ EDWARD J. LUDWIG (Edward J. Ludwig)	Chairman, President and Chief Executive Officer (Principal Executive Officer)
/s/ JOHN R. CONSIDINE (John R. Considine)	Senior Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ WILLIAM A. TOZZI (William A. Tozzi)	Vice President □ Finance (Principal Accounting Officer)
/s/ BASIL L. ANDERSON (Basil L. Anderson)	Director
/s/ HENRY P. BECTON, JR. (Henry P. Becton, Jr.)	Director
/s/ EDWARD F. DEGRAAN (Edward F. DeGraan)	Director

/s/ CLAIRE M. FRASER-LIGGETT Director
(Claire M. Fraser-Liggett)

/s/ MARSHALL O. LARSEN Director
(Marshall O. Larsen)

/s/ ADEL A.F. MAHMOUD Director
(Adel A.F. Mahmoud)

/s/ GARY A. MECKLENBURG Director
(Gary A. Mecklenburg)

/s/ CATHY E. MINEHAN Director
(Cathy E. Minehan)

/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)

/s/ BERTRAM L. SCOTT Director
(Bertram L. Scott)

/s/ ALFRED SOMMER Director
(Alfred Sommer)

SCHEDULE II

BECTON, DICKINSON AND COMPANY

VALUATION AND QUALIFYING ACCOUNTS

Years Ended September 30, 2007, 2006 and 2005

(Thousands of dollars)

Col. A	Col. B	Col. C	Col. D	Col. E
<u>Description</u>	<u>Balance at Beginning of Period</u>	<u>Additions Charged To Costs and Expenses</u>	<u>Deductions/Other</u>	<u>Balance at End of Period</u>
2007				
Against trade receivables:				
For doubtful accounts	\$ 28,440	\$ 2,550	\$ 1,752 (A)	\$ 29,238
For cash discounts	9,816	39,575	38,979	10,412
Total	\$ 38,256	\$ 42,125	\$ 40,731	\$ 39,650
2006				
Against trade receivables:				
For doubtful accounts	\$ 33,384	\$ 1,115	\$ 6,059 (A)	\$ 28,440
For cash discounts	14,225	36,161	40,570	9,816
Total	\$ 47,609	\$ 37,276	\$ 46,629	\$ 38,256
2005				
Against trade receivables:				
For doubtful accounts	\$ 37,409	\$ 2,627	\$ 6,652 (A)	\$ 33,384
For cash discounts	14,952	33,308	34,035	14,225
Total	\$ 52,361	\$ 35,935	\$ 40,687	\$ 47,609

(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 July 24, 2007	Incorporated by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K dated July 24, 2007
4(a)	Indenture, dated as of December 1, 1982 between the registrant and Manufacturers Hanover Trust Company (now JPMorgan Chase Bank)	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 (now JPMorgan Chase Bank)	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 Manufacturers Hanover Trust Company (now JPMorgan Chase Bank)	Incorporated by reference to Exhibit 4 to Registration Statement No. 2-80707 on Form S-3 filed by the registrant
4(d)	Indenture, dated as of March 1, 1997, between the registrant and The Chase Manhattan Bank (now JPMorgan Chase 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.

Edgar Filing: BECTON DICKINSON & CO - Form 10-K

<u>Exhibit Number</u>	<u>Description</u>	<u>Method of Filing</u>
10(a)(i)	Form of Employment Agreement with executive officers relating to employment following a change of control of the registrant	Incorporated by reference to Exhibit 10(a)(iii) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2005
10(a)(ii)	Form of Employment Agreement with corporate officers (other than executive officers) relating to employment following a change of control of the registrant	Incorporated by reference to Exhibit 10(a)(iv) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2005
10(b)	Stock Award Plan, as amended and restated as of May 25, 2004	Incorporated by reference to Exhibit 10(c) to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2004
10(c)	Performance Incentive Plan, as amended and restated November 23, 2004	Incorporated by reference to Exhibit 10(c) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2004
10(d)(i)	Deferred Compensation Plan, as amended and restated as of March 27, 2007	Incorporated by reference to Exhibit 10(d)(i) to the registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2007
10(d)(ii)	1996 Directors' Deferral Plan, as amended as of January 30, 2007	Incorporated by reference to Exhibit 10 (d)(ii) to the Registrant's Quarterly Report on Form 10-Q for the period ended December 31, 2006
10(e)(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(e)(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(f)(i)	Retirement Benefit Restoration Plan, as amended and restated as of March 27, 2007	Incorporated by reference to Exhibit 10(f)(i) to the registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2007
10(f)(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(f)(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(f)(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

Edgar Filing: BECTON DICKINSON & CO - Form 10-K

<u>Exhibit Number</u>	<u>Description</u>	<u>Method of Filing</u>
10(g)(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(g)(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(h)(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(h)(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(i)(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(i)(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(j)	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
10(k)	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(l)	China and Japan addenda to Becton, Dickinson and Company Stock Option Plans	Incorporated by reference to Exhibit 10(n)(i) to registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2002
10(m)(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(m)(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(n)	2002 Stock Option Plan	Incorporated by reference to Appendix A to the registrant's Proxy Statement dated January 2, 2002

Edgar Filing: BECTON DICKINSON & CO - Form 10-K

<u>Exhibit Number</u>	<u>Description</u>	<u>Method of Filing</u>
10(o)	2004 Employee and Director Equity-Based Compensation Plan, as amended and restated March 27, 2007	Incorporated by reference to Exhibit 10(o) to the Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2007
10(p)	Terms of Awards under 2004 Employee and Director Equity-Based Compensation Plan	Incorporated by reference to Exhibit A of the registrant's Current Report on Form 8-K dated November 21, 2005
10(q)	Amended and Restated Aircraft Time Sharing Agreement between Becton, Dickinson and Company and Edward J. Ludwig dated as of September 22, 2006	Incorporated by reference to Exhibit 10(r) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2006
10(r)	Amended and Restated Five-Year Credit Agreement, dated as of August 13, 2004 among the registrant and the banks named therein	Incorporated by reference to Exhibit 10(d) of the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2004
13	Portions of the registrant's Annual Report to Shareholders for fiscal year 2007	Filed with this report
21	Subsidiaries of the registrant	Filed with this report
23	Consent of independent registered public accounting firm	Filed with this report
31	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to SEC Rule 13(a)-14(a)	Filed with this report
32	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to Section 1350 of Chapter 63 of Title 18 of the U.S. Code	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.