



# **Second Quarter Results Fiscal Year 2012**

**May 1, 2012**

## Forward-Looking Statements

- These materials include forward-looking statements and it's possible that actual results could differ from our expectations. Factors that could cause such differences appear in our second quarter earnings release and in our recent SEC filings.

## Non-GAAP Financial Measures

- These materials also include Non-GAAP financial measures. A reconciliation to the comparable GAAP measures can be found herein, or in our earnings release and the financial schedules attached thereto.
- ***A copy of the release, including the financial schedules, is posted on the "Investors" section of the BD.com website.***

## Results from Continuing Operations

- The following financial information represents results from continuing operations. Certain financial information excludes the following items:
  1. The impact of foreign currency translation, including hedge gains or losses.
  2. The impact of a non-cash charge of \$9.3 million (3 cents diluted earnings per share from continuing operations) resulting from the discontinuance of a research program within the Diagnostic Systems unit that occurred in the fourth quarter of fiscal year 2011.

FXN = Estimated foreign exchange-neutral currency growth.

\$ = Dollars in millions except per share data.

Note: All figures on accompanying slides are rounded. Totals may not add due to rounding. Percentages are based on un-rounded figures.

## **Vincent A. Forlenza** CEO and President

- **Pleased with our Q2 results**
- **Announced acquisition of Kiestra Lab Automation BV**
- **Plans to sell majority of Discovery Labware, excluding Advanced Bioprocessing**
- **Biosciences in the U.S. continues to be a challenge**
- **Growth driven by Medical and Diagnostics**
  - ◆ **Organic growth driven by new products**
  - ◆ **Growth from acquisitions**
- **Strong growth in international safety and emerging markets**
- **Continue to invest in future growth with new product launches**
- **Raising bottom end of FXN revenue growth guidance to 3 to 4%**



# Q2 FY 2012 Revenue and EPS Results

	Second Quarter			Year-to-Date		
	2012	Reported Growth	FXN Growth	2012	Reported Growth	FXN Growth
<b>Revenues</b>	\$1,991	3.6%	4.6%	\$3,878	3.0%	3.5%
<b>EPS</b>	\$1.38	0.0%	2.9%	\$2.59	-4.8%	-3.3%

Note: For the first quarter of fiscal year 2012, reported diluted earnings per share from continuing operations included an approximate \$0.04 favorable impact due to the timing of certain tax benefits. These benefits, which were reflected in our previous full year guidance, primarily relate to various tax settlements in multiple jurisdictions.

**David V. Elkins**  
Executive Vice President and CFO

- Second quarter results are in line with the Company's expectations
- Solid growth in Medical and Diagnostics
- Higher expenses in the quarter due to investments in emerging markets and new products, acquisitions, and EVEREST
- Raising bottom end of FXN revenue guidance to 3 to 4%
- Raising reported revenue growth due to favorable currency
- EPS growth expected to be 4 to 5% on an FXN basis
- Repurchased ~\$600 million of common stock

# FY 2012 Revenues by Segment

	Second Quarter			Year-to-Date		
	\$	Reported Growth %	FXN %	\$	Reported Growth %	FXN %
<b>Total Revenues</b>	<b>\$1,991</b>	<b>3.6%</b>	<b>4.6%</b>	<b>\$3,878</b>	<b>3.0%</b>	<b>3.5%</b>
<b>Medical</b>	1,021	4.1%	5.3%	1,972	3.3%	4.0%
<b>Diagnostics</b>	630	4.1%	5.0%	1,251	3.6%	4.1%
<b>Biosciences</b>	340	1.3%	1.7%	656	1.1%	1.0%





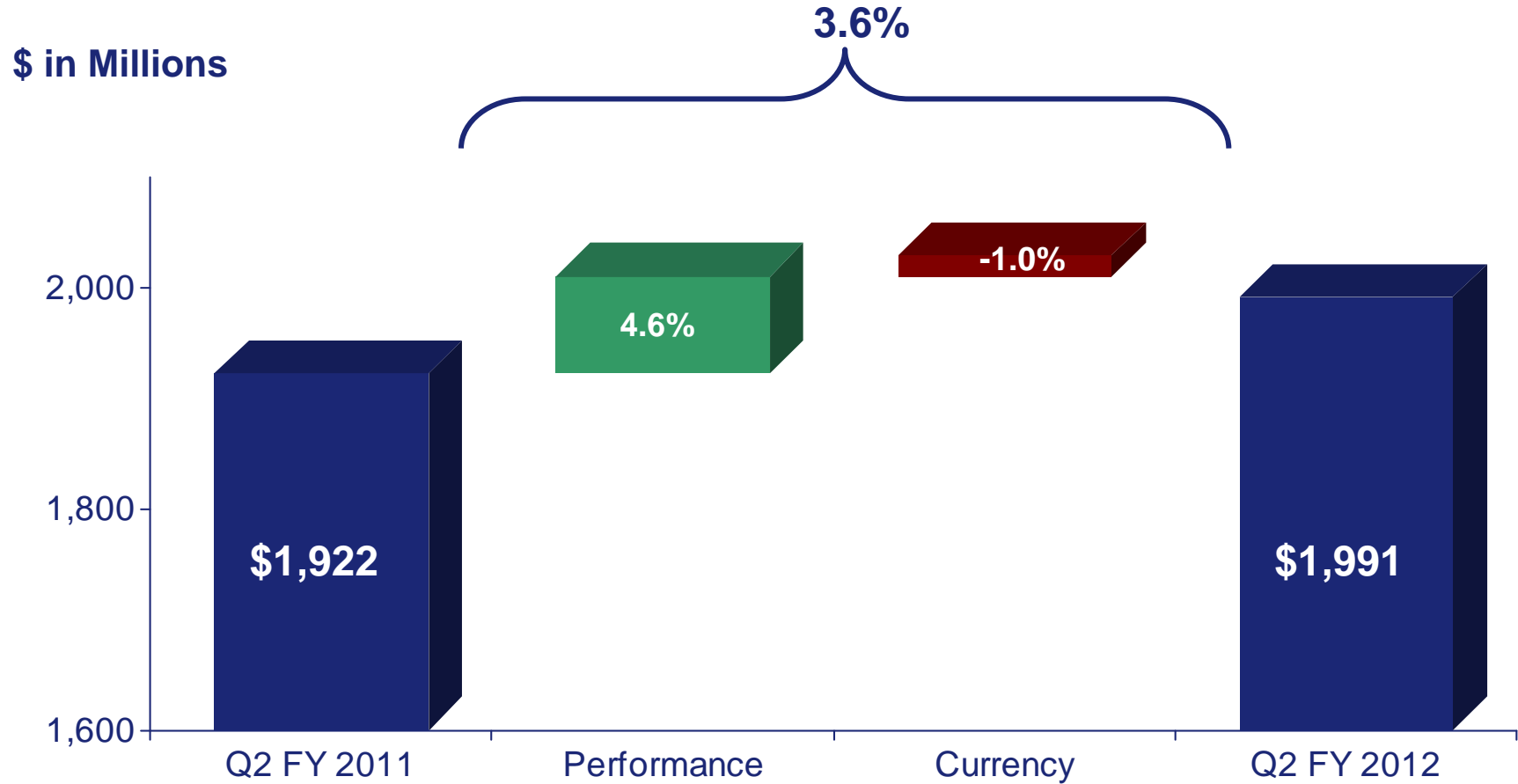
# FY 2012 U.S. and International Revenues

	Second Quarter			Year-to-Date		
	\$	Reported Growth %	FXN %	\$	Reported Growth %	FXN %
<b>U.S.</b>	<b>\$848</b>	<b>2.2%</b>	<b>2.2%</b>	<b>\$1,676</b>	<b>1.1%</b>	<b>1.1%</b>
<b>Medical</b>	<b>419</b>	<b>5.0%</b>	<b>5.0%</b>	<b>833</b>	<b>3.6%</b>	<b>3.6%</b>
<b>Diagnostics</b>	<b>319</b>	<b>2.6%</b>	<b>2.6%</b>	<b>630</b>	<b>1.7%</b>	<b>1.7%</b>
<b>Biosciences</b>	<b>111</b>	<b>-8.0%</b>	<b>-8.0%</b>	<b>213</b>	<b>-9.1%</b>	<b>-9.1%</b>
<b>International</b>	<b>\$1,143</b>	<b>4.6%</b>	<b>6.3%</b>	<b>\$2,202</b>	<b>4.5%</b>	<b>5.4%</b>
<b>Medical</b>	<b>603</b>	<b>3.4%</b>	<b>5.4%</b>	<b>1,138</b>	<b>3.1%</b>	<b>4.2%</b>
<b>Diagnostics</b>	<b>311</b>	<b>5.7%</b>	<b>7.6%</b>	<b>621</b>	<b>5.6%</b>	<b>6.7%</b>
<b>Biosciences</b>	<b>229</b>	<b>6.4%</b>	<b>7.0%</b>	<b>443</b>	<b>6.8%</b>	<b>6.7%</b>

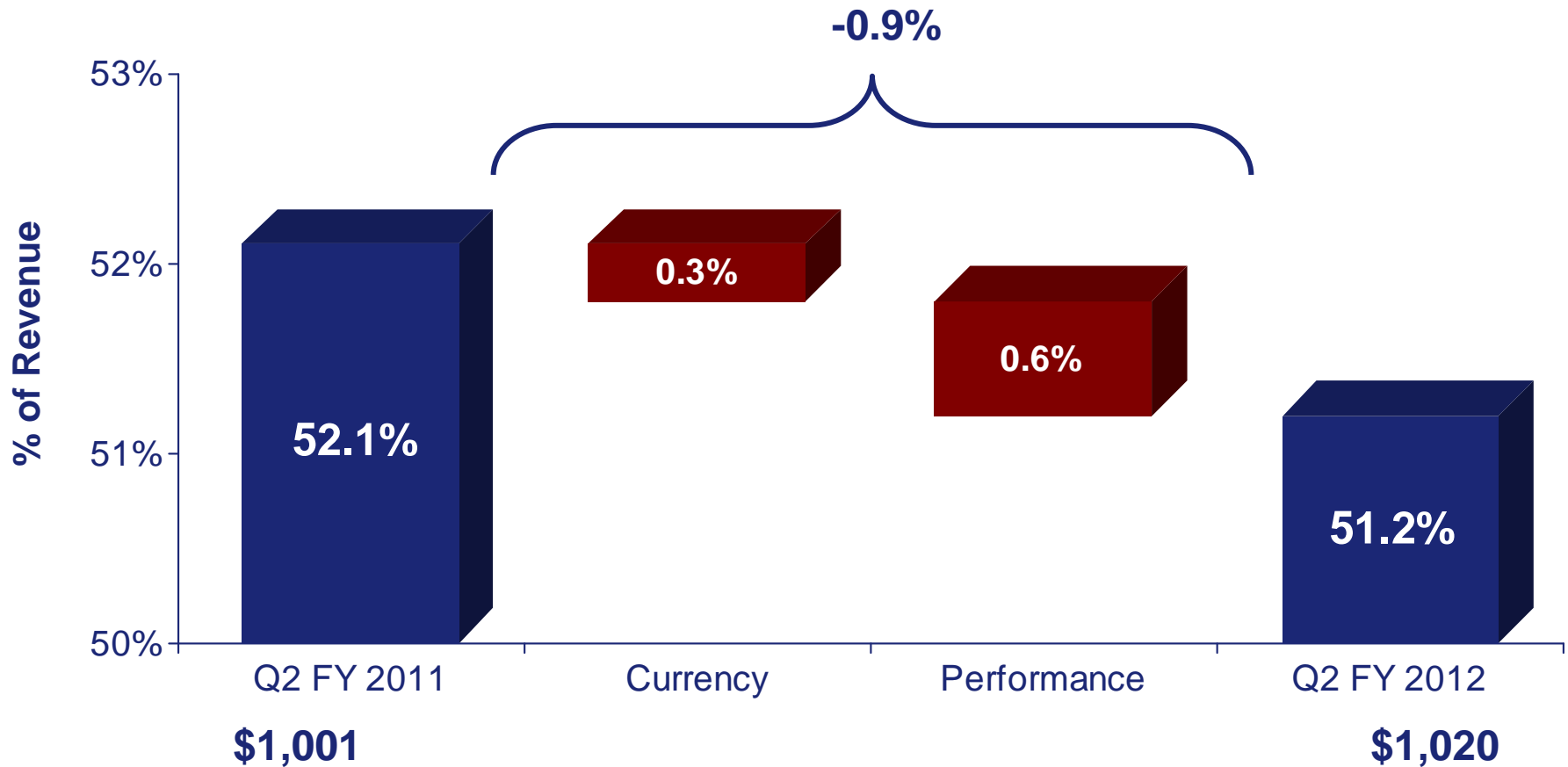
# FY 2012 Safety Revenues

	Second Quarter			Year-to-Date		
	\$	Reported Growth %	FXN %	\$	Reported Growth %	FXN %
<b>Total Safety</b>	<b>\$488</b>	<b>10.6%</b>	<b>11.5%</b>	<b>\$976</b>	<b>9.1%</b>	<b>9.6%</b>
<b>By Geography</b>						
U.S.	283	7.3%	7.3%	573	4.8%	4.8%
International	205	15.5%	17.7%	402	15.9%	17.2%
<b>By Segment</b>						
Medical	236	15.2%	15.6%	476	13.8%	13.9%
Diagnostics	252	6.6%	7.9%	500	5.0%	5.9%

# Q2 FY 2012 Revenue Growth Year-Over-Year



# Q2 FY 2012 Gross Margin Change Year-Over-Year





# Q2 FY 2012 Income Statement

	Q2 FY 2012	Q2 FY 2011	Favorable (Unfavorable)		
			\$ Change	Reported % Change	FXN % Change
<b>Revenues</b>	\$1,991	\$1,922	\$69	3.6%	4.6%
<b>Gross Profit</b>	1,020	1,001	19	1.9%	3.4%
% of Revenues	51.2%	52.1%			
<b>SSG&amp;A</b>	495	442	(53)	-12.0%	-12.9%
% of Revenues	24.9%	23.0%			
<b>R&amp;D</b>	119	119	1	0.5%	0.1%
% of Revenues	6.0%	6.2%			
<b>Operating Income</b>	406	440	(34)	-7.7%	-5.1%
% of Revenues	20.4%	22.9%			
<b>EPS</b>	\$1.38	\$1.38	\$0.00	0.0%	2.9%

# FY 2012 Revenue Guidance

FXN Growth %	Q2	First Half	Second Half	Total Year	Previous Guidance
<b>Total BD</b>	4.6%	3.5%	~4%	<b>3% - 4%</b>	<b>2% - 4%</b>
<b>Medical</b>	5.3%	4.0%	4% - 5%	<b>4% - 5%</b>	<b>2% - 3%</b>
<b>Diagnostics</b>	5.0%	4.1%	4% - 5%	<b>4% - 5%</b>	<b>2% - 4%</b>
<b>Biosciences</b>	1.7%	1.0%	~0%	<b>~0%</b>	<b>2% - 4%</b>

	February Guidance	May Guidance	
<b>Revenue</b>	2-4%	3-4%	
<b>Gross Profit</b>	51.3%-51.5%	51.3%-51.5%	
<b>SSG&amp;A</b>	23.6%-23.8%	24.4%-24.6%	← Increased investment: New products
<b>R&amp;D</b>	6.0-6.1%	6.0%-6.1%	← Acquisition costs
<b>Operating Income</b>	21.5%-21.7%	20.9%-21.1%	← Legal fees
<b>Tax Rate</b>	26.2-26.4%	25.5%-25.7%	← Medical claims
<b>Operating Cash Flow</b>	\$1.7B	~\$1.7B	
<b>Share Repurchase</b>	\$1.5B	\$1.5B	
<b>EPS</b>	\$5.60-\$5.70	\$5.68-\$5.73	

## **Vincent A. Forlenza** CEO and President



- Emerging Markets financial highlights for FY 2012:

	FXN Growth %	% of BD Revenues
Q2	9.6%	21.4%

- Strong underlying double-digit growth in key markets and platforms
  - ◆ China 17.1%
  - ◆ Safety 25.7%
- Expect continued strong growth in these markets, driven by continued accelerated investment
- Safety policy activities continue to progress

## Program/Product

## Planned Launch Dates

BD Nexiva™ Diffusics™ Closed IV Catheter System with diffusion tip (BDM)

✓ Launched

BD Insulin Syringe with Ultra-Fine™ 6mm Needle (BDM)

✓ Launched

BD Veritor™

✓ Launched

BD MAX™ MRSA (BDD)

✓ Launched EU, Q4 FY 2012 U.S.

BD MAX™ Group B Strep (BDD)

✓ Launched

BD MAX™ C.Diff (BDD)

✓ Launched EU/Q1 FY 2013 U.S.

BD Mosaic™ hMSC Cell Culture Medium (BDB)

✓ Launched



# Program and Product Launch Updates

## Program/Product

## Planned Launch Dates

BD PentaPoint™ 5 bevel Pen Needle (BDM)

Q3 FY 2012

BD MAX™ MRSA (BDD)

Launched EU, Q4 FY 2012 U.S.

BD MAX™ C.Diff (BDD)

Launched EU/Q1 FY 2013 U.S.

BD Viper™ Trich (BDD)

Q4 FY 2012 EU/Q4 FY 2013 U.S.  
(Delayed)

BD Viper™ LT with GC/CT (BDD)

Q4 FY 2013

BD Viper™ LT HPV-GT (BDD)

Q4 FY2013 Ex-U.S.

Women's Health Front-End Automation  
(BDD)

Q1 FY 2013 EU/ Q3 FY 2013 U.S.

BD SurePath™ Plus (BDD)

FY 2013 Ex-U.S., FY 2014 U.S.

Analyzers for CD4 testing (BDB)

FY 2013/ FY 2014 (Delayed)

- Pleased with our Q2 and year-to-date results
- Recent acquisitions on track
- Moving past difficult comparisons that impacted our results in the first half
- Emerging markets and international safety sales continue to fuel growth
- Results this quarter highlight the diversity of our portfolio
- Increasing bottom end of revenue guidance on an FXN basis
- Remain committed to executing against our strategy and driving revenue growth through organic means and through acquisitions

# Q & A

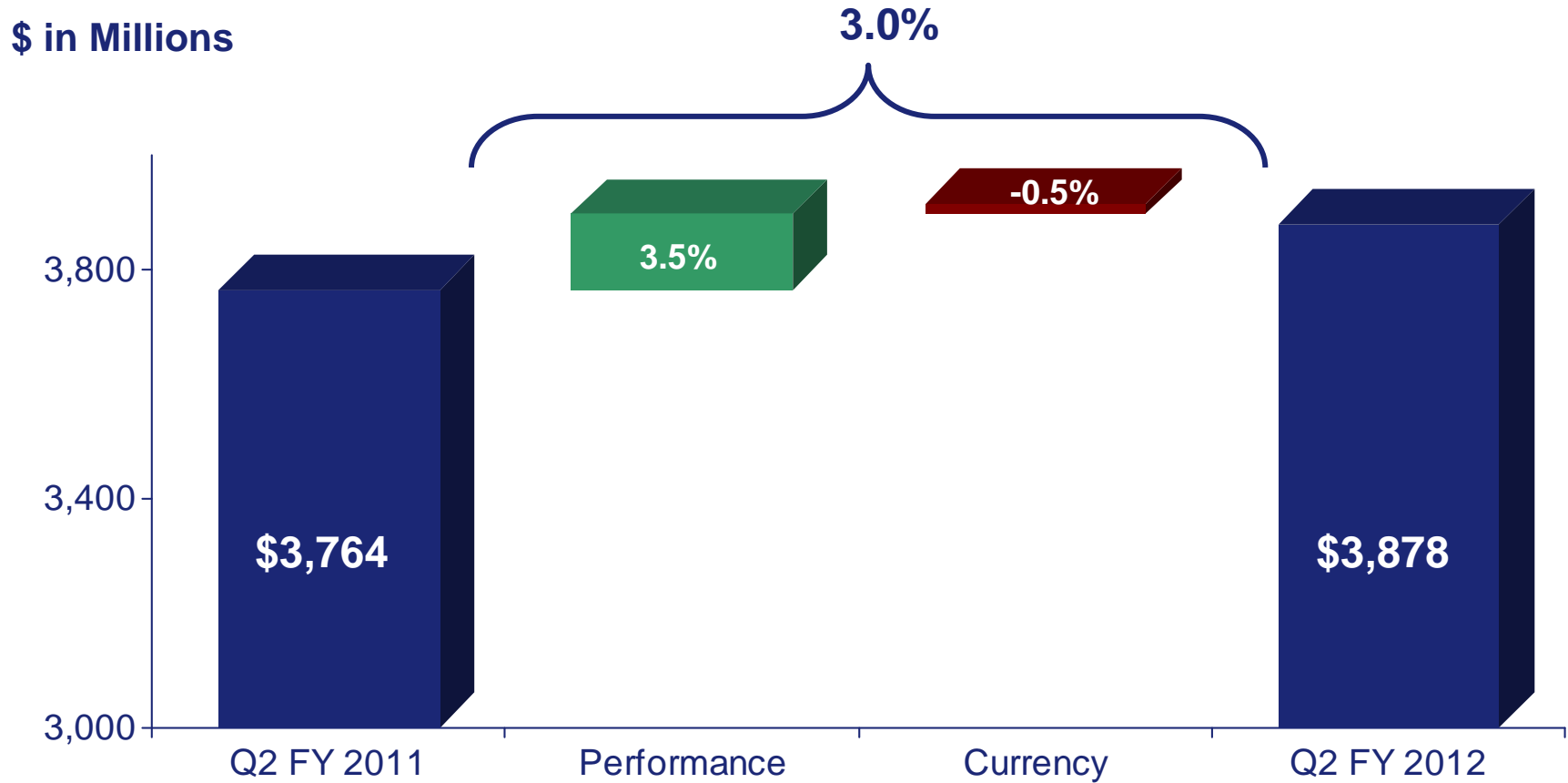
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# YTD FY 2012 Income Statement

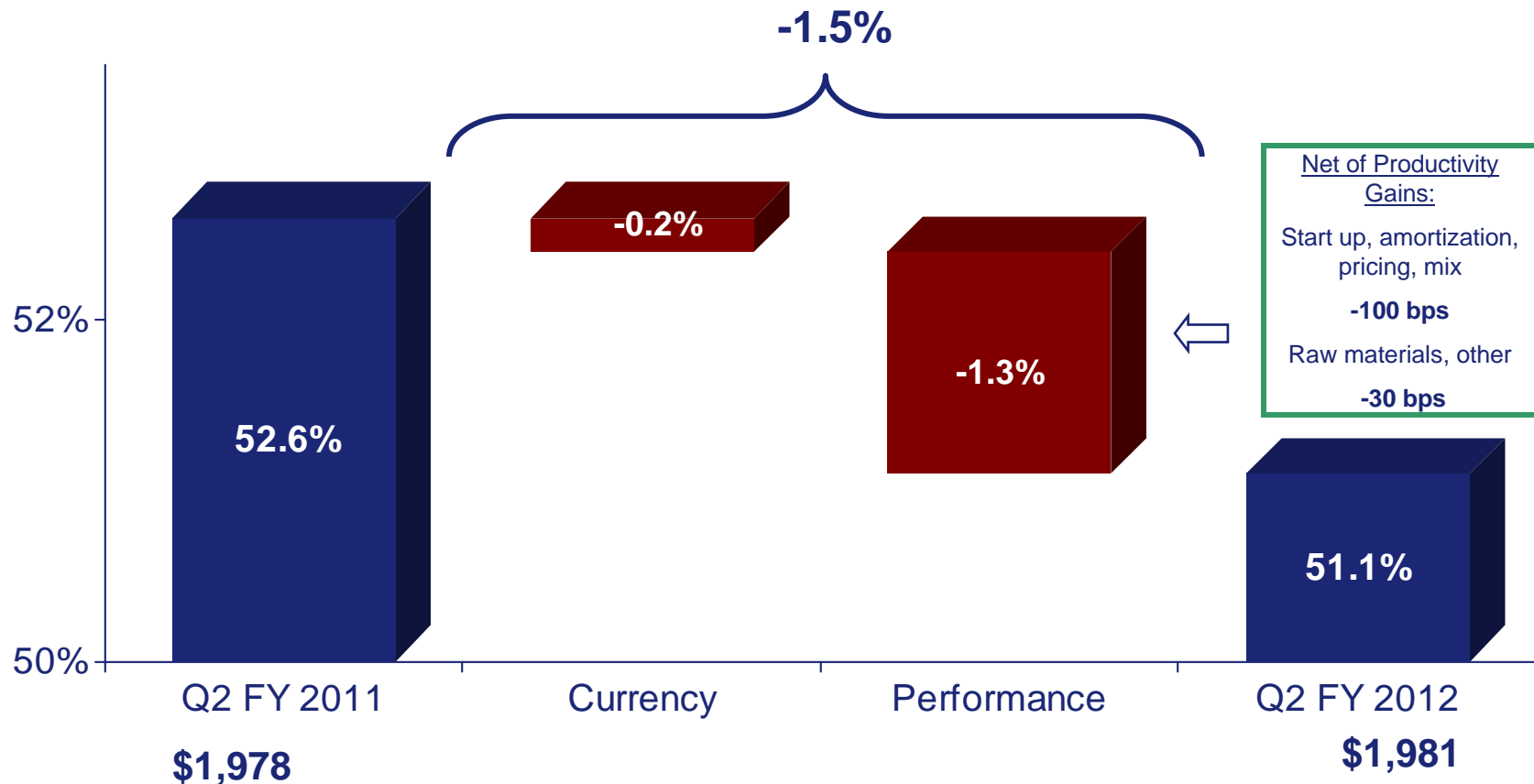
	YTD FY 2012	YTD FY 2011	Favorable (Unfavorable)		
			\$ Change	Reported % Change	FXN % Change
<b>Revenues</b>	3,878	3,764	114	3.0%	3.5%
<b>Gross Profit</b>	1,981	1,978	3	0.2%	1.0%
% of Revenues	51.1%	52.6%			
<b>SSG&amp;A</b>	984	890	(94)	-10.6%	-11.0%
% of Revenues	25.4%	23.6%			
<b>R&amp;D</b>	232	235	2	0.9%	0.7%
% of Revenues	6.0%	6.2%			
<b>Operating Income</b>	765	853	(88)	-10.4%	-8.8%
% of Revenues	19.7%	22.7%			
<b>EPS</b>	\$2.59	\$2.72	\$(0.13)	-4.8%	-3.3%

# YTD FY 2012 Revenue Growth Year-Over-Year



# YTD FY 2012 Gross Margin Change Year-Over-Year

\$ in Millions







# Q2 FY 2012 Reconciliation - FX Impact

	Three Months Ended March 31,					
	Reported FY2012	Reported FY2011	Reported Growth \$	Foreign Currency Translation	FXN Change	FXN Growth
REVENUES	\$ 1,991	\$ 1,922	\$ 69	\$ (19)	\$ 88	4.6%
Gross Profit	1,020	1,001	19	(16)	34	3.4%
% of Revenues	51.2%	52.1%				
Selling and administrative	495	442	(53)	4	(57)	-12.9%
% of Revenues	24.9%	23.0%				
Research and development	119	119	1	0	0	0.1%
% of Revenues	6.0%	6.2%				
OPERATING INCOME	406	440	(34)	(12)	(22)	-5.1%
% of Revenues	20.4%	22.9%				
Income tax provision	102	117	15	4	11	NM
Effective Tax Rate	26.0%	27.4%				
INCOME FROM CONTINUING OPERATIONS	291	311	(21)	(8)	(13)	-4.1%
% of Revenues	14.6%	16.2%				
Diluted Earnings per Share from Continuing Operations	\$ 1.38	\$ 1.38	\$ 0.00	\$ (0.04)	\$ 0.04	2.9%



# YTD March FY 2012 Reconciliation – FX Impact

	Six Months Ended March 31,					
	Reported FY2012	Reported FY2011	Reported Growth \$	Foreign Currency Translation	FXN Change	FXN Growth
REVENUES	\$ 3,878	\$ 3,764	\$ 114	\$ (18)	\$ 132	3.5%
Gross Profit % of Revenues	1,981 51.1%	1,978 52.6%	3	(17)	21	1.0%
Selling and administrative % of Revenues	984 25.4%	890 23.6%	(94)	4	(98)	-11.0%
Research and development % of Revenues	232 6.0%	235 6.2%	2	0	2	0.7%
OPERATING INCOME % of Revenues	765 19.7%	853 22.7%	(88)	(13)	(75)	-8.8%
Income tax provision Effective Tax Rate	183 24.9%	211 25.3%	28	5	23	NM
INCOME FROM CONTINUING OPERATIONS % of Revenues	554 14.3%	625 16.6%	(72)	(9)	(63)	-10.1%
Diluted Earnings per Share from Continuing Operations	\$ 2.59	\$ 2.72	\$ (0.13)	\$ (0.04)	\$ (0.09)	-3.3%



# FY 2011 Reconciliation

	Twelve Months Ended September 30,						
	Reported FY 2011	Impairment Charge <sup>(1)</sup>	Adjusted FY 2011	Reported FY 2010	Tax <sup>(2)</sup>	Adjusted FY 2010	Adjusted % Growth
REVENUES	\$ 7,829		\$ 7,829	\$ 7,372		\$ 7,372	6.2%
Gross Profit % of Revenues	4,092 52.3%		4,092 52.3%	3,829 51.9%		3,829 51.9%	6.9%
Selling and administrative % of Revenues	1,852 23.7%		1,852 23.7%	1,721 23.3%		1,721 23.3%	-7.6%
Research and development % of Revenues	476 6.1%	\$ (9)	467 6.0%	\$ 431 5.8%		431 5.8%	-8.4%
OPERATING INCOME % of Revenues	1,763 22.5%	9	1,773 22.6%	1,677 22.7%		1,677 22.7%	5.7%
Income tax provision Effective Tax Rate	451 26.3%	4	455 26.4%	\$ 485 29.2%	\$ (9)	476 28.7%	NM
INCOME FROM CONTINUING OPERATIONS % of Revenues	1,265 16.2%	6	1,271 16.2%	1,176 16.0%	9	1,185 16.1%	7.2%
Diluted Earnings per Share from Continuing Operations	\$ 5.59	\$ 0.03	\$ 5.62	\$ 4.90	\$ 0.04	\$ 4.94	13.8%

NM - Not Meaningful

<sup>(1)</sup> Represents a non-cash impairment charge resulting from the discontinuance of a research program within the Diagnostic Systems unit.

<sup>(2)</sup> Represents a non-cash charge related to healthcare reform impacting Medicare Part D reimbursements.



# FY 2012 Reconciliation – Emerging Markets

	Three Months Ended March 31,				
	2012	2011	% Change		
			Reported	FXN	FX Impact
TOTAL EMERGING MARKETS REVENUES	\$ 426,529	\$ 394,940	8.0	9.6	(1.6)



# FY 2012 Reconciliation – China

	Three Months Ended March 31,				
	2012	2011	% Change		
			Reported	FXN	FX Impact
CHINA REVENUES	\$ 85,540	\$ 70,421	21.5	17.1	4.4