

# BECTON, DICKINSON AND CO.



## Business Summary: Medical Instruments & Equipment (MIC: 9.6 SIC: 3841 NAIC: 339112)

Becton, Dickinson and Co. is engaged principally in the manufacture and sale of a range of medical supplies, devices, laboratory equipment and diagnostic products used by healthcare institutions, life science researchers, clinical laboratories, industry and the general public. Co.'s operations consist of three worldwide business segments: BD Medical, BD Diagnostics and BD Biosciences. BD Medical produces an array of medical devices that are used in a range of healthcare settings. BD Diagnostics includes products such as clinical and industrial microbiology, and sample collection products. BD Biosciences produces research and clinical tools that facilitate the study of cells.

**Recent Developments:** For the quarter ended Mar 31 2006, income from continuing operations decreased 16.2% to \$156.2 million from \$186.5 million in the year-earlier quarter. Net income decreased 18.1% to \$154.1 million from \$188.2 million in the year-earlier quarter. Revenues were \$1.45 billion, up 6.1% from \$1.37 billion the year before. Operating income was \$239.8 million versus \$255.2 million in the prior-year quarter, a decrease of 6.0%. Direct operating expenses rose 4.8% to \$710.6 million from \$678.0 million in the comparable period the year before. Indirect operating expenses increased 15.4% to \$498.9 million from \$432.3 million in the equivalent prior-year period.

**Prospects:** During fiscal 2006, Co. expects to continue experiencing higher resin purchase costs, primarily due to recent increases in world oil prices. Also, Co. intends to mitigate further increases in resin purchase costs over the remainder of 2006 through increased sales of products with higher margins, the implementation of cost reduction programs, productivity improvements and periodic price increases and adjustments. Co. anticipates revenue growth over the next three years will be driven by core business growth and expansion and development in each business segment of new products and services providing increased benefits to patients, healthcare workers and researchers.

## Financial Data

(US\$ in Thousands)	6 Mos	3 Mos	09/30/2005	09/30/2004	09/30/2003	09/30/2002	09/30/2001	09/30/2000
Earnings Per Share	2.76	2.88	2.77	1.77	2.07	1.79	1.49	1.49
Cash Flow Per Share	4.65	4.59	4.87	4.35	3.56	3.24	3.03	2.43
Tang Book Value Per Share	9.72	9.94	9.36	8.01	6.63	4.95	5.35	3.80
Dividends Per Share	0.790	0.755	0.720	0.600	0.400	0.390	0.380	0.370
Dividend Payout %	28.62	26.22	25.99	33.90	19.32	21.79	25.50	24.83
<b>Income Statement</b>								
Total Revenue	2,863,378	1,414,061	5,414,681	4,934,745	4,527,940	4,033,069	3,754,302	3,618,334
EBITDA	737,434	399,646	1,300,866	1,035,487	1,003,889	901,204	937,864	882,386
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Income Before Taxes	534,408	297,869	1,004,854	752,868	709,706	628,589	576,750	519,934
Income Taxes	160,310	80,009	312,571	170,364	162,650	148,607	138,348	127,037
Net Income	371,928	217,860	722,263	467,402	547,056	479,982	401,652	392,897
Average Shares	258,299	255,851	260,712	263,337	263,635	268,183	268,833	263,239
<b>Balance Sheet</b>								
Current Assets	2,806,611	3,146,465	2,975,314	2,641,334	2,338,569	1,928,707	1,762,942	1,660,677
Total Assets	6,122,778	6,230,756	6,071,969	5,752,579	5,572,253	5,040,460	4,802,287	4,505,096
Current Liabilities	1,287,299	1,552,236	1,299,375	1,050,082	1,043,374	1,252,453	1,264,676	1,353,538
Long-Term Obligations	956,539	958,885	1,060,833	1,171,506	1,184,031	802,967	782,996	779,569
Total Liabilities	2,613,903	2,825,356	2,788,017	2,684,716	2,675,299	2,552,486	2,473,520	2,549,098
Stockholders' Equity	3,508,875	3,405,400	3,283,952	3,067,863	2,896,954	2,487,974	2,328,767	1,955,998
Shares Outstanding	247,317	247,336	247,684	249,334	251,133	255,529	259,236	253,496
<b>Statistical Record</b>								
Return on Assets %	11.72	12.21	12.22	8.23	10.31	9.75	8.63	8.76
Return on Equity %	20.52	22.08	22.74	15.63	20.32	19.93	18.75	21.04
EBITDA Margin %	25.75	28.26	24.02	20.98	22.17	22.35	24.98	24.39
Net Margin %	12.99	15.41	13.34	9.47	12.08	11.90	10.70	10.86
Asset Turnover	0.93	0.91	0.92	0.87	0.85	0.82	0.81	0.81
Current Ratio	2.18	2.03	2.29	2.52	2.24	1.54	1.39	1.23
Debt to Equity	0.27	0.28	0.32	0.38	0.41	0.32	0.34	0.40
Price Range	65.76-50.07	60.72-50.07	59.98-49.52	53.25-35.71	40.43-28.40	38.47-25.01	39.00-26.56	34.13-22.38
P/E Ratio	23.83-18.14	21.08-17.39	21.65-17.88	30.08-20.18	19.53-13.72	21.49-13.97	26.17-17.83	22.90-15.02
Average Yield %	1.38	1.35	1.30	1.31	1.17	1.14	1.12	1.35

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<b>Web Site:</b> www.bdx.com		<b>Shares:</b> 210,885,040 <b>% Held:</b> 85.27