

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

BRISTOL-MYERS SQUIBB COMPANY
CONSOLIDATED STATEMENTS OF EARNINGS
Dollars in Millions, Except Per Share Data

EARNINGS	Year Ended December 31,		
	2018	2017	2016
Net product sales	\$ 21,581	\$ 19,258	\$ 17,702
Alliance and other revenues	980	1,518	1,725
Total Revenues	22,561	20,776	19,427
Cost of products sold	6,547	6,094	4,969
Marketing, selling and administrative	4,551	4,751	4,979
Research and development	6,345	6,482	5,012
Other income (net)	(850)	(1,682)	(1,448)
Total Expenses	16,593	15,645	13,512
Earnings Before Income Taxes	5,968	5,131	5,915
Provision for Income Taxes	1,021	4,156	1,408
Net Earnings	4,947	975	4,507
Noncontrolling Interest	27	(32)	50
Net Earnings Attributable to BMS	\$ 4,920	\$ 1,007	\$ 4,457
Earnings per Common Share			
Basic	\$ 3.01	\$ 0.61	\$ 2.67
Diluted	3.01	0.61	2.65

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Dollars in Millions

COMPREHENSIVE INCOME	Year Ended December 31,		
	2018	2017	2016
Net Earnings	\$ 4,947	\$ 975	\$ 4,507
Other Comprehensive (Loss)/Income, net of taxes and reclassifications to earnings:			
Derivatives qualifying as cash flow hedges	70	(57)	4
Pension and postretirement benefits	53	214	(17)
Available-for-sale securities	(25)	39	16
Foreign currency translation	(254)	18	(38)
Total Other Comprehensive (Loss)/Income	(156)	214	(35)
Comprehensive Income	4,791	1,189	4,472
Comprehensive Income/(Loss) Attributable to Noncontrolling Interest	27	(32)	50
Comprehensive Income Attributable to BMS	\$ 4,764	\$ 1,221	\$ 4,422

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

BRISTOL-MYERS SQUIBB COMPANY
CONSOLIDATED BALANCE SHEETS
Dollars in Millions, Except Share and Per Share Data

ASSETS	December 31,	
	2018	2017
Current Assets:		
Cash and cash equivalents	\$ 6,911	\$ 5,421
Marketable securities	1,973	1,391
Receivables	5,965	6,300
Inventories	1,195	1,166
Prepaid expenses and other	1,116	576
Total Current Assets	17,160	14,854
Property, plant and equipment	5,027	5,001
Goodwill	6,538	6,863
Other intangible assets	1,091	1,210
Deferred income taxes	1,371	1,610
Marketable securities	1,775	2,480
Other assets	2,024	1,533
Total Assets	\$ 34,986	\$ 33,551
LIABILITIES		
Current Liabilities:		
Short-term debt obligations	\$ 1,703	\$ 987
Accounts payable	1,892	2,248
Accrued liabilities	6,489	6,014
Deferred income	172	83
Income taxes payable	398	231
Total Current Liabilities	10,654	9,563
Deferred income	468	454
Income taxes payable	3,043	3,548
Pension and other liabilities	1,048	1,164
Long-term debt	5,646	6,975
Total Liabilities	20,859	21,704
Commitments and contingencies		
EQUITY		
Bristol-Myers Squibb Company Shareholders' Equity:		
Preferred stock, \$2 convertible series, par value \$1 per share: Authorized 10 million shares; issued and outstanding 3,590 in 2018 and 4,070 in 2017, liquidation value of \$50 per share	—	—
Common stock, par value of \$0.10 per share: Authorized 4.5 billion shares; 2.2 billion issued in both 2018 and 2017	221	221
Capital in excess of par value of stock	2,081	1,898
Accumulated other comprehensive loss	(2,762)	(2,289)
Retained earnings	34,065	31,160
Less cost of treasury stock — 576 million common shares in 2018 and 575 million common shares in 2017	(19,574)	(19,249)
Total Bristol-Myers Squibb Company Shareholders' Equity	14,031	11,741
Noncontrolling interest	96	106
Total Equity	14,127	11,847
Total Liabilities and Equity	\$ 34,986	\$ 33,551

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

BRISTOL-MYERS SQUIBB COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Dollars in Millions

	Year Ended December 31,		
	2018	2017	2016
Cash Flows From Operating Activities:			
Net earnings	\$ 4,947	\$ 975	\$ 4,507
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization, net	637	789	382
Deferred income taxes	86	1,010	(204)
Stock-based compensation	221	199	205
Impairment charges	126	327	63
Pension settlements and amortization	186	236	169
Divestiture gains and royalties	(992)	(706)	(1,187)
Asset acquisition charges	85	760	274
Loss/(gain) on equity investments	512	(23)	37
Other adjustments	(44)	120	(36)
Changes in operating assets and liabilities:			
Receivables	(429)	(431)	(803)
Inventories	(216)	(29)	(152)
Accounts payable	(59)	320	104
Deferred income	84	(642)	(64)
Income taxes payable	162	2,597	(453)
Other	634	(227)	216
Net Cash Provided by Operating Activities	5,940	5,275	3,058
Cash Flows From Investing Activities:			
Sale and maturities of marketable securities	2,379	6,412	4,809
Purchase of marketable securities	(2,305)	(5,437)	(3,089)
Capital expenditures	(951)	(1,055)	(1,215)
Divestiture and other proceeds	1,249	722	1,334
Acquisition and other payments	(1,246)	(708)	(359)
Net Cash (Used in)/Provided by Investing Activities	(874)	(66)	1,480
Cash Flows From Financing Activities:			
Short-term debt obligations, net	(543)	727	125
Issuance of long-term debt	—	1,488	—
Repayment of long-term debt	(5)	(1,224)	(15)
Repurchase of common stock	(320)	(2,469)	(231)
Dividends	(2,613)	(2,577)	(2,547)
Other	(54)	(22)	15
Net Cash Used in Financing Activities	(3,535)	(4,077)	(2,653)
Effect of Exchange Rates on Cash and Cash Equivalents	(41)	52	(33)
Increase in Cash and Cash Equivalents	1,490	1,184	1,852
Cash and Cash Equivalents at Beginning of Year	5,421	4,237	2,385
Cash and Cash Equivalents at End of Year	\$ 6,911	\$ 5,421	\$ 4,237

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