



Second Quarter Results Fiscal Year 2014

May 1, 2014



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 impact of the following items:
 1. Foreign currency translation.
 2. The medical device excise tax, which began January 1, 2013, in conjunction with the U.S. healthcare reform act.
 3. A \$22 million charge resulting from an antitrust class action settlement in the third quarter of fiscal year 2013.
 4. A \$341 million charge resulting from the RTI trial verdict in the fourth quarter of fiscal year 2013.
 5. A \$6 million charge resulting from non-cash pension settlements in the fourth quarter of fiscal year 2013.
 6. A \$20 million charge resulting primarily from a write-off of capitalized product software, and fixed assets to a lesser extent, in the second quarter of fiscal year 2014.
 7. An \$11 million charge resulting from the early termination of a European distributor agreement in the second quarter of fiscal year 2014.
 8. An \$8 million gain on the sale of a company in which BD had a small equity ownership in the second quarter of fiscal year 2014.

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.

William A. Kozy
Executive Vice President and
Chief Operating Officer

- Pleased with our solid second quarter results
- Performance demonstrates the breadth of growth drivers and diversity across our portfolio
- Strong results in the Medical and Biosciences segments
- Diagnostics' international growth was partially offset by continued challenges in the U.S.
- Emerging markets and international safety sales remain key growth drivers
- Reaffirming FXN revenue growth guidance, raising adjusted EPS guidance

FY 2014 Financial Highlights

	Second Quarter			Year-to-Date		
	\$	Growth %	FXN Growth %	\$	Growth %	FXN Growth %
Revenues	\$2,072	3.6%	5.1%	\$4,086	4.8%	5.9%
EPS	\$1.45	4.3%	10.1%	\$2.82	2.9%	9.1%
Adjusted EPS	\$1.53	10.1%	15.8%	\$2.90	5.8%	12.0%

Christopher Reidy

Chief Financial Officer and Executive
Vice President of Administration

- Solid second quarter results
- Results partially aided by a timing of orders
- Gross profit margin improvements were more than offset by the unfavorable impact of foreign currency
- Tax rate improvement of 170 bps
- EPS growth of 15.8%
- Repurchased \$24 million of common stock, bringing our year-to-date total repurchases to \$213 million, in-line with expectations
- Reaffirming FXN revenue growth guidance, raising adjusted EPS guidance

FY 2014 Revenues by Segment

	Second Quarter			Year-to-Date		
	\$	Reported Growth %	FXN Growth%	\$	Reported Growth %	FXN Growth%
Total Revenues	\$2,072	3.6%	5.1%	\$4,086	4.8%	5.9%
Medical	1,116	5.1%	6.3%	2,180	6.6%	7.4%
Diagnostics	653	-0.9%	1.0%	1,325	1.1%	2.6%
Biosciences	302	8.2%	10.2%	581	6.8%	8.0%



FY 2014 U.S. and International Revenues

	Second Quarter			Year-to-Date		
	\$	Reported Growth %	FXN Growth %	\$	Reported Growth %	FXN Growth %
U.S.	\$826	0.2%	0.2%	\$1,675	1.3%	1.3%
Medical	434	5.2%	5.2%	875	4.5%	4.5%
Diagnostics	301	-6.4%	-6.4%	622	-3.2%	-3.2%
Biosciences	90	1.4%	1.4%	177	2.3%	2.3%
International	\$1,246	5.9%	8.5%	\$2,412	7.3%	9.2%
Medical	682	5.0%	7.0%	1,304	8.0%	9.4%
Diagnostics	352	4.5%	8.1%	703	5.2%	8.1%
Biosciences	212	11.4%	14.3%	404	8.9%	10.6%

- Emerging Markets financial highlights for FY 2014:

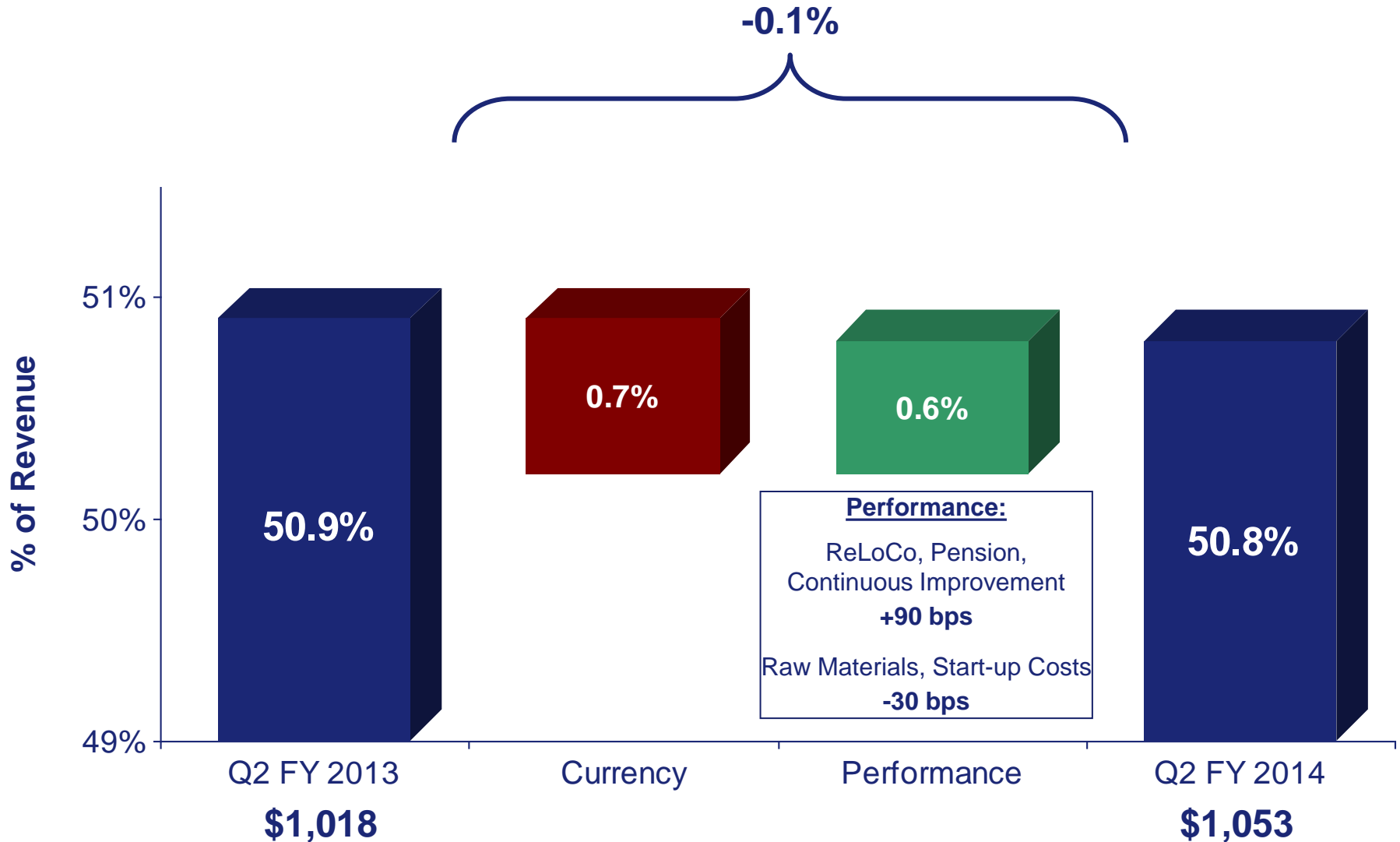
	FXN Growth %	% of BD Revenues
Q2	13.9%	24.5%

- Strong double-digit growth in key markets and platforms (FXN)
 - ◆ China 17.0%
 - ◆ Emerging Markets Safety 19.9%
- Robust growth across most emerging market geographies

FY 2014 Safety Revenues

	Second Quarter			Year-to-Date		
	\$	Reported Growth %	FXN Growth %	\$	Reported Growth %	FXN Growth %
Total Safety	\$531	3.2%	4.9%	\$1,088	6.1%	7.3%
By Geography						
U.S.	287	~flat	~flat	602	4.1%	4.1%
International	244	7.3%	11.2%	486	8.7%	11.6%
By Segment						
Medical	263	2.7%	4.4%	548	7.8%	9.1%
Diagnostics	268	3.7%	5.5%	540	4.4%	5.6%

Q2 FY 2014 Gross Margin Change Year-Over-Year





Q2 FY 2014 Income Statement

	Adjusted Q2 FY 2014	Q2 FY 2013	Favorable (Unfavorable)		FXN % Change
			\$ Change	% Change	
Revenues	\$2,072	\$2,000	\$71	3.6%	5.1%
Gross Profit	1,053	1,018	35	3.4%	6.2%
% of Revenues	50.8%	50.9%			
SSG&A	514	515	1	0.2%	-1.4%
% of Revenues	24.8%	25.7%			
R&D	127	122	(4)	-3.7%	-3.8%
% of Revenues	6.1%	6.1%			
Operating Income	412	381	31	8.2%	13.5%
% of Revenues	19.9%	19.1%			
Tax Rate	21.7%	23.4%			
EPS	\$1.53	\$1.39	\$0.14	10.1%	15.8%

Growth % (FXN)*	February Guidance	May Guidance
Total BD Revenues	4.5% to 5.0%	4.5% to 5.0%
Medical	5.0% to 5.5%	5.5% to 6.0%
Diagnostics	3.5% to 4.5%	3.0% to 3.5%
Biosciences	~4%	4.0% to 5.0%
Tax Rate	23.5% to 23.7%	23.0% to 23.5%
Adjusted EPS Growth	9.0% to 9.5%	10.0% to 10.5%
Adjusted EPS	\$6.19 to \$6.22	\$6.22 to \$6.25
Adjusted EPS Growth, Ex-Medical Device Tax	9.5% to 10.0%	11.0% to 11.5%

FXN Growth %	Q2	First Half	Second Half	Total Year
Total BD	5.1%	5.9%	3.5% to 4.0%	4.5% to 5.0%
Medical	6.3%	7.4%	4.0% to 4.5%	5.5% to 6.0%
Diagnostics	1.0%	2.6%	3.5% to 4.5%	3.0% to 3.5%
Biosciences	10.2%	8.0%	flat to 2.0%	4.0% to 5.0%

William A. Kozy
Executive Vice President and
Chief Operating Officer

Program and Product Launch Updates

Medical Program/Product

Planned Launch Date

BD Simplist™ Prefilled Injectables

- Morphine Sulfate Injection, USP
- 4 additional drugs filed for FDA approval

 FDA Approved

 Launched

- FY 2014 / FY 2015



Biosciences Program/Product

Planned Launch Date

BD FACSPresto™



 Launched

Sirigen Dyes



 3 Launched

- FY 2014 - 4 Additional Launches Expected



Program and Product Launch Updates

Diagnostics Program/Product

Planned Launch Date

BD Veritor™ System

- Strep A, RSV



Launched WW (including CLIA waiver)

BD MAX™

- Staph SR, MRSA XT
- Enteric Bacteria
- Enteric Parasite
- GC/CT and GC/CT/Trich



Launched WW



Launched EU / Q3 FY 2014 U.S.

- Q3 FY 2014 EU / Q2 FY 2015 U.S.
- FY 2015 EU

BD Totalys™ Front-End Automation



Launched EU / Q2 FY 2015 U.S.

BD Viper™ LT

- BD Onclarity™ HPV-GT
- GC/CT



Launched EU

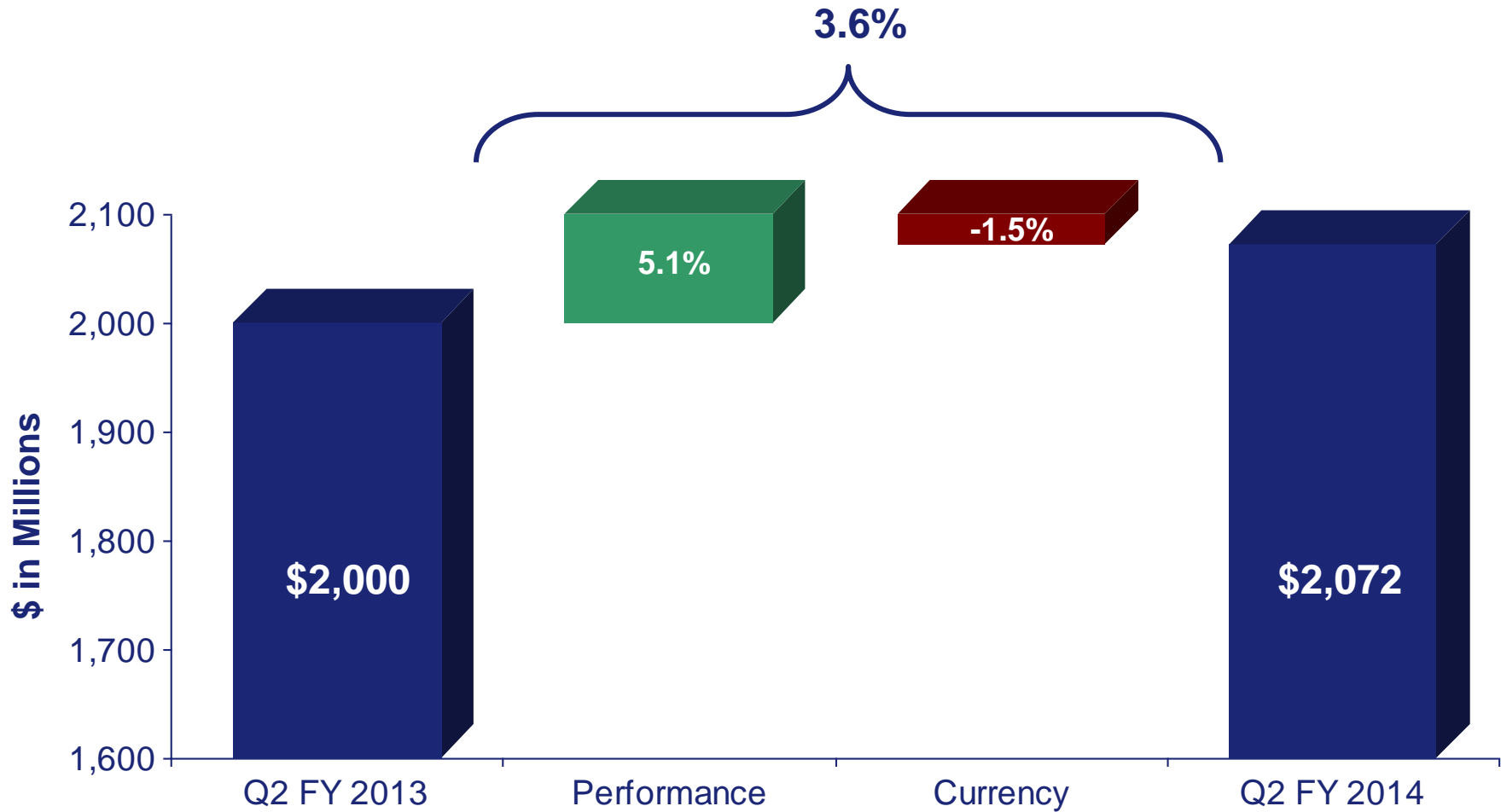
- Q3 FY 2014 EU (CE Mark, 1Q Late) / Q3 FY 2014 U.S. (FDA Clearance -1Q Early)

- Pleased with our results for the first half of the year
 - ◆ Continued solid growth in FY 2014
- Delivering on our strategy with top- and bottom-line growth and margin expansion, despite challenges in the U.S.
- We are excited about key growth drivers and opportunities across our diverse portfolio
- Reaffirming BDX revenue growth guidance (FXN), raising adjusted EPS guidance

Q & A

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Q2 FY 2014 Revenue Growth Year-Over-Year





Q2 FY 2014 Adjustment Reconciliation

(Unaudited; Amounts in millions, except per share data)

	Three Months Ended March 31,						
	Reported FY 2014	Asset Write-offs ⁽¹⁾	Contract Termination Charge ⁽²⁾	Gain on Investment ⁽³⁾	Adjusted FY 2014	Reported FY 2013	Adjusted % Growth
REVENUES	\$ 2,072	-	-	-	\$ 2,072	\$ 2,000	3.6%
Gross Profit	1,053	-	-	-	1,053	1,018	3.4%
% of Revenues	50.8%				50.8%	50.9%	
Selling and administrative % of Revenues	525 25.3%	-	\$ (11)	-	514 24.8%	515 25.7%	0.2%
Research and development % of Revenues	147 7.1%	\$ (20)	-	-	127 6.1%	122 6.1%	(3.7%)
OPERATING INCOME % of Revenues	381 18.4%	20	11	-	412 19.9%	381 19.1%	8.2%
Other income (expense), net	5	-	-	\$ (8)	(3)	2	NM
Income tax provision Effective Tax Rate	76 20.9%	8	3	(3)	84 21.7%	84 23.4%	NM
INCOME FROM CONTINUING OPERATIONS % of Revenues	287 13.9%	12	8	(5)	302 14.6%	276 13.8%	9.4%
Diluted Earnings per Share from Continuing Operations	\$ 1.45	\$ 0.06	\$ 0.04	\$ (0.03)	\$ 1.53	\$ 1.39	10.1%

NM - Not Meaningful

⁽¹⁾ Represents a write-off of capitalized product software and, to a lesser extent, fixed assets primarily resulting from the discontinuance of an instrument product development program in the Biosciences segment.

⁽²⁾ Represents the cost associated with the decision to early terminate a European distributor arrangement in the Diagnostics segment.

⁽³⁾ Represents a gain from a cash distribution received from the sale of company, in which BD had a small equity ownership.



Q2 FY 2014 Reconciliation – FX Impact

(Unaudited; Amounts in millions, except per share data)

	Three Months Ended March 31,					
	Adjusted FY 2014	Reported FY 2013	Adjusted Growth \$	Foreign Currency Translation	FXN Change	FXN Growth
REVENUES	\$ 2,072	\$ 2,000	\$ 71	\$ (31)	\$ 102	5.1%
Gross Profit	1,053	1,018	35	(29)	64	6.2%
% of Revenues	50.8%	50.9%				
Selling and administrative	514	515	1	8	(7)	(1.4%)
% of Revenues	24.8%	25.7%				
Research and development	127	122	(4)	-	(5)	(3.8%)
% of Revenues	6.1%	6.1%				
OPERATING INCOME	412	381	31	(20)	52	13.5%
% of Revenues	19.9%	19.1%				
Other (expense) income, net	(3)	2	(5)	(4)	(2)	NM
Income tax provision	84	84	1	9	(8)	NM
Effective Tax Rate	21.7%	23.4%				
INCOME FROM CONTINUING OPERATIONS	302	276	26	(16)	42	15.2%
% of Revenues	14.6%	13.8%				
Diluted Earnings per Share from Continuing Operations	\$ 1.53	\$ 1.39	\$ 0.14	\$ (0.08)	\$ 0.22	15.8%

NM - Not Meaningful

FXN = Foreign Currency Neutral



Q2 FY 2014 Reconciliation of Non-GAAP Financial Measures

(Unaudited)

	Three Months Ended March 31,						
	<u>2014</u>	<u>2013</u>	<u>Growth</u>	<u>Foreign Currency Translation</u>	<u>Foreign Currency Neutral Change</u>	<u>Growth %</u>	<u>Foreign Currency Neutral Growth %</u>
Reported Diluted Earnings per Share from Continuing Operations	\$ <u>1.45</u>	\$ <u>1.39</u>	\$ <u>0.06</u>	\$ <u>(0.08)</u>	\$ <u>0.14</u>	<u>4.3%</u>	<u>10.1%</u>
Write-off of capitalized product software and, to a lesser extent, fixed assets primarily resulting from the discontinuance of an instrument product development program in the Biosciences segment (\$20 million or \$12 million after-tax)	0.06	-					
Cost associated with the decision to early terminate a European distributor arrangement in the Diagnostics segment (\$11 million or \$8 million after-tax)	0.04	-					
Gain from a cash distribution received from the sale of company, in which BD had a small equity ownership (\$8 million or \$5 million after-tax)	(0.03)	-					
Adjusted Diluted Earnings per Share from Continuing Operations	\$ <u>1.53</u>	\$ <u>1.39</u>	\$ <u>0.14</u>	\$ <u>(0.08)</u>	\$ <u>0.22</u>	<u>10.1%</u>	<u>15.8%</u>



Q2 FY 2014 Reconciliation - FX Impact Emerging Markets and China

(Unaudited; Amounts in millions)

	Three Months Ended March 31,				
	2014	2013	% Change		
			Reported	FXN	FX Impact
Total Emerging Markets Revenues	\$ 508	\$ 469	8.3%	13.9%	-5.6%
Total Emerging Markets Safety Revenues	\$ 109	\$ 97	12.2%	19.9%	-7.7%
China Revenues	\$ 133	\$ 111	19.5%	17.0%	2.5%

All figures rounded. Totals may not add due to rounding.

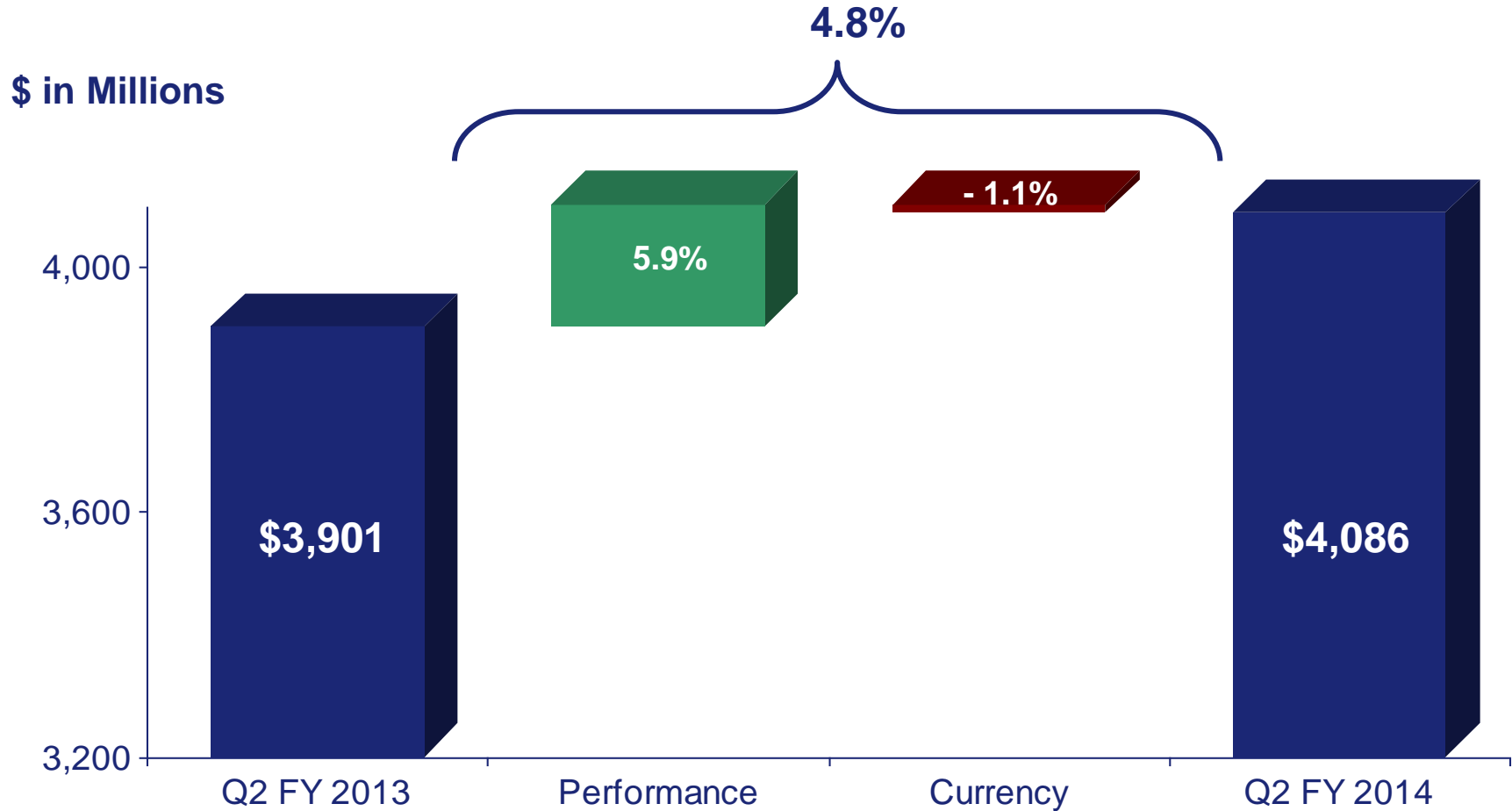


YTD March FY 2014 Income Statement

	Adjusted YTD FY 2014	YTD FY 2013	Favorable (Unfavorable)		
			\$ Change	% Change	FXN % Change
Revenues	4,086	3,901	186	4.8%	5.9%
Gross Profit	2,088	2,024	63	3.1%	6.1%
% of Revenues	51.1%	51.9%			
SSG&A	1,045	1,010	(34)	-3.4%	-4.6%
% of Revenues	25.6%	25.9%			
R&D	253	241	(12)	-5.0%	-5.0%
% of Revenues	6.2%	6.2%			
Operating Income	790	773	17	2.2%	8.3%
% of Revenues	19.3%	19.8%			
EPS	\$2.90	\$2.74	\$0.16	5.8%	12.0%
EPS - Excluding the Incremental Impact of Medical Device Tax	\$2.94	\$2.74	\$0.20	7.3%	13.5%

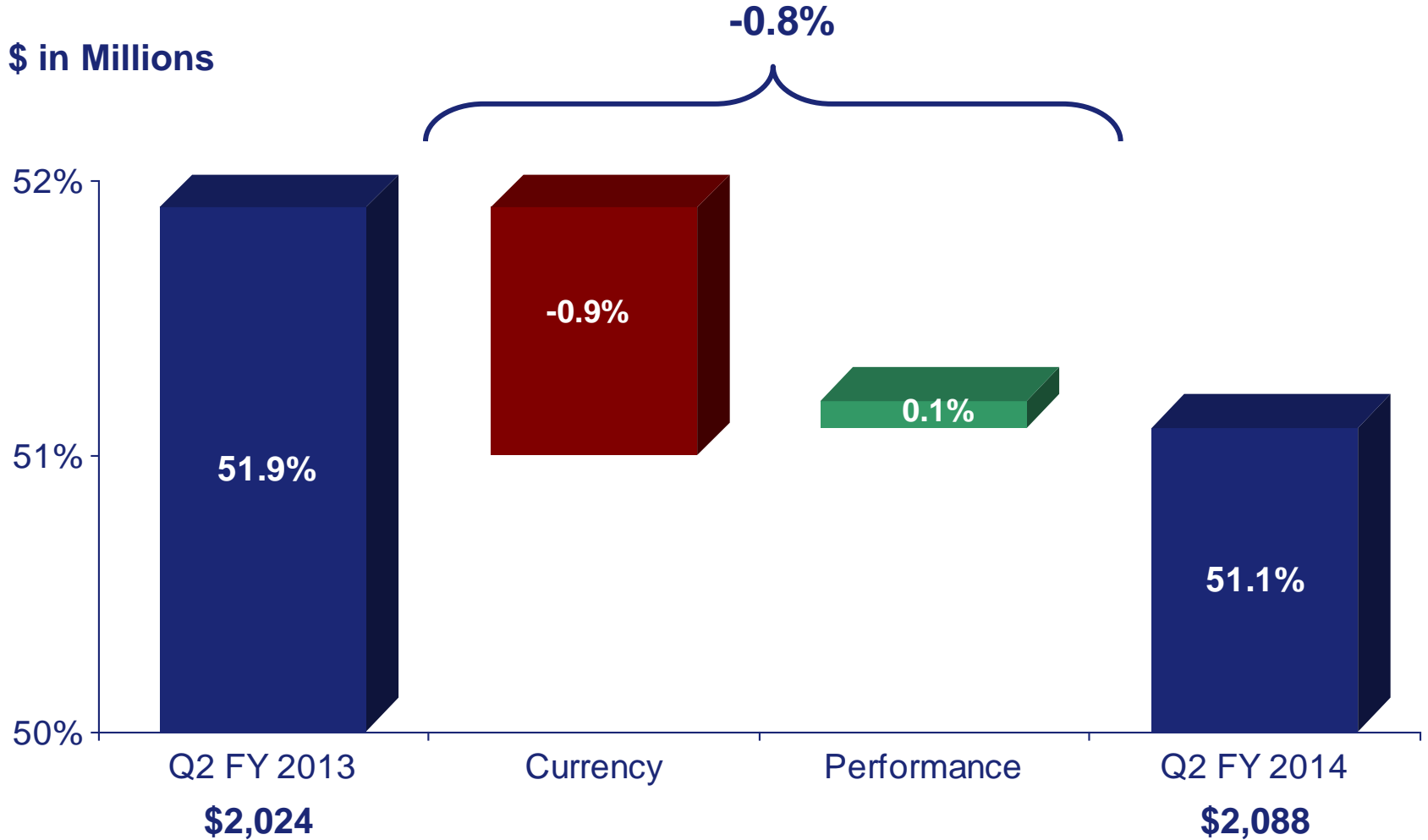


YTD March FY 2014 Revenue Growth Year-Over-Year





YTD March FY 2014 Gross Margin Change Year-Over-Year





YTD March 2014 Adjustment Reconciliation

(Unaudited; Amounts in millions, except per share data)

	Six Months Ended March 31,						
	Reported FY 2014	Asset Write-offs ⁽¹⁾	Contract Termination Charge ⁽²⁾	Gain on Investment ⁽³⁾	Adjusted FY 2014	Reported FY 2013	Adjusted % Growth
REVENUES	\$ 4,086	-	-	-	\$ 4,086	\$ 3,901	4.8%
Gross Profit	2,088	-	-	-	2,088	2,024	3.1%
% of Revenues	51.1%				51.1%	51.9%	
Selling and administrative	1,056	-	\$ (11)	-	1,045	1,010	(3.4%)
% of Revenues	25.8%				25.6%	25.9%	
Research and development	273	\$ (20)	-	-	253	241	(5.0%)
% of Revenues	6.7%				6.2%	6.2%	
OPERATING INCOME	759	20	11	-	790	773	2.2%
% of Revenues	18.6%				19.3%	19.8%	
Other income (expense), net	6	-	-	\$ (8)	(3)	3	NM
Income tax provision	164	8	3	(3)	171	180	NM
Effective Tax Rate	22.7%				23.0%	24.8%	
INCOME FROM CONTINUING OPERATIONS	558	12	8	(5)	573	546	4.9%
% of Revenues	13.7%				14.0%	14.0%	
Diluted Earnings per Share from Continuing Operations	\$ 2.82	\$ 0.06	\$ 0.04	\$ (0.03)	\$ 2.90	\$ 2.74	5.8%

NM - Not Meaningful

⁽¹⁾ Represents a write-off of capitalized product software and, to a lesser extent, fixed assets primarily resulting from the discontinuance of an instrument product development program in the Biosciences segment.

⁽²⁾ Represents the cost associated with the decision to early terminate a European distributor arrangement in the Diagnostics segment.

⁽³⁾ Represents a gain from a cash distribution received from the sale of company, in which BD had a small equity ownership.



YTD March FY 2014 Reconciliation – FX Impact

(Unaudited; Amounts in millions, except per share data)

	Six Months Ended March 31,					
	Adjusted FY 2014	Reported FY 2013	Adjusted Growth \$	Foreign Currency Translation	FXN Change	FXN Growth
REVENUES	\$ 4,086	\$ 3,901	\$ 186	\$ (42)	\$ 228	5.9%
Gross Profit	2,088	2,024	63	(59)	123	6.1%
% of Revenues	51.1%	51.9%				
Selling and administrative	1,045	1,010	(34)	12	(47)	(4.6%)
% of Revenues	25.6%	25.9%				
Research and development	253	241	(12)	-	(12)	(5.0%)
% of Revenues	6.2%	6.2%				
OPERATING INCOME	790	773	17	(47)	64	8.3%
% of Revenues	19.3%	19.8%				
Other (expense) income, net	(3)	3	(6)	(4)	(2)	NM
Income tax provision	171	180	9	18	(9)	NM
Effective Tax Rate	23.0%	24.8%				
INCOME FROM CONTINUING OPERATIONS	573	546	27	(34)	61	11.2%
% of Revenues	14.0%	14.0%				
Diluted Earnings per Share from Continuing Operations	\$ 2.90	\$ 2.74	\$ 0.16	\$ (0.17)	\$ 0.33	12.0%

NM - Not Meaningful

FXN = Foreign Currency Neutral



YTD March FY 2014 Reconciliation of Non-GAAP Financial Measures

(Unaudited)

	Six Months Ended March 31,						
	2014	2013	Growth	Foreign Currency Translation	Foreign Currency Neutral Change	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings per Share from Continuing Operations	\$ 2.82	\$ 2.74	\$ 0.08	\$ (0.17)	\$ 0.25	2.9%	9.1%
Write-off of capitalized product software and, to a lesser extent, fixed assets primarily resulting from the discontinuance of an instrument product development program in the Biosciences segment (\$20 million or \$12 million after-tax)	0.06	-					
Cost associated with the decision to early terminate a European distributor arrangement in the Diagnostics segment (\$11 million or \$8 million after-tax)	0.04	-					
Gain from a cash distribution received from the sale of company, in which BD had a small equity ownership (\$8 million or \$5 million after-tax)	(0.03)	-					
Adjusted Diluted Earnings per Share from Continuing Operations	\$ 2.90	\$ 2.74	\$ 0.16	\$ (0.17)	\$ 0.33	5.8%	12.0%
The incremental impact in first quarter fiscal year 2014 of the medical device excise tax which went into effect in January 2013 under the U.S. Patient Protection and Affordable Care Act (\$14 million or \$9 million after-tax)	0.05	0.00					
Adjusted Diluted Earnings per Share from Continuing Operations without incremental first quarter fiscal year 2014 impact of Medical Device Excise Tax	\$ 2.94	\$ 2.74	\$ 0.20	\$ (0.17)	\$ 0.37	7.3%	13.5%



FY 2013 Reconciliation

Twelve Months Ended September 30,

	Reported FY 2013	Pending Litigation Settlement Charge ⁽¹⁾	Verdict Charge ⁽²⁾	Pension Settlement Charge ⁽³⁾	Adjusted FY 2013	Reported FY 2012	Pension Settlement Charge ⁽³⁾	Adjusted FY 2012	Adjusted % Growth
REVENUES	\$ 8,054	-	-	-	\$ 8,054	\$ 7,708	-	\$ 7,708	4.5%
Gross Profit % of Revenues	4,171 51.8%	-	-	\$ 3	4,174 51.8%	3,953 51.3%	\$ 11	3,964 51.4%	5.3%
Selling and administrative % of Revenues	2,422 30.1%	\$ (22)	\$ (341)	(3)	2,056 25.5%	1,923 25.0%	(8)	1,916 24.9%	-7.3%
Research and development % of Revenues	494 6.1%	-	-	-	494 6.1%	472 6.1%	(2)	470 6.1%	-5.1%
OPERATING INCOME % of Revenues	1,254 15.6%	22	341	6	1,623 20.2%	1,558 20.2%	20	1,578 20.5%	2.8%
Income tax provision Effective Tax Rate	236 20.2%	8	129	2	376 24.5%	363 24.6%	7	370 24.8%	NM
INCOME FROM CONTINUING OPERATIONS % of Revenues	929 11.5%	14	211	4	1,158 14.4%	1,110 14.4%	13	1,123 14.6%	3.1%
Diluted Earnings per Share from Continuing Operations	\$ 4.67	\$ 0.07	\$ 1.06	\$ 0.02	\$ 5.81	\$ 5.30	\$ 0.06	\$ 5.37	8.2%

NM - Not Meaningful. All figures rounded. Totals may not add due to rounding.

⁽¹⁾ Represents a charge associated with the pending litigation settlement related to indirect purchaser antitrust class action cases.

⁽²⁾ Represents a charge associated with the unfavorable verdict returned in the antitrust and false advertising lawsuit filed against the Company by RTI.

⁽³⁾ Primarily represents non-cash pension settlement charges associated with lump sum benefit payments made from the Company's U.S. supplemental pension plan, as such payments exceeded the service and interest components of the plan's pension cost in each year. The charges also included settlement losses associated with certain foreign pension plans.



FY 2014 Outlook Reconciliation

FY2014 Outlook Reconciliation

	<u>Reported Basis</u>	<u>FX Impact</u>	<u>FXN Basis</u>
Revenues - Full Year 2014 estimated growth	4.0% - 4.5%	(0.5%)	4.5% - 5.0%
	<u>Full Year 2014 (estimated)</u>	<u>Full Year 2013</u>	<u>% Increase</u>
Reported Fully Diluted Earnings per Share from Continuing Operations	\$ 6.14 - 6.17	\$ 4.67	NM
Write-off of capitalized product software and, to a lesser extent, fixed assets primarily resulting from the discontinuance of an instrument product development program in the Biosciences segment	0.06		
Cost associated with the decision to early terminate a European distributor arrangement in the Diagnostics segment	0.04		
Gain from a cash distribution received from the sale of company, in which BD had a small equity ownership	(0.03)		
Charge associated with the litigation settlement related to indirect purchaser antitrust class action cases		0.07	
Charge associated with the unfavorable verdict returned in the antitrust and false advertising lawsuit filed against the Company by RTI		1.06	
Non-cash pension settlement charge associated with lump sum benefit payments made from the Company's U.S. supplemental pension plan, as such payments exceeded the service and interest components of the plan's pension cost for the year. The charge also included settlement losses associated with certain foreign pension plans.		0.02	
Adjusted Fully Diluted Earnings per Share from Continuing Operations	<u>\$ 6.22 - 6.25</u>	<u>\$ 5.81</u>	7.0% - 7.5%
FX Impact			(3.0%)
Adjusted FXN Growth			10.0% - 10.5%
Represents the incremental impact of the medical device excise tax in first quarter fiscal year 2014 (tax went into effect in January 2013 under the U.S. Patient Protection and Affordable Care Act)			(1.0%)
Adjusted FXN Growth (excluding the medical device excise tax)			<u>11.0% - 11.5%</u>

NM - Not Meaningful, FXN = Foreign Currency Neutral