



**Fourth Quarter and Full-Year Results
Fiscal Year 2014**

Fiscal Year 2015 Guidance

November 4, 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 fourth 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. Amortization of acquisition-related intangibles is excluded from our Earnings Per Share metric. Unless otherwise noted, when we refer to Earnings Per Share, we are referring to the adjusted basis (commonly referred to as “Cash EPS”), excluding acquisition-related intangibles.
 4. All adjustments to current and prior year noted on the “Total Year Reconciliation of Non-GAAP Financial Measures” schedule in the appendix of this presentation.

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

Chairman, CEO and President

2014 Key Achievements:

- Strong revenue growth of 5.2%
 - ◆ Launched an array of new products bringing new products as a percentage of sales to 15%
- Emerging Market investments continue to fuel growth
- Operating effectiveness and efficiency initiatives continued to drive underlying margin expansion
- 42nd consecutive year of dividend increases
- Proactively adapting to the dynamic healthcare environment by transitioning to a customer-focused provider of healthcare solutions

	FY 2014	FY 2014 “Cash” EPS ¹	FY 2015 Guidance
Revenues (FXN)	5.2%		4.5% to 5%
Adjusted EPS \$	\$6.25	\$6.50	\$6.76 to \$6.83
Adjusted EPS Growth (FXN)	11.4%	10.9%	8% to 9%

¹ Beginning in fiscal year 2015, adjusted EPS will exclude the amortization of acquisition-related intangibles, net of tax.

Christopher Reidy

**Chief Financial Officer and Executive
Vice President of Administration**

- Strong revenue growth of 5.2%
- Revenue growth of 4.6% FXN, driven by Medical and Diagnostics
- Bioscience growth impacted by an unfavorable comparison to the prior year, as expected
- Emerging markets and international safety sales continue to drive robust growth
- Continued tax rate improvement
- Strong EPS growth of 13.0% FXN

FY 2014 Revenues by Segment

	Fourth Quarter			Total Year		
	\$	Reported Growth %	FXN Growth%	\$	Reported Growth %	FXN Growth%
Total Revenues	\$2,202	4.8%	4.6%	\$8,446	4.9%	5.2%
Medical	1,193	6.5%	6.1%	4,573	6.2%	6.3%
Diagnostics	708	4.2%	4.2%	2,713	2.5%	3.3%
Biosciences	301	0.2%	0.1%	1,159	5.2%	5.5%



FY 2014 U.S. and International Revenues

	Fourth Quarter			Total Year		
	\$	Reported Growth %	FXN Growth%	\$	Reported Growth %	FXN Growth%
U.S.	\$871	2.3%	2.3%	\$3,417	1.9%	1.9%
Medical	456	3.4%	3.4%	1,799	4.2%	4.2%
Diagnostics	319	0.0%	0.0%	1,251	-1.7%	-1.7%
Biosciences	96	4.4%	4.4%	366	3.5%	3.5%
International	\$1,331	6.6%	6.2%	\$5,029	7.0%	7.6%
Medical	737	8.4%	7.8%	2,774	7.6%	7.8%
Diagnostics	389	7.9%	7.8%	1,462	6.4%	7.8%
Biosciences	205	-1.7%	-1.8%	793	6.0%	6.5%

- Emerging Markets financial highlights for FY 2014:

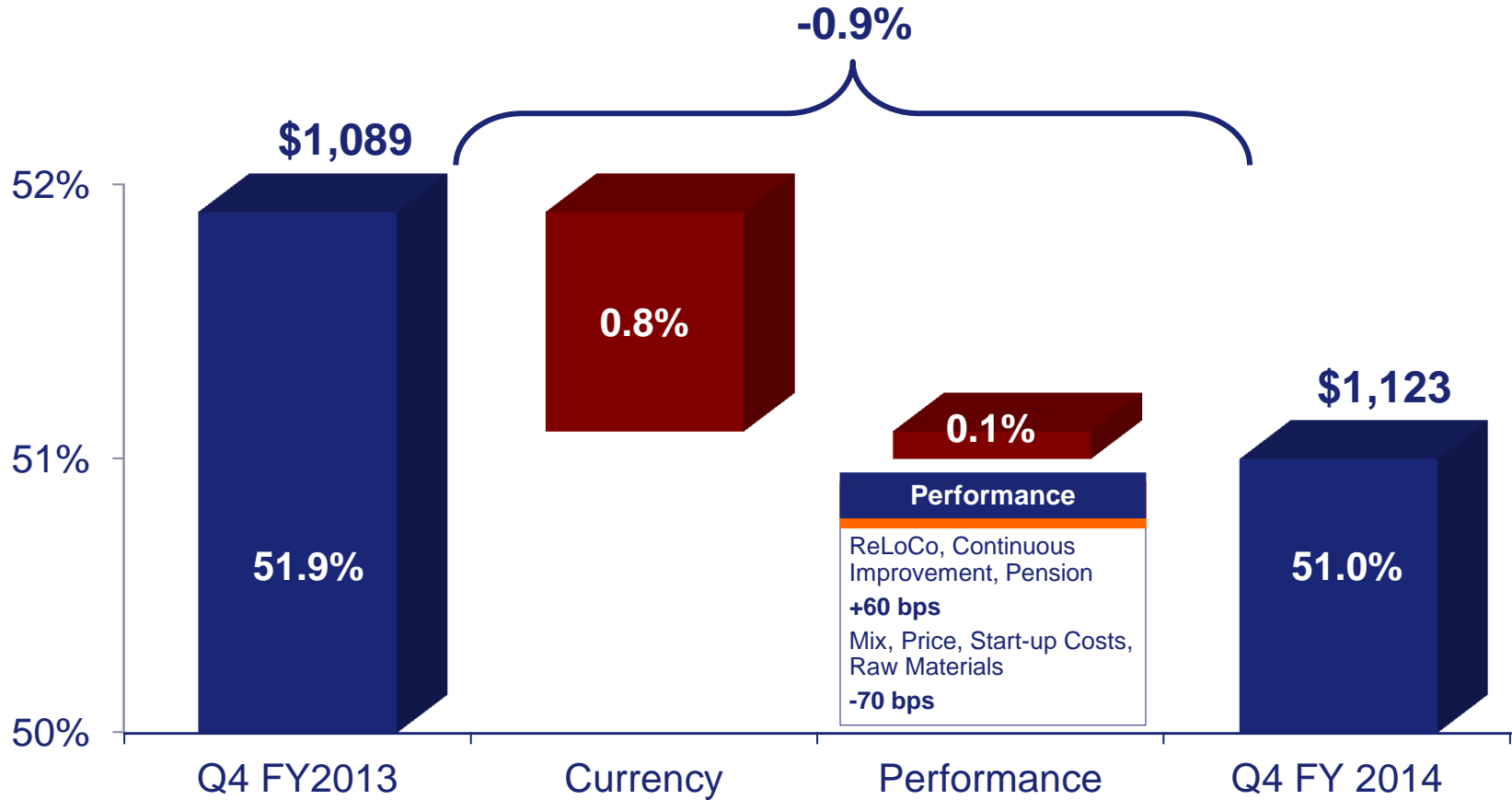
	FXN Growth %	% of BD Revenues
Q4	13.2%	26.4%
Total Year	12.3%	25.1%

- Fourth quarter growth in key markets and platforms (FXN)
 - ◆ China 21.4%
 - ◆ Emerging Markets Safety 18.6%
- Double-digit growth in all emerging markets in Q4 and Total Year

	Fourth Quarter			Total Year		
	\$	Reported Growth %	FXN Growth%	\$	Reported Growth %	FXN Growth%
Total Safety	\$566	5.7%	5.5%	\$2,223	5.9%	6.6%
By Geography						
U.S.	301	-0.8%	-0.8%	1,207	2.1%	2.1%
International	265	14.1%	13.7%	1,016	10.8%	12.3%
By Segment						
Medical	287	6.6%	6.4%	1,119	7.1%	7.8%
Diagnostics	279	4.8%	4.6%	1,104	4.7%	5.4%

Q4 FY 2014 Adjusted Gross Margin Change Year-Over-Year

% of Revenue



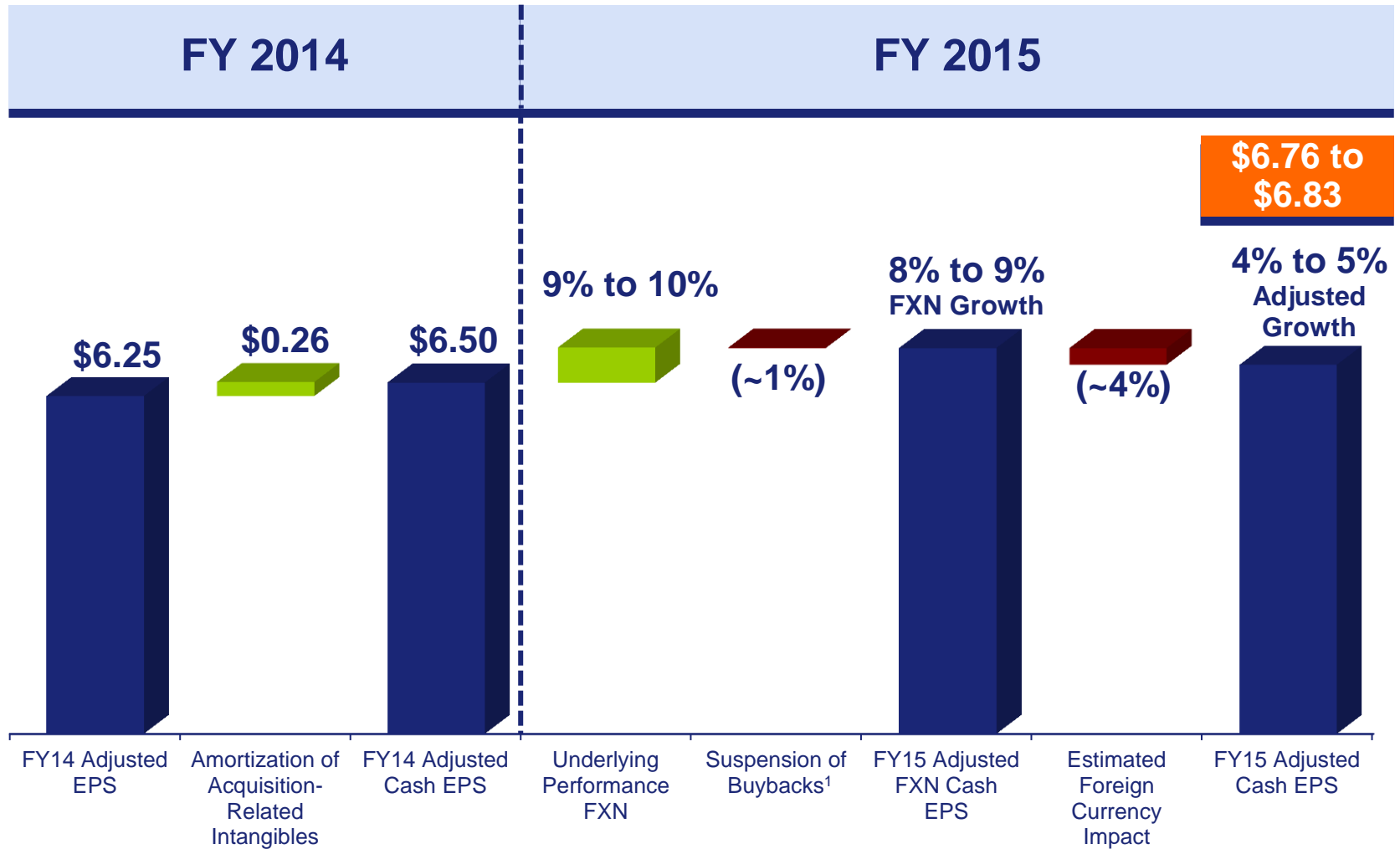


Q4 FY 2014 Income Statement

	Favorable (Unfavorable)				
	Adjusted Q4 FY 2014	Adjusted Q4 FY 2013	\$ Change	% Change	FXN % Change
Revenues	\$2,202	\$2,101	101	4.8%	4.6%
Gross Profit	1,123	1,089	34	3.1%	4.6%
% of Revenues	51.0%	51.9%			
SSG&A	542	533	(9)	-1.7%	-1.3%
% of Revenues	24.6%	25.4%			
R&D	133	133	(0)	-0.3%	-0.2%
% of Revenues	6.0%	6.3%			
Operating Income	448	423	25	5.8%	10.1%
% of Revenues	20.3%	20.1%			
Tax Rate	21.9%	24.7%			
EPS	\$1.68	\$1.54	\$0.14	9.1%	13.0%

Growth % (FXN)

	2014 Actual	November Guidance
Total BD Revenues	5.2%	4.5% to 5.0%
Medical	6.3%	4.5% to 5.0%
Life Sciences	3.9%	~ 4.5%
Diagnostics	3.3%	~ 4.0% to 4.5%
Biosciences	5.5%	~4.5% to 5.0%



¹FY 2015 share repurchase program has been suspended due to the pending CareFusion acquisition. Estimates are based on what the impact of a \$450 repurchase program could have on diluted earnings per share. Estimated EPS impact is ~1 percent, or \$0.07 to \$0.09.

	Adjusted FY 2014	Adjusted FY 2014 ¹ for “Cash” EPS	FY 2015 ^{1,2} Guidance
Gross Profit ¹	51.2%	52.0%	~52%
SSG&A	25.0%	25.0%	~25%
R&D	6.1%	6.1%	~6%
Operating Income ¹	20.0%	20.9%	20.5% to 21.0%
Effective Tax Rate ¹	22.8%	23.2%	21.5% to 22.5%
EPS ¹	\$6.25	\$6.50	\$6.76 to \$6.83
EPS – FXN ^{1,3}	11.4%	10.9%	8.0% to 9.0%
Operating Cash Flow	\$1.75B	\$1.75B	~\$1.85B
Share Repurchase ³	\$400M	\$400M	EPS headwind of ~1%, or (\$0.07) to (\$0.09)
Capital Expenditures	\$592M	\$592M	~\$625M

¹ Beginning in fiscal year 2015, adjusted values will exclude the amortization of acquisition-related intangibles. This impacts Gross Profit, Operating Income, Effective Tax Rate and Earnings Per Share. ² FY 2015 guidance excludes the pending CareFusion acquisition. Any material changes to guidance related to the acquisition will be provided upon closing. ³ BD’s share repurchase program has been suspended in FY2015.

Vincent A. Forlenza

Chairman, CEO and President

Medical Program/Product

Launch Date

BD Simplist™ Prefilled Injectables

- Morphine Sulfate Injection, USP  Launched
- Midazolam Injection, USP   Approved

Biosciences Program/Product

Launch Date

BD FACSPresto™

 Launched

BD OneFlow™ Solution - Clinical Reagents

  Q4 FY 2014

Sirigen Dyes

  6 Dyes Launched
(3 New in Q4 FY 2014)

Diagnostics Program/Product

Launch Date

BD Veritor™ System

- Strep A, RSV

✔ Launched WW

BD MAX™

- Staph SR, MRSA XT
- Enteric Bacteria
- Enteric Parasite

✔ Launched WW

✔ Launched WW

✔ Launched EU

BD Totalys™

✔ Launched EU

BD Viper™ LT

- BD Onclarity™ HPV-GT
- GC/CT

✔ Launched EU

✔ Launched WW

Medical Program/Product

Planned Launch Date

BD Insulin Infusion Sets

- FY 2015 FDA Clearance Expected

BD Simplist™ Prefilled Injectables

- Heparin Sodium Injection, USP
 - Hydromorphone Hydrochloride Injection, USP
- FY 2016
 - FY 2016

Biosciences Program/Product

Planned Launch Date

BD Horizon™ (Sirigen) Dyes

- FY 2015 – 3 Dyes Expected

BD X-14 Research Instrument

- 2H FY 2015

BD FACSVia™

- FY 2015 / FY 2016

Diagnostics Program/Product

Planned Launch Date

BD MAX™

- | | |
|------------------------------|---|
| ● Enteric Parasite | ● Launched EU / Q3 FY 2015 U.S. (1 Q Delay) |
| ● GC/CT and GC/CT/Trich | ● Q3 FY 2015 EU |
| ● Extended Enteric Bacterial | ● Late FY 2015 / Early FY 2016 EU |
| ● Enteric Viral | ● Late FY 2015 / Early FY 2016 EU |
| ● Vaginitis / Vaginosis | ● FY 2016 |

BD Totalys™

- Launched EU / Q4 FY 2015 U.S.

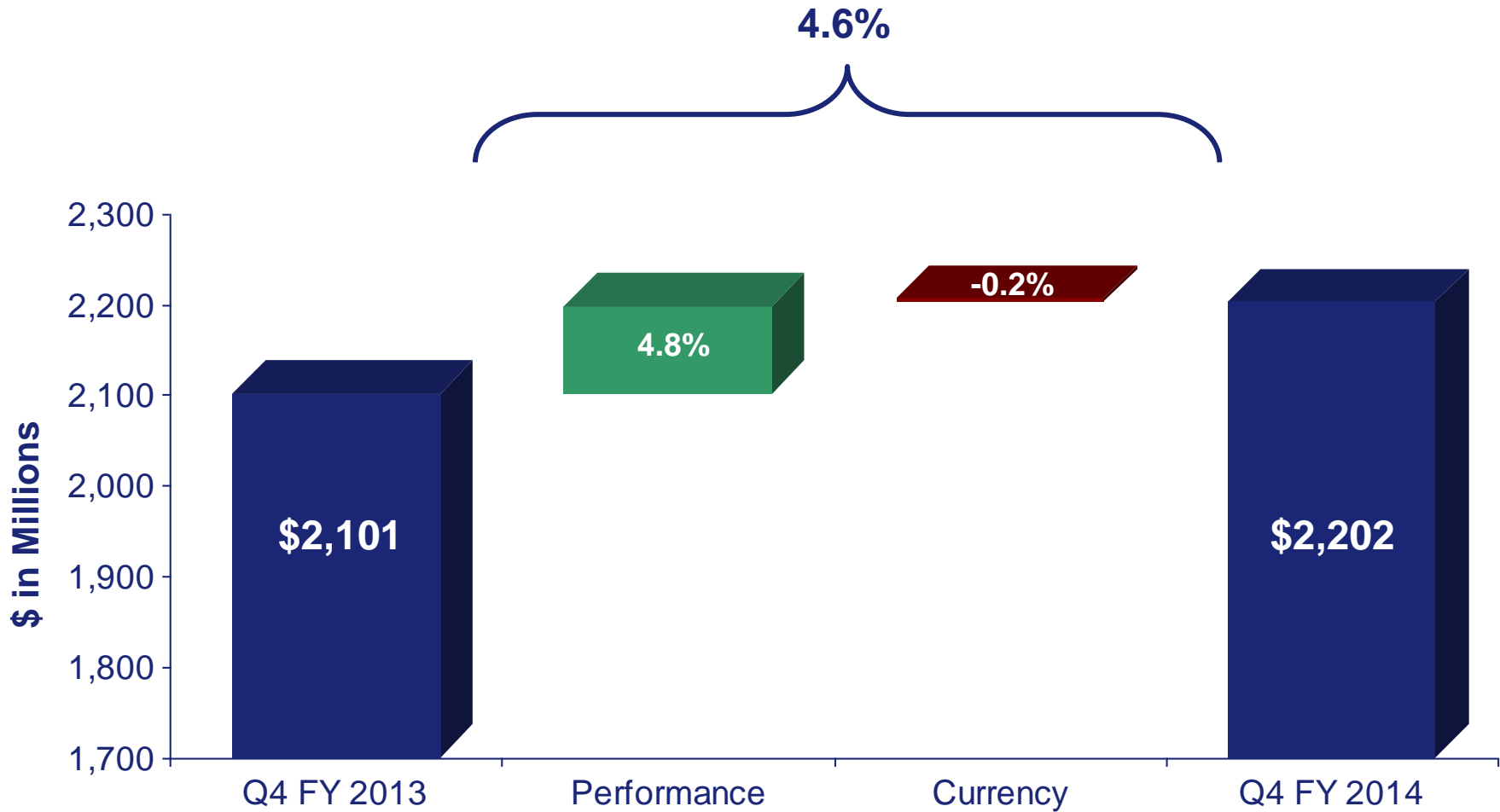
- Pleased with our strong fiscal year 2014 results
- Exceeded financial and operational goals
 - ◆ Revenue growth of 5.2%, EPS growth of 11.4%
- Strong foundation for continued growth
- Continue to evolve into a customer focused provider of complete solutions
- Looking forward to fiscal year 2015 with confidence

Q & A

FY 2014 Financial Highlights

	Fourth Quarter			Total Year		
	\$	Growth %	FXN Growth %	\$	Growth %	FXN Growth %
Revenues	\$2,202	4.8%	4.6%	\$8,446	4.9%	5.2%
EPS	\$1.53	NM	NM	\$5.99	28.3%	33.0%
Adjusted EPS	\$1.68	9.1%	13.0%	\$6.25	7.6%	11.4%
Adjusted EPS Ex-MDT	NM	NM	NM	\$6.29	8.3%	12.0%

Q4 FY 2014 Revenue Growth Year-Over-Year





Q4 FY 2014 Adjustment Reconciliation

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

	Three Months Ended September 30,						Adjusted FY 2014
	Reported FY 2014	Pension Settlement Charge ⁽¹⁾	Carrying Amount Adjustment ⁽²⁾	Workforce Reduction Charge ⁽³⁾	Acquisition Related Items ⁽⁴⁾	Program Termination Charge ⁽⁵⁾	
REVENUES	\$ 2,202	-	-	-	-	-	\$ 2,202
Gross Profit	1,103	\$ 2	\$ 5	\$ 14	-	-	1,123
% of Revenues	50.1%						51.0%
Selling and administrative	561	(2)	-	(11)	(6)	-	542
% of Revenues	25.5%						24.6%
Research and development	140	-	-	(11)	-	\$ 4	133
% of Revenues	6.4%						6.0%
OPERATING INCOME	401	3	5	36	6	(4)	448
% of Revenues	18.2%						20.3%
Other income, net	1	-	-	-	-	-	1
Income tax provision	76	1	2	13	2	(1)	93
Effective Tax Rate	20.1%						21.9%
INCOME FROM CONTINUING OPERATIONS	301	2	3	23	4	(2)	330
% of Revenues	13.7%						15.0%
Diluted Earnings per Share from Continuing Operations	\$ 1.53	\$ 0.01	\$ 0.02	\$ 0.12	\$ 0.02	(0.01)	\$ 1.68

⁽¹⁾ 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.

⁽²⁾ Represents an adjustment to the carrying amount of an asset that is being held for sale.

⁽³⁾ Represents employee termination costs associated with a workforce reduction.

⁽⁴⁾ Represents acquisition-related transaction costs incurred in connection with the GenCell Biosystems and pending CareFusion acquisitions.

⁽⁵⁾ Represents a revision to the estimated probable loss previously recorded as a result of the decision to terminate a research and development program in the Medical segment.



Q4 FY 2014 Reconciliation – FX Impact

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

	Three Months Ended September 30,						
	Adjusted FY 2014	Adjusted FY 2013	Adjusted Growth \$	Adjusted Growth %	Foreign Currency Translation	FXN Change	FXN Growth
REVENUES	\$ 2,202	\$ 2,101	\$ 101	4.8%	\$ 4	\$ 97	4.6%
Gross Profit % of Revenues	1,123 51.0%	1,089 51.9%	34	3.1%	(16)	50	4.6%
Selling and administrative % of Revenues	542 24.6%	533 25.4%	(9)	-1.7%	(2)	(7)	-1.3%
Research and development % of Revenues	133 6.0%	133 6.3%	-	-0.3%	-	-	-0.2%
OPERATING INCOME % of Revenues	448 20.3%	423 20.1%	25	5.8%	(18)	43	10.1%
Other income, net	1	3	(2)	-65.9%	(1)	(1)	-30.8%
Income tax provision Effective Tax Rate	93 21.9%	100 24.7%	8	NM	7	1	NM
INCOME FROM CONTINUING OPERATIONS % of Revenues	330 15.0%	306 14.6%	24	7.8%	(13)	37	12.0%
Diluted Earnings per Share from Continuing Operations	\$ 1.68	\$ 1.54	\$ 0.14	9.1%	\$ (0.06)	\$ 0.20	13.0%

NM - Not Meaningful

FXN = Foreign Currency Neutral



Q4 FY 2014 Reconciliation of Non-GAAP Financial Measures

(Unaudited)

	Three Months Ended September 30,						
	2014	2013	Growth	Foreign Currency Translation	Foreign Currency Neutral Change	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings per Share from Continuing Operations	\$ 1.53	\$ 0.46	\$ 1.07	\$ (0.06)	\$ 1.13	NM	NM
Non-cash pension settlement charges associated with lump sum benefit payments made primarily 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. (\$3 million or \$2 million after-tax and \$6 million or \$4 million after-tax, respectively)	0.01	0.02					
Adjustment to the carrying amount of an asset that is being held for sale (\$5 million or \$3 million after-tax)	0.02	-					
Employee termination costs associated with a workforce reduction (\$36 million or \$23 million after-tax)	0.12	-					
Acquisition-related transaction costs incurred in connection with the GenCell Biosystems and pending CareFusion acquisitions (\$6 million or \$4 million after-tax)	0.02	-					
Revision to the estimated probable loss previously recorded as a result of the decision to terminate a research and development program in the Medical segment (\$4 million or \$2 million after-tax)	(0.01)	-					
Charge associated with the unfavorable verdict returned in the antitrust and false advertising lawsuit filed against the Company by RTI (\$341 million or \$211 million after-tax)	-	1.06					
Adjusted Diluted Earnings per Share from Continuing Operations	\$ 1.68	\$ 1.54	\$ 0.14	\$ (0.06)	\$ 0.20	9.1%	13.0%



FY 2014 Reconciliation - FX Impact Emerging Markets and China

(Unaudited; Amounts in millions)

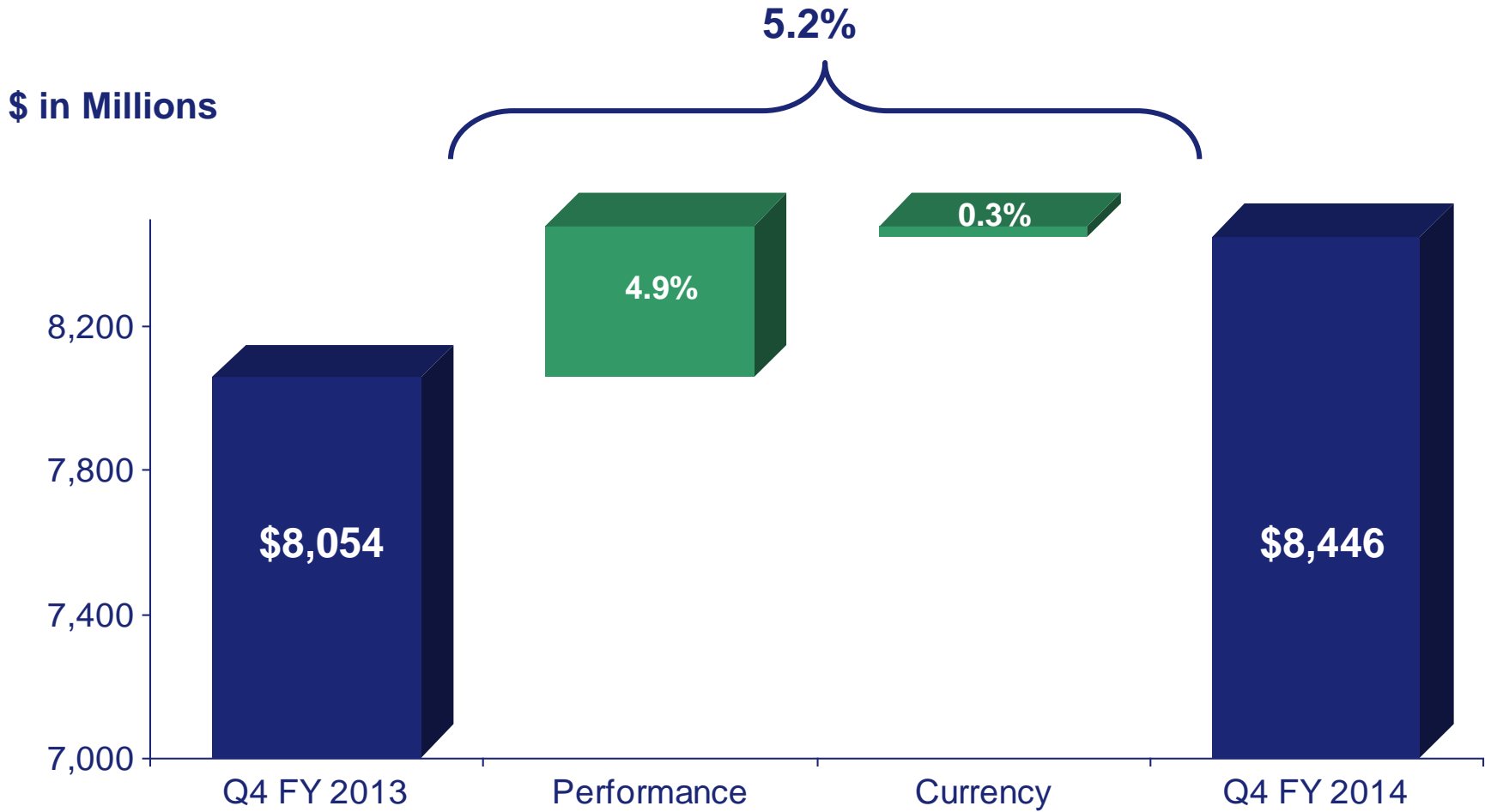
	Three Months Ended September 30,				
	2014	2013	% Change		
			Reported	FXN	FX Impact
Total Emerging Markets Revenues	\$ 582	\$ 514	13.3%	13.2%	0.1%
Total Emerging Markets Safety Revenues	\$ 129	\$ 109	18.7%	18.6%	0.1%
China Revenues	\$ 133	\$ 110	20.4%	21.4%	-1.0%

	Twelve Months Ended September 30,				
	2014	2013	% Change		
			Reported	FXN	FX Impact
Total Emerging Markets Revenues	\$ 2,123	\$ 1,943	9.3%	12.3%	-3.0%

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

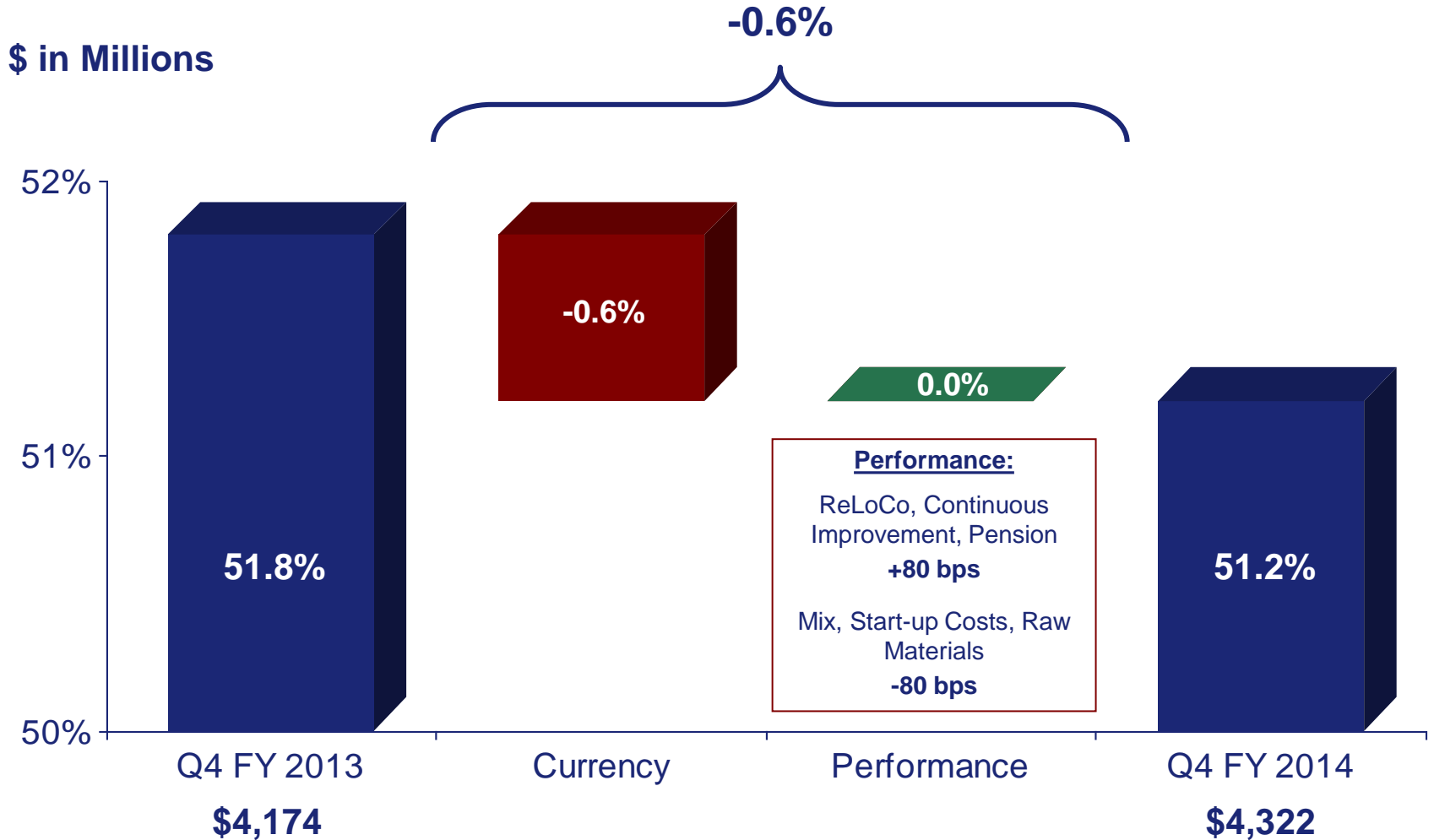


FY 2014 Total Year Revenue Growth Year-Over-Year





FY 2014 Total Year Adjusted Gross Margin Change Year-Over-Year





FY 2014 Total Year Adjustment Reconciliation

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

	Twelve Months Ended September 30,											
	Reported FY 2014	Asset Write-Offs	Contract Termination Charge ⁽²⁾	Gain on Investment ⁽³⁾	Program Termination Charge ⁽⁴⁾	Pension Settlement Charge ⁽⁵⁾	Carrying Amount Adjustment	Workforce Reduction Charge ⁽⁷⁾	Acquisition Related Items ⁽⁸⁾	Adjusted FY 2014	Amortization of Acquired Intangibles ⁽⁹⁾	Adjusted FY 2014 ⁽¹⁰⁾ for "Cash" EPS
REVENUES	\$ 8,446	-	-	-	-	-	-	-	-	\$ 8,446	-	\$ 8,446
Gross Profit	4,301	-	-	-	-	2	5	14	-	4,322	74	4,396
% of Revenues	50.9%									51.2%		52.0%
Selling and administrative	2,145	-	\$ (11)	-	-	(2)	-	(11)	(6)	2,115	-	2,115
% of Revenues	25.4%									25.0%		25.0%
Research and development	550	\$ (20)	-	-	\$ (6)	-	-	(11)	-	514	-	514
% of Revenues	6.5%									6.1%		6.1%
OPERATING INCOME	1,606	20	11	-	6	3	5	36	6	1,693	74	1,767
% of Revenues	19.0%									20.0%		20.9%
Other income (expense), net	5	-	-	\$ (8)	-	-	-	-	-	(3)	-	(3)
Income tax provision	337	8	3	(3)	2	1	2	13	2	365	23	388
Effective Tax Rate	22.1%									22.8%		23.2%
INCOME FROM CONTINUING OPERATIONS	1,185	12	8	(5)	4	2	3	23	4	1,235	51	1,286
% of Revenues	14.0%									14.6%		15.2%
Diluted Earnings per Share from Continuing Operations	\$ 5.99	\$ 0.06	\$ 0.04	\$ (0.03)	\$ 0.02	\$ 0.01	\$ 0.02	\$ 0.12	\$ 0.02	\$ 6.25	\$ 0.26	\$ 6.50

⁽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.

⁽⁴⁾ Represents a charge associated with the decision to terminate a research and development program in the Medical segment; the charge relates to program asset write-offs and obligations.

⁽⁵⁾ 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 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.

⁽⁶⁾ Represents an adjustment to the carrying amount of an asset that is being held for sale.

⁽⁷⁾ Represents employee termination costs associated with a workforce reduction.

⁽⁸⁾ Represents acquisition-related transaction costs incurred in connection with the GenCell Biosystems and pending CareFusion acquisitions.

⁽⁹⁾ Represents non-cash expenses associated with the amortization of acquisition related intangibles.

⁽¹⁰⁾ Beginning in fiscal year 2015, adjusted values will exclude the amortization of acquisition related intangibles.



FY 2014 Total Year Reconciliation – FX Impact

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

	Twelve Months Ended September 30,						
	Adjusted FY 2014 EPS	Adjusted FY 2013 EPS	Adjusted Growth \$	Adjusted Growth %	Foreign Currency Translation	FXN Change	FXN Growth
REVENUES	\$ 8,446	\$ 8,054	\$ 392	4.9%	\$ (29)	\$ 421	5.2%
Gross Profit	4,396	4,247	149	3.5%	(69)	217	5.1%
% of Revenues	52.0%	52.7%					
Selling and administrative	2,115	2,056	(59)	-2.9%	12	(71)	-3.4%
% of Revenues	25.0%	25.5%					
Research and development	514	494	(20)	-3.9%	(1)	(19)	-3.8%
% of Revenues	6.1%	6.1%					
OPERATING INCOME	1,767	1,696	70	4.2%	(57)	128	7.5%
% of Revenues	20.9%	21.1%					
Other (expense) income, net	(3)	9	(13)	NM	(8)	(5)	-55.2%
Income tax provision	388	399	11	NM	23	(12)	NM
Effective Tax Rate	23.2%	24.8%					
INCOME FROM CONTINUING OPERATIONS	1,286	1,208	78	6.4%	(43)	121	10.0%
% of Revenues	15.2%	15.0%					
Diluted Earnings per Share from Continuing Operations	\$ 6.50	\$ 6.06	\$ 0.44	7.3%	\$ (0.22)	\$ 0.66	10.9%

NM - Not Meaningful

FXN = Foreign Currency Neutral



Total Year Reconciliation of Non-GAAP Financial Measures

(Unaudited)

	Twelve Months Ended September 30,						
	2014	2013	Growth	Foreign Currency Translation	Foreign Currency Neutral Change	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings per Share from Continuing Operations	\$ 5.99	\$ 4.67	\$ 1.32	\$ (0.22)	\$ 1.54	28.3%	33.0%
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)	-					
Charge associated with the decision to terminate a research and development program in the Medical segment; the charge relates to program asset write-offs and obligations (\$6 million or \$4 million after-tax)	0.02	-					
Non-cash pension settlement charges associated with lump sum benefit payments made primarily 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. (\$3 million or \$2 million after-tax and \$6 million or \$4 million after-tax, respectively)	0.01	0.02					
Adjustment to the carrying amount of an asset that is being held for sale (\$5 million or \$3 million after-tax)	0.02	-					
Employee termination costs associated with a workforce reduction (\$36 million or \$23 million after-tax)	0.12	-					
Acquisition-related transaction costs incurred in connection with the GenCell Biosystems and pending CareFusion acquisitions (\$6 million or \$4 million after-tax)	0.02	-					
Charge associated with the litigation settlement related to indirect purchaser antitrust class action cases (\$22 million or \$14 million after-tax)	-	0.07					
Charge associated with the unfavorable verdict returned in the antitrust and false advertising lawsuit filed against the Company by RTI (\$341 million or \$211 million after-tax)	-	1.06					
Adjusted Diluted Earnings per Share from Continuing Operations ⁽¹⁾	\$ 6.25	\$ 5.81	\$ 0.44	\$ (0.22)	\$ 0.66	7.6%	11.4%
Non-cash expenses associated with the amortization of acquisition related intangibles (\$74 million or \$51 million after-tax and \$73 million or \$50 million after-tax, respectively)	0.26	0.25					
Adjusted Diluted Earnings per Share from Continuing Operations for "Cash" EPS	\$ 6.50	\$ 6.06	\$ 0.44	\$ (0.22)	\$ 0.66	7.3%	10.9%

⁽¹⁾ The total of specified items adjusted from fiscal year 2014 Diluted Earnings per Share from Continuing Operations per the details above is \$0.25.

⁽²⁾ The incremental first quarter fiscal year 2014 impact of the medical device excise tax (which went into effect in January 2013 under the U.S. Patient Protection and Affordable Care Act) was \$0.05. Excluding this impact, adjusted diluted earnings per share from continuing operations grew, on a foreign currency-neutral basis, by 12.0% to \$6.29.



Q4 FY 2013 Adjustment Reconciliation

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

	Three Months Ended September 30,			
	Reported FY 2013	Verdict Charge ⁽¹⁾	Pension Settlement Charge ⁽²⁾	Adjusted FY 2013
REVENUES	\$ 2,101	-	-	\$ 2,101
Gross Profit	1,086	-	\$ 3	1,089
% of Revenues	51.7%			51.9%
Selling and administrative	877	\$ (341)	(3)	533
% of Revenues	41.8%			25.4%
Research and development	133	-	-	133
% of Revenues	6.3%			6.3%
OPERATING INCOME	76	341	6	423
% of Revenues	3.6%			20.1%
Other income, net	3	-	-	3
Income tax (benefit) provision	(31)	129	2	100
Effective Tax Rate	-52.5%			24.7%
INCOME FROM CONTINUING OPERATIONS	91	211	4	306
% of Revenues	4.3%			14.6%
Diluted Earnings per Share from Continuing Operations	\$ 0.46	\$ 1.06	\$ 0.02	\$ 1.54

⁽¹⁾ Represents a charge associated with the unfavorable verdict returned in the antitrust and false advertising lawsuit filed against the Company by RTI.

⁽²⁾ 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 2013 Total Year Adjustment Reconciliation

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

	Twelve Months Ended September 30,						
	Reported	Litigation	Verdict	Pension	Adjusted	Amortization	Adjusted
	FY 2013	Settlement	Charge ⁽²⁾	Settlement	FY 2013	of Acquired	FY 2013 ⁽⁵⁾
	Charge ⁽¹⁾	Charge ⁽²⁾	Charge ⁽³⁾		Intangibles ⁽⁴⁾	for "Cash" EPS	
REVENUES	\$ 8,054	-	-	-	\$ 8,054	-	\$ 8,054
Gross Profit	4,171	-	-	\$ 3	4,174	\$ 73	4,247
% of Revenues	51.8%				51.8%		52.7%
Selling and administrative	2,422	\$ (22)	\$ (341)	(3)	2,056	-	2,056
% of Revenues	30.1%				25.5%		25.5%
Research and development	494	-	-	-	494	-	494
% of Revenues	6.1%				6.1%		6.1%
OPERATING INCOME	1,254	22	341	6	1,623	73	1,696
% of Revenues	15.6%				20.2%		21.1%
Other income, net	9	-	-	-	9	-	9
Income tax provision	236	8	129	2	376	23	399
Effective Tax Rate	20.2%				24.5%		24.8%
INCOME FROM CONTINUING OPERATIONS	929	14	211	4	1,158	50	1,208
% of Revenues	11.5%				14.4%		15%
Diluted Earnings per Share from Continuing Operations	\$ 4.67	\$ 0.07	\$ 1.06	\$ 0.02	\$ 5.81	\$ 0.25	\$ 6.06

⁽¹⁾ Represents a charge associated with the 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.

⁽⁴⁾ Represents non-cash expenses associated with the amortization of acquisition related intangibles.

⁽⁵⁾ Beginning in fiscal year 2015, adjusted values will exclude the amortization of acquisition related intangibles.



FY 2015 Outlook Reconciliation

	<u>Reported Basis</u>	<u>FX Impact</u>	<u>FXN Basis</u>
Revenues - Full Year 2015 estimated growth	2.0% - 2.5%	(2.5%)	4.5% - 5.0%
	<u>Full Year 2015 (estimated)</u>	<u>Full Year 2014</u>	<u>% Increase</u>
Reported Fully Diluted Earnings per Share from Continuing Operations	\$ 6.47 - 6.54 \$	5.99	NM
Amortization of acquisition related intangibles, net of tax	0.29	0.26	
Other specified items adjusted from 2014 results, as detailed in the schedule titled "Total Year Reconciliation of Non-GAAP Financial Measures"	-	0.25	
Adjusted Fully Diluted Earnings per Share from Continuing Operations	<u>\$ 6.76 - 6.83 \$</u>	<u>\$ 6.50</u>	4.0% - 5.0%
FX Impact			(4.0%)
Adjusted FXN Growth			<u>8.0% - 9.0%</u>

NM - Not Meaningful
FXN = Foreign Currency Neutral