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BECTON DICKINSON & CO
Form 8-K
April 26, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO
SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) April 26, 2006

BECTON, DICKINSON AND COMPANY

(Exact Name of Registrant as Specified in Its Charter)

New Jersey

(State or Other Jurisdiction of Incorporation)

001-4802

22-0760120

(Commission File Number)

(IRS Employer Identification No.)

1 Becton Drive, Franklin Lakes, New Jersey

07417-1880

(Address of Principal Executive Offices)

(Zip Code)

(201) 847-6800

(Registrant's Telephone Number, Including Area Code)

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K Filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On April 26, 2006, Becton, Dickinson and Company (BD) issued a press release announcing its financial results for the second fiscal quarter of fiscal year 2006. A copy of the press release is furnished as Exhibit 99.1 to this report.

The press release furnished as Exhibit 99.1 contains certain financial measures that differ from those presented in accordance with U.S. generally accepted principles (GAAP), as follows:

Revenues. We present revenue growth rates at constant foreign exchange rates. We believe that presenting growth rates at constant foreign exchange rates allows investors to view the underlying operating results of BD and of its segments without the impact of fluctuations in foreign currency exchange rates, thereby facilitating comparisons to prior periods.

Selling and Administrative Expense. We present selling and administrative expense, both alone and as a percentage of revenues, after excluding the impact of insurance settlements occurring during the period presented. As these settlements are not part of ordinary operations, management believes that these adjusted measures are more indicative of BD s underlying performance. Management also presents these adjusted measures in order to assist investors in comparing BD s selling and administrative expense for the period to prior periods.

Research and Development Expense. We present research and development expense, both alone and as a percentage of revenues, after excluding the impact of the in-process research and development charge relating to the acquisition of GeneOhm Sciences Inc. (GeneOhm). As this non-cash charge is not part of ordinary operations and serves to increase research and development expense for the period, management believes that these adjusted measures are more indicative of BD s underlying performance. Management also presents these adjusted measures in order to assist investors in comparing BD s research and development expense for the period to prior periods.

Operating Income. We present BD s operating income, both alone and as a percentage of revenues, after excluding the impact of insurance settlements and the in-process research and development charge relating to the GeneOhm acquisition. Management believes that these adjusted measures of operating income are more indicative of BD s underlying performance, and also allow investors to better understand BD s comparative operating performance for the period presented.

Income Taxes/Effective Tax Rate. We present income taxes and effective tax rate after excluding the impact of insurance settlements. Since these items are not part of ordinary operations, management believes these adjusted measures are more indicative of BD s underlying performance and facilitate comparisons to prior periods.

We also present income taxes and effective tax rate for the prior year s period after excluding the effects of significant reversals of tax reserves and the effects of changes in tax laws and regulations and other events that caused the tax rate for the period presented to vary from BD s then expected effective tax rate for the full year. Significant reversals of tax reserves and the items mentioned above that effect our periodic effective tax rate cause fluctuations in BD s income from continuing operations from period to period that management believes are unrelated to BD s underlying operating performance. Accordingly, management believes that providing the impact of such effects allows investors to better understand BD s comparative operating performance for the periods presented.

Income from Continuing Operations. We present operating income from continuing operations, both alone and as a percentage of revenues, after excluding the impact of insurance settlements and the in-process research and development charge relating to the GeneOhm acquisition. Since these items are not part of ordinary operations, management believes that these adjusted measures are more indicative of BD s underlying performance and also allow investors to better understand BD s comparative operating performance for the period presented.

We also present income from operations for the prior year s first six months after excluding the effects of significant reversals of tax reserves and the effects of changes in tax laws and regulations and other events that caused the tax rate for the quarter to vary from BD s then expected effective tax rate for the full year. For the reasons discussed above, management believes that providing the impact of such effects allows investors to better understand BD s comparative operating performance for the periods presented.

Earnings Per Share. We present earnings per share from continuing operations, both for the periods presented and on a prospective basis, after excluding the impact of insurance settlements and the in-process research and development charge relating to the GeneOhm acquisition. Since these items are not part of ordinary operations, management believes that these adjusted measures of earnings per share from continuing operations are more indicative of BD's underlying performance and also allow investors to better understand BD's comparative operating performance for the periods presented.

We also present earnings per share from continuing operations on a prospective basis after excluding the aforementioned settlements and charge and the dilutive impact of the GeneOhm acquisition. Management excludes the impact of the GeneOhm operations in order to improve the comparability of the period presented to prior periods where such impact was not recorded.

We also present earnings per share from continuing operations for prior periods after excluding (i) the effects of significant reversals of tax reserves, (ii) the effects of changes in tax laws and regulations and other events that caused the tax rate during the period to vary from BD's expected effective tax rate for the full year, and/or (iii) the impact on taxes of the planned repatriation of foreign earnings under the provisions of the American Jobs Creation Act. These items cause fluctuations in BD's operating results that management believes are unrelated to BD's underlying operating performance. Accordingly, management believes that providing the impact of such items allows investors to better understand BD's comparative operating performance for the periods presented.

BD's management uses each of these non-GAAP measures in its own evaluation of BD's performance, particularly when comparing performance to past periods. Management also uses the non-GAAP results for budget planning purposes on a quarterly and annual basis.

Non-GAAP results should not be considered in isolation and are not in accordance with, or a substitute for, GAAP results. Our non-GAAP results may differ from similar measures used by other companies, even if similar terms are used to identify such measures. Although BD's management believes non-GAAP results are useful in evaluating the performance of its business, its reliance on these measures is limited since items excluded from such measures may have a material impact on BD's net income, earnings per share or cash flows calculated in accordance with GAAP. Therefore, management typically uses non-GAAP results in conjunction with GAAP results to address these limitations. Investors should also consider these limitations when evaluating BD's results.

BD provides non-GAAP measures to investors on a supplemental basis, as they provide additional insight into BD's financial results. Management believes the non-GAAP results provide a reasonable measure of BD's underlying performance before the effects of items that are considered by management to be outside of BD's underlying operational results or that affect period to period comparability.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

Exhibits. Exhibit 99.1 Press release dated April 26, 2006, which is furnished pursuant to Item 2.02.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BECTON, DICKINSON AND COMPANY
(Registrant)

By: /s/ Dean J. Paranicas
Dean J. Paranicas
Vice President, Corporate
Secretary and Public Policy

Date: April 26, 2006

INDEX TO EXHIBITS

**Exhibit
Number**

Description of Exhibits

99.1 Press release dated April 26, 2006, which is furnished pursuant to Item 2.02.
