

# Annual Meeting of Shareholders

**Edward J. Ludwig**

Chairman and Chief Executive Officer

February 3, 2009

Innovation for Impact



# Agenda

**Corporate Strategy**

**Performance Trends**

**Growth Drivers**

# Corporate Strategy

Drive **Revenue Growth**  
through investment  
in innovation

Enabling **discovery** and **development**

Facilitating faster and more accurate **diagnosis**

Providing unique and affordable devices to **deliver** drugs

# Corporate Strategy

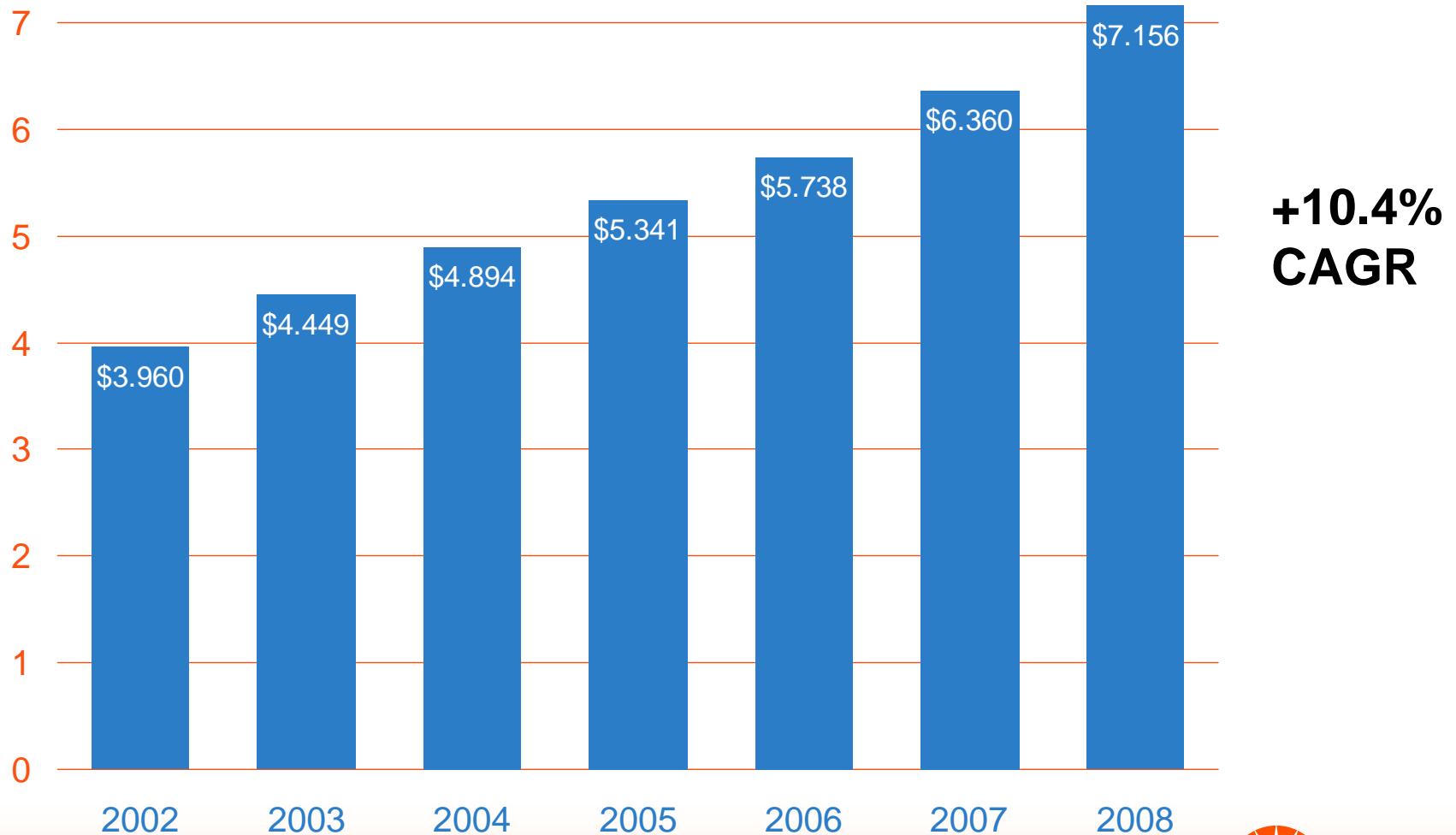
Drive **Revenue Growth**  
through investment  
in innovation

Drive **Operational Excellence**  
to accelerate performance  
and fund innovation

Drive **Shareholder Value**  
through effective use of  
shareholders' funds

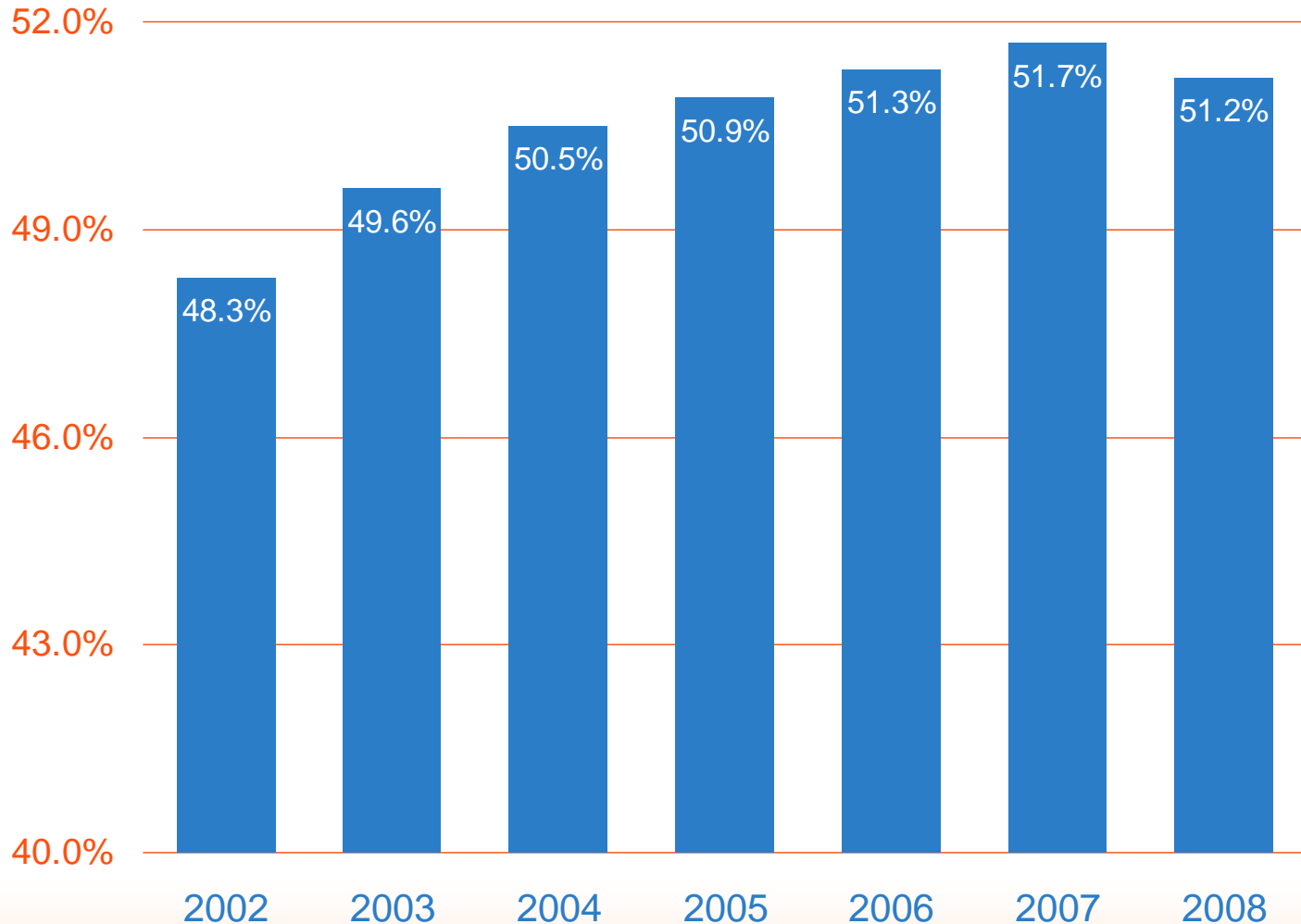
# Performance Trends

## BD Revenues (\$ Billions)



# Performance Trends

## Gross Profit Margin



**% GPM  
+ 290 bps**

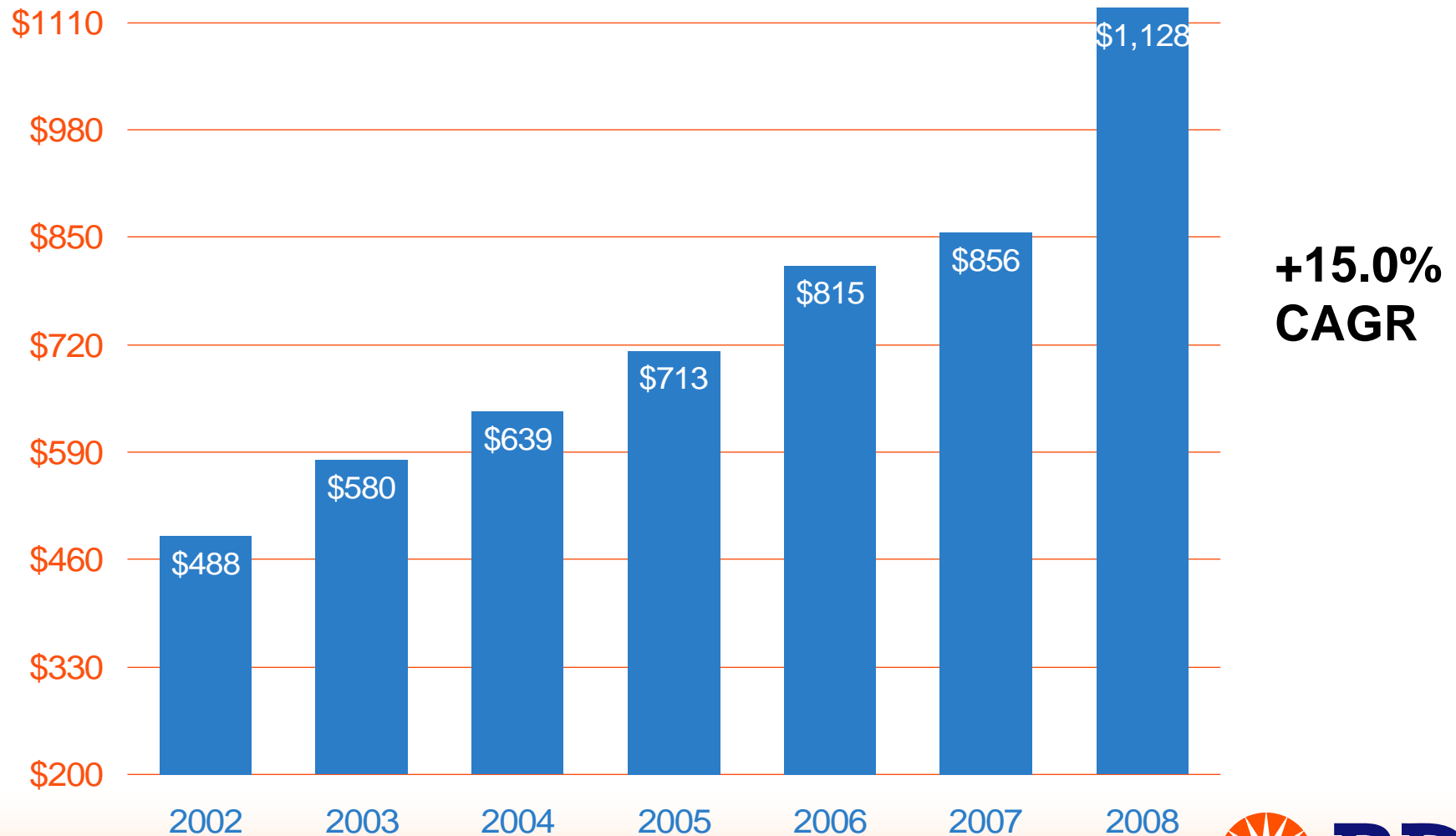
2008 - product mix and productivity more than offset by 50bps higher raw material costs (resins), 20bps start-up costs, 30 bps asset write-offs

**Innovation for Impact**



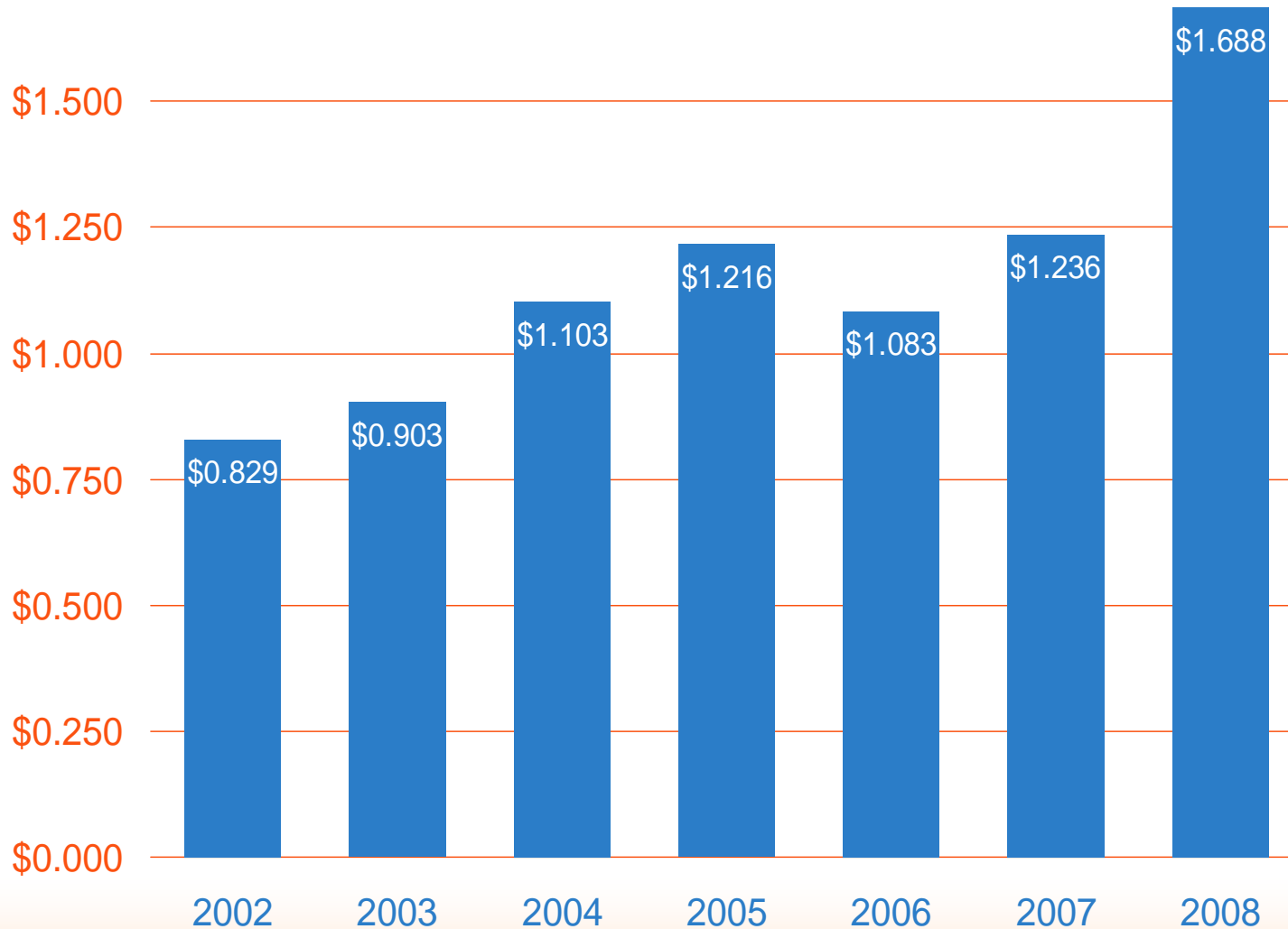
# Performance Trends

## Income from Continuing Operations (\$ Millions)



# Performance Trends

## Cash Flow from Operations (\$ Billions)





# FY2009 Guidance

- Revenue increase ~1-2%\* (6-7% fx neutral)
- Gross margin improvement ~80bps
- SSG&A improvement ~90 bps
- EPS increase ~9-11%
- Generate ~ \$1.8 billion in net cash from operations

\*Includes ~5 percentage point unfavorable impact from foreign currency translation

# Financial Stability

- **Strong balance sheet**
  - Total cash: \$1B
  - Total debt: \$1.2B
    - \$201M short-term debt (\$200 U.S. cp)
    - \$1B long-term debt (\$205M next maturity, Oct'09)
- **Strong credit rating**
  - S&P: AA-, A-1+
  - Moody's: A2, P-1
- **Strong cash flow**
- **Strong position for right opportunity**

# Notable FY2008 Recognitions



- Revenue rank: **380**
- Shareholder return (1997-2007): **83**



**BD continues to pursue ...**

**Growth through  
innovation**

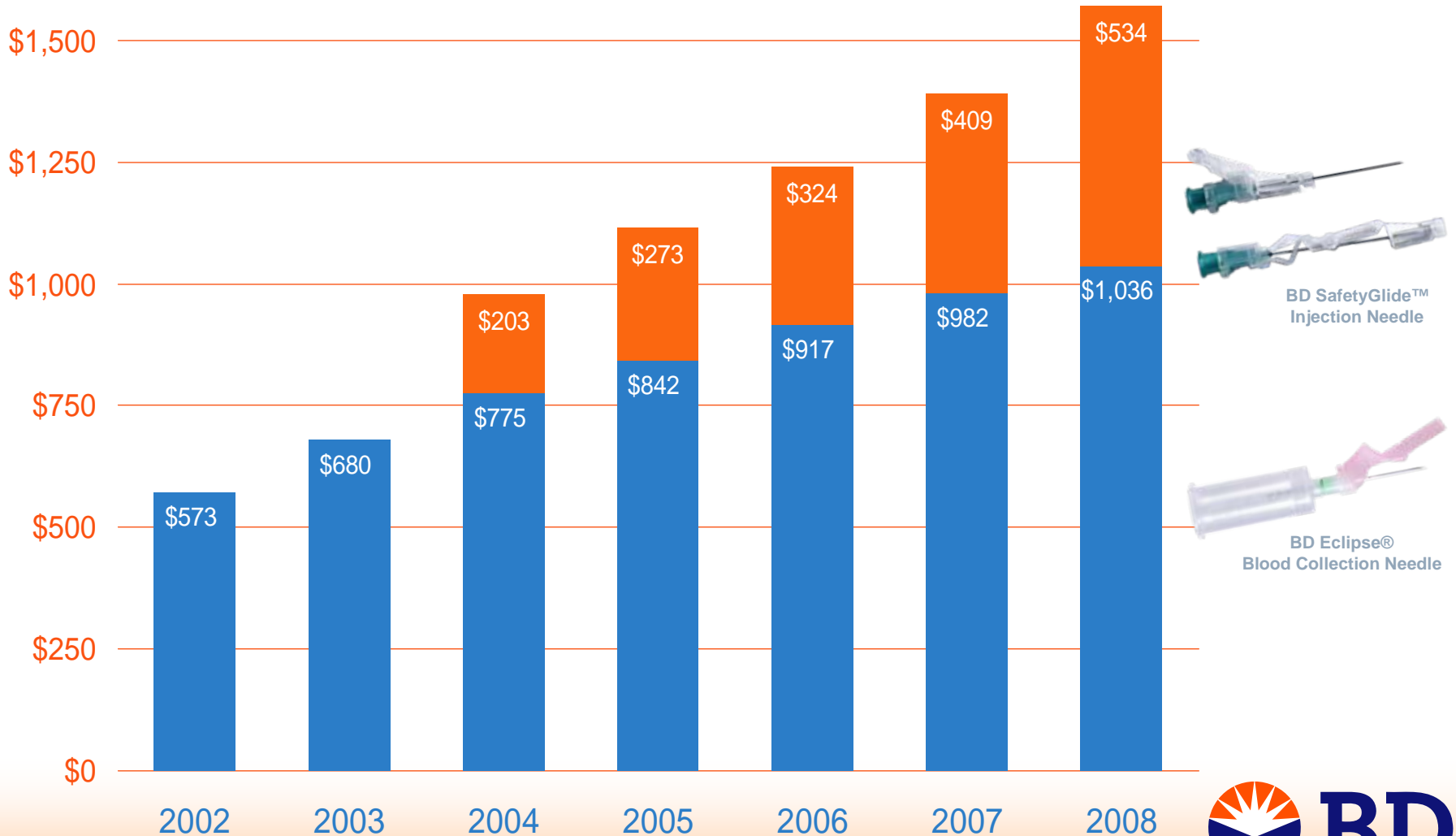
# Strategic Focus

- Reducing spread of infection
- Advancing global health
- Enhancing therapy
- Improving disease management

# Reducing Spread of Infection

## Healthcare Worker Safety Revenues (\$ Millions)

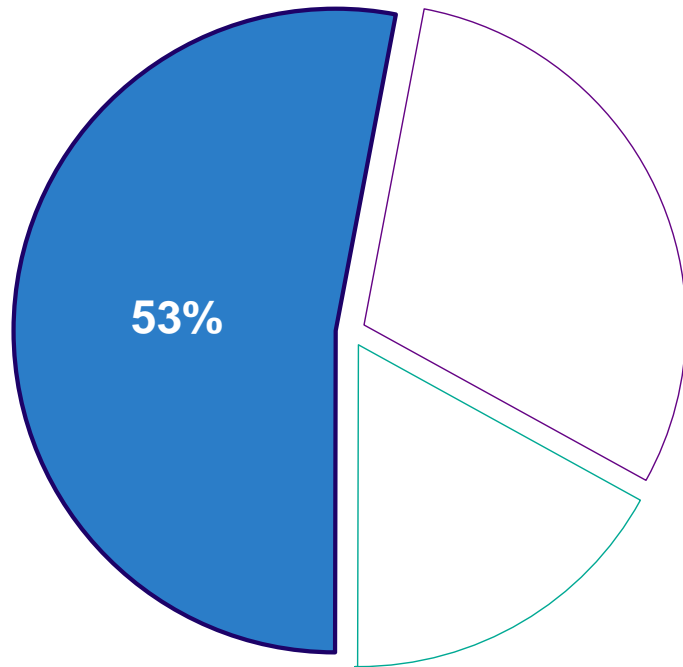
■ U.S. ■ Ex-U.S.



# BD Medical

Revenues FY2008

\$3.8 Billion



- Single-use drug delivery devices
- Leader in injection, infusion, diabetes, and prefillable devices
- Customers served
  - Hospitals and clinics
  - Pharma
  - Consumers



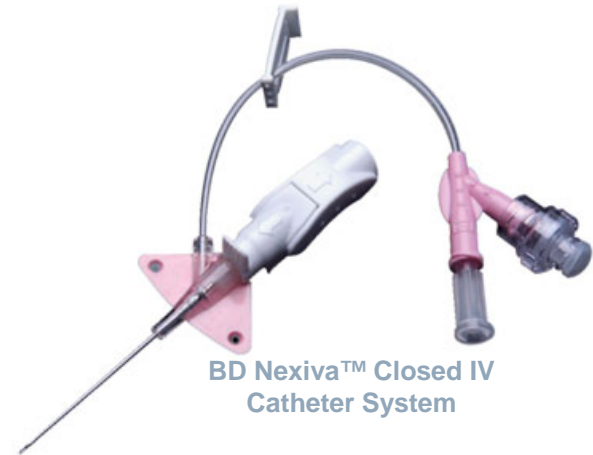
# BD Medical

## Reducing Spread of Infection

### Healthcare Worker and Patient Safety

#### Next-generation device

- BD Nexiva™ Closed IV Catheter System
- Patient safety
- More than 2X price of first generation
- Includes BD Q-Syte™ device
- Continued strong sales growth





# BD Medical

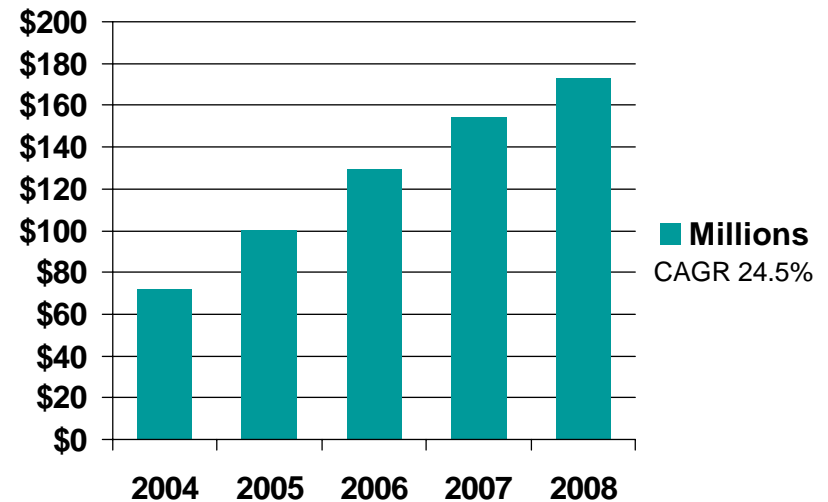
## Enhancing Therapy

### IV Flush Syringes

- Reduces potential for contamination during filling process
- Eliminates needle use
- Improves productivity
- U.S. conversion ~75%
- Europe in early stages



BD PosiFlush™ Prefilled Flush Syringes

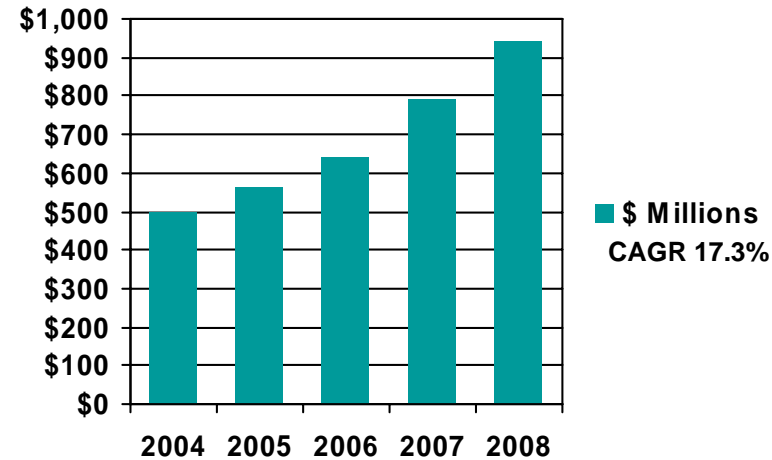


# BD Medical

## Enhancing Therapy

### Prefillable Devices

- Category leader
- More than 200 pharmaceutical and biotechnology customers
- Reduces potential for medication error
- Reduces potential for contamination
- Enables pharmaceutical customers to differentiate
- Strong demand driven by vaccines and bioengineered drugs



BD Hypak™ Glass Prefillable Syringes

# BD Medical

## Enhancing Therapy

### Future Technologies

#### BD Micro-delivery system

- Ultra-tiny needle roughly the diameter of a human hair
- Barely perceptible when entering the skin (based on clinical tests)
- Targeted for existing and emerging vaccines; high-value therapeutics
- Commercial agreement with sanofi pasteur

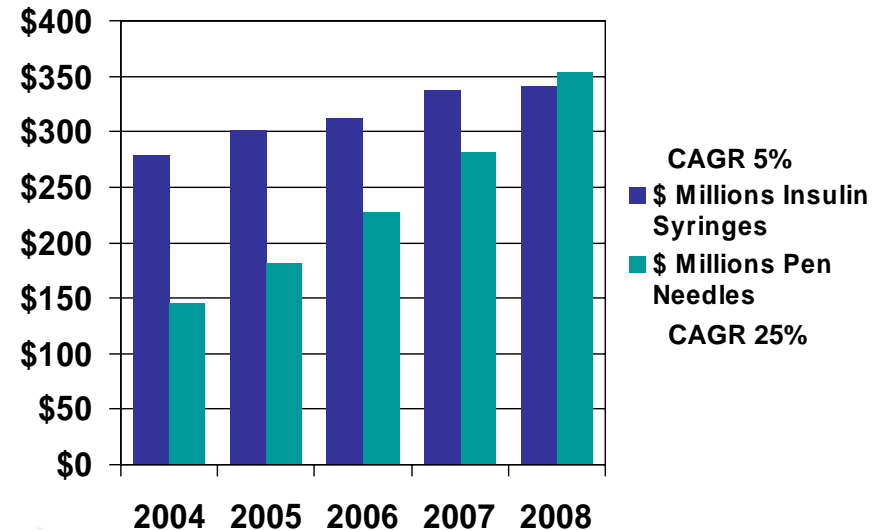


# BD Medical

## Improving Disease Management

### Diabetes Treatment

- Global leader in insulin injection
- BD brand highly recognized and trusted
- Pen needle market growing rapidly
- BD™ Pen Needles compatible with pens sold worldwide
- Continuous innovation ...  
BD Ultra-Fine™ III Mini Pen Needle



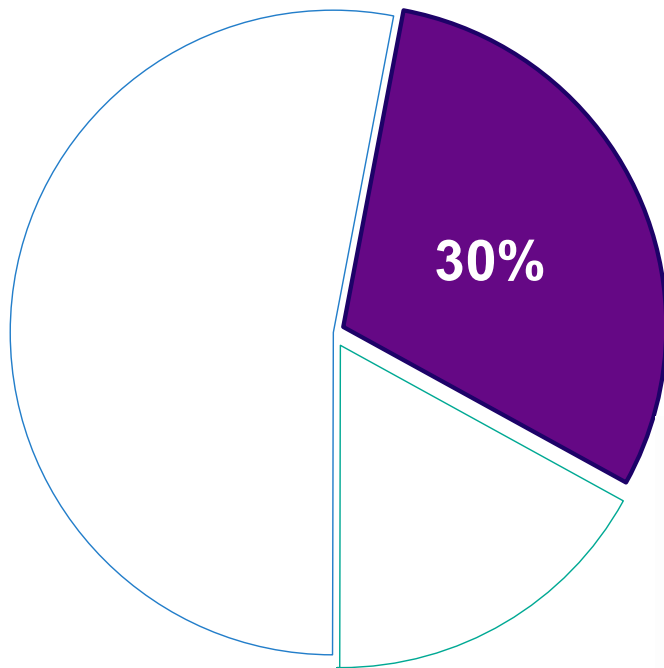
BD™ Pen Needles



# BD Diagnostics

Revenues FY2008

\$2.2 Billion



- Diagnostic systems from collection to analysis
- Customers served
  - Hospitals, labs and clinics
  - Reference labs
  - Public health agencies



BD Phoenix™ System



BD EpiCenter™ Monitor

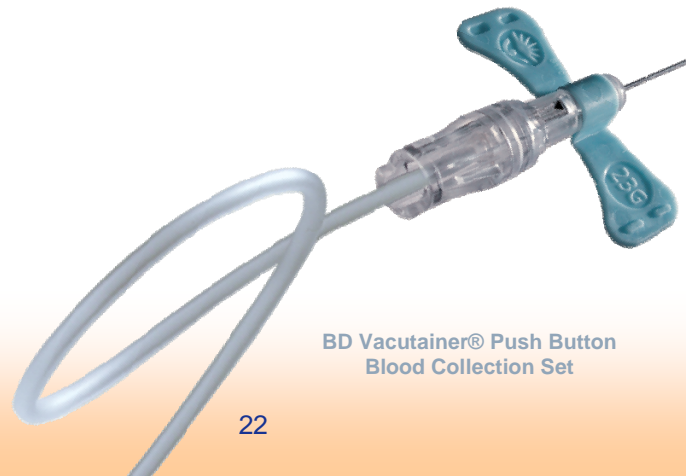
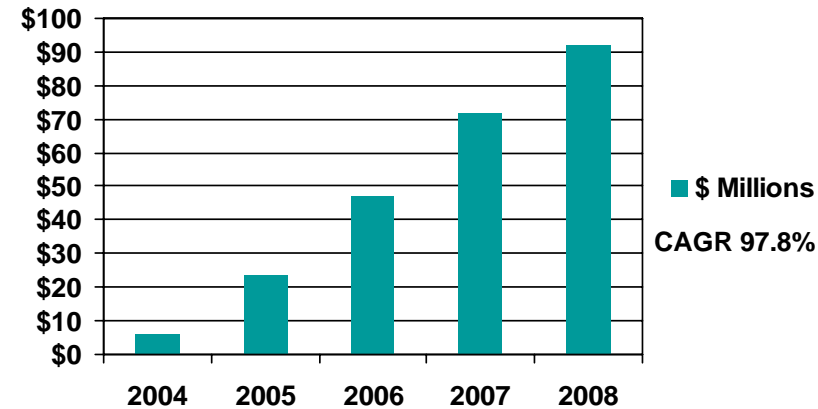
# BD Diagnostics

## Reducing Spread of Infection

### Healthcare Worker Safety

## BD Preanalytical Systems

- Leader in blood collection
- BD Vacutainer® PBBCS
  - Next-generation device
  - Intuitive, easier to use
  - U.S. Conversion ~25% - 30%



BD Vacutainer® Push Button  
Blood Collection Set

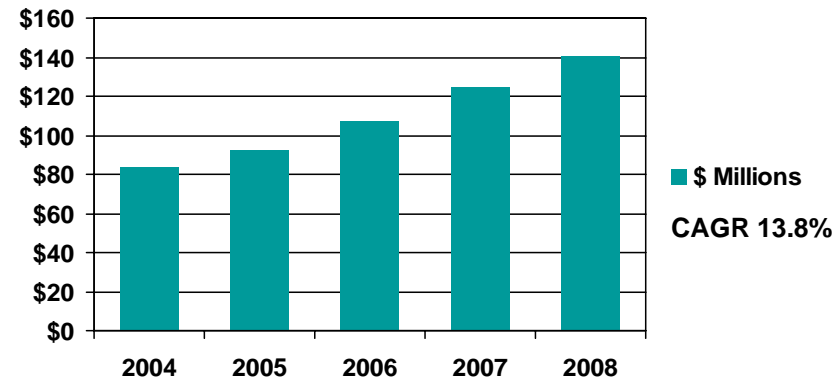
# BD Diagnostics

## Reducing Spread of Infection

### Sexually Transmitted Diseases

#### BD ProbeTec™/BD Viper™ System

- Rapid detection of chlamydia and gonorrhea
- Real-time DNA amplification
- One hour automated format
- High reliability/throughput
- Launching ViperXTR



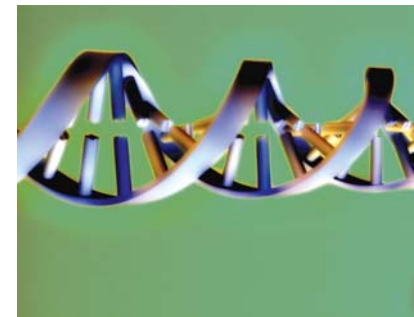
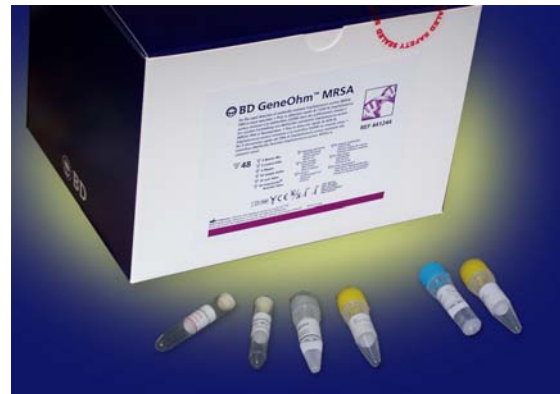
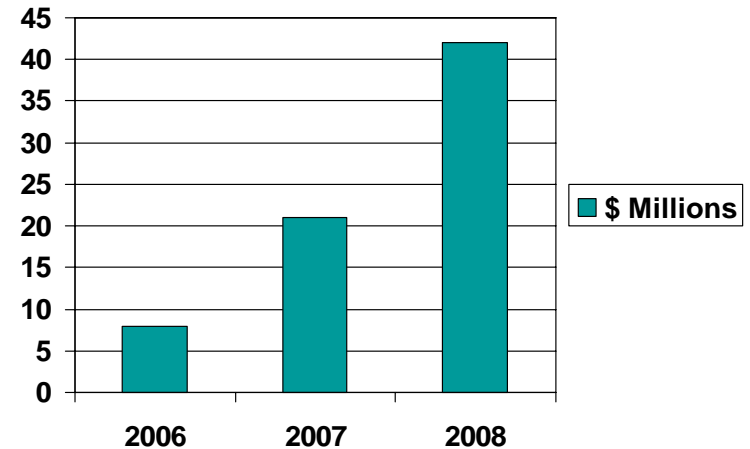
# BD Diagnostics

## Reducing Spread of Infection

### Healthcare-Associated Infections

## BD GeneOhm

- Rapid detection, less than 2 hrs vs. 2-3 days
- Major MRSA eradication initiatives
- Legislative activity
- Menu expansion
  - C.diff launched



BD GeneOhm™



# BD Diagnostics

## Improving Disease Management

### Cancer Diagnostics

## BD TriPath

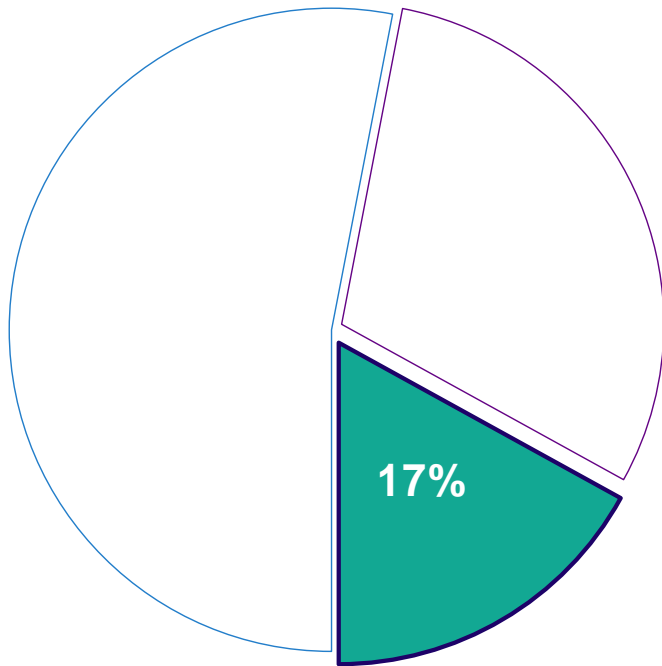
- SurePath® PAP Collection System
  - ~ \$119M revenues FY2008
  - Double-digit growth
  - FocalPoint GS launched
- Molecular PAP
  - Improved sensitivity, specificity
  - Definitive determination
- Ovarian cancer diagnostics
  - Improve management of monitoring
  - Detect earlier
  - External R&D feasibility trials completed
  - Luminex agreement



# BD Biosciences

Revenues FY2008  
\$1.2 Billion

- Research tools for biomedical discovery
- Customers served
  - Research and clinical labs
  - Academic & gov't institutions
  - Pharma & biotech companies



# BD Biosciences

## Enhancing Therapy

### Cell Research and Analysis

#### Leader in flow cytometry

- Influx (Cytopeia)
  - Cell-based research
  - Emerging cell therapies
- FACSAria II
  - Expands the market
  - Easier to use
- LSR II
  - Fully configurable
  - Modular for upgrades
- FACSCanto II
  - Research use
  - Clinical use



BD Influx™ Flow Cytometry System



BD FACSAria™ Cell-sorting System



BD™ LSR II



BD FACSCanto™ Flow Cytometer

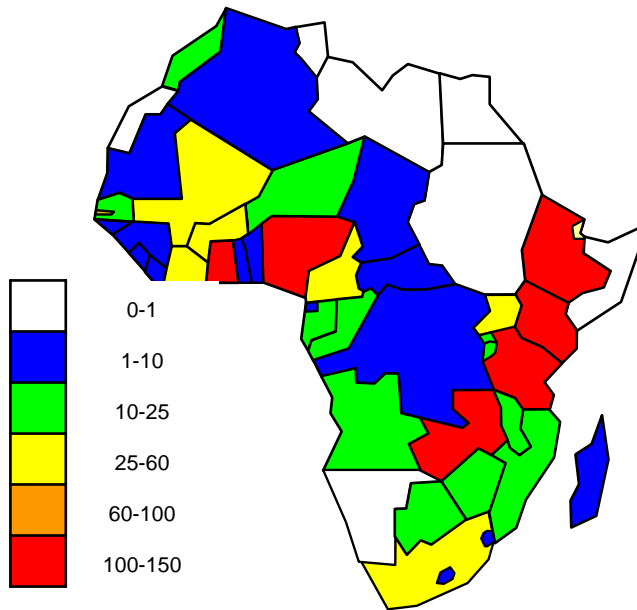
# BD Biosciences

## Advancing Global Health

### HIV/AIDS & TB in Africa



BD FACSCount™



## BD FACSCount™

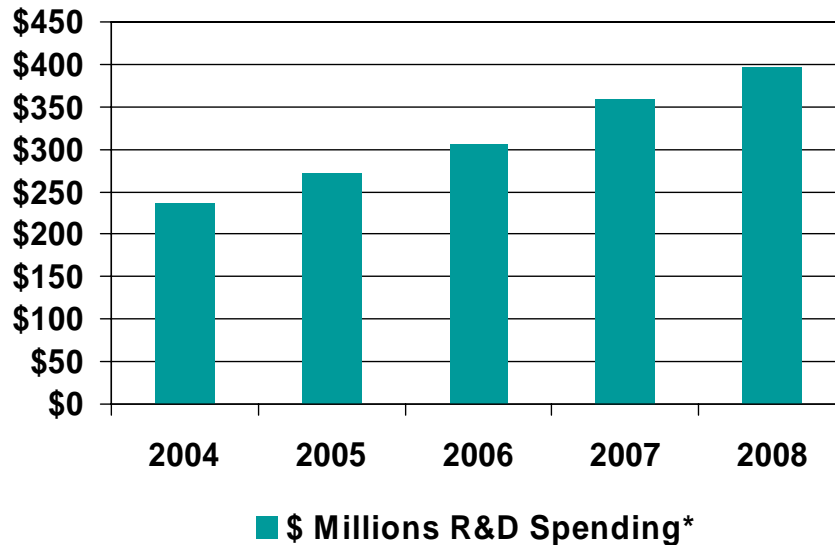
- BD is the leader in HIV/AIDS & TB detection and monitoring
- Installed base > 1300
- Affordable CD4 test for HIV/AIDS testing benefits from increased access to ARV treatment
- Focus on training healthcare providers and strengthening laboratory capabilities
- BD / PEPFAR agreement enhances sustainable progress and increases instrument throughput

# Innovation Fueled by...

- Research and development
- Partnerships
- Acquisitions

# Increasing Research & Development Spending

- New products
- Product-line extensions
- New technologies
- Operational improvements



\*Excludes in-process R&D



# Summary

- **Solid track record of execution**
- **Strategy continues to drive shareholder value**
- **Investing for future growth**

# Thank You

**Edward J. Ludwig**  
**Chairman and Chief Executive Officer**