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BECTON DICKINSON & CO
Form 11-K
December 16, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES AND EXCHANGE ACT OF 1934

☒ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the fiscal year ended June 30, 2004

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the transition period from to

Commission file number 1-4802

BECTON, DICKINSON AND COMPANY SAVINGS INCENTIVE PLAN
(FULL TITLE OF THE PLAN)

BECTON, DICKINSON AND COMPANY
(NAME OF ISSUER OF SECURITIES HELD PURSUANT TO THE PLAN)

1 Becton Drive
Franklin Lakes, New Jersey 07417-1880
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICER) (ZIP CODE)

(201) 847-6800
(TELEPHONE NUMBER)

1. FINANCIAL STATEMENTS AND SCHEDULES.

The following financial data for the Plan are submitted herewith:

Report of Independent Registered Public Accounting Firm

Statements of Net Assets Available for Benefits as of June 30, 2004 and
2003

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Statement of Changes in Net Assets Available for Benefits for the year ended
June 30, 2004

Notes to Financial Statements

Schedule H, Line 4(i) -- Schedule of Assets (Held at End of Year)

2.1 EXHIBITS.

See Exhibit Index for a list of Exhibits filed or incorporated by reference
as part of this report.

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Annual Report on Form 11-K

Becton, Dickinson and Company
Savings Incentive Plan

Financial Statements and Supplemental Schedule

June 30, 2004

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Report of Independent Registered Public Accounting Firm

To the Compensation and Benefits Committee of Becton, Dickinson and Company:

We have audited the accompanying statements of net assets available for benefits of the Becton, Dickinson and Company Savings Incentive Plan as of June 30, 2004 and 2003, and the related statements of changes in net assets available for benefits for the year ended June 30, 2004. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the plan at June 30, 2004 and 2003, and the changes in its net assets available for benefits for the year ended June 30, 2004, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of June 30, 2004 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

December 7, 2004

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Becton, Dickinson and Company
Savings Incentive Plan

Statements of Net Assets Available for Benefits

June 30

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	2004	2003
Assets		
Investments at fair value:		
Becton, Dickinson and Company Common Stock (4,080,596 shares and 4,458,799 shares, respectively)	\$211,374,873	\$173,224,873
Becton, Dickinson and Company Series B ESOP Convertible Preferred Stock (538,161 shares and 593,236 shares, respectively)	178,411,256	147,502,256
State Street Bank and Trust Company S&P 500 Flagship Fund Series A	132,446,808	104,576,808
State Street Bank and Trust Company MidCap Index Fund Series A	68,890,445	48,056,445
Wells Fargo Nikko Investment Advisors Commingled Equity Fund	40,035,820	34,390,820
State Street Short-Term Investment Fund	2,218,171	2,163,171
Cap Guardian International Equity Fund	18,810,647	10,243,647
Lord Abbett Development Growth Fund	23,181,618	14,049,618
Investment contracts at contract value	234,079,648	222,318,648
Total investments	909,449,286	756,525,286
Receivables:		
Interest	826,605	4,605
Employer contributions	1,672,012	1,538,012
Employee contributions	1,700,278	1,336,278
Other receivable	-	1,235,000
Loans receivable from participants	20,930,052	18,754,052
Cash and cash equivalents	10,259,005	8,885,005
Total assets	944,837,238	788,281,238
Liabilities		
Accrued interest payable	175,560	510,560
Debt obligations	3,715,558	10,810,558
Investment management fees payable	64,040	138,040
Total liabilities	3,955,158	11,460,158
Net assets available for benefits	\$940,882,080	\$776,820,080

See accompanying notes.

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Becton, Dickinson and Company
Savings Incentive Plan

Statement of Changes in Net Assets Available for Benefits

Year ended June 30, 2004

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Additions:

Participants' contributions	\$ 51,498,401
Rollover contributions	5,875,746
Company contributions	5,179,352
Interest income	10,267,307
Dividends	4,496,899

77,317,705

Deductions:

Distributions to participants	58,956,970
Administrative expenses and other	1,288,650

60,245,620

Net appreciation in fair value of investments 146,989,441

Net increase 164,061,256

Net assets available for benefits at beginning of year 776,820,554

Net assets available for benefits at end of year \$940,882,080

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See accompanying notes.

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Becton, Dickinson and Company
Savings Incentive Plan

Notes to Financial Statements

June 30, 2004

1. Significant Accounting Policies

Accounting records of the Becton, Dickinson and Company Savings Incentive Plan (the "Plan") are maintained on the accrual basis whereby all income, costs and expenses are recorded when earned or incurred. Investments are recorded on the basis of cost but are reported in the Plan's financial statements at fair value, redemption value or contract value. Fair value of marketable equity securities is determined by quoted market prices in an active market. The value of the Becton, Dickinson and Company Series B ESOP Convertible Preferred Stock was determined based upon the guaranteed redemption value of \$59 per share or 640% of the fair value of the Becton, Dickinson and Company Common Stock, whichever is higher. Investment contracts (Fixed Income Fund) are contracts with insurance companies, which are fully benefit responsive and valued at contract value. Contract value represents contributions made, plus interest at the contract rate and transfers, less distributions. Interests in commingled trust funds and mutual funds are valued at the redemption price established by the trustee or investment manager of the respective fund. Participant loans are valued at unpaid principal balances with maturities ranging from three months to four and

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one-half years for ordinary loans and twenty years for primary residence loans. Cash equivalents are stated at cost, which approximates fair value. The Plan considers all highly-liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. Investment management fees, brokerage fees, commissions, stock transfer taxes, and other expenses related to each investment fund are paid out of the respective fund. Other expenses, such as trustee fees, ESOP fees, and other administrative expenses are shared by Becton, Dickinson and Company and the Plan.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Description of the Plan

The Plan is a defined contribution plan established for the purpose of encouraging and assisting employees in following a systematic savings program and to provide an opportunity for employees, at no cost to themselves, to become shareholders of Becton, Dickinson and Company. Employees of Becton, Dickinson and Company and certain of its domestic subsidiaries (the "Company") are eligible for participation in the Plan on the first enrollment date coincident with or next following their date of hire.

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Becton, Dickinson and Company Savings Incentive Plan

Notes to Financial Statements (continued)

2. Description of the Plan (continued)

Eligible employees who are members of the Plan can authorize a payroll deduction for a contribution to the Plan in an amount per payroll period equal to any selected whole percentage of pay from 2% to 20% inclusive. For purposes of the Plan, total pay includes base pay, overtime compensation and commissions. Pre-tax contributions are subject to annual Internal Revenue Code limitations of \$13,000 plus a catch-up contribution of \$3,000 for participants age 50 and older for 2004 and \$12,000 plus a catch-up contribution of \$2,000 for participants age 50 and older for 2003.

Individual employee contributions of up to 6% of total pay are eligible for a matching Company contribution. The Board of Directors of the Company may, within prescribed limits, establish, from time to time, the rate of Company contributions. It has authorized the Company to make a monthly contribution to the Plan in an amount equal to 50% of eligible employee contributions during said month minus any forfeitures.

Employee contributions can be in either before-tax ("401(k)") dollars or after-tax dollars or a combination of both. Employee contributions in before-tax dollars result in savings going into the Plan before most federal, state or local taxes are withheld. Taxes are deferred until the employee withdraws the

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401(k) contributions from the Plan.

Participating employees are not liable for federal income taxes on amounts earned in the Plan or on amounts contributed by the Company until such time that their participating interest is distributed to them. In general, a participating employee is subject to tax on the amount by which the distribution paid to him exceeds the amount of after-tax dollars he has contributed to the Plan.

Employee contributions are invested, at the option of the employee, in any of the available funds in any combination of 1%.

The investment contracts are contracts with various insurance companies, which provide known rates of return on deposited funds, provided that the contracts remain in force until their maturity. The weighted average yield for the investment contracts was 4.37% and 4.70% at June 30, 2004 and 2003, respectively. The crediting interest rates ranged from 3.54% to 8.08% at June 30, 2004. Crediting interest rates are determined based on the balance and duration of the contract, with certain contracts

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Becton, Dickinson and Company Savings Incentive Plan

Notes to Financial Statements (continued)

2. Description of the Plan (continued)

subject to quarterly rate resets based on market indices. There are no minimum crediting interest rates or limitations on guarantees under the terms of the contracts. No valuation reserves have been established to adjust contract amounts. The contract value of the investment contracts, which approximate fair value, is approximately \$234,079,648 and \$222,318,646 at June 30, 2004 and 2003, respectively.

State Street Bank & Trust Company ("State Street Bank") is the Plan's Trustee. State Street Bank is also the investment manager of the S&P 500 Flagship Fund, the MidCap Index Fund and the Becton, Dickinson and Company Common Stock Fund. Wells Fargo Nikko Investment Advisors is the investment manager of the Commingled Equity Fund, Lord Abbett is the investment manager of the Development Growth Fund, and Capital Guardian Trust Company is the investment manager of the International Equity Fund.

The assets of the Company Common Stock Fund are invested in shares of the Company's common stock. The Trustee has advised that its present intention is to purchase the Company's common stock exclusively on the open market. Contributions to the Company Common Stock Fund are comprised of both employee contributions, as well as employer matching contributions.

Any portion of the Funds, pending permanent investment or distribution, may be held on a short-term basis in cash or cash equivalents. The State Street Short-Term Investment Fund is a holding account and represents funds received awaiting allocation to an investment fund.

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The Company implemented an Employee Stock Ownership Plan (ESOP) whereby the Becton, Dickinson and Company Preferred Stock Fund was created to account for employer matching contributions being invested in convertible preferred stock on behalf of employees. Over the past several years, preferred shares have accumulated in the trust in excess of the Company's matching obligation.

The Plan also has loan provisions whereby employees are allowed to take loans on their vested account balances. Loans originating during a year bear a fixed rate of interest which is set annually. Employees are required to make installment payments at each payroll date. The outstanding balance of a loan becomes due and payable upon an employee's termination. Should an employee, upon his termination, elect not to repay the outstanding balance, the loan is canceled and deemed a distribution under the Plan.

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Becton, Dickinson and Company Savings Incentive Plan

Notes to Financial Statements (continued)

2. Description of the Plan (continued)

The Plan provides for vesting in employer matching contributions based on years of service as follows:

Full Years of Service	Percentage
-----	-----
Less than 2 years	0%
2 years but less than 3 years	50%
3 years but less than 4 years	75%
4 years or more	100%

Participants may become fully vested on the date of termination of employment by reasons of death, retirement or disability, or attainment of age 65. Participants may be partially vested under certain conditions in the event of termination of employment or participation in the Plan for any other reason. Non-vested Company contributions forfeited by participants are applied to reduce future Company contributions. Participants' contributions are always 100% vested.

The Board of Directors of the Company reserves the right to terminate, modify, alter or amend the Plan at any time and at its own discretion, provided that no such termination, modification, alteration or amendment shall permit any of the funds established pursuant to the Plan to be used for any purpose other than the exclusive benefit of the participating employees. The right to modify, alter or amend includes the right to change the percentage of the Company's contributions.

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Amounts allocated to withdrawn participants which have not yet been distributed from the Plan as of June 30, 2004 and 2003 amounted to \$3,674,736 and \$7,923,428, respectively. For the purpose of preparing the Plan's Form 5500 such amounts are recorded as liabilities.

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Becton, Dickinson and Company Savings Incentive Plan

Notes to Financial Statements (continued)

3. Investments

During 2004, the Plan's investments (including investments purchased, sold, as well as held during the year) appreciated in fair value as determined by quoted market prices as follows:

Participant-directed:

Becton, Dickinson and Company Common Stock	\$ 55,382,127
State Street Bank and Trust Company S&P 500 Flagship Fund Series A	20,360,081
State Street Bank and Trust Company MidCap Index Fund Series A	13,891,432
Wells Fargo Nikko Investment Advisors Commingled Equity Fund	4,281,944
Cap Guardian International Equity Fund	3,312,120
Lord Abbett Development Growth Fund	3,412,488

Non-participant directed:

Becton, Dickinson and Company Series B ESOP Convertible Preferred Stock	46,349,249

	\$146,989,441
	=====

Information about the significant components of the changes in net assets related to the non-participant directed investment, Becton, Dickinson and Company Series B ESOP Convertible Preferred Stock, is as follows:

Contributions	\$ 4,837,431
Interest and dividends	2,159,001
Net realized and unrealized appreciation in fair value	46,349,249
Distribution to participants	(8,231,765)
Transfers between funds	(6,782,774)
Expenses	(782,067)

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Total

\$37,549,075
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Becton, Dickinson and Company Savings Incentive Plan

Notes to Financial Statements (continued)

4. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated February 4, 2004, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the "Code") and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification.

5. Related Party Transactions

During the year ended June 30, 2004, the Plan purchased and distributed 524,031 shares and 902,234 shares, respectively, of the Company's common stock and recorded \$2,344,276 in dividends on the common stock from the Company. In addition, the Plan purchased and distributed 139,479 shares and 194,554 shares, respectively, of the Series B ESOP convertible preferred stock of the Company and recorded \$2,152,623 in dividends on the preferred stock from the Company.

6. Employee Stock Ownership Plan (ESOP)

The Company maintains an Employee Stock Ownership Plan ("ESOP") as part of the Savings Incentive Plan. The ESOP operates to satisfy all or part of the Company's obligation to match 50% of employees' contributions, up to a maximum of 3% of each participant's covered compensation. To accomplish this, the ESOP borrowed \$60,000,000 in a private debt offering and used the proceeds to buy the Company's Series B ESOP convertible preferred stock.

Each share of preferred stock has a guaranteed liquidation value of \$59 per share and is convertible into 6.4 shares of the Company's common stock. The preferred stock pays an annual dividend of \$3.835 per share which will be used by the ESOP, together with Company contributions to repay the ESOP borrowings. The allocated and unallocated shares at cost and market at June 30 were as follows:

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Becton, Dickinson and Company Savings Incentive Plan

Notes to Financial Statements (continued)

6. Employee Stock Ownership Plan (ESOP) (continued)

	June 30, 2004		June 30, 2003	
	Allocated	Unallocated	Allocated	Unallocated
Becton, Dickinson and Company				
Series B ESOP Convertible				
Preferred Stock:				
Number of shares	436,682	101,479	421,958	101,479
Cost	\$ 25,764,619	\$ 5,987,269	\$ 24,895,964	\$10,147,964
Market	\$144,768,893	\$33,642,363	\$104,915,744	\$42,500,000

Over a 15 year period, the trust will repay the loan; and as the loan is gradually repaid, a portion of the preferred stock will be released and used to match participants' contributions in the Plan. The initial allocation of preferred stock to plan participants began in March 1990. Each year, a pre-determined number of preferred shares will be released and available to be allocated to participants' accounts. If the total value of the preferred shares released (as the ESOP loan is repaid) is not sufficient to fully match the participants' contributions, the remaining portion of the match will be made to the Company Common Stock Fund.

7. Debt Obligations

In connection with the Employee Stock Ownership Plan feature, the Plan issued \$60,000,000 of ESOP notes in a private placement. The notes bear interest at 9.45% and are guaranteed by the Company. The notes, which are due July 1, 2004, require semi-annual interest payments and annual principal payments. Such final payment was made on a timely basis.

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EIN: 22-0760120
Plan #: 011

Becton, Dickinson and Company Savings Incentive Plan

Schedule H, Line 4(i)--Schedule of Assets (Held at End of Year)

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June 30, 2004

Identity of Issue, Borrower, Lessor or Similar Party and Description of Investment	Number of Units or Shares	Contract or Current Value
State Street Bank & Trust Company *Becton, Dickinson and Company Common Stock	4,080,596	\$211,374,8
State Street Bank & Trust Company *Becton, Dickinson and Company Series B ESOP Convertible Preferred Stock	538,161	178,411,2
State Street Bank & Trust Company S&P 500 Flagship Fund Series A	3,314,163	132,446,8
State Street Bank & Trust Company S&P MidCap Index Fund Series A	16,365,246	68,890,4
Wells Fargo Nikko Investment Advisors Commingled Equity Fund	14,379,867	40,035,8
State Street Bank & Trust Company State Street Short-Term Investment Fund	4,879,252	2,218,1
State Street Bank & Trust Company Cap Guardian International Equity Fund	18,725,428	18,810,6
State Street Bank & Trust Company Lord Abbett Development Growth Fund	23,209,234	23,181,6
CDC Financial Production, Inc. GIC #239-03, due at 3.54%		36,433,5

* As Becton, Dickinson and Company is the plan sponsor, these represent party-in-interest transactions.

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EIN: 22-0760120
Plan #: 011

Becton, Dickinson and Company
Savings Incentive Plan

Schedule H, Line 4(i)--Schedule of Assets
(Held at End of Year) (continued)

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June 30, 2004

Identity of Issue, Borrower, Lessor or Similar Party and Description of Investment	Number of Units or Shares	Contract or Current Value
JP Morgan Chase Bank GIC #ABECTON1, at 5.57%		\$ 41,655,
John Hancock Mutual Life Insurance Company GIC #14973, at 6.55%		6,039,
Rabobank Nederland (IGT BIKRK Int GIC) BDX080301, due 8/12/03 at 4.54%		41,743,
Monumental Life Insurance Company #MDA00091TR, termination date as specified by contract, at 8.08%		13,766,
Monumental Life Insurance Company #MDA 00591TR		35,651,
State Street Bank (IGT Invesco Short-Term Bond) GIC #103054, at 3.93%		29,430,
UBS AG GIC #512, at 2.68%		29,358,
Total investments		909,449,
Loans receivable from participants (original loan amounts ranging from \$1,000 to \$50,000 bearing interest at rates ranging from 5% to 11.5%)		20,930,
		\$930,379,
		=====

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SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THE MEMBERS OF THE SAVINGS INCENTIVE PLAN COMMITTEE HAVE DULY CAUSED THIS ANNUAL REPORT TO BE SIGNED BY THE UNDERSIGNED HEREUNTO DULY AUTHORIZED.

Becton, Dickinson and Company
Savings Incentive Plan

/s/ Gerald Caporicci

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GERALD CAPORICCI
MEMBER, SAVINGS INCENTIVE PLAN
COMMITTEE

Date: December 16, 2004

EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION -----	METHOD OF FILING -----
23	Consent of Independent Registered Public Accounting Firm	Filed with this report