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BECTON DICKINSON & CO
Form 11-K
December 19, 2003

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, 2003

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
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICER)

07417-1880
(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 Auditors

Statements of Net Assets Available for Benefits, as of June 30, 2003 and
2002

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Statement of Changes in Net Assets Available for Benefits for the year ended
June 30, 2003

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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Becton, Dickinson and Company
Savings Incentive Plan

Financial Statements and Supplemental Schedule

June 30, 2003

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

Report of Independent Auditors

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Savings Incentive Plan Committee
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, 2003 and 2002, and the related statement of changes in net assets available for benefits for the year ended June 30, 2003. 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 auditing standards generally accepted in the 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, 2003 and 2002, and the changes in its net assets available for benefits for the year ended June 30, 2003, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of June 30, 2003 is presented for the purpose 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.

New York, New York
December 8, 2003

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Becton, Dickinson and Company
Savings Incentive Plan

Statements of Net Assets Available for Benefits

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Assets	2003
Investments at fair value:	
Becton, Dickinson and Company Common Stock (4,458,799 shares and 4,798,509 shares, respectively)	\$173,224,341
Becton, Dickinson and Company Series B ESOP Convertible Preferred Stock (593,236 shares and 659,217 shares, respectively)	147,502,349
State Street Bank and Trust Company S&P 500 Flagship Fund Series A	104,576,539
State Street Bank and Trust Company MidCap Index Fund Series A	48,056,101
Wells Fargo Nikko Investment Advisors Commingled Equity Fund	34,390,812
Barclays Global Investors Balanced Fund	-
State Street Short-Term Investment Fund	2,163,881
Cap Guardian International Equity Fund	10,243,980
Lord Abbett Development Growth Fund	14,049,344
Investment contracts at contract value	222,318,646
Total investments	756,525,993
Receivables:	
Interest	4,105
Employer contributions	1,538,916
Employee contributions	1,336,691
Other receivable	1,235,745
Loans receivable from participants	18,754,118
Cash and cash equivalents	8,885,540
Total assets	788,281,108
Liabilities	
Accrued interest payable	510,816
Debt obligations	10,810,918
Investment management fees payable	138,820
Total liabilities	11,460,554
Net assets available for benefits	\$776,820,554

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, 2003

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Additions:

Participants' contributions	\$ 49
Rollover contributions	4
Company contributions	6
Interest income	8
Dividends	4
Transfers in	2

Deductions:

Distributions to participants	39
Interest expense	1
Administrative expenses and other	1

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Net appreciation in fair value of investments	36

Net increase	70
Net assets available for benefits at beginning of year	706

Net assets available for benefits at end of year	\$776
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See accompanying notes.

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Becton, Dickinson and Company
Savings Incentive Plan

Notes to Financial Statements

June 30, 2003

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

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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 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 accounting principles generally accepted in the United States 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 the completion of one year of eligibility service.

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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 \$12,000 plus a catch-up contribution of \$2,000 for participants age 50 and older for 2003 and \$11,000 plus a catch-up contribution of \$1,000 for participants age 50 and older for 2002.

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

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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 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 assets of the Fixed Income Fund are invested in 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 4.70% and 5.71% at June 30, 2003 and 2002, respectively. The crediting interest rates ranged from 1.24% to 8.08% at June 30, 2003 and 2.09% to 7.37% at June 30, 2002. Crediting interest rates are determined based on the balance and duration of the contract, with certain contracts subject to quarterly rate resets based on market indices. There

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Becton, Dickinson and Company Savings Incentive Plan

Notes to Financial Statements (continued)

2. Description of the Plan (continued)

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 \$222,318,646 and \$181,633,953 at June 30, 2003 and 2002, 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.

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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.

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.

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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.

Amounts allocated to withdrawn participants which have not yet been distributed from the Plan as of June 30, 2003 and 2002 amounted to \$7,923,428 and \$236,100, 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 2003, the Plan's investments (including investments purchased, sold, as well as held during the year) appreciated (depreciated) in fair value as determined by quoted market prices as follows:

Participant-directed:

Becton, Dickinson and Company Common Stock	\$20,132,661
State Street Bank and Trust Company S&P 500 Flagship Fund Series A	326,594
State Street Bank and Trust Company MidCap Index Fund Series A	(661,611)
Wells Fargo Nikko Investment Advisors Commingled Equity Fund	1,291,533
Cap Guardian International Equity Fund	(270,605)
Lord Abbett Development Growth Fund	(289,432)

Non-participant directed:

Becton, Dickinson and Company Series B ESOP Convertible Preferred Stock	15,549,300

	\$36,078,440
	=====

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:

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Contributions	\$ 6,577,022
Interest and dividends	2,404,806
Net realized and unrealized appreciation in fair value	15,549,300
Distribution to participants	(4,473,215)
Loan withdrawals	(353,473)
Transfers between funds	(8,596,034)
Interest expense	(1,837,453)
Expenses	(715,237)
Other	(1,729,208)

Total	\$ 6,826,508
	=====

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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 December 30, 1994, 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. The Plan has been amended and a new determination letter has been requested but has not yet been received. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan committee believes the Plan is being operated in compliance with the applicable requirements of the Code, and therefore, believes that the Plan is qualified and the related trust is tax-exempt.

5. Related Party Transactions

During the year ended June 30, 2003, the Plan purchased and distributed 658,867 shares and 998,577 shares, respectively, of the Company's common stock and recorded \$1,884,511 in dividends on the common stock from the Company. In addition, the Plan purchased and distributed 570,226 shares and 636,206 shares, respectively, of the Series B ESOP convertible preferred stock of the Company and recorded \$2,380,959 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

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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, 2003		June 30, 2002	
	Allocated	Unallocated	Allocated	Unallocated
Becton, Dickinson and Company				
Series B ESOP Convertible				
Preferred Stock:				
Number of shares	421,958	171,278	414,530	244,000
Cost	\$ 24,895,964	\$10,105,409	\$24,466,840	\$14,442,000
Market	\$104,915,744	\$42,586,605	\$91,395,754	\$53,948,000

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. The aggregate annual maturities of the debt obligations during the years ended June 30, 2004 and 2005 are approximately as follows: 2004--\$7,095,000 and 2005--\$3,716,000.

8. Transfers In

On April 1, 2003, the Gentest Corporation 401(k) Plan and the Clontech Laboratories, Inc. 401(k) Plan merged into the Plan. As a result of these

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mergers, \$2,685,025 in net assets were transferred to the Plan.

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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)

June 30, 2003

Identity of Issue, Borrower, Lessor or Similar Party and Description of Investment	Number of Units or Shares
State Street Bank & Trust Company *Becton, Dickinson and Company Common Stock	4,458,799
State Street Bank & Trust Company *Becton, Dickinson and Company Series B ESOP Convertible Preferred Stock	593,236
State Street Bank & Trust Company S&P 500 Flagship Fund Series A	3,114,486
State Street Bank & Trust Company S&P MidCap Index Fund Series A	14,588,809
Wells Fargo Nikko Investment Advisors Commingled Equity Fund	13,911,205
State Street Bank & Trust Company State Street Short-Term Investment Fund	17,297,687
State Street Bank & Trust Company Cap Guardian International Equity Fund	13,118,848
State Street Bank & Trust Company Lord Abbett Development Growth Fund	17,203,988
Allstate Life Insurance Company GIC #GA/77156, at 3.67%	
Bank of America NT & SA GIC #01-025, termination date as specified by contract, at 5.00%	
CDC Financial Production, Inc. GIC #239-03, due 5/15/04 at 5.92%	

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Rabobank Nederland (IGT Jennison Int. G/C)
GIC # Box 01031 due at 8/12/03 at 4.42%

* 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)

June 30, 2003

Identity of Issue, Borrower, Lessor or Similar Party and Description of Investment	Number of Units or Shares

JP Morgan Chase Bank GIC #ABECTON1, at 5.57%	
John Hancock Mutual Life Insurance Company GIC #14973, at 5.98%	
Rabobank Nederland (IGT BIKRK Int GIC) BDX010302, due 8/12/03 at 4.15%	
UBS AG GIC #5070, termination date as specified by contract, at 1.24%	
Monumental Life Insurance Company #MDA00091TR, termination date as specified by contract, at 8.08%	
Security Life of Denver Insurance Company GIC FR #108GIC, due 9/28/02, at 1.68%	
State Street Bank (IGT Invesco Short-Term Bond) GIC #103054, at 7.41%	
UBS AG GIC #512, at 2.68%	
Business Men's Assurance - MBIA GIC #1324, due 11/03/03, at 5.48%	

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Jackson National Life Insurance Company
GIC #1261, due 3/18/04, at 6.05%

Total investments

Loans receivable from participants (original loan amounts ranging from \$1,000 to \$50,000 bearing interest at rates ranging from 7% to 11.5%)

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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

GERALD CAPORICCI
MEMBER, SAVINGS INCENTIVE PLAN
COMMITTEE

Date: December 18, 2003

EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION -----	METHOD OF FILING -----
23	Consent of Independent Auditors	Filed with this report