BRISTOL-MYERS SQ. NYSE-BMY

RECENT PRICE 22.35 | P/E RATIO 13.2 (Trailing: 20.0 Median: 26.0) | RELATIVE P/E RATIO 1.06 | DIV'D YLD 5.5% | VALUE LINE

TIMELINESS 1 Raised 12/5/08
SAFETY 2 Raised 7/20/07
TECHNICAL 2 Lowered 1/16/09
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+80%)	*20%*
Low	30	(+35%)	*12%*

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	2	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	1
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	1Q2008	2Q2008	3Q2008
to Buy	386	386	373
to Sell	490	464	448
Hld's(000)	1430945	1432733	1415621

Bristol-Myers Squibb was incorporated in Delaware in August 1933 as successor to a New York business started in 1887. The company was formed by a merger between Bristol-Myers Company and Squibb Corporation on October 4, 1989. The combination was effected through an exchange of 2.4 shares of Bristol-Myers for each share of Squibb.

The merger was effected utilizing the pooling-of-interests accounting method.

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	9.19	10.21	9.32	9.91	9.35	10.77	9.98	9.84	9.13	9.77	*10.75*	*11.40*	Sales per sh	*13.55*
	1.89	2.45	2.48	2.81	1.43	2.01	1.70	2.01	1.29	1.54	*2.05*	*2.15*	"Cash Flow" per sh	*2.35*
	1.55	2.06	2.36	2.41	1.07	1.59	1.21	1.52	.81	1.09	*1.60*	*1.70*	Earnings per sh [A]	*1.85*
	.78	.86	.98	1.10	1.12	1.12	1.12	1.12	1.12	1.12	1.24	*1.28*	Div'ds Decl'd per sh [B■]	*1.32*
	.40	.36	.30	.52	.51	.48	.35	.38	.41	.43	*.45*	*.45*	Cap'l Spending per sh	*.55*
	3.81	4.36	4.70	5.48	4.63	5.04	5.25	5.74	5.92	5.34	*6.65*	*7.25*	Book Value per sh [C]	*8.90*
	1988.8	1980.8	1953.5	1960.6	1937.4	1940.5	1942.4	1952.3	1962.4	1979.4	*1974.0*	*1973.0*	Common Shs Outst'g [D]	*1970.0*
	35.2	33.1	24.6	23.8	29.1	15.9	20.8	15.9	29.8	26.4	*13.5*		Avg Ann'l P/E Ratio	*19.0*
	1.83	1.89	1.60	1.22	1.59	.91	1.10	.85	1.61	1.38	*.85*		Relative P/E Ratio	*1.25*
	1.4%	1.3%	1.7%	1.9%	3.6%	4.4%	4.4%	4.6%	4.6%	4.0%	5.7%		Avg Ann'l Div'd Yield	*3.8%*
	18284	20222	18216	19423	18119	20894	19380	19207	17914	19348	*21260*	*22500*	Sales ($mill)	*26700*
	31.4%	34.3%	37.6%	38.3%	26.2%	27.5%	29.9%	31.6%	23.7%	24.4%	*26.5%*	*27.0%*	Operating Margin	*25.0%*
	625.0	678.0	746.0	781.0	735.0	789.0	909.0	929.0	956.0	892.0	*915*	*930*	Depreciation ($mill)	*980*
	3141.0	4167.0	4096.0	4723.0	2034.0	3106.0	2388.0	3000.0	1585.0	2165.0	*3160*	*3355*	Net Profit ($mill)	*3645*
	26.4%	27.7%	25.2%	14.3%	16.4%	25.9%	34.2%	20.5%	23.2%	22.7%	*23.0%*	*24.0%*	Income Tax Rate	*24.0%*
	17.2%	20.6%	22.5%	24.3%	11.2%	14.9%	12.3%	15.6%	8.8%	11.2%	*14.9%*	*14.9%*	Net Profit Margin	*13.7%*
	2991.0	3730.0	4192.0	3523.0	1755.0	4388.0	4958.0	5393.0	3806.0	1704.0	*6900*	*3500*	Working Cap'l ($mill)	*4000*
	1364.0	1342.0	1336.0	6237.0	6261.0	8522.0	8463.0	8364.0	9673.0	4381.0	*6120*	*6100*	Long-Term Debt ($mill)	*6500*
	7576.0	8645.0	9180.0	10736	8967.0	9786.0	10202	11208	11612	10562	*13150*	*14300*	Shr. Equity ($mill) [C]	*17530*
	35.5%	42.1%	39.5%	28.9%	14.8%	18.8%	14.8%	17.2%	9.1%	15.5%	*20.0%*	*19.5%*	Return on Total Cap'l	*15.5%*
	41.5%	48.2%	44.6%	44.0%	22.7%	31.7%	23.4%	26.8%	13.6%	20.5%	*24.0%*	*23.5%*	Return on Shr. Equity	*20.5%*
	21.0%	28.5%	23.6%	24.1%	NMF	9.6%	2.1%	7.3%	NMF	NMF	*5.5%*	*6.5%*	Retained to Com Eq	*6.0%*
	49%	41%	47%	45%	107%	70%	91%	73%	NMF	102%	*76%*	*75%*	All Div'ds to Net Prof	*71%*

CAPITAL STRUCTURE as of 9/30/08
Total Debt $7902 mill. **Due in 5 Yrs** $1782 mill.
LT Debt $6120 mill. **LT Interest** $315.2 mill.
(32% of Cap'l)
(Total interest coverage: 3.8x)
Leases, Capitalized $49.0 mill.

Pension Assets-12/07 $6.3 bill. **Oblig.** $6.8 bill.

Pfd Stock None
Common Stock 1,976,562,119 shs.
as of 10/28/08

MARKET CAP: $44.2 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	9/30/08
Cash Assets	4013	2225	7431
Receivables	3247	4240	3128
Inventory (Avg Cst)	2079	2162	2176
Other	963	1721	1658
Current Assets	10302	10348	14393
Accts Payable	1239	1442	1495
Debt Due	187	1891	135
Other	5070	5311	5413
Current Liab.	6496	8644	7043

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	2.5%	- -	*6.0%*
"Cash Flow"	-0.5%	-6.5%	*6.5%*
Earnings	-2.5%	-10.0%	*8.5%*
Dividends	4.0%	1.0%	*2.5%*
Book Value	5.5%	3.0%	*8.0%*

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	4532	4889	4767	5019	19207
2006	4676	4871	4154	4213	17914
2007	4317	4757	4893	5381	19348
2008	5181	5203	5254	*5622*	*21260*
2009	*5450*	*5500*	*5700*	*5850*	*22500*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.32	.50	.44	.26	1.52
2006	.32	.34	.17	d.02	.81
2007	.35	.36	.43	d.05	1.09
2008	.33	.38	.46	*.43*	*1.60*
2009	*.40*	*.40*	*.45*	*.45*	*1.70*

Calendar	QUARTERLY DIVIDENDS PAID [B■] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.28	.28	.28	.28	1.12
2006	.28	.28	.28	.28	1.12
2007	.28	.28	.28	.28	1.12
2008	.31	.31	.31	.31	1.24
2009					

BUSINESS: Bristol-Myers Squibb Company manufactures proprietary medical products, ethical pharmaceuticals, diagnostics, infant formula, orthopedic implants, health and beauty aids. Major brand names include: *Plavix* ($4.8 billion in '07 sales), *Avapro, Pravachol, Coumadin, Reyataz, Sustiva, Baraclude, Erbitux, Taxol, Sprycel, Ixempra, Abilify, Enfamil, Enfagrow.* Acquired DuPont Pharma. 10/01/01. International operations represent 46% of sales (35% of operating profit); R&D, 16.9%. '07 depreciation rate: 10.3%. Estimated plant age: 14 years. Has about 46,050 employees Officers & directors own 1% of stock (3/08 proxy). Chairman and CEO: James M. Cornelius. Incorporated: DE. Addr.: 345 Park Ave., NY, NY 10154. Tel.: 212-546-4000. Internet: www.bms.com.

Bristol-Myers has a very healthy cash hoard. At the end of the third quarter, cash and equivalents topped a whopping $7.4 billion. And we look for that tally to rise by another $2 billion after Bristol sells its 17% share of Imclone to Lilly (which acquired the former). Furthermore, the anticipated successful IPO of around 15% of BMY's Nutritionals business in early 2009 should net BMY another $1 billion. Bristol has already announced that it is paying a $0.31-a-share dividend in early February, but we wouldn't be surprised to see this figure increase throughout the year. In addition, cash will probably be used for more share buybacks in order to help buoy the bottom line. Beyond these moves, however, we look for Bristol to up its R&D budget, and enter into new pharma-sharing arrangements. Using cash to buy consumer healthcare, brand-name, and/or generic companies, as well as the rights to more cancer treatments, are also likely moves.

We look for share net of $1.60 in 2008 and $1.70 in 2009. Final-quarter share earnings are likely to come in around $0.43. A favorable product mix, and currency exchange should aid the gross margin, and a 13% hike in drug operation revenue should supplement a 9% rise in Nutritional unit sales. In 2009, we expect sales growth of about 5.5%-6%, compared to an anticipated 10% in 2008. As the dollar weakens a little more against the pound and euro, currency exchange is liable to be less favorable. Also, a decrease in volume from *Plavix, Erbitux,* and *Abilify* is likely. It remains to be seen how new pipleine drugs, *Sustiva*, *Sprycel*, and *Reyataz*, will perform in a recession, but we suspect they will do fairly well against the generics and other brand-name drugs.

Although top-ranked, this issue has subpar total return potential to 2011-2013. Near-term pipeline hopefuls, and recently launched drug treatments, have little chance of filling the earnings vacuum left by the patent expirations of *BuSpar, Pravachol, Taxol,* and *Glucophage,* as well as decling growth of *Plavix*. Still, those investors interested in yield (and they are a growing band) are likely to be well rewarded with steady income from this high-quality equity.

Jeremy J. Butler *January 16, 2009*

A) Based on avg. shares outstanding thru. '97, diluted thereafter. Next earnings report due late January. Excludes nonrecurring losses: '98, 25¢. Includes extraordinary charge of $0.11 in 2Q '04.
(B) Dividends historically paid in the first week of February, May, August, and November. ■ Dividend reinvestment plan available.
(C) Includes intangibles. In '07: $6328 million, $3.20/sh.
(D) In millions, adjusted for stock split.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	5
Earnings Predictability	55

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