

# Bristol-Myers Squibb Co

**S&P Recommendation** **BUY** ★★★★★

**Price**  
\$23.07 (as of Feb 6, 2009)

**12-Mo. Target Price**  
\$26.00

**Investment Style**  
Large-Cap Value

**UPDATE: PLEASE SEE THE ANALYST'S LATEST RESEARCH NOTE IN THE COMPANY NEWS SECTION**

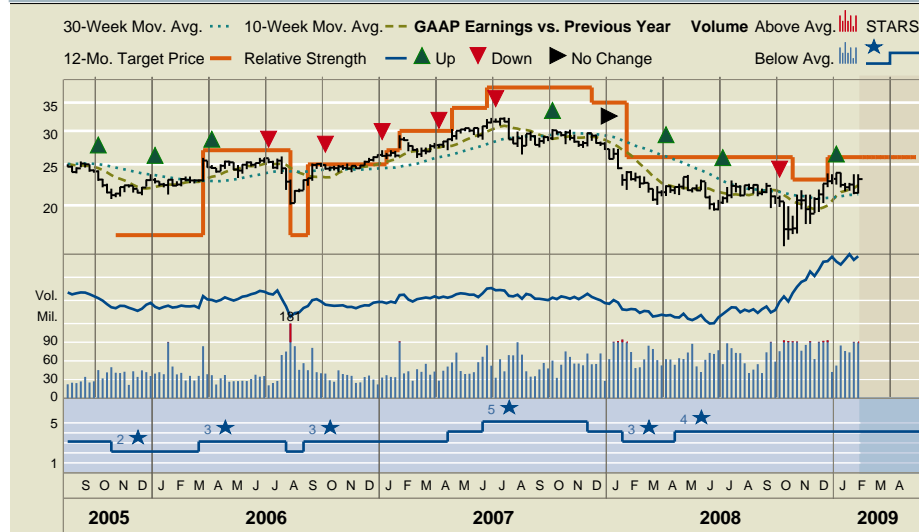
**GICS Sector** Health Care  
**Sub-Industry** Pharmaceuticals

**Summary** This leading global drugmaker is strong in both prescription and nonprescription products.

**Key Stock Statistics** (Source S&P, Vickers, company reports)

52-Wk Range	<b>\$23.98–16.00</b>	S&P Oper. EPS 2009E	<b>2.00</b>	Market Capitalization(B)	<b>\$45.670</b>	Beta	<b>0.61</b>
Trailing 12-Month EPS	<b>\$2.63</b>	S&P Oper. EPS 2010E	<b>NA</b>	Yield (%)	<b>5.37</b>	S&P 3-Yr. Proj. EPS CAGR(%)	<b>NA</b>
Trailing 12-Month P/E	<b>8.8</b>	P/E on S&P Oper. EPS 2009E	<b>11.5</b>	Dividend Rate/Share	<b>\$1.24</b>	S&P Credit Rating	<b>A+</b>
\$10K Invested 5 Yrs Ago	<b>\$9,984</b>	Common Shares Outstg. (M)	<b>1,979.6</b>	Institutional Ownership (%)	<b>72</b>		

**Price Performance**



**Qualitative Risk Assessment**

**LOW** **MEDIUM** **HIGH**

In common with other large capitalization drugmakers, BMJ is subject to the threat of generic challenges to its branded drugs, as well as risks associated with new drug development and regulatory approval. Although BMJ faces the loss of patent protection on several key drugs over the 2011-2012 period, we believe these losses will be offset by new products and significant cost savings.

**Quantitative Evaluations**

**S&P Quality Ranking** **B+**

D C B- B **B+** A- A A+

**Relative Strength Rank** **STRONG**

79

LOWEST = 1 HIGHEST = 99

Analysis prepared by **Herman B. Saftlas** on December 18, 2008, when the stock traded at **\$22.48**.

**Highlights**

- ▶ We see sales from continuing operations rising 9% in 2009, from an estimated \$20.8 billion in 2008, which excludes the sold medical imaging and ConvaTec businesses. The gain should be led by a strong rise in Plavix blood thinning agent. We also see higher volume in Abilify antipsychotic and Reyataz HIV/AIDS therapies. In addition, contributions from new drugs such as Orencia for rheumatoid arthritis and Sprycel for leukemia will likely augment volume. We look for these gains to more than offset lower sales of off-patent products. Sales of nutritional and other health care products should also experience growth.
- ▶ We see gross margins in 2009 comparing favorably with the 69.7% that we project for 2008, helped by a better sales mix. We also see operating margins benefiting from restrained spending growth in both SG&A and R&D expenses. Non-operating income is also expected to increase.
- ▶ After an estimated tax rate in the 24% area, we forecast EPS of \$2.00 in 2009, up from an indicated \$1.70 in 2008. Results exclude gains from asset sales, milestones and other special items.

**Investment Rationale/Risk**

- ▶ Along with several other big pharma companies, BMJ faces a fairly large patent cliff in 2011-2012, with patent expirations expected on Plavix and Avapro, whose combined sales we estimate will account for about one-third of BMJ's total sales in 2008. Addressing this issue, BMJ has become more aggressive in new product development in recent years, launching new drugs such as Sprycel anticancer, Orencia for rheumatoid arthritis, and Reyataz for HIV/AIDS. BMJ is also implementing productivity initiatives that are expected to yield cost savings of \$2.5 billion by 2012. With some \$8 billion in cash, we think BMJ is well positioned to take advantage of promising new product and alliance opportunities.
- ▶ Risks to our recommendation and target price include increased competitive pressures in key product lines, and possible pipeline setbacks.
- ▶ Our 12-month target price of \$26 applies a premium-to-peers P/E of 13X to our 2009 EPS estimate. Our DCF model, which assumes a WACC of 7.5% and terminal growth of 1%, also indicates intrinsic value of \$26. The dividend recently yielded 5.5%.

**Revenue/Earnings Data**

**Revenue (Million \$)**

	1Q	2Q	3Q	4Q	Year
2008	5,181	5,203	5,254	5,249	20,597
2007	4,317	4,757	4,893	5,381	19,348
2006	4,676	4,871	4,154	4,213	17,914
2005	4,532	4,889	4,767	5,019	19,207
2004	4,626	4,819	4,778	5,157	19,380
2003	4,728	5,129	5,372	5,665	20,894

**Earnings Per Share (\$)**

	1Q	2Q	3Q	4Q	Year
2008	0.35	0.36	0.30	0.60	1.59
2007	0.33	0.33	0.41	-0.07	0.99
2006	0.36	0.34	0.17	-0.07	0.81
2005	0.27	0.50	0.49	0.26	1.52
2004	0.49	0.27	0.38	0.07	1.21
2003	0.41	0.46	0.47	0.26	1.59

Fiscal year ended Dec. 31. Next earnings report expected: Late April. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

**Dividend Data** (Dates: mm/dd Payment Date: mm/dd/yy)

Amount (\$)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.310	03/04	04/02	04/04	05/01/08
0.310	06/10	07/02	07/07	08/01/08
0.310	09/09	10/01	10/03	11/03/08
0.310	12/18	12/30	01/02	02/02/09

Dividends have been paid since 1900. Source: Company reports.

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**Bristol-Myers Squibb Co****Business Summary** December 18, 2008

**CORPORATE OVERVIEW.** Bristol-Myers Squibb is a major global drugmaker, offering a wide range of prescription drugs. In recent years, BMY divested non-core beauty care, orthopedic devices, imaging products and cancer drug distribution businesses. Prescription drugs accounted for 81% of sales in 2007, nutritionals 13%, and medical devices 6%. Foreign sales accounted for 44% of total sales in 2007.

The company's largest selling drug is Plavix (sales of \$4.8 billion in 2007), a platelet aggregation inhibitor for the prevention of stroke, heart attack and vascular disease. Plavix is produced through a joint venture with French drugmaker Sanofi-Aventis SA. Other cardiovasculars include Avapro/Avalide (\$1.2 billion), an angiotensin II receptor blocker for hypertension; Pravachol anticholesterol (\$443 million); and Coumadin blood thinning agent (\$201 million). Principal anticancer drugs are Erbitux (\$692 million), Taxol (\$422 million) and Sprycel (\$158 million).

The company's principal anti-infective drugs are HIV/AIDS treatments such as Reyataz (\$1.1 billion), Sustiva (\$956 million), and Baraclude (\$275 million). BMY also offers Cefzil, Tequin, Maxipime, and other antibiotics. Central nervous system agents include Abilify, an antipsychotic (\$1.7 billion), Sinemet for Parkinson's disease, and various other drugs. Orencia, a new treatment for rheumatoid arthritis (\$231 million), was approved in December 2005.

The Mead Johnson division offers nutritionals, consisting of infant formulas such as Enfamil and ProSobee, as well as other related items. BMY plans to sell a 10%-20% interest in Mead Johnson to the public through an IPO.

In early August 2008, BMY sold its ConvaTec ostomy and wound care business to a group of private equity funds for \$4.1 billion in cash. In January 2008, the company sold its medical imaging business.

**LEGAL/REGULATORY ISSUES.** In mid-June 2007, a U.S. District Court in New York upheld the Plavix patent, ruling that Canadian drugmaker Apotex's generic version infringes that patent. For a short period in August 2006, Apotex flooded the market with its generic Plavix. In September 2006, a federal court issued an injunction blocking Apotex from selling that drug, but stopped short of ordering a recall of generic product already shipped. Apotex has appealed the June 2007 decision, but we expect Bristol and Sanofi to prevail. Damages from Apotex's generic Plavix sales are also expected to accrue to Bristol and Sanofi.

**MARKET PROFILE.** The dollar value of the global pharmaceutical market was projected to rise 5%-6% in 2008, from \$712 billion in 2007, based on estimates from IMS Health. Although drug sales continue to grow faster than sales in most segments of the world economy, we expect industry growth to continue to decelerate over the balance of the decade, reflecting the loss of patent protection on many large-selling drugs, tighter reimbursement from government and private health insurance payors, and relatively sluggish new product flow.

R&D spending totaled \$3.3 billion (17.0% of sales) in 2007. BMY has more than 50 drugs in development, covering new treatments for psychiatric disorders, Alzheimer's disease, arteriosclerosis and thrombosis, cancer, diabetes, hepatitis, HIV/AIDS and other conditions. Many of these compounds are being developed through partnerships with other pharmaceutical and biotechnology companies. In January 2007, BMY and AstraZeneca (AZN) announced a collaboration to develop BMY's saxagliptin and dapagliflozin compounds for Type 2 diabetes. Under terms of the agreement, BMY could earn contingent milestone and other payments of over \$1 billion from this deal.

**FINANCIAL TRENDS.** In October 2008, BMY raised 2008 guidance for GAAP EPS from continuing operations to \$1.61-\$1.66 from \$1.36-\$1.46. BMY forecast 2008 non-GAAP EPS of \$1.65-\$1.70, representing the upper range of previous guidance. As of September 30, 2008, BMY had about \$7.2 billion of cash, cash equivalents and short-term securities. An additional \$1 billion was indicated to have accrued from the sale of Imclone stock in the fourth quarter of 2008.

**Corporate Information****Investor Contact**

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J. Huet**Pres & CSO**  
E. Sigal**SVP, Secy & General Counsel**  
S. Leung**COO & EVP**  
L. Andreotti**Board Members**L. B. Campbell  
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L. H. Glimcher  
M. Grobstein  
L. Johansson  
A. J. Lacy  
V. L. Sato  
T. D. West, Jr.  
R. S. Williams**Domicile**

Delaware

**Founded**

1887

**Employees**

42,000

**Stockholders**

69,254

# Bristol-Myers Squibb Co

## Quantitative Evaluations

<b>S&amp;P Fair Value Rank</b>	4	1	2	3	4	5
		LOWEST				HIGHEST

Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

<b>Fair Value Calculation</b>	<b>\$22.80</b>	Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that BMJ is fairly valued
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<b>Investability Quotient Percentile</b>	99
	LOWEST = 1 HIGHEST = 100

BMJ scored higher than 99% of all companies for which an S&P Report is available.

<b>Volatility</b>	LOW	AVERAGE	HIGH
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<b>Technical Evaluation</b>	NEUTRAL	Since January, 2009, the technical indicators for BMJ have been NEUTRAL.
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<b>Insider Activity</b>	UNFAVORABLE	NEUTRAL	FAVORABLE
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## Expanded Ratio Analysis

	2008	2007	2006	2005
Price/Sales	NA	2.71	2.88	2.37
Price/EBITDA	NA	12.19	14.83	9.34
Price/Pretax Income	NA	14.86	19.61	10.09
P/E Ratio	NA	26.68	32.60	15.23
Avg. Diluted Shares Outstg (M)	NA	1,980.0	1,963.0	1,983.0

Figures based on calendar year-end price

## Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	6.46	2.91	-0.42	0.17
Net Income	60.32	3.83	-3.16	-5.35

## Ratio Analysis (Annual Avg.)

	2008	2007	2006	2005
Net Margin (%)	15.32	11.45	12.44	13.75
% LT Debt to Capitalization	NA	NA	39.82	35.02
Return on Equity (%)	NA	NA	21.47	24.57

## Company Financials Fiscal Year Ended Dec. 31

Per Share Data (\$)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Tangible Book Value	NA	2.14	1.68	2.28	1.76	1.62	0.88	1.70	3.96	3.61
Cash Flow	NA	1.39	1.28	1.98	1.66	1.99	1.43	1.68	2.42	2.39
Earnings	1.59	0.99	0.81	1.52	1.21	1.59	1.05	1.29	2.36	2.06
S&P Core Earnings	NA	1.02	0.88	1.43	1.24	1.57	1.07	0.67	NA	NA
Dividends	NA	1.12	1.12	1.12	1.12	1.12	1.12	1.10	0.98	0.86
Payout Ratio	NA	113%	138%	74%	93%	70%	107%	85%	42%	42%
Prices:High	NA	32.35	26.41	26.60	31.30	29.21	51.95	73.50	74.88	79.25
Prices:Low	NA	25.73	20.08	20.70	22.22	21.00	19.49	48.50	42.44	57.25
P/E Ratio:High	NA	33	33	17	26	18	49	57	32	38
P/E Ratio:Low	NA	26	25	14	18	13	19	38	18	28

## Income Statement Analysis (Million \$)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenue	20,597	19,348	17,914	19,207	19,380	20,894	18,119	19,423	18,216	20,222
Operating Income	NA	4,309	3,483	4,880	5,373	5,726	4,851	7,034	6,732	6,531
Depreciation	NA	776	927	929	909	779	735	781	746	678
Interest Expense	NA	457	498	349	310	277	410	182	108	130
Pretax Income	5,471	3,534	2,635	4,516	4,418	4,694	2,647	2,986	5,478	5,767
Effective Tax Rate	24.1%	22.7%	23.1%	20.6%	34.4%	25.9%	16.4%	15.4%	25.2%	27.7%
Net Income	3,155	1,968	1,585	2,992	2,378	3,106	2,034	2,527	4,096	4,167
S&P Core Earnings	NA	2,024	1,727	2,808	2,448	3,043	2,076	1,321	NA	NA

## Balance Sheet & Other Financial Data (Million \$)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Cash	NA	2,225	4,013	5,799	7,474	5,457	3,989	5,654	3,385	2,957
Current Assets	NA	10,348	10,302	12,283	14,801	11,918	9,975	12,349	9,824	9,267
Total Assets	NA	26,172	25,575	28,138	30,435	27,471	24,874	27,057	17,578	17,114
Current Liabilities	NA	8,644	6,496	6,890	9,843	7,530	8,220	8,826	5,632	5,537
Long Term Debt	NA	4,381	7,248	8,364	8,463	8,522	6,261	6,237	1,336	1,342
Common Equity	NA	10,562	9,991	11,208	10,202	19,572	8,967	10,736	9,180	8,645
Total Capital	NA	14,943	17,307	19,572	18,665	28,094	15,228	16,973	10,516	9,987
Capital Expenditures	NA	843	762	738	676	937	997	1,023	589	709
Cash Flow	NA	2,744	2,512	3,921	3,287	3,885	2,769	3,308	4,842	4,845
Current Ratio	NA	1.2	1.6	1.8	1.5	1.6	1.2	1.4	1.7	1.7
% Long Term Debt of Capitalization	Nil	29.3	42.0	42.7	45.3	30.3	41.1	36.7	12.7	13.4
% Net Income of Revenue	15.3	10.2	8.8	15.6	12.3	14.9	11.2	13.0	22.5	20.6
% Return on Assets	NA	7.6	5.9	10.2	8.2	11.8	7.7	11.3	23.6	25.0
% Return on Equity	NA	19.2	15.0	27.9	23.8	16.8	22.5	25.4	46.0	51.4

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

# Bristol-Myers Squibb Co

## Sub-Industry Outlook

Our fundamental outlook for the pharmaceuticals sub-industry for the next 12 months is neutral. We forecast 2009 sales and EPS growth of 2%-3% and 5%-6%, respectively, with EPS helped by cost restructurings and common share buybacks. Our projections for 2009, weaker than gains in 2008, reflect likely less favorable foreign exchange, weak new product flow, and a worsening overall economy. We also think the sector faces tougher environments on the regulatory and political fronts. On the plus side, we think shares of companies with well defined growth prospects and generous dividend yields will hold up relatively well over the coming quarters. In addition, we believe Pfizer's planned \$68 billion takeover of Wyeth has restored investor confidence in the sector.

Key concerns, in our view, include R&D productivity issues, pipeline failures, and clinical trial risks. In 2008, many leading drug companies were affected by negative clinical outcomes on existing and pipeline products. Some of the more notable examples included disappointments with Merck/Schering's Vytarin, Wyeth's bapineuzamab and Lilly's Byetta. However, we expect FDA approvals of new molecular entities in 2009 to be comparable with 2008's 24.

Despite near-term uncertainties over pricing and patent expirations, we think pharmaceuticals remains one of the widest-margin U.S. industries. We see longer-term prospects being enhanced by demographic growth in the elderly (which account for about 33% of industry sales) and new therapeutic products stemming from discoveries in genomics and biotechnology.

Year to date through January 23, the S&P Pharmaceuticals Index was down 1.9%, versus an 8.0% drop in the S&P 1500 Composite Index. We

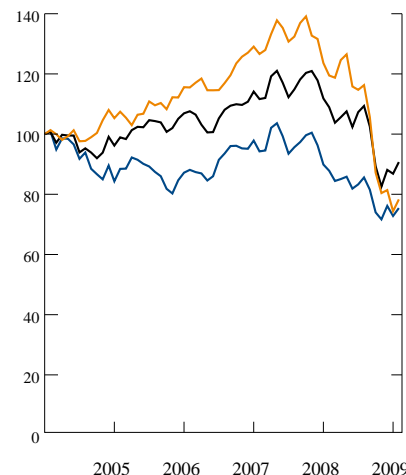
expect prospects for the generic/specialty drug segment to remain favorable. We see a large number of blockbuster drugs losing patent protection over the next few years, providing significant opportunities for this sector. We also think the Medicare drug plan will continue to benefit generic firms. We favor companies with rich generic pipelines, especially with first-to-file generics with the potential for 180 days of marketing exclusivity, and competence in litigating complex patent issues.

--Herman B. Saftlas

## Stock Performance

**GICS Sector: Health Care**  
**Sub-Industry: Pharmaceuticals**

Based on S&P 1500 Indexes  
Month-end Price Performance as of 01/30/09



Sub-Industry      Sector      S&P 1500

**NOTE:** All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

## Sub-Industry : Pharmaceuticals Peer Group\*: Health Care Diversified

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
<b>Bristol-Myers Squibb</b>	<b>BMJ</b>	<b>45,670</b>	<b>23.07</b>	<b>23.98/16.00</b>	<b>0.61</b>	<b>5.4</b>	<b>9</b>	<b>22.80</b>	<b>B+</b>	<b>99</b>	<b>15.3</b>	<b>NA</b>
Abbott Laboratories	ABT	88,673	57.15	60.78/45.75	0.21	2.5	18	54.00	A-	100	16.0	NA
Johnson & Johnson	JNJ	162,340	58.51	72.76/52.06	0.49	3.1	13	57.70	A+	99	20.3	NA

NA-Not Available NM-Not Meaningful NR-Not Rated. \*For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

**Bristol-Myers Squibb Co****S&P Analyst Research Notes and other Company News****January 27, 2009**

BMJ posts \$0.46 vs. \$0.30 Q4 non-GAAP EPS from cont. ops on 3.8% higher sales. Sees '09 non-GAAP EPS of \$1.85-\$2.00 on low single-digit revenue growth (mid-to-high single-digit growth excl. forex). Reaffirms guidance for non-GAAP EPS from continuing operations to grow at a minimum of 15% compounded annual growth rate from the '07 base through '10, without rebasing for the sale of the ConvaTec business and excl. items.

**January 27, 2009**

10:18 am ET ... S&P REITERATES BUY OPINION ON SHARES OF BRISTOL-MYERS SQUIBB (BMJ 23.08\*\*\*\*): Q4 operating EPS of \$0.46 vs. \$0.30 is a penny above our estimate. The rise reflects pricing (up 5%), volume (+3%), and forex (-4%). Key drivers were Plavix (sales up 7%), Abilify (+31%), and Sustiva (+15%). Limited by forex, we project 3% sales growth for '09, but see EPS up 15% aided by cost streamlining. We think BMJ is well positioned, with growing franchises, improving margins and \$8B in cash, as either a possible acquirer or acquisition target in the consolidating drug industry. We keep our \$26 target price, based on forward P/E and DCF assumptions. Dividend yields 5.4%. /H. Saftlas

**January 13, 2009**

10:21 am ET ... S&P REITERATES HOLD RECOMMENDATION ON SHARES OF ZYMOGENETICS INC (ZGEN 4.25\*\*\*\*): ZGEN enters global collaboration with Bristol-Myers Squibb (BMJ 22.1\*\*\*\*) for ZGEN's PEG-Interferon lambda for Hepatitis-C. It receives \$105M in cash and license fees, and up to \$1B in clinical and sales milestones. ZGEN will share development costs and U.S. profits, and would earn ex-US royalties. We view deal terms positively, given drug's early stage and Hep-C market competition. While we see removal of financing overhang, we remain wary of modest Recothrom launch. We narrow our '09 loss estimate by \$0.18 to \$1.24, and raise our forward P/E-based target price by \$4 to \$7. /SSilver

**January 9, 2009**

Bristol-Myers Squibb Co. announced that Dr. Howard Feldman has joined the company's Research and Development organization as vice president and therapeutic area head, Global Clinical Research, Neuroscience. He will report to Dr. Doug Manion, vice president, Global Clinical Research, Neuroscience and Virology. Prior to joining Bristol-Myers Squibb, Dr. Feldman served as Professor and Head of the Division of Neurology, University of British Columbia (UBC) and Vancouver Coastal Health, Vancouver, Canada.

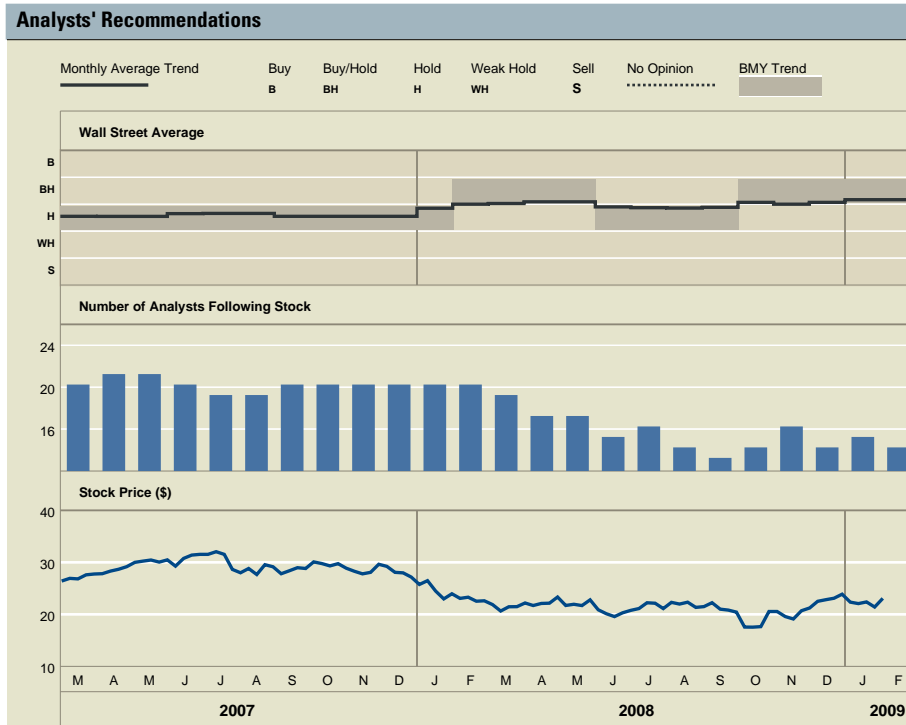
**December 17, 2008**

10:11 am ET ... S&P MAINTAINS BUY OPINION ON SHARES OF BRISTOL-MYERS SQUIBB (BMJ 22.33\*\*\*\*): BMJ will cut another 10% of its global workforce by '10, resulting in a reduction of about 20% from the '07 year-end total. Facing key patent expiration losses, including Plavix (sales of \$4.8B) in '11, BMJ plans heavy cost cuts, aimed at saving \$2.5B by '12. With over \$8B in cash, we see the company as well positioned to take advantage of promising new product and alliance opportunities. We keep our \$26 target price, applying a premium-to-peers P/E of 13X to our '09 est of \$2.00. Dividend yield is 5.5%. We also view BMJ as possible takeover in a consolidating drug industry. /H. Saftlas

**December 12, 2008**

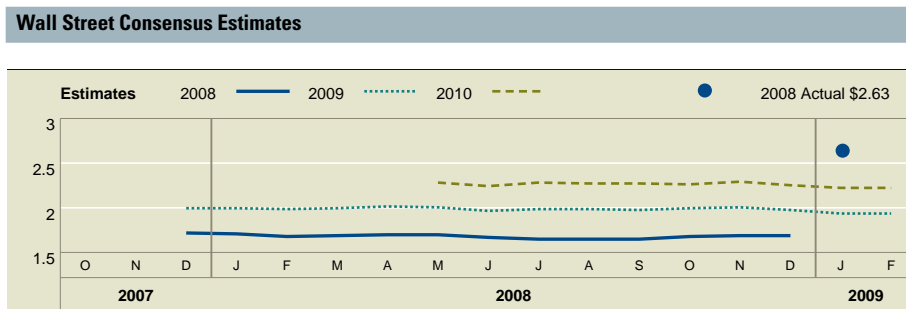
UP 1.06 to 22.51... BMJ, SNY announce U.S. Court of Appeals upheld decision holding the U.S. patent covering the active ingredient in Plavix valid and enforceable. As a result, patent protection for this product is maintained in the US until Nov. '11. BMJ and SNY are seeking damages from Apotex, in reparation of harm caused by that company's marketing and sale of an infringing generic version of Plavix in '06. Earlier, BMJ, EXELIXIS announced global collaboration. S&P keeps buy on BMJ....

# Bristol-Myers Squibb Co



Of the total 20 companies following BMJ, 15 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	3	20	3	3
Buy/Hold	4	27	4	4
Hold	7	47	8	8
Weak Hold	0	0	0	0
Sell	0	0	0	1
No Opinion	1	7	1	0
<b>Total</b>	<b>15</b>	<b>100</b>	<b>16</b>	<b>16</b>



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2010	2.23	2.35	2.11	14	10.3
2009	1.94	2.02	1.86	15	11.9
<b>2010 vs. 2009</b>	<b>▲ 15%</b>	<b>▲ 16%</b>	<b>▲ 13%</b>	<b>▼ -7%</b>	<b>▼ -13%</b>
Q1'10	NA	NA	NA	0	NM.3
Q1'09	0.46	0.56	0.42	10	50.2
<b>Q1'10 vs. Q1'09</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>▼ -100%</b>	<b>NM</b>

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

### Wall Street Consensus Opinion

**BUY/HOLD**

### Companies Offering Coverage

- Argus Research Corp.
- Atlantic Equities
- Barclays Capital
- Cowen & Co.
- Credit Suisse First Boston
- Crowell Weedon & Co.
- Deutsche Bank
- First Global Stockbroking Ltd.
- Goldman Sachs & Co.
- Harris Nesbitt
- JJB Hilliard WL Lyons
- JP Morgan Securities
- Leerink Swann
- Merrill Lynch Research
- Miller Tabak & Co., LLC
- Natexis Bleichroeder Inc.
- Sanford C Bernstein & Co., Inc.
- Smith Barney
- UBS Warburg
- When2trade Group

### Wall Street Consensus vs. Performance

For fiscal year 2009, analysts estimate that BMJ will earn \$1.94. For fiscal year 2010, analysts estimate that BMJ's earnings per share will grow by 15% to \$2.23.

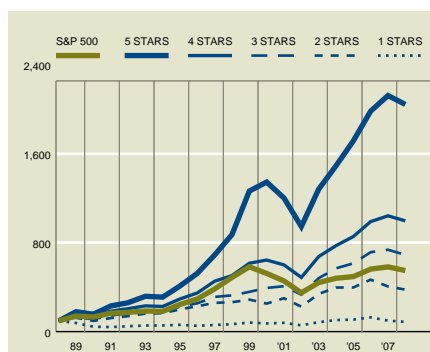
# Bristol-Myers Squibb Co

## Glossary

### S&P STARS

Since January 1, 1987, Standard and Poor's Equity Research Services has ranked a universe of common stocks based on a given stock's potential for future performance. Under proprietary STARS (Stock Appreciation Ranking System), S&P equity analysts rank stocks according to their individual forecast of a stock's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350 Index or S&P 500 Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective.

### STARS Average Annual Performance



### S&P 12-Month Target Price

The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics.

### Investment Style Classification

Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

### Qualitative Risk Assessment

The S&P equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

### Quantitative Evaluations

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

### S&P Quality Ranking

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to capsize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

### S&P Fair Value Rank

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

### S&P Fair Value Calculation

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

### Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

### Funds From Operations FFO

FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

### Investability Quotient (IQ)

The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

### S&P's IQ Rationale:

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	Raw Score	Max Value
Proprietary S&P Measures	71	115
Technical Indicators	34	40
Liquidity/Volatility Measures	16	20
Quantitative Measures	64	75
<b>IQ Total</b>	<b>185</b>	<b>250</b>

### Volatility

Rates the volatility of the stock's price over the past year.

### Technical Evaluation

In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

### Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

### Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 68 Industries, and 154 Sub-Industries.

### S&P Issuer Credit Rating

A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

### Exchange Type

ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.

### S&P Equity Research Services

Standard & Poor's Equity Research Services U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes Standard & Poor's LLC-London and Standard & Poor's AB (Sweden); Standard & Poor's Equity Research Services Asia includes Standard & Poor's LLC's offices in Hong Kong, Singapore and Tokyo; Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

### Abbreviations Used in S&P Equity Research Reports

**CAGR**- Compound Annual Growth Rate; **CAPEX**- Capital Expenditures; **CY**- Calendar Year; **DCF**- Discounted Cash Flow; **EBIT**- Earnings Before Interest and Taxes; **EBITDA**- Earnings Before Interest, Taxes, Depreciation and Amortization; **EPS**- Earnings Per Share; **EV**- Enterprise Value; **FCF**- Free Cash Flow; **FFO**- Funds From Operations; **FY**- Fiscal Year; **P/E**- Price/Earnings; **PEG Ratio**- P/E-to-Growth Ratio; **PV**- Present Value; **R&D**- Research & Development; **ROE**- Return on Equity; **ROI**- Return on Investment; **ROIC**- Return on Invested Capital; **ROA**- Return on Assets; **SG&A**- Selling, General & Administrative Expenses; **WACC**- Weighted Average Cost of Capital

**Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).**

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**Globally:** As of December 31, 2008, research analysts at Standard & Poor's Equity Research Services globally have recommended 28.1% of issuers with buy recommendations, 58.3% with hold recommendations and 13.6% with sell recommendations.

★★★★★ **5-STARS (Strong Buy):** Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ **4-STARS (Buy):** Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ **3-STARS (Hold):** Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ **2-STARS (Sell):** Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★☆☆☆☆ **1-STARS (Strong Sell):** Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

**Relevant benchmarks:** In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

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