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7%

Effective tax rate

22.2% 23.1%

Net Earnings from Continuing Operations

$2,369 $2,089 13%

% of net sales

24.7% 23.2%

Attributable to Noncontrolling Interest

$699 $560 25%

% of net sales

7.3% 6.2%

Attributable to Bristol-Myers Squibb Company

$1,670 $1,529 9%

% of net sales

17.4% 17.0%

Net Sales

The composition of the change in net sales was as follows:

	Six Months Ended June 30, Net Sales		2010 vs. 2009 Analysis of % Change			
Dollars in Millions	2010	2009	Total Change	Volume	Price	Foreign Exchange
U.S.	$ 6,194	$ 5,740	8%	3%	5%	
Non-U.S.	3,381	3,247	4%	2%	(2)%	4%
Total	$ 9,575	$ 8,987	7%	3%	2%	2%

Most of the key U.S. products contributed to the growth in net sales. PLAVIX* represented 49% of total U.S. net sales and contributed 74% of total growth in U.S. net sales.

International net sales increased 4%, including a 4% favorable foreign exchange impact due to growth in various key products, including BARACLUDE (39%), ABILIFY* (24%), the HIV portfolio (13%), SPRYCEL (39%) and ORENCIA (47%). Offsetting these increases were a decrease in mature brand sales and a 7% reduction in PLAVIX* net sales (including an 8% favorable foreign exchange impact).

In general, our business is not seasonal. For information on U.S. pharmaceutical prescriber demand, reference is made to the table within Estimated End-User Demand below, which sets forth a comparison of changes in net sales to the estimated total prescription growth (for both

retail and mail order customers) for certain of our key pharmaceuticals and new products. The U.S. and non-U.S. net sales are categorized based upon the location of the customer.

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The reconciliation of our gross sales to net sales by each significant category of gross-to-net sales adjustments was as follows:

Dollars in Millions	Six Months Ended June 30, 2010	2009
Gross Sales	$ 10,572	$ 9,800
Gross-to-Net Sales Adjustments		
Prime Vendor Charge-Backs	(268)	(245)
Cash Discounts	(134)	(123)
Managed Healthcare Rebates and Other Contract Discounts	(239)	(214)
Medicaid Rebates	(214)	(98)
Sales Returns	(11)	(38)
Other Adjustments	(131)	(95)
Total Gross-to-Net Sales Adjustments	(997)	(813)
Net Sales	$ 9,575	$ 8,987

Gross-to-net sales adjustments as a percentage of gross sales were 9.4% in 2010 and 8.3% in 2009 and are typically correlated with gross sales trends, changes in sales mix and contractual and legislative discounts and rebates.

The enactment of healthcare reform in March 2010 impacted the Medicaid rebates adjustment for the six months ended June 30, 2010 due to the increase in the minimum Medicaid rebate on drug sales from 15.1% to 23.1% retroactive to January 1, 2010 and the extension of the above rebate increase on drugs sold to risk-based Medicaid managed care organizations. Expected future increases to gross-to-net sales adjustments related to healthcare reform are further discussed in Executive Summary Healthcare Reform above.

Prime vendor charge-backs and managed healthcare rebates and other contract discounts increased primarily due to higher average PLAVIX* selling prices and increased sales. Sales returns decreased primarily due to reduced provisions from various mature brands and certain key brands including REYATAZ and ORENCIA based upon a reduction in historical returns for such products.

The activities and ending balances of each significant category of gross-to-net sales reserve adjustments were as follows:

Dollars in Millions	Prime Vendor Charge-Backs	Cash Discounts	Managed Healthcare Rebates and Other Contract Discounts	Medicaid Rebates	Sales Returns	Other Adjustments	Total
Balance at January 1, 2010	$ 42	$ 26	$ 199	$ 166	$ 169	$ 88	$ 690
Provision related to sales made in current period	269	134	238	215	31	133	1,020
Provision related to sales made in prior periods	(1)		1	(1)	(20)	(2)	(23)
Returns and payments	(273)	(134)	(218)	(152)	(40)	(126)	(943)
Impact of foreign currency translation			(1)		(2)	(7)	(10)
Balance at June 30, 2010	$ 37	$ 26	$ 219	$ 228	$ 138	$ 86	$ 734

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Net sales of key products represented 84% and 81% of total net sales in the first six months of 2010 and 2009, respectively. The following table details U.S. and international net sales by key product, the percentage change from the prior period and the foreign exchange impact when compared to the prior period. Commentary detailing the reasons for significant variances is provided below:

	Six Months Ended June 30,			
Dollars in Millions	2010	2009	% Change	% Change Attributable to Foreign Exchange
Cardiovascular				
PLAVIX*				
U.S.	$ 3,027	$ 2,689	13%	
Non-U.S.	266	285	(7)%	8%
Total	3,293	2,974	11%	1%
AVAPRO*/AVALIDE*				
U.S.	356	352	1%	
Non-U.S.	265	263	1%	7%
Total	621	615	1%	3%
Virology				
REYATAZ				
U.S.	371	345	8%	
Non-U.S.	359	308	17%	3%
Total	730	653	12%	1%
SUSTIVA Franchise (total revenue)				
U.S.	427	384	11%	
Non-U.S.	239	220	9%	2%
Total	666	604	10%	1%
BARACLUDE				
U.S.	84	75	12%	
Non-U.S.	355	256	39%	6%
Total	439	331	33%	4%
Oncology				
ERBITUX*				
U.S.	331	333	(1)%	
Non-U.S.	7	4	75%	9%
Total	338	337		
SPRYCEL				
U.S.	80	63	27%	
Non-U.S.	183	132	39%	6%
Total	263	195	35%	4%
IXEMPRA				
U.S.	51	48	6%	
Non-U.S.	7	5	40%	4%
Total	58	53	9%	
Neuroscience				
ABILIFY*				
U.S.	961	999	(4)%	
Non-U.S.	289	233	24%	3%
Total	1,250	1,232	1%	
Immunoscience				
ORENCIA				
U.S.	263	215	22%	
Non-U.S.	84	57	47%	6%
Total	347	272	28%	1%
Metabolics				
ONGLYZA				

U.S.	29	N/A	N/A
Non-U.S.	9	N/A	N/A
Total	38	N/A	N/A

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PLAVIX*

U.S. net sales increased primarily due to higher average net selling prices and, to a lesser extent, increased demand. Estimated total U.S. prescription demand increased 1%.

International net sales continue to be negatively impacted by the launch of generic clopidogrel products in comarketing countries. The impact was partially offset by favorable foreign exchange. We expect continued erosion of PLAVIX* net sales in the EU, which will impact both our international net sales and our equity in net income of affiliates.

See Item 1. Financial Statements Note 17. Legal Proceedings and Contingencies PLAVIX* Litigation, for further discussion on PLAVIX* exclusivity litigation in both the U.S. and EU.

AVAPRO*/AVALIDE*

U.S. net sales increased primarily due to higher average net selling prices partially offset by a 15% decrease in estimated total U.S. prescription demand.

International net sales increased primarily due to higher average selling prices partially offset by decreased prescription demand.

REYATAZ

U.S. net sales increased primarily due to higher estimated total U.S. prescription demand of 7%.

International net sales increased primarily due to higher demand across most international markets.

SUSTIVA Franchise

U.S. net sales increased primarily due to higher demand as well as higher average net selling prices. Estimated total U.S. prescription demand increased 10%.

International net sales increased primarily due to continued demand in the EU.

BARACLUDE

Sold primarily in international markets, net sales increased primarily due to higher demand.

U.S. net sales increased primarily due to higher estimated U.S. prescription demand of 14%.

ERBITUX*

Sold almost exclusively in the U.S., net sales remained relatively flat.

SPRYCEL

U.S. net sales increased primarily due to increased demand and higher average net selling prices. Estimated total U.S. demand increased 7%.

International net sales increased primarily due to higher demand.

IXEMPRA

Worldwide net sales increased primarily due to higher demand.

ABILIFY*

U.S. net sales decreased primarily due to the reduction in our contractual share of net sales recognized from 65% to 58% and increased Medicaid rebates from healthcare reform. The decrease was partially offset by increased overall demand and higher average net selling prices. Estimated total U.S. prescription demand increased 7%.

International net sales increased primarily due to increased prescription demand and a favorable foreign exchange impact.

ORENCIA

U.S. net sales increased due to demand and higher average selling prices.

International net sales increased primarily due to higher demand.

For an explanation of the U.S. prescription data presented above and the calculation of such data, see Three Months Results of Operations.

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Estimated End-User Demand

The following table sets forth for each of our key products sold by the U.S. for the six months ended June 30, 2010 compared to the same period in the prior year: (i) total U.S. net sales for the period; (ii) change in reported U.S. net sales for the period; (iii) estimated total U.S. prescription change for the retail and mail order channels calculated by us based on third-party data on a weighted-average basis and (iv) months of inventory on hand in the wholesale distribution channel.

	Six Months Ended June 30,					
	Total U.S. Net Sales		% Change in U.S. Net Sales		% Change in U.S. Total Prescriptions	
Dollars in Millions	2010	2009	2010	2009	2010	2009
PLAVIX*	$ 3,027	$ 2,689	13%	15%	1%	3%
AVAPRO*/AVALIDE*	356	352	1%	(2)%	(15)%	(9)%
REYATAZ	371	345	8%	8%	7%	7%
SUSTIVA Franchise [(a)]	427	384	11%	11%	10%	9%
BARACLUDE	84	75	12%	17%	14%	15%
ERBITUX*[(b)]	331	333	(1)%	(12)%	N/A	N/A
SPRYCEL	80	63	27%	54%	7%	5%
IXEMPRA[(b)]	51	48	6%	(6)%	N/A	N/A
ABILIFY*	961	999	(4)%	33%	7%	30%
ORENCIA[(b)]	263	215	22%	34%	N/A	N/A
ONGLYZA[(c)]	29		N/A		N/A	N/A

(a) The SUSTIVA Franchise (total revenue) includes sales of SUSTIVA, as well as revenue of bulk efavirenz included in the combination therapy ATRIPLA*.
(b) ERBITUX*, IXEMPRA and ORENCIA are parenterally administered products and do not have prescription-level data as physicians do not write prescriptions for these products.
(c) ONGLYZA was launched in the U.S. in August 2009.

For an explanation of the data presented above and the calculation of such data, see Three Months Results of Operations.

Geographic Areas

In general, our products are available in most countries in the world. The largest markets are the U.S., France, Canada, Italy, Japan, Spain, Germany, China and the United Kingdom. Our net sales by geographic area, based on the location of the customer, were as follows:

	Six Months Ended June 30,				
	Net Sales			% of Total Net Sales	
Dollars in Millions	2010	2009	% Change	2010	2009
United States	$ 6,194	$ 5,740	8%	65%	64%
Europe	1,708	1,710		18%	19%
Latin America, Middle East and Africa	424	411	3%	4%	4%
Japan, Asia Pacific and Canada	774	698	11%	8%	8%
Emerging Markets	404	340	19%	4%	4%
Other	71	88	(19)%	1%	1%
Total	$ 9,575	$ 8,987	7%	100%	100%

Net sales in the U.S. increased primarily due to items previously discussed in Net Sales above.

Net sales in Europe remained flat including a 1% favorable foreign exchange impact. Increased sales of ABILIFY*, the HIV portfolio, SPRYCEL, BARACLUDE and ORENCIA were offset by decreases in net sales of certain mature brands and increased generic competition for

PLAVIX*. Due to the heightening financial challenges in European countries, healthcare payers continue to explore ways to reduce the cost of healthcare including actions that would directly or indirectly impose additional price reductions and support the expanded use of generic drugs. The negative impact of such measures to our business include, but is not limited to, mandatory discounts and other price reductions on product sales.

Net sales in Latin America, Middle East and Africa increased primarily due to a 4% favorable foreign exchange impact in addition to increased sales of SPRYCEL, BARACLUDE, REYATAZ and ORENCIA, partially offset by decreased net sales of certain mature brands.

Net sales in Japan, Asia Pacific and Canada were impacted by a 12% favorable foreign exchange impact. Excluding the impact of foreign exchange, increased sales of BARACLUDE, SPRYCEL, ABILIFY*, ORENCIA and REYATAZ were offset by decreased net sales of PLAVIX* and TAXOL attributed to increasing generic competition as well as decreased net sales of certain mature brands.

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Net sales in Emerging Markets increased primarily due to a 7% favorable foreign exchange impact in addition to increased sales of BARACLUDE, REYATAZ, SPRYCEL and ABILIFY*.

No country outside the U.S. contributed more than 10% of our total net sales during the six months ended June 30, 2010 and 2009.

Expenses

	Six Months Ended June 30,				
	Expenses			% of Net Sales	
Dollars in Millions	2010	2009	% Change	2010	2009
Cost of products sold	$ 2,583	$ 2,390	8%	27.0%	26.6%
Marketing, selling and administrative	1,794	1,823	(2)%	18.7%	20.3%
Advertising and product promotion	475	546	(13)%	5.0%	6.1%
Research and development	1,732	1,719	1%	18.1%	19.1%
Provision for restructuring	35	38	(8)%	0.4%	0.4%
Litigation expense		132	(100)%		1.5%
Equity in net income of affiliates	(182)	(296)	(39)%	(1.9)%	(3.3)%
Other (income)/expense	94	(82)	**	0.9%	(0.9)%
Total Expenses	$ 6,531	$ 6,270	4%	68.2%	69.8%

** Change in excess of 200%.

Cost of products sold

The increase in cost of products sold as a percentage of net sales was primarily attributed to the reduction in our share of ABILIFY* sales related to the extended commercialization and manufacturing agreement for ABILIFY*, and the collaboration fee paid to Otsuka under the SPRYCEL and IXEMPRA Oncology collaboration beginning in 2010 partially offset by higher average net selling prices and a more favorable product mix.

Marketing, selling and administrative

The decrease was primarily attributed to Otsuka s reimbursement of certain ABILIFY*, SPRYCEL and IXEMPRA operating expenses, beginning January 1, 2010, the reduction in our ABILIFY* sales force, as Otsuka established its own sales force for the promotion of the above products, and a reduction in sales related activities of certain key products to coincide with their respective life cycles, offset by increased spending for the ONGLYZA launch and other pipeline products.

Advertising and product promotion

The decrease was attributed to reduced spending on the promotion of certain key products to coincide with their product life cycle and Otsuka s reimbursement of certain ABILIFY*, SPRYCEL and IXEMPRA advertising and product promotion expenses partially offset by increased spending for the ONGLYZA launch and other pipeline products.

Research and development

The increase was attributed to additional support of our maturing pipeline and compounds obtained from our string-of-pearls strategy and a $17 million payment to Exelixis to end our development collaboration for the experimental cancer drug XL184 partially offset by decreased upfront licensing and milestone payments. Upfront licensing and milestone payments of $55 million were paid to Allergan and PDL BioPharma Inc. during the first six months of 2010 and $174 million were paid to ZymoGenetics, Nissan and Albany Molecular in the first six months of 2009.

Provision for restructuring

The changes in provision for restructuring were primarily attributable to the timing of the implementation of certain PTI and continuous improvement initiatives.

Litigation expense

The 2009 expense was primarily due to the establishment of a $125 million reserve related to securities litigation. For further details refer to Item 1. Financial Statements Note 17. Legal Proceedings and Contingencies.

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Equity in net income of affiliates

The decrease was attributed to the continued impact of generic clopidogrel competition on international PLAVIX* net sales.

Other (income)/expense

Other (income)/expense includes:

Dollars in Millions	Six Months Ended June 30, 2010	2009
Interest expense	$ 65	$ 94
Interest income	(31)	(27)
Impairment and loss on sale of manufacturing operations	215	
Gain on debt buyback and termination of interest rate swap agreements		(11)
Net foreign exchange transaction (gains)/losses	(32)	4
Gain on sale of product lines, businesses and assets	(15)	(55)
Net royalty income and amortization of upfront licensing and milestone payments received from alliance partners	(94)	(69)
Pension curtailment and settlement charges	14	25
Other	(28)	(43)
Other (income)/expense	$ 94	$ (82)

Interest expense decreased primarily due to lower interest rates.

Impairment and loss on sale of manufacturing operations was attributed to the disposal of our manufacturing operations in Latina, Italy. See Item 1. Financial Statements Note 4. Restructuring.

Gain on sale of product lines, businesses and assets were primarily related to the sale of mature brands, including the Pakistan business in 2009.

Net royalty and alliance partners activity includes income earned from the sanofi partnership and amortization of certain upfront licensing and milestone receipts related to our alliances.

Specified Items

During the six months ended June 30, 2010 and 2009, the following specified items affected the comparability of results of the periods presented herein. Specified items are excluded from segment income.

Six Months Ended June 30, 2010

Dollars in Millions	Cost of products sold	Marketing, selling and administrative	Research and development	Provision for restructuring	Litigation expense	Other (income)/ expense	Total
Restructuring Activity:							

Downsizing and streamlining of worldwide operations	$	$	$	$ 35	$	$ 35
Impairment and loss on sale of manufacturing operations					215	215
Accelerated depreciation, asset impairment and other shutdown costs	58					58
Pension settlements/curtailments					5	5
Process standardization implementation costs		19				19
Total Restructuring	58	19		35	220	332
Other:						
Upfront licensing, milestone and other payments			72			72
Total	$ 58	$ 19	$ 72	$ 35	$ $ 220	404
Income taxes on items above						(104)
Out-of-period tax adjustment						(59)
Decrease to Net Earnings from Continuing Operations						$ 241

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Six Months Ended June 30, 2009

Dollars in Millions	Cost of products sold	Marketing, selling and administrative	Research and development	Provision for restructuring	Litigation expense	Other (income)/ expense	Total
Restructuring Activity:							
Downsizing and streamlining of worldwide operations	$	$	$	$ 32	$	$	$ 32
Accelerated depreciation, asset impairment and other shutdown costs	50			6			56
Pension settlements/curtailments						25	25
Process standardization implementation costs		45					45
Gain on sale of product lines, businesses and assets						(55)	(55)
Total Restructuring	50	45		38		(30)	103
Other:							
Litigation charges					132		132
Upfront licensing and milestone payments			174				174
Debt buyback and swap terminations						(11)	(11)
Product liability	8					(5)	3
Total	$ 58	$ 45	$ 174	$ 38	$ 132	$ (46)	401
Income taxes on items above							(135)
Decrease to Net Earnings from Continuing Operations							$ 266

Non-GAAP Financial Measures

A reconciliation of GAAP to non-GAAP follows:

	Six Months Ended June 30, 2010			Six Months Ended June 30, 2009		
Dollars in Millions, except per share data	GAAP	Specified Items	Non-GAAP	GAAP	Specified Items	Non-GAAP
Net Earnings from Continuing Operations Attributable to BMS	$ 1,670	$ 241	$ 1,911	$ 1,529	$ 266	$ 1,795
Earnings attributable to unvested restricted shares	(7)		(7)	(9)		(9)
Net Earnings from Continuing Operations Attributable to BMS used for Diluted EPS Calculation	$ 1,663	$ 241	$ 1,904	$ 1,520	$ 266	$ 1,786
Average Common Shares Outstanding Diluted	1,727		1,727	1,982		1,982
Diluted EPS from Continuing Operations Attributable to BMS	$ 0.96	$ 0.14	$ 1.10	$ 0.77	$ 0.13	$ 0.90

For an explanation of the data presented above, see Three Months Results of Operations.

Income Taxes

The effective income tax rate on earnings from continuing operations before income taxes was 22.2% for the six months ended June 30, 2010 compared to 23.1% for the six months ended June 30, 2009. See Item 1. Financial Statements Note 7. Income Taxes for further discussion.

Discontinued Operations

As discussed in our 2009 Annual Report on Form 10-K, we completed the split-off of Mead Johnson in December 2009. The results of the Mead Johnson business are included in net earnings from discontinued operations for the six months ended June 30, 2009. See Item 1. Financial Statements Note 5. Discontinued Operations for further discussion.

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Noncontrolling Interest

Noncontrolling interest is primarily related to our partnerships with sanofi for the territory covering the Americas related to PLAVIX* net sales. See Item 1. Financial Statements Note 2. Alliances and Collaborations for further discussion. The increase in noncontrolling interest corresponds to increased net sales of PLAVIX* in the U.S. Net earnings from discontinued operations attributable to noncontrolling interest primarily relates to the 16.9% of Mead Johnson owned by the public prior to the split-off. A summary of noncontrolling interest is as follows:

Dollars in Millions	Six Months Ended June 30, 2010	2009
sanofi partnerships	$ 1,020	$ 815
Other	15	16
Noncontrolling interest pre-tax	1,035	831
Income taxes	336	271
Net earnings from continuing operations attributable to noncontrolling interest net of taxes	699	560
Net earnings from discontinued operations attributable to noncontrolling interest net of taxes		38
Net earnings attributable to noncontrolling interest net of taxes	$ 699	$ 598

Financial Position, Liquidity and Capital Resources

Net cash position was as follows:

Dollars in Millions	June 30, 2010	December 31, 2009
Cash and cash equivalents	$ 5,918	$ 7,683
Marketable securities current	1,536	831
Marketable securities non-current	2,795	1,369
Total	10,249	9,883
Short-term borrowings, including current portion of long-term debt	290	231
Long-term debt	6,248	6,130
Total debt	6,538	6,361
Net cash position	$ 3,711	$ 3,522

We maintain a significant level of working capital, which was approximately $7.1 billion at June 30, 2010 and $7.6 billion at December 31, 2009. In 2010 and future periods, we expect cash generated by our operations, together with existing cash, cash equivalents, marketable securities and borrowings from the capital markets, to be sufficient to cover cash needs for working capital, capital expenditures, strategic alliances and acquisitions, milestone payments, dividends paid in the U.S and common stock repurchases.

Beginning with the second quarter of 2009, we diversified our investment portfolio and acquired non-current marketable securities, including purchases of corporate debt securities. These investments are subject to changes in fair value as a result of interest rate fluctuations and other market factors, which may impact our results of operations. Our investment policy places limits on these investments and the amount and time to maturity of investments with any institution. The policy also requires that investments are only made with highly rated corporate and financial institutions. See Item 1. Financial Statements Note 9. Cash, Cash Equivalents and Marketable Securities.

We continue to monitor the potential impact of the deteriorating economic conditions in certain European countries further discussed in Geographic Areas above and the related impact on prescription trends, pricing discounts, creditworthiness of our customers, and our ability to collect outstanding receivables from such countries. Currently, we believe these conditions will not have a material impact on our liquidity, cash flow, or financial flexibility.

We have a $2.0 billion five year revolving credit facility from a syndicate of lenders maturing in December 2011, which is extendable with the consent of the lenders. This facility contains customary terms and conditions, including a financial covenant whereby the ratio of consolidated net debt to consolidated capital cannot exceed 50% at the end of each quarter. We have been in compliance with this covenant since the inception of this facility. There were no borrowings outstanding under this revolving credit facility at June 30, 2010 and December 31, 2009.

As an additional source of liquidity, we sell trade accounts receivables, principally from non-U.S. governments and hospital customers primarily in Japan, Italy, Portugal and Spain, to third parties. The receivables are sold on a nonrecourse basis and approximated $447 million and $104 million during the six months ended June 30, 2010 and 2009, respectively. Our sales agreements do not allow for recourse in the event of uncollectibility and we do not retain interest to the underlying asset once sold.

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Cash, cash equivalents and marketable securities held outside the U.S. was approximately $6.2 billion at June 30, 2010 and $5.3 billion at December 31, 2009 which is either utilized to fund non-U.S. operations or repatriated back to the U.S. where taxes have been previously provided. Cash repatriations are subject to restrictions in certain jurisdictions and may be subject to withholding and other taxes.

Credit Ratings

Moody s Investors Service (Moody s) long-term and short-term credit ratings are currently A2 and Prime-1, respectively, and their long-term credit rating remains on stable outlook. Standard & Poor s (S&P) long-term and short-term credit ratings are currently A+ and A-1, respectively, and their long-term credit rating remains on stable outlook. Fitch Ratings (Fitch) long-term and short-term credit ratings are currently A+ and F1, respectively, and their long-term credit rating remains on stable outlook. Our credit ratings are considered investment grade. These ratings for long-term securities designate that we have a low default risk but are somewhat susceptible to adverse effects of changes in circumstances and economic conditions. These ratings for short-term obligations designate that we have the strongest capacity for timely repayment.

Cash Flows

The following is a discussion of cash flow activities:

Dollars in Millions	Six Months Ended June 30, 2010	2009
Cash flow provided by/(used in):		
Operating activities	$ 1,513	$ 1,248
Investing activities	(2,281)	(1,364)
Financing activities	(981)	(355)

Operating Activities

Cash flow from operating activities represents the cash receipts and cash disbursements related to all of our activities other than investing activities and financing activities. Operating cash flow is derived by adjusting net earnings for:

- Noncontrolling interest;
- Non-cash operating items such as depreciation and amortization, impairment charges and stock-based compensation charges;
- Gains and losses attributed to investing and financing activities such as gains and losses on the sale of product lines and businesses; and
- Changes in operating assets and liabilities which reflect timing differences between the receipt and payment of cash associated with transactions and when they are recognized in results of operations.

The net impact of the changes in operating assets and liabilities, which are discussed in more detail below, include the impact of changes in receivables, inventories, deferred income, accounts payable, income taxes receivable/payable and other operating assets and liabilities.

The net impact of the changes in operating assets and liabilities aggregated to a net cash outflow of $913 million and $839 million during the six months ended June 30, 2010 and 2009, respectively. These items included the impact of changes in receivables, inventories, deferred income, accounts payable, income taxes receivable/payable and other operating assets and liabilities which are discussed in more detail below.

We continue to maximize our operating cash flows with our working capital initiative designed to continue to improve working capital items that are most directly affected by changes in sales volume, such as receivables, inventories and accounts payable. Those improvements are being driven by several actions including additional non-recourse factoring of non-US trade receivables, revised contractual payment terms with

customers and vendors, enhanced collection processes and various supply chain initiatives designed to optimize inventory levels. Progress in this area is monitored each period and is a component of our annual incentive plan. The following summarizes certain working capital components expressed as a percentage of trailing twelve months net sales.

Dollars in Millions	June 30, 2010	% of Trailing Twelve Month Net Sales	December 31, 2009	% of Trailing Twelve Month Net Sales
Net trade receivables	$ 1,805	9.3%	$ 1,897	10.1%
Inventories	1,265	6.5%	1,413	7.5%
Accounts payable	(1,681)	(8.6)%	(1,711)	(9.1)%
Total	$ 1,389	7.2%	$ 1,599	8.5%

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During the first six months of 2010, changes in operating assets and liabilities resulted in a net cash outflow of $913 million which was impacted by:

- Cash outflows from other operating assets and liabilities ($739 million) primarily related to the pension funding in excess of current year expense ($331 million) and decreases in accrued bonuses and salaries due to the timing of payments ($226 million); and
- Cash outflows from U.S. and foreign income tax payable ($195 million) primarily attributed to timing of tax payment.

In the first six months of 2009, changes in operating assets and liabilities resulted in a net cash outflow of $839 million which was impacted by:

- Cash outflows from other operating assets and liabilities ($1.3 billion) primarily related to pension funding in excess of current year expense ($504 million), alliance payment to Otsuka which will be amortized as a reduction of net sales through the ABILIFY* extension period ($400 million) and decreases in accrued bonuses and salaries due to the timing of payments ($292 million); and
- Cash inflows from accounts payable ($266 million) primarily attributed to the timing of vendor and alliance payments, as well as the impact of the above noted working capital initiative.

Investing Activities

Net cash used in investing activities was $2.3 billion in the first six months of 2010 and included:

- Net purchases of marketable securities ($2.1 billion); and
- Capital expenditures ($210 million).

Net cash used in investing activities was $1.4 billion in the first six months of 2009 and included:

- Net purchases of marketable securities ($1.1 billion); and
- Capital expenditures ($365 million); and
- Proceeds from the divestiture of mature brand businesses ($68 million), including the Pakistan business ($32 million).

Financing Activities

Net cash used in financing activities was $981 million in the first six months of 2010 and included:

- Dividend payments ($1.1 billion); and
- Common stock repurchase ($165 million); partially offset by

Net proceeds from the exercise of stock options ($122 million); and

Net proceeds from the termination of interest rate swap agreements ($98 million).

Net cash used in financing activities was $355 million in the first six months of 2009 and included:

Dividend payments ($1.2 billion); and

Repurchase of 5.875% Notes due 2036 ($67 million); partially offset by

Net proceeds from the Mead Johnson initial public offering ($782 million); and

Net proceeds from the termination of interest rate swap agreements ($191 million).

Dividends declared per common share were $0.64 for the six months ended June 30, 2010 and $0.62 for the six months ended June 30, 2009. We paid $1.1 billion and $1.2 billion in dividends for the six months ended June 30, 2010 and June 30, 2009, respectively. The decrease in total dividends, despite the per share increase, is primarily attributed to the 269 million share reduction from the Mead Johnson split-off. Dividend decisions are made on a quarterly basis by our Board of Directors.

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Critical Accounting Policies

For a discussion of our critical accounting policies, see Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations in our 2009 Annual Report on Form 10-K.

The enactment of healthcare reform impacted certain judgments and estimates related to our accrued rebates and returns. See Executive Summary Healthcare Reform above for further detail.

Special Note Regarding Forward-Looking Statements

This quarterly report on Form 10-Q (including documents incorporated by reference) and other written and oral statements we make from time to time contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You can identify these forward-looking statements by the fact they use words such as should , expect , anticipate , estimate , target , may , project , guidance , intend , plan , believe and other words and terms of similar meaning and expre connection with any discussion of future operating or financial performance. One can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. Such forward-looking statements are based on current expectations and involve inherent risks and uncertainties, including factors that could delay, divert or change any of them, and could cause actual outcomes to differ materially from current expectations. These statements are likely to relate to, among other things, our goals, plans and projections regarding our financial position, results of operations, cash flows, market position, product development, product approvals, sales efforts, expenses, performance or results of current and anticipated products and the outcome of contingencies such as legal proceedings and financial results, which are based on current expectations that involve inherent risks and uncertainties, including internal or external factors that could delay, divert or change any of them in the next several years. We have included important factors in the cautionary statements included in our 2009 Annual Report on Form 10-K, particularly under Item 1A. Risk Factors, that we believe could cause actual results to differ materially from any forward-looking statement.

Although we believe we have been prudent in our plans and assumptions, no assurance can be given that any goal or plan set forth in forward-looking statements can be achieved and readers are cautioned not to place undue reliance on such statements, which speak only as of the date made. We undertake no obligation to release publicly any revisions to forward-looking statements as a result of new information, future events or otherwise.

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Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For a discussion of our market risk, see Item 7A. Quantitative and Qualitative Disclosures About Market Risk in our 2009 Annual Report on Form 10-K.

For information regarding executions of fixed-to-floating interest rate swaps and foreign currency forward contracts, see Item 1. Financial Statements Note 16. Financial Instruments.

Item 4. CONTROLS AND PROCEDURES

Management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures. Based on their evaluation, as of the end of the period covered by this Form 10-Q, the Chief Executive Officer and Chief Financial Officer have concluded that such disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) are effective.

PART II OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Information pertaining to legal proceedings can be found in Item 1. Financial Statements Note 17. Legal Proceedings and Contingencies, to the interim consolidated financial statements, and is incorporated by reference herein.

Item 2. ISSUER PURCHASES OF EQUITY SECURITIES

The following table summarizes the surrenders and repurchases of our equity securities during the six month period ended June 30, 2010:

Period Dollars in Millions, Except Per Share Data	Total Number of Shares Purchased[a]	Average Price Paid per Share[a]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[b]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs[b]
January 1 to 31, 2010	4,280	$ 25.07		$ 2,220
February 1 to 28, 2010	4,589	$ 24.19		$ 2,220
March 1 to 31, 2010	1,492,277	$ 24.60		$ 2,220
Three months ended March 31, 2010	1,501,146			
April 1 to 30, 2010	9,065	$ 26.67		$ 2,220
May 1 to 31, 2010	4,742,159	$ 23.48	4,731,211	$ 2,889
June 1 to 30, 2010	2,556,972	$ 24.28	2,548,826	$ 2,827
Three months ended June 30, 2010	7,308,196		7,280,037	
Six months ended June 30, 2010	8,809,342		7,280,037	

(a) The difference between total number of shares purchased and the total number of shares purchased as part of publicly announced programs is due to shares of common stock withheld by us from employee restricted stock awards in order to satisfy our applicable tax withholding obligations.

(b) In May 2010, we announced that the Board of Directors authorized the purchase of up to $3 billion of our common stock. The repurchase program does not have an expiration date and is expected to take place over a few years. In May 2010, the Board of Directors also terminated the program previously announced in June 2001 pursuant to which up to $14 billion of common stock had been authorized to be purchased and approximately $2.2 billion remained yet to be repurchased.

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Item 6. EXHIBITS

Exhibits (listed by number corresponding to the Exhibit Table of Item 601 in Regulation S-K).

Exhibit No.	Description
3a.	Certificate of Amendment to the Amended and Restated Certificate of Incorporation, effective as of May 7, 2010 (incorporated herein by reference to Exhibit 3a. to the Form 8-K dated May 4, 2010 and filed on May 10, 2010).
3b.	Certificate of Amendment to the Amended and Restated Certificate of Incorporation, effective as of May 7, 2010 (incorporated herein by reference to Exhibit 3b. to the Form 8-K dated May 4, 2010 and filed on May 10, 2010).
3c.	Bylaws of Bristol-Myers Squibb Company, as amended effective May 4, 2010 (incorporated herein by reference to Exhibit 3c. to the Form 8-K dated May 4, 2010 and filed on May 10, 2010).
10a.	Bristol-Myers Squibb Company 2007 Senior Executive Performance Incentive Plan (as amended and restated effective June 8, 2010).
12.	Computation of Earnings to Fixed Charges.
31a.	Section 302 Certification Letter.
31b.	Section 302 Certification Letter.
32a.	Section 906 Certification Letter.
32b.	Section 906 Certification Letter.
101.	The following financial statements from the Bristol-Myers Squibb Company Quarterly Report on Form 10-Q for the quarter ended June 30, 2010, formatted in Extensive Business Reporting Language (XBRL): (i) consolidated statements of earnings, (ii) consolidated statements of comprehensive income and retained earnings, (iii) consolidated balance sheets, (iv) consolidated statements of cash flows, and (v) the notes to the consolidated financial statements.

* Indicates, in this Form 10-Q, brand names of products, which are registered trademarks not owned by the Company or its subsidiaries. ERBITUX is a trademark of Eli Lilly; AVAPRO/AVALIDE (known in the EU as APROVEL/KARVEA), PLAVIX is a trademark of sanofi-aventis; ABILIFY is a trademark of Otsuka Pharmaceutical Co., Ltd.; TRUVADA is a trademark of Gilead Sciences, Inc.; GLEEVEC is a trademark of Novartis AG; ATRIPLA is a trademark of Bristol-Myers Squibb and Gilead Sciences, LLC; ESTRACE and OVCON are trademarks of Warner-Chilcott Company, LLC; and DELESTROGEN is a trademark of JHP Pharmaceuticals, Inc.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BRISTOL-MYERS SQUIBB COMPANY

(REGISTRANT)

Date: July 22, 2010

By: /s/ Lamberto Andreotti
Lamberto Andreotti

Chief Executive Officer

Date: July 22, 2010

By: /s/ Charles Bancroft
Charles Bancroft

Chief Financial Officer