BRISTOL MYERS SQUIBB CO
Form 11-K
June 30, 2003

Table of Contents

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 11-K

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]**

For the fiscal year ended

December 31, 2002

¨ **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]**

For the transition period from

__________to__________

COMMISSION FILE NUMBER 1-1136

A. Full title of the plan and the address of plan, if different from that of the issuer named below:

BRISTOL-MYERS SQUIBB PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

BRISTOL- MYERS SQUIBB COMPANY

345 PARK AVENUE

NEW YORK, NY 10154

(212) 546-4000

Table of Contents

BRISTOL-MYERS SQUIBB PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2002 AND 2001

Table of Contents

REQUIRED INFORMATION

1. The Financial Statements and Schedules of the Bristol-Myers Squibb Puerto Rico, Inc. Savings and Investment Program, prepared in accordance with the financial reporting requirements of the Employee Retirement Income Security Act of 1974, as amended.

2. Exhibits:

   a) Exhibit 23. Consent of PricewaterhouseCoopers LLP, Independent Auditors.
   b) Exhibit 99.1 Section 906 Certification Letter
   c) Exhibit 99.2 Section 906 Certification Letter

Table of Contents

SIGNATURE

The Program

Pursuant to the requirements of the Securities Exchange Act of 1934, the Bristol-Myers Squibb Company Savings Plan Committee has duly caused this annual report to be signed on its behalf by the undersigned, hereunto duly authorized.

BRISTOL-MYERS SQUIBB COMPANY PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

Date: June 30, 2003	By:	/s/ Andrew R. J. Bonfield
		Andrew R. J. Bonfield
		Senior Vice President and
		Chief Financial Officer
		Chairman, Bristol-Myers Squibb
		Company Savings Plan Committee

Table of Contents

BRISTOL-MYERS SQUIBB PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

INDEX TO FINANCIAL STATEMENTS AND SCHEDULES

DECEMBER 31, 2002

Other schedules required by Section 2520.103-10 of the Department of Labor regulations for reporting and disclosure under the Employee Retirement Income Security Act of 1974 (ERISA) have been omitted because they are not applicable.

Table of Contents

Report of Independent Auditors

To the Participants of the Bristol-Myers

Squibb Puerto Rico, Inc. Savings and Investment

Program and the Savings Plan Committee of

Bristol-Myers Squibb Company

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Bristol-Myers Squibb Puerto Rico, Inc. Savings and Investment Program (the Program) at December 31, 2002 and 2001, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Program s management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets is presented for the purpose of additional analysis and is not a required part of the basic 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 Program s management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

New York, New York

June 25, 2003

Table of Contents

BRISTOL-MYERS SQUIBB PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF DECEMBER 31, 2002 and 2001

(IN THOUSANDS)

	2002	2001
Assets:		
Interest in Savings Plan Master Trust	$ 44,342	$ 66,573
Loans to Participants	3,072	4,058
Net Assets Available for Benefits	$ 47,414	$ 70,631

The accompanying notes are an integral part of these financial statements.

F-3

Table of Contents

BRISTOL-MYERS SQUIBB PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2002 and 2001

(IN THOUSANDS)

	2002	2001
ADDITIONS:		
Employer contributions	$ 2,880	$ 2,612
Employee contributions	6,869	6,210
Total additions	9,749	8,822
DEDUCTIONS:		
Transfer of net assets to Zimmer Holdings, Inc. Savings and Investment Program*		(3,611)
Distributions and withdrawals	(7,407)	(8,719)
Program s share of net investment loss in Savings Plan Master Trust	(25,559)	(18,340)
Total deductions	(32,966)	(30,670)
Net deductions	(23,217)	(21,848)
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of Year	70,631	92,479
End of Year	$ 47,414	$ 70,631

* Transfers of net assets in connection with the Company s divestiture of its Zimmer business in 2001.

The accompanying notes are an integral part of these financial statements.

F-4

Table of Contents

BRISTOL-MYERS SQUIBB PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

NOTES TO FINANCIAL STATEMENTS

(IN THOUSANDS)

NOTE 1 DESCRIPTION OF PLAN

General

The Bristol-Myers Puerto Rico, Inc. Savings Plan (the Plan) became effective on July 1, 1986. Bankers Trust Company was appointed the trustee under the terms of a Trust Agreement with Chase Manhattan Bank as co-trustee.

Effective January 1, 1991, the name of the Plan was changed to the Bristol-Myers Squibb Puerto Rico, Inc. Savings Plan (the Savings Plan). Effective January 1, 1991, the Northern Trust Company was appointed trustee (the Trustee) of the Savings Plan under the terms of a new Trust Agreement (the Trust), replacing Bankers Trust Company, with Chase Manhattan Bank remaining as co-trustee. The net assets of the Savings Plan were then transferred to the Trustee.

Effective January 1, 1992, the name of the Savings Plan was changed to the Bristol-Myers Squibb Puerto Rico, Inc. Savings and Investment Program (the Program). Simultaneously, the Program was amended to permit participant contributions on a pre-tax basis under Section 401(k) of the Internal Revenue Code and Section 165(e) of the Puerto Rico Income Tax Act of 1954.

The Program operated within the Bristol-Myers Squibb Company Master Trust (the Master Trust). The Master Trust consolidated the assets of the Program with those of the Bristol-Myers Squibb Company Savings and Investment Program (the Savings Program), the Bristol-Myers Squibb Company Employee Incentive Thrift Plan (the Thrift Plan), the Drackett/Bristol-Myers Squibb Employees Pension Plan and certain assets of the Bristol-Myers Squibb Pension Trust Plans.

Effective October 1, 1994, the Savings Program and the Thrift Plan ceased operating under the Master Trust.

Effective April 1, 1999, the Program was amended and restated to reflect the appointment of Fidelity as the record keeper, administrative agent and trustee of the Program. New features of the Program included: changes in investment options offered to participants, the valuation of participant account balances on a daily basis, the payment of investment management fees from each fund s assets rather than from Company assets (excluding Fixed Income Fund) and the allowance of inter-fund transfers and changes to contribution levels to be made on a daily basis.

Effective April 1, 1999, the Program began operating within the Bristol-Myers Squibb Company Savings Plan Master Trust (the Savings Plan Master Trust). The assets of the Program are commingled within the Savings Plan Master Trust with the assets of the Savings Program and assets of the Thrift Plan.

The Savings Plan Master Trust Statement, presented in Note 6, includes the interests of the Program, the Savings Program and the Thrift Plan.

The Program is administered by an Administrative Committee appointed by the Board of Directors of Bristol-Myers Squibb Puerto Rico, Inc. (the Company). The named fiduciary for the Puerto Rico Program is the Bristol-Myers Squibb Company Savings Plan Committee.

Table of Contents

BRISTOL-MYERS SQUIBB PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

NOTES TO FINANCIAL STATEMENTS

(IN THOUSANDS)

On August 6, 2001, the Company completed the spin off of its Zimmer business to shareholders, at which time, Zimmer Holdings, Inc. became an independent publicly traded company. Zimmer Holdings, Inc. established a savings plan and the balance of $3,611 for all transferring employees was transferred from the Program to the Zimmer Holdings, Inc. Savings and Investment Program.

A Zimmer Holdings, Inc. Stock Fund (the Zimmer Stock Fund) was established in the Program at the time of the spin off. All participants in the Company Stock Fund received in this fund one share of Zimmer Holdings, Inc. stock for every ten shares of Bristol-Myers Squibb stock held in the Company Stock Fund. Balances can remain in this fund for two years but no new contributions or inter-fund transfers to the fund are permitted. Participants may direct the trustee to liquidate some or all of their holdings in the Zimmer Stock Fund at any time during this two-year period and re-invest the proceeds in the other funds available under the Program.

Contributions

In general, any employee who meets certain service requirements is eligible to participate in the Program. An employee electing to participate in the Program can elect to contribute up to 25% of his or her Annual Benefit Salary or Wages (as defined in the Program) on an after-tax basis or to reduce his or her compensation by up to 25% and have such amount contributed on his or her behalf on a pre-tax basis subject to applicable limitations. Participants may also elect a combination of contributions up to a combined total, both on an after-tax and on a pre-tax basis, of 25% subject to applicable limitations. Effective as of January 1, 2002, the contribution limit was increased to 25% from 16%. For each participant, the first 6% of total combined contributions is matched 75% by the Company.

Contributions of participants and the Company are remitted to Fidelity on a bi-weekly basis and are recorded on an accrual basis. All investment decisions are self directed by participants. Participant contributions are invested in any one or more of the following funds which comprise the Savings Plan Master Trust: Company Stock Fund, Fixed Income Fund, Fidelity Select Equity Small Capitalization Collective Trust Fund, Fidelity Equity-Income Fund, Fidelity Growth Company Fund, Fidelity U.S. Bond Index Fund, Fidelity Puritan Fund, and U.S. Equity Index Commingled Pool. As discussed above, participants may also have investments in the Zimmer Stock Fund, although no new contributions or inter-fund transfers may be made to the Zimmer Stock Fund. In addition, the Program permits eligible transfer contributions (a distribution from another qualified pension or profit sharing plan or from a conduit individual retirement account), provided certain prerequisites are met.

Company matching contributions are automatically invested in the Company Stock Fund. These contributions may not be transferred out of the Company Stock Fund unless the participant is 55 years old or older. If the participant is 55 years old or older, he or she may make a separate investment election for Company matching contributions. Effective as of January 1, 2002, the Company Stock Fund became an Employee Stock Ownership Plan or ESOP.

F-6

Table of Contents

BRISTOL-MYERS SQUIBB PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

NOTES TO FINANCIAL STATEMENTS

(IN THOUSANDS)

The Program was amended to comply with the applicable provisions of the following Federal tax laws but only to the extent that such amendments did not conflict with the requirements for qualified retirement plans under the Puerto Rico tax code:

The General Agreement on Tariffs and Trade 1994 (GATT)

The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)

The Small Business Job Protections Act of 1996 (SBJPA)

The Taxpayer Relief Act of 1997 (TRA 97)

The Internal Revenue Service Restructuring and Reform Act of 1998 (RRA 98), and

The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRAA).

The statutes listed above, with the exception of EGTRRA, are collectively referred to as GUST.

Savings Plan Master Trust Investments

Company Stock Fund Consists primarily of shares of common stock of Bristol-Myers Squibb Company which are registered for the purpose of the Program with the United States Securities and Exchange Commission. From time-to-time, the Program may invest in U.S. Government obligations or other investments of a short-term nature, which will ultimately be used for the purchase of shares of Common Stock of Bristol-Myers Squibb Company. Share amounts have been adjusted for the two-for-one stock split effective February 1999. Excluding the impact of contributions and dividends receivable, net deductions (primarily depreciation of assets, distributions and withdrawals less contributions and investment income) to the Company Stock Fund in 2002 and 2001 totaled $24,744 and $23,056, respectively.

Zimmer Holdings, Inc. Stock Fund Consists primarily of shares of common stock of Zimmer Holdings, Inc. which are registered for the purpose of the Program with the United States Securities and Exchange Commission. From time to time, the Program may invest in U.S. Government obligations or other investments of a short-term nature, which will ultimately be used for the purchase of shares of Common Stock of Zimmer Holdings, Inc. Net (deductions) additions (primarily depreciation/appreciation of assets less distributions and withdrawals) to the Zimmer

Holdings, Inc. Stock Fund in 2002 and 2001 totaled ($75) and $2,577, respectively.

Fixed Income Fund Consists primarily of a group of annuity contracts issued by various insurance companies to the trustee of the Program under which the insurance companies provide a guarantee of principal and credit interest at a guaranteed rate. All contracts pay interest on a gross basis. Contracts with the Metropolitan Life Insurance Company, the John Hancock Mutual Life Insurance Company and the Principal Mutual Life Insurance Company were in place at December 31, 2002.

From time to time, the Program may invest in obligations of the U.S. Government or its agencies, bank investment contracts, other investments of a short-term nature and/or investments in qualified commingled trust funds managed by the trustee for the investment of funds of profit sharing and savings plans and programs.

Table of Contents

BRISTOL-MYERS SQUIBB PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

NOTES TO FINANCIAL STATEMENTS

(IN THOUSANDS)

At any point in time this fund s average yield will be a combined rate based upon the balances and the interest rates of the investments which comprise the fund, and depend on the amount of contributions invested in the fund, the amounts withdrawn from the fund and the amounts transferred to and from the fund. The fund s average yield is measured by investment performance using general market reporting methods. The average yield of the Fixed Income Fund for the years ended December 31, 2002 and 2001 was 6.0% and 6.8%, respectively. The crediting interest rate of the Fixed Income Fund at December 31, 2002 and 2001 was 5.7% and 6.5%, respectively. The crediting interest rate at any date is the weighted average of the yields on the individual contracts and other investments in the Fixed Income Fund on that date.

Fidelity Select Equity Small Capitalization Collective Trust Fund Seeks investment results that exceed the return of the Russell 2000 Index while maintaining a portfolio with risk characteristics similar to the index.

Fidelity Equity-Income Fund Seeks to provide a reasonable income. In pursuing this objective, the fund will also consider the potential for capital appreciation. The fund seeks to provide a yield that exceeds the composite yield of the Standard & Poor s 500 Index.

Fidelity Growth Company Fund Seeks to provide capital appreciation.

Fidelity U.S. Bond Index Fund Seeks to provide investment results that correspond to the total return of the bonds in the Lehman Brothers Aggregate Bond Index.

Fidelity Puritan Fund Seeks to provide income and capital growth consistent with reasonable risk.

U.S. Equity Index Commingled Pool Seeks to approximate the composition and the total return on the Standard & Poor s 500 Index.

Withdrawals

While remaining in employment, a participant may withdraw all or part of the value attributable to contributions made subject to certain restrictions of the Program.

Vesting

A participant vests in Company contributions at the rate of 20% for each year of qualifying service so that after five years of qualifying service he or she is 100% vested. Upon death or normal retirement, a participant will become 100% vested regardless of his or her years of qualifying service. If a participant leaves the Company before becoming fully vested, the unvested portion of the Company contributions are forfeited and returned to the Company. (See Note 3 for further discussions on forfeitures.) Participants who return to work for the Company who were partially or fully vested will be reinstated to their previous level of vesting and may immediately enroll in the Program.

Loans

While remaining in employment, a participant may request a loan from the Loan Fund. The amount of the loan may not exceed the lesser of (1) 50% of the participant s entire vested interest under the Plan, determined as of the valuation date, or (2) fifty thousand dollars less the highest outstanding loan balance during the previous twelve months.

Table of Contents

BRISTOL-MYERS SQUIBB PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

NOTES TO FINANCIAL STATEMENTS

(IN THOUSANDS)

At December 31, 2002 and 2001 there were outstanding loans totaling $3,072 and $4,058, respectively, with interest rates ranging from 5.25% to 10.00% and from 5.75% to 10.50%, respectively, and varying maturity dates.

Termination of Employment

Upon the termination of a participant s employment, the participant, or in the event of his or her death, the participant s spouse or designated beneficiary, may, under varying circumstances, receive (1) a lump sum payment, (2) installment payments over a period not to exceed the joint life expectancy of the participant and the participant s spouse (five years if payment is by reason of death), or (3) an annuity. In each case the payment will be based on the vested value in the respective funds allocated to the participant.

NOTE 2 ACCOUNTING POLICIES

Valuation

Valuation of investments of the Program represents the Program s allocable portion of the Savings Plan Master Trust s investments. The Savings Plan Master Trust s investment valuation policies are as follows:

Zimmer Stock in the Zimmer Stock Fund and the Company Stock are valued at the last reported sales price at the end of the year or, if there was not a sale that day, the last reported bid price. Common/collective trust funds are valued at the last reported bid price at the end of the year. Fixed income and money market instruments are valued at cost plus interest earned, which approximates their respective fair values. Shares of the Fidelity mutual funds are valued at quoted market prices which represent the net asset value of shares held by the Program at year-end. Investments in guaranteed investment contracts (GICs) are reported at contract value by the insurance companies. The value of outstanding participant loans is determined based on the outstanding principal balance as of the last day of the Program Year, which approximates fair value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions to the net assets available for benefits during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

The Program provides for various investment options in funds that can invest in a combination of stocks, bonds, fixed income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect participants account balances and the amounts reported in the statement of net assets available for benefits and the statement of changes in net assets available for benefits.

Payment of Benefits

Benefits are recorded when paid.

Table of Contents

BRISTOL-MYERS SQUIBB PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

NOTES TO FINANCIAL STATEMENTS

(IN THOUSANDS)

Income, Expenses and Realized and Unrealized Gains and Losses on Securities

Interest, dividends, and realized and unrealized gains and losses earned from participation in the Savings Plan Master Trust, are allocated to the Program based upon participants account balances and activity. This investment activity is presented on a net basis on the Statement of Changes in Net Assets Available for Benefits as the Program s share of net investment income in the Savings Plan Master Trust.

Interest is accrued by the Master Trust as earned, and dividends are recorded on the ex-dividend date.

Purchases and sales of securities are recorded by the Master Trust on a trade-date basis. Realized gains and losses for security transactions are reported using the average cost method. Unrealized gains and losses represent the difference between the cost and fair value of securities.

All expenses incurred by the Program, including investment management and trustee fees, are paid by both the fund assets and the Company.

NOTE 3 TERMINATION FORFEITURES

Forfeitures of amounts contributed by the Company due to terminations, net of amounts reinstated, are used to reduce future Company contributions. Forfeitures are also used to pay certain plan expenses. Forfeitures for the years ended December 31, 2002 and 2001 were $16 and $23, respectively.

NOTE 4 TAX STATUS OF THE PROGRAM

The Program is designed to meet the requirements of Sections 401(a) and 401(k) of the U.S. Internal Revenue Code of 1986, as amended and Section 165(e) of the Puerto Rico Tax Code. In the Program s latest determination letter dated August 8, 1995, the U.S. Internal Revenue Service stated that the Program, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. Pursuant to requirements imposed upon qualified retirement plans by the Internal Revenue Service necessitating the submission of plan restatements under the GUST amendments, the Company has submitted a restated version of the Program for a determination letter, which the Company expects to receive shortly. Although the Program has been amended since receiving the determination letter, counsel believes that the Program is qualified and the related Trust is tax-exempt as of December 31, 2002 and 2001.

Under present U.S. and Puerto Rico income tax laws and regulations, a participant will not be subject to income taxes on the contributions by the employing company, or on the interest, dividends or profits on the sale of securities received by the Trustee until the participant s account is distributed to the participant.

NOTE 5 TERMINATION OF THE PROGRAM

Although the Company has not expressed any intent to do so, it has the right to discontinue its contributions and to terminate the Program in accordance with the provisions of ERISA. If the Program is terminated, the interest of each participant in all funds will vest immediately. In accordance with program provisions, the Company has the right to amend or replace the Program for any reason.

Table of Contents

BRISTOL-MYERS SQUIBB PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

NOTES TO FINANCIAL STATEMENTS

(IN THOUSANDS)

NOTE 6 MASTER TRUST

The Program s share of the Savings Plan Master Trust s net assets and investment activities is based upon the total of each individual participant s share of the Savings Plan Master Trust. The Program s approximate share of the net assets of the Savings Plan Master Trust at December 31, 2002 and 2001 was 2% in each year. The Program s approximate share of the net investment loss in the Savings Plan Master Trust for each of the years ended December 31, 2002 and 2001 was 2%.

Table of Contents

BRISTOL-MYERS SQUIBB PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

NOTES TO FINANCIAL STATEMENTS

(IN THOUSANDS)

At December 31, 2002 and 2001, the Statement of Net Assets Available for Benefits of the Savings Plan Master Trust was as follows:

	2002		2001	
	Cost	Market Value	Cost	Market Value
Assets:				
Investments at Fair Value:				
Company Stock Fund				
Bristol-Myers Squibb Company				
Common Stock	$ 930,891	$ 859,792	$ 917,083	$ 1,888,307
Fidelity Management Trust				
Company Institutional Cash Portfolio	9,726	9,726	19,745	19,745
Zimmer Holdings, Inc. Stock Fund				
Zimmer Holdings Inc. Common Stock	32,683	111,221	40,676	101,908
Fidelity Management Trust Company				
Institutional Cash Portfolio	1,641	1,641	2,864	2,864
Fixed Income Fund:				
Group Annuity Contracts, New York Life Insurance Company with 2002 interest rates ranging from 4.06% to 6.83%, varying maturity dates	265,737	265,737	199,145	199,145
Group Annuity Contracts, Metropolitan Life Insurance Company with 2002 interest rates ranging from 6.19% to 7.54%, varying maturity dates	163,674	163,674	153,158	153,158
Group Annuity Contracts, Principal Mutual Life Insurance Company with 2002 interest rates ranging from 4.75% to 6.55%, varying maturity dates	160,617	160,617	147,627	147,627
Group Annuity Contract, John Hancock Mutual Life Insurance Company with 2002 interest rates ranging from 4.42% to 7.47%, varying maturity dates	142,691	142,691	155,411	155,411
Fidelity Institutional Cash Portfolio Money Market	29,018	29,018	35,058	35,058

Table of Contents

BRISTOL-MYERS SQUIBB PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

NOTES TO FINANCIAL STATEMENTS

(IN THOUSANDS)

	2002		2001	
	Cost	**Market Value**	**Cost**	**Market Value**
Fidelity Puritan Fund	20,513	18,588	14,241	13,738
Fidelity Equity-Income Fund	146,298	124,748	147,076	152,388
Fidelity Growth Company Fund	308,583	200,841	358,068	330,452
Fidelity Retirement Money Market Portfolio	69,708	69,708	73,866	73,866
Fidelity US Bond Index Fund	91,375	96,495	78,329	80,641
US Equity Index Commingled Pool	367,674	267,345	417,636	382,601
Dreyfus Appreciation Fund, Inc.	27,736	21,933	25,462	22,825
Fidelity Select Equity Small Capitalization Collective Trust Fund	66,209	64,685	60,540	79,369
Total Investments	2,834,774	2,608,460	2,845,985	3,839,103
Receivables:				
Contributions Receivable		5,089		
Interest Receivable		15		37
Dividends Receivable		10,400		
Receivables from Sales of Securities		619		4,553
Other Receivables, Net		45		
Total Assets	2,834,774	2,624,628	2,845,985	3,843,693
Payables:				
Payables from Purchases of Securities				(4,074)
Other Payables, Net				(369)
Net Assets	$ 2,834,774	$ 2,624,628	$ 2,845,985	$ 3,839,250

Table of Contents

BRISTOL-MYERS SQUIBB PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

NOTES TO FINANCIAL STATEMENTS

(IN THOUSANDS)

The Statement of Changes in Net Assets Available for Benefits in the Savings Plan Master Trust for the years ended December 31, 2002 and 2001 were as follows:

	2002	2001
Additions:		
Transfer in from the DuPont Savings Plan	$ 78	$ 30,999
Employer contributions	54,424	56,480
Employee contributions	164,957	151,100
	219,459	238,579
Investment activities:		
Interest income	44,499	49,394
Dividend income	60,708	56,282
Net investment activities	105,207	105,676
Total additions and net investment activities	324,666	344,255
Deductions:		
Transfer of net assets to Zimmer Holdings Inc.		(137,000)
Transfer of net assets to Procter & Gamble		(3,448)
Distributions and withdrawals	(322,398)	(301,692)
Net depreciation in fair value of investments	(1,216,890)	(951,637)
	(1,539,288)	(1,393,777)
Decrease in trust net assets	(1,214,622)	(1,049,522)
Net Assets:		
Beginning of Year	3,839,250	4,888,772
End of Year	$ 2,624,628	$ 3,839,250

The net (depreciation) appreciation in the fair value of the Trust investments by fund for the years ended December 31, 2002 and 2001 was as follows:

	2002	2001
Company Stock Fund	$ (1,009,091)	$ (770,326)
Zimmer Holdings, Inc. Stock Fund	32,768	8,618
Fidelity Puritan Fund	(2,017)	(732)
Fidelity Equity-Income Fund	(29,500)	(14,365)
Fidelity Growth Company Fund	(107,001)	(120,161)

Fidelity U.S. Bond Index Fund	3,506	1,242
U.S. Equity Index Commingled Pool	(81,122)	(54,768)
Dreyfus Appreciation Fund, Inc.	(4,599)	(2,221)
Fidelity Select Equity Small Capitalization Collective Trust Fund	(19,834)	1,076
	$ (1,216,890)	$ (951,637)

F-14

Table of Contents

BRISTOL-MYERS SQUIBB PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

NOTES TO FINANCIAL STATEMENTS

(IN THOUSANDS)

NOTE 7 RELATED PARTY TRANSACTIONS

Certain Program investments are shares in registered mutual funds or units in pooled investment funds managed by affiliates of Fidelity. Fidelity is the trustee as defined by the Program. The transactions involving the registered mutual funds are exempt party-in-interest transactions pursuant to the Department of Labor Class Exemption 77-4 and the transactions involving the pooled investment funds are exempt party-in-interest transactions pursuant to Section 408(b)(8) of ERISA.

NOTE 8 SUBSEQUENT EVENTS

Effective March 1, 2003, the Program was amended as follows:

The requirement that company matching contributions be invested in the Company Stock Fund until age 55 has been eliminated. Employees may now invest prior company matching contributions and future company matching contributions in any of the funds available under the Program.

Three new funds have been added to the Program:

- Managers Special Equity Fund a growth fund investing in the equities of small and medium sized companies.
- Putnam International Equity Fund Class A a growth fund investing in equities of companies located outside United States.
- Vanguard Total International Stock Index Fund Investor Class an equity fund that is designed to match the performance and risk of well known international stock indices.

The six-month waiting period has been eliminated. Eligible employees may participate in the Program following their date of hire, although the company matching contributions do not begin until an eligible employee has attained six months of service as prescribed by the Program.

Table of Contents

SCHEDULE H (Line 4i)

BRISTOL-MYERS SQUIBB PUERTO RICO, INC.

SAVINGS AND INVESTMENT PROGRAM

SCHEDULE OF ASSETS (HELD AT YEAR END)

DECEMBER 31, 2002

(IN THOUSANDS)

Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost Value	Current Value
Fidelity Institutional Retirement Service Company	Interest in Savings Plan Master Trust	*	$ 44,342
Plan participant	Participant loans, with varying maturity dates		$ 3,072
	Interest rates: 5.25% to 10.00%		

* Cost is not required for participant directed investments.