

BRISTOL MYERS SQUIBB CO
Form 11-K
June 22, 2015

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 11-K

☒ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

☐ TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

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 COMPANY
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

SIGNATURE

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.

Date: June 22, 2015

BRISTOL-MYERS SQUIBB COMPANY
SAVINGS AND INVESTMENT PROGRAM

By: /s/ Jeffrey Galik

Jeffrey Galik

Chairman, Bristol-Myers Squibb

Company Savings Plan Committee

BRISTOL-MYERS SQUIBB COMPANY
SAVINGS AND INVESTMENT PROGRAM
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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Report of Independent Registered Public Accounting Firm

To the Participants of the Bristol-Myers Squibb Company Savings and Investment Program
and the Bristol-Myers Squibb Company Savings Plan Committee:

We have audited the accompanying statements of net assets available for benefits of the Bristol-Myers Squibb Company Savings and Investment Program (the "Program") as of December 31, 2014 and 2013, and the related statement of changes in net assets available for benefits for the year ended December 31, 2014. 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 in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Program's management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Bristol-Myers Squibb Company Savings and Investment Program as of December 31, 2014 and 2013, and the changes in its net assets available for benefits for the year ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

The supplemental schedule of assets (held at December 31, 2014) has been subjected to audit procedures performed in conjunction with the audit of the Program's financial statements. The supplemental schedule is the responsibility of the Program's management. Our audit procedures included determining whether the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental schedule of assets (held at December 31, 2014) is fairly stated, in all material respects, in relation to the Program's 2014 financial statements as a whole.

/s/ Withum Smith + Brown, PC

Morristown, New Jersey
June 22, 2015

BRISTOL-MYERS SQUIBB COMPANY
SAVINGS AND INVESTMENT PROGRAM
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2014 AND 2013

(Dollars in Thousands)	2014	2013
Assets:		
Participant directed investments, at fair value:		
Program interest in Savings Plan Master Trust	\$4,931,395	\$4,815,988
Receivables:		
Employer contributions	79,771	83,209
Participants contributions	4,422	4,710
Dividends receivable	5,116	5,493
Notes receivable from participants	21,906	23,604
Total receivables	111,215	117,016
Net Assets Available for Benefits, at fair value	5,042,610	4,933,004
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(8,996)	(2,088)
Net Assets Available for Benefits	\$5,033,614	\$4,930,916

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

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BRISTOL-MYERS SQUIBB COMPANY
SAVINGS AND INVESTMENT PROGRAM
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2014

(Dollars in Thousands)

Additions:

Program's share of net investment income in Savings Plan Master Trust	\$363,462
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Contributions:

Employer contributions	157,906
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Participants contributions	157,961
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Rollover contributions	32,606
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Interest on notes receivable from participants	913
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Revenue credit account	1,775
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Total additions	714,623
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Deductions:

Distributions and withdrawals	(610,664)
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Administrative expenses	(1,702)
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Total deductions	(612,366)
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Increase in net assets before transfers	102,257
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Net Transfers into Program	441
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Increase in net assets	102,698
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Net Assets Available for Benefits:

Beginning of Year	4,930,916
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End of Year	\$5,033,614
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The accompanying notes are an integral part of this financial statement.

BRISTOL-MYERS SQUIBB COMPANY
SAVINGS AND INVESTMENT PROGRAM
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - PROGRAM DESCRIPTION AND RELATED INFORMATION

Description of the Program - The Bristol-Myers Squibb Company Savings and Investment Program (the Program) is a defined contribution retirement plan that includes a cash or deferred arrangement as defined by Section 401(k) of the Internal Revenue Code of 1986, as amended (the Code), and is sponsored by Bristol-Myers Squibb Company (the Company). The Program is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and is intended to be a qualified plan under section 401(a) of the Code.

The description of the Program in the following notes provides only general information and does not modify any provision of the Program. Participants should refer to the Program's governing documents and/or Summary Program Description for more complete disclosure of the Program's provisions.

Program Administration - The Bristol-Myers Squibb Company Savings Plan Committee (the Committee) is the Administrator, as defined by ERISA, of the Program and named fiduciary with respect to Program assets. Fidelity Employer Services Company provides recordkeeping services with respect to the Program. The assets of the Program are maintained in the Bristol-Myers Squibb Company Savings Plan Master Trust (the Master Trust), of which Fidelity Management Trust Company (Fidelity Trust) serves as directed trustee.

Employee Eligibility - In general, any United States employee not covered by a collective bargaining agreement is eligible to participate in the Program and may participate following their date of hire.

Participant Contributions - Participants can elect to contribute up to 25% of his or her eligible compensation (as defined in the Program document) on a pre-tax and/or after-tax basis, in all events, subject to Internal Revenue Service (IRS) annual limits and non-discrimination test results. The definition of eligible compensation, as stated in the governing documents, applies for purposes of determining employee contributions and all Company contributions made on behalf of each eligible participant and includes base salary or wages, annual bonuses and sales bonuses, overtime and shift differentials, and merit payments. If an eligible employee does not enroll, automatic contributions begin starting with the first available payroll period after the date that is 45 days after the employee's date of hire. These contributions are employee pre-tax contributions and are matched on the same terms as elected employee pre-tax contributions. The participant may change the contribution rate, including ceasing all elective contributions, and may elect after-tax or a combination of pre-tax and after-tax elective contributions at any time. In the absence of an affirmative investment direction from the participant, 100% of the automatic contribution will be invested in the qualified default investment alternative, which is currently the T. Rowe Price Target Date Retirement Fund for the year closest to the year in which the participant would attain age 65. The Program also has an annual increase feature that allows participants to schedule an automatic increase in their pre-tax and/or after-tax contributions to the Program of 1% to 3% annually, subject in all events to the Program's maximum deferral rate of 25%. Upon taking a hardship distribution, participant contributions are generally suspended for six months.

The Program also allows for catch-up contributions for participants who are 50 years of age or older. Catch-up contributions are intended to give eligible participants the opportunity to make additional pre-tax contributions over the applicable IRS and Program limits. Catch-up contributions can be from 1% to 25% of the participant's annual benefit salary or wages, but was limited to \$5,500 in 2014 and 2013. There is no Company match on catch-up contributions.

Employer Contributions - The Company makes a matching contribution equal to one dollar for each dollar of participant contributions not to exceed 6% of the participant's eligible compensation. The Company may also make an additional annual contribution for each eligible employee regardless of whether the eligible employee contributes to the Program. As a default, the additional annual contribution is determined as a defined percentage of eligible compensation which ranges from 3% up to 6% based on points equal to the sum of age plus years of service, rounded up, as of the December 31st of the calendar year for which the contribution is made. Subject to limited exceptions, to be an eligible employee, the employee must be actively employed, as defined in the Program documents, on December 31st of the year for which the contribution is made in order to receive an additional annual contribution. The limited exceptions include that the otherwise eligible employee is not actively at work on the last day of the year due to death, disability or retirement during the year or due to involuntary termination effective on or after September 30 of the year or are involuntarily terminated and qualify for "Rule of 70" benefits, which apply if the sum of the employee's age and respective years of service is equal to or greater than 70.

Additionally, the Company may also make a transition contribution for participants, who, as of December 31, 2009, have: (1) age plus service equal to at least 60; and (2) completed at least 10 years of vesting service. The transition contribution is equal to 2% of annual benefit salary or wages. The eligible participant must continue to be actively employed on December 31st of the year for which the contribution is made in order to receive a transition contribution, subject to the same exceptions as indicated above. Transition contributions continued through December 31, 2014, as long as the eligible participant remained employed. At December 31, 2014 and 2013, the

BRISTOL-MYERS SQUIBB COMPANY
SAVINGS AND INVESTMENT PROGRAM
NOTES TO FINANCIAL STATEMENTS

Program accrued transition employer contributions of \$5.9 million and \$6.7 million, respectively, which were each funded in the subsequent year.

Investment Decisions - The Program gives participants the opportunity to direct the manner in which contributions made to the Program in their name, including matching and, where applicable, additional annual and transition contributions, and earnings thereon, are invested among a variety of investments. All contributions were invested in any one or more of the funds or (effective June 1, 2013) the self-directed brokerage investment option, all of which comprise the Savings Plan Master Trust, see “-Note 4. Savings Plan Master Trust” for further information regarding investments.

Participant Accounts - Each participant’s account under the Program is credited with the participant’s elected pre-tax and/or after-tax contributions, the Company’s contributions, and the participant’s respective share of Program earnings and is charged with participant withdrawals and distributions, and the participant’s respective share of Program losses. The benefit to which a participant is entitled is the participant’s vested Program account.

Notes Receivable from Participant - While employed, a participant may request a loan from the Program. The amount of the loan may not exceed the lesser of: (1) 50% of the participant’s entire vested interest under the Program, determined as of the valuation date, or (2) \$50,000 less the highest outstanding loan balance during the previous 12 months. As permitted by IRS regulations and the terms of the Program, loans are secured by the balance in the participant accounts and bear interest at fixed rates set by the Committee. Repayments and interest are credited to the Program account of the participant. Such currently outstanding loans mature through 2027.

Withdrawals Prior to Retirement - While employed, a participant may withdraw all or part of the employee and vested employer contributions, subject to certain restrictions imposed pursuant to the Program and excise taxes imposed by the Code.

Vesting - Matching, additional annual and transition contributions vest at the rate of 20% for each year of qualifying service. In addition, upon becoming eligible for benefits under the Company’s long-term disability benefits plan prior to July 1, 2010, death or normal retirement, or a “change in control” as defined in the Bristol-Myers Squibb Company's Change in Control Separation Benefits Plan, a participant will become 100% vested in matching, additional annual, and transition contributions regardless of his or her years of service. Employees who become eligible for benefits under the Company’s long term disability benefit plan on or after July 1, 2010, will continue to be credited with hours of service and vest ratably over a 5 year period. A participant is always 100% vested in their pre-tax, after-tax, rollover contributions from other plans and catch-up contributions, as well as earnings thereon.

Forfeitures - If a participant’s employment terminates before he or she has become fully vested, the unvested portion of matching contributions credited to his or her account are forfeited (as of the earlier of: (1) when the participant receives a distribution or (2) the end of the period of five consecutive one-year breaks in service) and may be used to reduce future matching contributions or pay expenses of Program administration. During the year ended December 31, 2014, matching contributions were reduced by \$2.7 million through the use of forfeitures. The balance of unused forfeited funds available to offset future Company matching contributions was \$0.1 million at December 31, 2014 and 2013. Participants who return to work for the Company who were partially or fully vested prior to their termination will be reinstated to their previous level of vesting and may immediately enroll in the Program.

Termination of Employment and Payment of Benefits - Upon the termination of 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 for a period between two and fifteen years, and, in the event there are minimum required distributions, the installment payment shall not 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 for employees hired prior to October 1, 1994. If the participant chooses to have the payments made in annual installments, then the participant may also choose to have payments continue to his or her beneficiary if the participant dies before receiving all of the installments. If the participant chooses to have the payment made in installments and does not elect to have payments continue to his or her beneficiary on an installment basis, in the event of the participant's death, the beneficiary can choose to receive the unpaid balance in a single payment or over a period of two to five years. In each case the payment will be based on the vested value in the respective funds allocated to the participant.

Method of Payment - Installment payments are made in cash. Lump-sum distributions may be made in cash, or, if elected by the employee, in a combination of cash and shares of Bristol-Myers Squibb Company stock for the portion of the account invested in the Company Stock Fund.

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SAVINGS AND INVESTMENT PROGRAM
NOTES TO FINANCIAL STATEMENTS

Net Transfers - A participant's account may be transferred to or from another qualified defined contribution plan sponsored by the Company if his or her employment status changes such that he or she becomes eligible to participate in a different plan. A participant's account could also be transferred to another company's qualified defined contribution plan if required by the terms of a Company transaction. Similarly, new accounts could be transferred in from another company's qualified defined contribution plan, if required under the terms of a business acquisition. During 2014, \$441 thousand was transferred from the Bristol-Myers Squibb Employee Incentive Thrift Plan to the Program.

Payment of Benefits - Benefit payments are recorded upon distribution. There were no amounts allocated to accounts of persons who have elected to withdraw from the Program, but have not yet been paid as of December 31, 2014 and 2013.

Termination of the Program - Although the Company has not expressed any intent to do so, it has the right to discontinue its contributions, amend, and terminate the Program at any time in its sole discretion in accordance with the provisions of ERISA. If the Program is terminated, the interest of each participant in all unvested employer contributions will vest immediately.

Revenue Credit Account - Under the agreement between Fidelity and the Company, Fidelity makes deposits to this account in the amount of the revenue sharing received from each investment manager and calculated for each quarter using the fund balances in the Program. Amounts in this account are used to offset Program administrative expenses and any amounts unused for expenses may be allocated to participant accounts.

NOTE 2 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Note receivable from participants - Notes receivable from participants are measured at their unpaid principal balance, plus any accrued interest. Delinquent notes receivable are classified as distributions based upon the terms of the Program document.

Investment Valuation - The assets of the Program, as well as the assets of the Bristol-Myers Squibb Company Employee Incentive Thrift Plan (the Thrift Plan) and the Bristol-Myers Squibb Puerto Rico, Inc. Savings and Investment Program (the Puerto Rico Program) are maintained in the Savings Plan Master Trust, see “-Note 4. Savings Plan Master Trust.” For a discussion of the valuation policies for each investment class, see “-Note 3. Fair Value Measurement.”

Income Recognition - Interest, dividends, and realized and unrealized gains/(losses) earned/(incurred) 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 in 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 and is accounted for as follows:

Interest is recorded as earned.

Dividends are recorded on the ex-dividend date.

Purchases and sales of securities are recorded on a trade-date basis.

Realized gains and losses for security transactions are recorded using the average cost method.

Administrative Expenses - All expenses incurred by the Program are the obligation of the Program and are payable by the Savings Plan Master Trust fund's assets unless the Company, in its sole discretion, pays such expenses, in which event, the Company may request and the Savings Plan Master Trust may provide reimbursement to the Company.

Fees charged to the Program for investment management

services are deducted from income earned on a daily basis and are not separately reflected in the Program's share of net investment income in the Savings Plan Master Trust. Consequently, these fees are reflected as a reduction of the return for such investments and are not readily determinable.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make 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 may or may not differ from estimated results.

Risks and Uncertainties - The Savings Plan Master Trust holds various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. The Savings Plan Master Trust is exposed

BRISTOL-MYERS SQUIBB COMPANY
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NOTES TO FINANCIAL STATEMENTS

to credit loss in the event of non-performance by the guaranteed investment contract (GIC) issuers. However, GIC issuer non-performance is not considered probable and the risk to the Savings Plan Master Trust portfolio from credit loss is mitigated by the diversified nature of the underlying assets held. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in value of investment securities, it is reasonably possible that significant changes in the values of investment securities could occur in the near term and such changes could have a material adverse effect on the Program's financial statements.

Income Taxes and Tax Status - In the Program's latest determination letter dated October 29, 2012, the IRS stated that the Program, as then designed, was in compliance with the applicable requirements of the Code. Since receiving the determination letter, the Program was amended and the Company believes, to the best of its knowledge, that the Program is still in compliance with the Code. The Company also believes, to the best of its knowledge, that the Program (including merged plans) is currently designed and operated in material compliance with the applicable requirements of the Code and ERISA, and that the Program and Savings Plan Master Trust continue to be exempt from federal income taxes pursuant to Section 501(a) of the Code. Accordingly, no provision for income taxes has been included in the Program's financial statements. Contributions made by participants on a pre-tax basis, the Company's matching and, where applicable, additional annual and transition contributions, and the earnings thereon are not included in participants' gross income for purposes of federal income taxes until distributed from the Program.

U.S. GAAP requires Program management to evaluate tax positions taken by the Program and recognize a related tax liability (or asset) if the program has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Program management has analyzed the tax positions taken by the Program, and has concluded that as of December 31, 2014 and 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Program is subject to routine audits by taxing jurisdictions. In August 2014, the IRS formally completed its examination of the 2010, 2011 and 2012 Plan years, which includes the merged Medarex Savings Plan. The examination resulted in no changes to the Program's financial statements and Form 5500 filings for these periods; in addition, there were no reported matters that affect the Program's tax exempt status.

Program management believes it is no longer subject to income tax examination for any years prior to 2013. In addition, there have been no material tax related interest or penalties for the periods presented in the financial statements.

NOTE 3 - FAIR VALUE MEASUREMENT

Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Program utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The fair values of Savings Plan Master Trust investments held are classified into the following fair value hierarchy levels:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

- Level 2: Observable prices for similar instruments, quoted prices for identical or similar instruments in markets that are not active, or other observable inputs that can be corroborated by market data for substantially the full term of the assets or liabilities
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs. There were no Level 3 investments as of December 31, 2014 and 2013.

The Savings Plan Master Trust's investment valuation policies for each investment class are as follows:

The Company Stock Fund consists primarily of shares of common stock of Bristol-Myers Squibb Company, and is valued based upon quoted prices 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. From time to time, the Company Stock Fund 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 the Company's common stock. Such investments are valued at cost plus interest earned, which approximates fair value.

Mutual funds are valued at quoted market prices which represent the net asset value (NAV) of shares held at year end.

BRISTOL-MYERS SQUIBB COMPANY
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Money market funds are valued at cost plus interest earned, which approximates fair value.

Brokerage self-directed investments are valued at quoted market prices.

Common collective trust (CCT) fund fair values are determined daily by the respective fund manager and represent the NAV of the underlying investments within the respective CCTs. The net asset value represents the price at which Program participants would transact their respective CCT interest at any point in time. The CCTs are comprised of equity index funds and equity funds primarily invested in publicly traded securities, cash investments, and other short term investments. There were no significant unfunded commitments or restrictions on redemptions related to the CCTs as of December 31, 2014 and 2013.

Fixed Income Fund investments include fully benefit-responsive investment contracts, comprised of traditional GICs, security-backed contracts (synthetic GICs), the Wells Fargo Stable Return Fund and Wells Fargo Short Term Investment Fund and various fixed income collective trust funds. These investments are stated at fair value within the Program's interest in Savings Plan Master Trust line item and then adjusted on a separate line item to contract value in the Statements of Net Assets Available for Benefits. The Fixed Income Fund utilizes a NAV that reflects interest earned by a daily increase to NAV. There were no significant unfunded commitments or restrictions on redemptions related to the Fixed Income Fund as of December 31, 2014 and 2013.

The fair value of the GICs is generally calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations. If the duration of the GIC is less than 6 months, the contracted interest rate is used to discount the remaining cash flow.

The fair value of synthetic GICs equals the total of the fair value of the underlying assets plus the fair value of the wrapper contract. A wrapper contract is an agreement by another party to make payments to the Fixed Income Fund in certain circumstances. The fair value of these wrapper contracts was not considered to be material as of December 31, 2014 and 2013. Wrapper contracts are designed to allow synthetic GIC portfolios to maintain NAV and to ensure the future minimum interest crediting rate does not fall below zero. The assets underlying the synthetic GICs were primarily comprised of U.S. government securities in fixed income funds. The fair value of the fixed income funds is determined by the respective fund manager on a daily basis and represents the NAV of the underlying investments. In the event that wrapper contracts fail to perform as intended, the Fixed Income Fund's NAV may decline if the market value of its assets declines. The Fixed Income Fund's ability to receive amounts due pursuant to these wrapper contracts is dependent on the third-party issuer's ability to meet their financial obligations. The wrapper issuer's ability to meet its contractual obligations under the wrapper contracts may be affected by future economic and regulatory developments.

The Fixed Income Fund is unlikely to maintain a stable NAV if, for any reason, it cannot obtain or maintain wrapper contracts covering all of its underlying assets. This could result from the Fund's inability to promptly find a replacement wrapper contract following termination of a wrapper contract. Wrapper contracts are non-transferable and have no trading market. There are a limited number of wrapper issuers.

The fair value of the Wells Fargo Stable Return Fund and Wells Fargo Stable Return Fund is determined by the fund manager on a daily basis and represents the NAV of the underlying investments. These funds primarily invest in GICs, synthetic GICs, and cash equivalents.

The valuation methods as described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Program believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to

determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

BRISTOL-MYERS SQUIBB COMPANY
SAVINGS AND INVESTMENT PROGRAM
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – SAVINGS PLAN MASTER TRUST

The Program's investment assets are held in the Savings Plan Master Trust (The Master Trust), a tax-exempt collective trust described in IRS Revenue Ruling 81-100. 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 Master Trust.

The major classes of investments of the Master Trust as of December 31 were as follows:

(Dollars in Thousands)	2014	2013
Investments:		
Level 1		
*Company Stock Fund – Bristol-Myers Squibb Company Common Stock	\$874,695	\$872,523
Mutual Funds:		
Growth/Growth and Income Funds		
*Fidelity Growth Company Fund K	590,782	555,860
*Fidelity Puritan Fund K	168,278	153,613
Bond Index Funds		
*Spartan U.S. Bond Index Fund	308,528	264,426
Equity Funds		
Dreyfus Appreciation Fund, Inc.	111,439	112,883
Vanguard Total International Stock Index Fund	252,856	264,166
American Funds EuroPacific Growth Fund – Class R5	147,930	161,714
Asset Allocation Funds		
T. Rowe Price Retirement Funds	701,552	650,727
Money Market Funds and Other		
*Company Stock Fund – Fidelity Management Trust Company Institutional Cash Portfolio	10,039	7,709
*Fidelity Institutional Money Market	179,000	199,703
Self Directed Investments		
*Fidelity Brokerage	59,063	31,988
Total Level 1 Investments	3,404,162	3,275,312
Level 2		
Fixed Income Funds		
Wells Fargo Stable Return Fund (Note 5)	56,070	85,949
Wells Fargo Short Term Investment Fund (Note 5)	14,148	17,036
Synthetic GICs (Note 5)	554,480	596,648
Common Collective Trust Funds:		
Equity Index Funds		
*Fidelity U.S. Equity Index Commingled Pool – Class 2	538,576	477,084
Northern Trust Global Investments QM Daily Russell 2000 Equity Index Fund	223,890	232,354
Equity Funds		
The Goldman Sachs Collective Trust Strategic Value Fund	172,274	158,790
Jennison Associates Small Capital Core Equity Fund	143,176	141,590
Total Level 2 Investments	1,702,614	1,709,451
Total investments, at fair value	5,106,776	4,984,763

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Adjustments from fair value to contract value for fully benefit-responsive investment contracts	(9,120)	(2,378)
Net assets of the Savings Plan Master Trust	\$5,097,656	\$4,982,385
Program's interest in Savings Plan Master Trust, at fair value	\$4,931,395	\$4,815,988
Program's interest in Savings Plan Master Trust, as a percentage of the total investments, at fair value	97%	97%

*Denotes a party-in-interest to the Program.

BRISTOL-MYERS SQUIBB COMPANY
SAVINGS AND INVESTMENT PROGRAM
NOTES TO FINANCIAL STATEMENTS

The Program's estimated share of investments within the Savings Plan Master Trust stated at fair value that represented 5% or more of the Program's net assets available for benefits as of December 31, 2014 and 2013 were as follows:

(Dollars in Thousands)	2014	2013
Investments:		
Company Stock Fund – Bristol-Myers Squibb Company Common Stock	\$817,036	\$814,320
Fidelity Growth Company Fund K	580,716	544,648
Vanguard Total International Fund Stock Index	243,556	256,399
Spartan U.S. Bond Index Fund	296,258	255,356
Fidelity U.S. Equity Index Commingled Pool – Class 2	520,299	463,880
Fixed Income Fund – Synthetic GICs (in aggregate)*	544,530	585,843

* The contract value of these investments was \$537,367 and \$583,902 at December 31, 2014 and 2013, respectively.

The total net investment income of the Savings Plan Master Trust for the year ended December 31, 2014 was as follows:

(Dollars in Thousands)	
Net investment income:	
Interest income	\$7,588
Dividend income	103,593
Net appreciation in fair value of investments	265,615
Total net investment income	\$376,796

The net appreciation/(depreciation) in the fair value of the Savings Plan Master Trust investments (including gains and losses on investments bought and sold, as well as held during the year) by major class of investment and level within the fair value hierarchy for the year ended December 31, 2014 was as follows:

(Dollars in Thousands)	
Level 1	
Company Stock Funds	\$88,716
Growth/Growth and Income Funds	56,373
Bond Index Funds	8,911
Equity Funds	(22,391)
Asset Allocation Funds	13,716
Other	2,244
Level 2	
Equity Index Funds	76,862
Equity Funds	31,431
Fixed Income Funds	9,753
Net appreciation in fair value of investments	\$265,615

BRISTOL-MYERS SQUIBB COMPANY
SAVINGS AND INVESTMENT PROGRAM
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – FIXED INCOME FUND

The Program offers a Fixed Income Fund, within the Savings Plan Master Trust, as an investment available to participants. The Fixed Income Fund holds GICs and synthetic GICs with various issuers in several fully benefit-responsive investment contracts plus two collective trust funds which provide a guarantee of principal and interest at a guaranteed rate. Each fully benefit-responsive investment contract is presented in the Statements of Net Assets Available for Benefits at fair value within the Program's interest in the Savings Plan Master Trust line item and then adjusted on a separate line item in the Statement of Net Assets Available for Benefits to contract value. Contract value represents contributions made to the fund, plus earnings on the underlying investments, less participant withdrawals and administrative expenses.

Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at any time at contract value, which represents the Fixed Income Fund's NAV, as reported by the fund manager. Certain events may limit the ability of the fund to transact at contract value with the issuer, such as premature termination of the contracts by the fund, significant plant closings, significant layoffs, plan terminations, bankruptcy, mergers, or the Program's loss of its qualified status. Program management believes that the occurrence of events that would cause participants to transact at less than contract value is not probable. The issuers may not terminate a contract at any amount less than contract value.

There are currently no reserves against contract value for credit risk of the contract issuers or otherwise.

The GIC and synthetic GIC issuers are contractually obligated to pay the principal and specified interest rate that is guaranteed to the Program. All contracts pay interest on a net basis. The crediting interest rate is reset and declared on a daily basis. The crediting interest rate is based on a formula agreed upon with the issuer, but may not be less than the percentage based on the individual contracts which ranged during 2014 from 1.52% to 2.45% and 1.23% to 2.61% during 2013 for the Program. The Program's Fixed Income Fund crediting interest rate was 1.65% and 1.57% as of December 31, 2014 and 2013, respectively. The key factors that influence future interest crediting rates for a wrapper contract include current interest rates, the investment returns generated by the fixed income investments that back the wrapper contract, and the duration of the underlying investments backing the wrapper contract. At any point in time, the Fixed Income 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 depends 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 the investment manager using general market reporting methods. 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.

The average yields for investment contracts with issuers as of and for the years ended December 31, 2014 and 2013 were as follows:

	2014	2013
Average yields:		
Based on annualized earnings ⁽¹⁾	1.51%	1.58%
Based on interest rate credited to participants ⁽²⁾	1.65%	1.57%

(1)

Computed by dividing the annualized one-day actual earnings of the investment contract on the last day of the Program year by the fair value of the investments on the same date.

- (2) Computed by dividing the annualized one-day earnings credited to participants on the last day of the Program year by the fair value of the investments on the same date.

BRISTOL-MYERS SQUIBB COMPANY
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Fixed Income Fund investments in the Master Trust as of December 31, 2014 and 2013 were as follows:

(Dollars in Thousands)	S&P Rating* 2014		Per Annum Interest Rates on Contracts Held in 2014	2013	Per Annum Interest Rates on Contracts Held in 2013
Synthetic Guaranteed Investment Contracts:					
American General Life Insurance Company	A+	\$135,067	1.75%	\$133,794	1.69%
Monumental Life Insurance Company	AA-	—		175,069	2.61%
Transamerica Premier Life Insurance	AA-	153,680	2.45%	—	
ING Life Insurance And Annuity Company	A-	—		52,737	1.80%
New York Life Insurance Company	AA+	47,697	1.94%	52,654	1.72%
Voya Ret Insurance and Annuity Co.	A-	47,486	1.94%	—	
Prudential Insurance Company	AA-	170,550	1.52%	182,394	1.23%
Total Synthetic Guaranteed Investment Contracts, at fair value		554,480		596,648	
Collective Trust Fund:					
Wells Fargo Stable Return Fund, at fair value		56,070		85,949	
Wells Fargo Short Term Investment Fund, at fair value		14,148		17,036	
Total Fixed Income Fund Investments, at fair value		\$624,698		\$699,633	

*As of December 31, 2014.

NOTE 6 – RECONCILIATION TO FORM 5500

The accompanying financial statements present fully benefit-responsive synthetic GICs held in the Fixed Income Fund at contract value. The Form 5500 requires fully benefit-responsive synthetic GICs to be reported at fair value. Therefore, the adjustment from fair value to contract value for fully benefit-responsive synthetic GICs represents a reconciling item. Additionally, the Form 5500 requires the Plan Master Trust to file a separate 5500 as a direct filing entity, which includes the total Savings Plan Master Trust administrative expenses per Schedule C Service Provider Information. As such, the Program does not report administrative expenses attributable to the Savings Plan Master Trust on the Program Form 5500 filing. The Form 5500 also requires participant loans to be recorded as investments, while U.S. GAAP requires participant loans to be recorded as notes receivable from participants.

The following is a reconciliation of the Program interest in the Savings Plan Master Trust per the financial statements to the Form 5500 as of December 31:

(Dollars in Thousands)	2014	2013
Program interest in Savings Plan Master Trust per the financial statements	\$4,931,395	\$4,815,988

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Less: Adjustment from fair value to contract value for fully benefit-responsive synthetic GICs	(8,996) (2,088)
Add: Adjustment from contract value to fair value for fully benefit-responsive synthetic GICs	8,092	2,899	
Value of Program's interest in master trust investment accounts per the Form 5500	\$4,930,491	\$4,816,799	

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BRISTOL-MYERS SQUIBB COMPANY
SAVINGS AND INVESTMENT PROGRAM
NOTES TO FINANCIAL STATEMENTS

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31:

(Dollars in Thousands)	2014	2013
Net assets available for benefits per the financial statements	\$5,033,614	\$4,930,916
Add: Adjustment from contract value to fair value for fully benefit-responsive synthetic GICs	8,092	2,899
Net assets available for benefits per the Form 5500	\$5,041,706	\$4,933,815

The following is a reconciliation of the Program's share of net investment income in the Savings Plan Master Trust per the financial statements to the Form 5500 for the year ended December 31, 2014:

(Dollars in Thousands)	
Program's share of net investment income in Savings Plan Master Trust per the financial statements	\$363,462
Less: Administrative expenses related to the Savings Plan Master Trust per the financial statements	(1,702)
Less: Reversal of prior year adjustment from contract value to fair value for fully benefit-responsive synthetic GICs	(2,899)
Add: Adjustment from contract value to fair value for fully benefit-responsive synthetic GICs	8,092
Net investment gain from master trust investment accounts per the Form 5500	\$366,953

The following is a reconciliation of the total additions per the financial statements to the Form 5500 for the year ended December 31, 2014:

(Dollars in Thousands)	
Total additions per the financial statements	\$714,623
Less: Administrative expenses related to the Savings Plan Master Trust per the financial statements	(1,702)
Less: Reversal of prior year adjustment from contract value to fair value for fully benefit-responsive synthetic GICs	(2,899)
Add: Adjustment from contract value to fair value for fully benefit-responsive synthetic GICs	8,092
Total income per the Form 5500	\$718,114

The following is a reconciliation of net increase in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2014:

(Dollars in Thousands)	
Increase in net assets available for benefits per the financial statements before transfers	\$102,257
Less: Reversal of prior year adjustment from contract value to fair value for fully benefit-responsive synthetic GICs	(2,899)
Add: Adjustment from fair value to contract value for fully benefit-responsive synthetic GICs	8,092
Total net income per the Form 5500	\$107,450

NOTE 7 – EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Certain Program investments are shares in registered mutual funds or units in pooled investment funds managed by affiliates of Fidelity Trust through the Master Trust. The transactions involving the registered mutual funds are exempt party-in-interest transactions pursuant to the Department of Labor Prohibited Transaction 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. As of December 31, 2014 and 2013, the Program's portion of the shares held by the Master Trust was 13.8 and 15.2 million shares, respectively, of Company common stock with a cost basis of \$397.8 and \$411.0 million, respectively. During the year ended December 31, 2014, the Program recorded dividend income on the Company's common stock of \$20.9 million, of which \$5.5 million was accrued at December 31, 2014. The transactions in Company common stock were exempt party-in-interest transactions pursuant to Section 408(e) of ERISA. In addition, certain Program participants borrowed from the Program. As of December 31, 2014 and 2013, the outstanding loans of the Program participants were \$21.9 and \$23.6 million, respectively, with interest rates ranging from 4.25% to 9.25% and varying maturity dates. Program participants are a party-in-interest to the Program and these loans were exempt party-in-interest transactions pursuant to Section 408(b)(1) of ERISA.

FORM 5500, SCHEDULE H, PART IV, LINE (4i)
 EIN NUMBER: 22-0790350

PLAN NUMBER: 002

BRISTOL-MYERS SQUIBB COMPANY
 SAVINGS AND INVESTMENT PROGRAM
 SCHEDULE OF ASSETS (HELD AT END OF YEAR)
 DECEMBER 31, 2014
 (IN THOUSANDS)

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost Value **	(e) Current Value
*	Bristol-Myers Squibb Company Savings Plan Master Trust	Program’s interest in the Bristol-Myers Squibb Company Savings Plan Master Trust	\$ —	\$4,931,395
*	Program participants	Participant loans, with varying maturity dates ranging from 2015 to 2027, and interest rates ranging from 4.25% and 9.25%	—	21,906
		Total		\$4,953,301

* Denotes a party-in-interest to the Program.

** Cost information is not required for participant directed investments.

See report of independent registered public accounting firm.

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