

EXECUTIVE SUMMARY

On June 15, 2005, the Honorable Christopher J. Christie and Bristol-Myers Squibb Company (“BMS”) entered into a Deferred Prosecution Agreement (the “Deferred Prosecution Agreement”) following a comprehensive investigation led by Mr. Christie into wholesaler inventory and various accounting matters at BMS. I was appointed Monitor under the Deferred Prosecution Agreement.

I submit this Report to present my view of the status of BMS today prior to the expiration of the Deferred Prosecution Agreement.

At the outset of my engagement as Independent Advisor in 2003, I selected as my counsel Gary Apfel, a Partner at LeBoeuf, Lamb, Greene & MacRae LLP. I could not have made a better choice. He is an expert in corporate and securities law, and he has counseled me in those specialties. Beyond this, however, I relied upon his wisdom and advice in the many decisions that had to be made in my roles as Independent Advisor and Monitor of BMS and in dealing with BMS personnel, including Senior Management and other executives, and the United States (“U.S.”) Department of Justice and the U.S. Securities and Exchange Commission (the “SEC”). I take this opportunity to thank him for his tireless efforts over the past four years.

Over the past four years, BMS has undergone a remarkable transformation. While the factors that contributed to this transformation were many, a significant contributing factor was the Deferred Prosecution Agreement that BMS entered into with Mr. Christie. The agreement, which was executed on June 15, 2005, brought resolution to Mr. Christie’s extensive investigation into allegations of fraudulent financial practices, including a wholesaler inventory practice commonly referred to as “channel stuffing.” Had the parties not entered into the Deferred Prosecution Agreement, BMS may very well have been indicted for its conduct. Although the terms of the Deferred Prosecution Agreement were challenging, the process of compliance with them has made BMS a better company.

The goals of the Deferred Prosecution Agreement, as set forth by Mr. Christie, included “general and specific deterrence, full disclosure to the investing public, carefully targeted reform of a corrupted corporate culture, and restitution to victim shareholders, while minimizing collateral consequences of tens of thousands of Bristol-Myers’ law-abiding employees and current shareholders.” Before the agreement was executed, Mr. Christie met personally with BMS’ Board of Directors (the “Board of Directors”) and Peter R. Dolan, BMS’ then Chief Executive Officer, to communicate these goals, to gauge their commitment to implementing the proposed remedies, and to emphasize the critical importance of the agreement and complete compliance with each of its terms.

My personal familiarity with BMS’ extraordinary transformation derives from my role as the independent monitor of BMS, responsible for overseeing its compliance with the various terms of the Deferred Prosecution Agreement and, for two years prior thereto, my role as Independent Advisor initially retained by the Board of Directors and, later, pursuant to a Consent entered into by BMS with the SEC on August 4, 2004. I was afforded the unique opportunity of watching a company that was committed to complying with both the letter and spirit of the Deferred Prosecution Agreement and emerge from that process as a better company, one that

today is governed by the highest standards of integrity, ethics and accountability, and one that reflects its commitment to those principles in both words and deeds.

Particularly noteworthy developments, which are set forth in further detail in the body of this report, include the following:

- The reformation of the company's corporate culture into one that embraces and endorses a commitment to compliance, ethics, integrity and excellence, and encourages open and participatory communication throughout the organization.
- Improvements in the flow of communications between Senior Management and the Board of Directors, and the increased involvement of the Board of Directors in the governance of the company.
- The development of a global and independent Finance organization, whose commitment to the highest standards of integrity, transparency and financial excellence, is clearly demonstrated through such initiatives as comprehensive training programs and well-documented policies and procedures that are reviewed and revised as necessary to ensure they remain current with Generally Accepted Accounting Principles.
- The development of a well-documented budget process that is robust and transparent, and assures "that appropriate consideration is given to input and analysis from the bottom to top, and not exclusively from top to bottom."
- The development of a global disclosure process, within an environment that embraces openness and transparency.
- Improvements to the Legal Function, designed in pertinent part to help guard against the occurrence of wrongful conduct, such as the conduct that led to the execution of the Deferred Prosecution Agreement.
- The ongoing development of an outstanding global compliance program, whose policies, processes and procedures are designed to ensure a culture of integrity and ethics that enables BMS to conduct its business worldwide in compliance with all applicable laws, regulations and other governing policies.
- The development and implementation of a comprehensive process for the receipt, investigation and timely resolution of complaints from employees and third parties.
- The development and implementation of an outstanding companywide program that addresses anti-bribery and compliance with the U.S. Foreign Corrupt Practices Act.

- The development and implementation of policies and procedures directed towards management of wholesaler inventory levels, the collection and analysis of wholesaler inventory data and the disclosure of that data in periodic filings with the SEC and annual reports to shareholders.

It cannot be ignored that shortly before the issuance of this Report, pursuant to a plea agreement, BMS pleaded guilty to two counts of making false statements to the U.S. Federal Trade Commission and agreed to pay a fine in the amount of \$1,000,000. The criminal activity relates to a proposed settlement agreement that BMS negotiated with a generic drug manufacturer in 2006 to resolve a lawsuit over the patent for the blood-thinning drug Plavix, a drug that BMS co-developed and jointly markets with Sanofi-Aventis SA.

Mr. Christie determined that BMS' plea agreement and the conduct to which it relates constituted a violation of the Deferred Prosecution Agreement. However, as Mr. Christie informed BMS in a letter dated May 10, 2007, he concluded that the Board of Directors had "cured that breach" by terminating the employment of certain senior executives in September 2006, and by taking other actions designed to prevent a recurrence of the corporate governance failures in the Plavix settlement process. While the events relating to this matter were unfortunate, I believe that the manner in which BMS subsequently handled the matter, including its prompt initiation of a thorough internal investigation, the decisions it reached and the actions it took to cure the breach, its cooperation with the various government investigations and the transmission of timely companywide updates relating to the matter, clearly demonstrate that the changes to corporate governance mandated by the Deferred Prosecution Agreement are now embedded at BMS.