

EVOLVING TO A SPECIALTY CARE BIOPHARMA COMPANY



▲ Dina Sienkiewicz, pictured here with her husband, Vinny, participated in an investigational clinical trial of the combination use of experimental immune-based therapies from Bristol-Myers Squibb.



Bristol-Myers Squibb

AS THE EXTERNAL ENVIRONMENT continues to change – posing both challenges and opportunities – Bristol-Myers Squibb has successfully adapted and evolved. Throughout our history, this strategic resilience has allowed us to adhere to our Mission. Moreover, it has enabled us to keep pace with an ability to address the critical needs of today's patients, while building a company that can create extraordinary possibilities for making a difference in the lives of people in the years ahead.

ON THE COVER

After **Dina Sienkiewicz**, 46, of Woodbury, Connecticut (pictured here with her husband, Vinny), was diagnosed with stage 4 mucosal melanoma, a relatively rare type of cancer that invades mucosal surfaces of the body, she began to shorten her goals. "I just wanted to live long enough to see my daughter graduate high school and know that she was going off to college."


Now, three years later, her daughter is a college junior studying to be a physician's assistant, and Sienkiewicz is on the Internet every night, trying to help her "cancer buddies," who share her form of cancer.

Her cancer had spread, even after two surgeries, and her surgeon admitted there was "no clear blueprint" for what to do next. That's when Sienkiewicz went to see Dr. Mario Sznol, the clinical research program leader for the melanoma program at Yale Cancer Center in New Haven, Connecticut. He suggested she enter a clinical trial that was exploring whether an investigational therapy might turn on a switch in her immune system to help fight the cancer. She was given an investigational combination of two experimental immune-based therapies from Bristol-Myers Squibb: ipilimumab and nivolumab.

After her first treatment, she developed an adverse reaction, an eye inflammation that would have to be resolved before determining whether she could continue on the trial. However, as she was healing, something remarkable occurred. "I went in for the first scans, and to everyone's surprise, much of the cancer had disappeared," she says. Eight weeks later, more scans showed that while she was not cured, there was no longer any evidence of the tumors.

"Dr. Sznol said he hadn't done anything – that it was the investigational drugs," Sienkiewicz adds. "Yet he was always cautiously hopeful, and he and his team were there for me every step of the way. I'm a huge advocate of clinical trials now because they provide options for people. I never want anyone else to ever hear the words, 'There is no clear blueprint.'"

The patient stories shared in this Annual Report depict individual patient responses to our medicines or investigational compounds and are not representative of all patient responses. In addition, there is no guarantee that potential drugs or indications still in development will receive regulatory approval.



“ I just wanted to live long enough to see my daughter graduate high school and know that she was going off to college. ”

— Dina Stenkiewicz

TO OUR STOCKHOLDERS

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Bristol-Myers Squibb is a company on the move. Driving results. Building our future. Making a difference in people's lives.

Throughout 2013, we delivered across the board and across the globe. Commercially. Clinically. Strategically. We continued our balanced approach of delivering for patients today, while investing for patients tomorrow.

We ended the year in a strong, forward-leaning position. Our financial performance was solid. Our pipeline was robust. And our BioPharma transformation entered into a new, exciting phase – one geared toward making us one of the industry's leading specialty care companies.

Simply stated, 2013 was an important year for Bristol-Myers Squibb.

Driving Results

Our total shareholder return was 70%, which was well above our peer average of 36%. We also met our goals with respect to earnings per share and sales.

Our revenue was \$16.4 billion, which represents a 7% decrease in company sales – a decline largely caused by the loss of exclusivity of *Plavix* and *Avapro* in the U.S. the previous year – but each of our new and in-line products delivered strong, meaningful results. Among the key drivers with double-digit growth were *Yervoy* (metastatic melanoma), *Sprycel* (chronic myeloid leukemia), *Orencia* (rheumatoid arthritis) and *Baraclude* (hepatitis B).

In fact, excluding *Plavix* and *Avapro*, we delivered a 9% increase. This is significant, because it underscores the strength of our current portfolio and the potential for sustained long-term growth.

Much of our research and development focus in 2013 was in three therapeutic areas: cardiovascular, immuno-oncology and hepatitis C. We met our objective regarding the number of Phase III compounds and exceeded our goals regarding life-cycle management of our products. Additionally, we presented important clinical data and made key regulatory advances.

Cardiovascular

It was a very important year for *Eliquis*. We launched in major markets around the world for stroke prevention in atrial fibrillation, and sales trended positively throughout the year. And based on very favorable data, we filed in the U.S. and Europe for the treatment of venous thromboembolism, thus potentially expanding

the patient populations who could be served by this relatively new, increasingly popular cardiovascular medicine.

Immuno-oncology

It was a very exciting year for our immuno-oncology platform because it became increasingly clear that our products have the potential to fundamentally transform cancer care – making it possible for patients to live longer, better lives.

Our first immuno-oncology therapy, *Yervoy*, is now available in more than 40 markets and delivered a 36% increase in sales last year. We presented compelling long-term survival data for *Yervoy* in metastatic melanoma and advanced our work with nivolumab in multiple tumor types – metastatic melanoma, renal cancer and lung cancer. Nivolumab, which is also being studied both as a monotherapy as well as in combination therapy, is the subject of more than 30 ongoing clinical studies for a range of cancers.

Hepatitis C

And it was a very promising year for our hepatitis C portfolio. Our compounds continued to show real potential, particularly in Japan, where we filed our dual regimen late last year. In addition, we submitted daclatasvir in Europe and initiated a Phase III study for a fixed-dose combination, which incorporates three of our oral agents in a single tablet.

Building Our Future

While driving these results, we also continued building our company's future – moving our transformation forward, maintaining the momentum of the past few years.

In fact, since 2007, we have executed against a BioPharma strategy that has effectively turned Bristol-Myers Squibb into an industry leader. We have focused our resources on innovative pharmaceuticals. We have strengthened our pipeline and portfolio and diversified our geographical emphasis. And we have constantly evolved our organization to meet the challenges and opportunities of an ever-changing external environment.

It was in that spirit that we announced in December our decision to sell the diabetes business of Bristol-Myers Squibb which comprised our global alliance with AstraZeneca – an important decision that was taken after a thorough assessment of the benefits it will generate for our company. It was also in that spirit that we sharpened our company's R&D strategic focus to a more specialty care model.

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– Lamberto Andreotti, Chief Executive Officer



Taken together, these developments allow us to target our resources in a way that benefits our shareholders and the patients we serve. We are now able to invest more time, energy and money in those specialty areas where we can compete most effectively and can have a greater impact, such as immunology, virology including hepatitis C, rheumatoid arthritis and stroke prevention.

To support this new model, we strengthened our Commercial organization by making it more global, more integrated and more streamlined. We also strengthened our Finance organization by integrating it with Strategy and Business Development – a move that will enhance our ability to align the long-term priorities of our company.

Additionally, we made several key changes to my Senior Management Team. Francis Cuss became our Executive Vice President and Chief Scientific Officer. Giovanni Caforio became our Executive Vice President and Chief Commercial Officer. Anne Nielsen became our Chief Compliance and Ethics Officer. The responsibilities of Chief Financial Officer Charlie Bancroft expanded to include Strategy and Business Development. And we welcomed Ann Powell Judge, Senior Vice President for Human Resources.

Making a Difference

Throughout the year, we maintained our singular focus on people – those who use our medicines, those who live in our communities and those who call Bristol-Myers Squibb home. Whether we were driving results or building our future, everything we did in 2013 was centered on making a difference in people’s lives.

Additionally, our commitment to people was the driving force behind the Bristol-Myers Squibb Foundation’s work in Africa

(HIV/AIDS, tuberculosis, cervical cancer), Asia (hepatitis B and C), North America (diabetes, cancer and returning veterans) and Europe (cancer).

Our commitment to people was the reason for our continued work in support of the United Nations Global Compact principles, our significant progress toward the Bristol-Myers Squibb Sustainability 2015 Goals and our own “Go Green” initiatives at our sites around the world.

And our commitment to people was at the heart of all we did to maintain a workplace that promotes diversity and inclusion and provides an atmosphere conducive to personal growth and professional development.

Going Forward

2014 promises to be another important year.

We will continue to drive results. We will continue to build our future. We will continue to make a difference in people’s lives by providing new hope for our patients, new initiatives for our communities and new opportunities for our employees.

And we will do all of this while maintaining our steadfast commitment to business ethics and personal integrity.

This is who we are. This is what we do. This is Bristol-Myers Squibb today.

A handwritten signature in black ink, appearing to read 'L. Andreotti', written over a faint, light-colored background.

Lamberto Andreotti
Chief Executive Officer
March 5, 2014

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