

**BARD**

## ABOUT BARD

C. R. Bard, Inc., is a leading multinational developer, manufacturer and marketer of innovative, life-enhancing medical technologies in the fields of vascular, urology, oncology and surgical specialty products.

Bard markets its products and services worldwide to hospitals, individual healthcare professionals, extended-care facilities and alternate-site facilities.

Bard pioneered the development of single-patient-use medical products for hospital procedures. Today, Bard is dedicated to pursuing technological innovations that offer superior clinical benefits while helping to reduce overall costs.

## FINANCIAL HIGHLIGHTS

### Operations as of and for the year ended December 31:

	2008	2007	2006
(dollars in millions except per share data)			
Net sales	\$2,452.1	\$2,202.0	\$1,979.6
Income from continuing operations	\$ 416.5	\$ 406.4	\$ 314.5
Diluted earnings per share from continuing operations	\$ 4.06	\$ 3.84	\$ 2.94
Diluted earnings per share from continuing operations – excluding the items identified below	\$ 4.44	\$ 3.82	\$ 3.30
Cash dividends paid per share	\$ 0.62	\$ 0.58	\$ 0.54
Research and development expense	\$ 199.1	\$ 135.8	\$ 144.9
Return on average shareholders' investment	21.8%	22.9%	16.8%
Number of employees	11,000	10,200	9,400

"Net sales in constant currency" and "net income and diluted earnings per share excluding items" are non-GAAP financial measures. For a reconciliation of net sales in constant currency, please see page II-4 in the Annual Report on Form 10-K for the year ended December 31, 2008.

In the first quarter of 2007, the company completed its previously disclosed plan to withdraw from the synthetic bulking market and discontinue the sale of the Tegress™ synthetic bulking product, which was formerly reported in the urology product group category. Consequently, the company accounts for this withdrawal as a discontinued operation for all periods referred to in this report. The impact of the reclassification is approximately \$42.4 million after tax (\$0.40 diluted earnings per share) in 2006.

#### Net Income and Diluted Earnings Per Share (EPS) Reconciliation

As discussed below, items in each of 2008, 2007 and 2006 affect the comparability of the company's results of operations between periods.

**2008** – Included in the company's 2008 earnings are the following items: a charge of \$34.9 million after tax for an asset disposition, a charge of \$31.1 million after tax for purchased research and development, a charge of \$0.8 million after tax for reorganization costs, a gain of \$0.6 million after tax associated with the sale of an asset, and a net decrease of \$27.3 million in the income tax provision including a decrease of \$28.3 million as a result of the completion of the IRS examination for the tax years of 2003 and 2004, offset by an increase of \$1.0 million due to a tax-related interest adjustment. The total of these items is \$38.9 million after tax (\$0.38 diluted earnings per share).

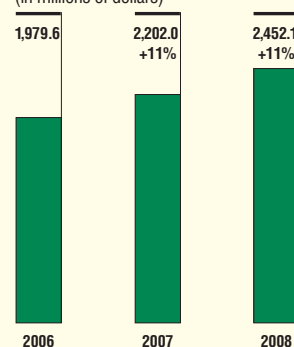
**2007** – Included in the company's 2007 earnings are the following items: a charge of approximately \$1.5 million after tax for purchased research and development and a reduction in the income tax provision of approximately \$3.7 million due to changes in certain statutory tax rates outside the United States that resulted in the revaluation of deferred taxes. The total of these items is \$2.2 million after tax (\$0.02 diluted earnings per share).

**2006** – Included in the company's 2006 earnings are the following items: charges of approximately \$19.5 million after tax for purchased research and development, investment gains of approximately \$1.8 million after tax, a charge of approximately \$43.1 million after tax for the settlement of legal matters, a charge of approximately \$1.2 million after tax related to the settlement of a tax matter by the company's joint venture in Japan and a reduction in the income tax provision of approximately \$23.8 million predominately related to the expiration of the statute of limitations in the United States for the tax years 2000 through 2002. The total of these items is \$38.2 million after tax (\$0.36 diluted earnings per share).

This report contains forward-looking statements, the accuracy of which is necessarily subject to risks and uncertainties. Please refer to our detailed statement regarding forward-looking information in the Annual Report on Form 10-K for the year ended December 31, 2008. A copy is enclosed with this mailing.

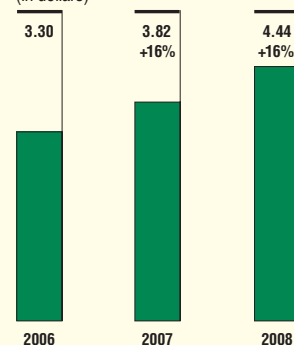
### Net Sales

(in millions of dollars)



### Diluted Earnings Per Share<sup>1</sup>

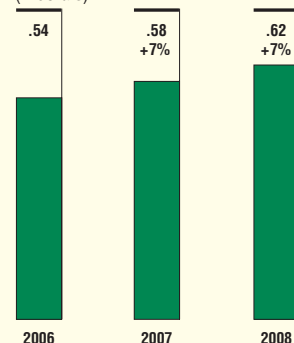
(in dollars)



<sup>1</sup> Excluding the items identified to the left.

### Cash Dividends Paid Per Share

(in dollars)





**ENHANCING THE QUALITY OF LIFE**

Financial and clinical information may be the foundation of this annual report, but it only tells part of the story of C. R. Bard, Inc.

Behind the numbers and the products are thousands of people – the employees who develop, manufacture and market our innovative medical devices, the clinicians around the world who use our products to help others and the patients whose quality of life is ultimately enhanced.

All are represented in this publication, because they are the authors of our success story in 2008. And they are the reason why Quality, Integrity, Service and Innovation go into everything we do.





**John H. Weiland**  
President and  
Chief Operating Officer

**Timothy M. Ring**  
Chairman and  
Chief Executive Officer

## TO OUR SHAREHOLDERS:

Consistent growth has been a hallmark of C. R. Bard, Inc., for many years, and we're pleased to report that this trend continued in 2008. For six straight years, our emphasis on product innovation, market leadership, diligent investment in our business and fiscal discipline has led to adjusted EPS growth above our 14% target. In addition, we increased our annual dividend payout to shareholders for the 37th consecutive calendar year.

We have generated these results while investing heavily in research and development (R&D), sales expansion and business development, and, in turn, Bard's future. Our consistent strategy together with more than 11,000 employees around the world committed to the execution of our plan helped make 2008 another year of impressive performance.

### 2008 Financial Highlights

- Net sales growth: 11% as reported and 10% in constant currency
- Net income: \$416.5 million as reported; \$455.4 million (up 13%) excluding items that affect the comparability of results between periods (as identified in financial highlights inside the front cover)
- EPS: \$4.06 as reported; \$4.44 (up 16%) excluding items that impact the comparability of results between periods (as identified in financial highlights inside the front cover)

Bard is well-positioned to meet the changing demands of the marketplace in the years ahead. With a product portfolio that spans four major categories – vascular, urology, oncology and surgical specialties – our success is not overly dependent on any one device or segment. The market for each of these product groups is expected to grow as the ranks of senior citizens swell and life spans increase.

### Reducing Costs for Customers

In October, the Centers for Medicare and Medicaid Services (CMS) eliminated reimbursement to healthcare facilities for costs related to certain hospital-acquired infections (HAIs), recognizing that preventing urinary tract infections (UTIs), for example, is better than treating them. Our BARDEX<sup>®</sup> I.C. Foley catheter has been assisting in the prevention of catheter-associated UTIs for over a decade. This not only has a very positive clinical impact on patients, but also helps hospitals reduce expenditures associated with lab and diagnostic tests, antibiotics, physician consults and extra room and care charges.

In 2008, we marked the first full year of sales of our AGENTO® I.C. silver-coated endotracheal tube, which offers better patient outcomes and economic benefits by reducing the incidence of ventilator-associated pneumonia (VAP) – one of the most costly HAIs. Studies have shown that VAP can lead to extended hospitalization and increased mortality, adding as much as \$40,000 per incident to hospital costs. In August, the *Journal of the American Medical Association* published the results of the North American Silver-Coated Endotracheal Tube (NASCENT) clinical study, which enrolled approximately 2,000 patients in 54 hospitals – the largest clinical trial in Bard’s history. The study demonstrated that the AGENTO® I.C. endotracheal tube reduced the incidence of VAP in patients intubated for 24 hours or longer by 36%, with a 48% reduction within the critical first 10 days of intubation (see page 10).

Infection control isn’t the only area where our products help patients and offer potential savings. For instance, STATLOCK® stabilization devices may cost more than a strip of tape, but they help prevent complications and reduce unscheduled restarts of intravenous (IV) lines, saving valuable time and money. Another example is the POWERPICC SOLO™ catheter (see page 8) which incorporates an innovative proximal valve that reduces the need for catheter flushing to once a week, with saline only, eliminating the time, cost and risks associated with daily flushing with saline-heparin solutions.

Beyond always striving to improve clinical outcomes, we will continue to offer our customers the tools they need to keep escalating healthcare costs in check.

### **Putting the Patient First**

In recent years, there has been increasing scrutiny of the relationships between the medical device industry and healthcare professionals. We are committed to AdvaMed’s recently revised Code of Ethics, and will continue to conduct our business in a manner that ensures that our interactions with clinicians reflect the highest ethical standards, with the needs of patients always paramount.

Patient and clinician needs also drive us to engineer into our products the highest level of quality possible. We do not take this responsibility lightly. In fact, many of our employees and their loved ones have used our devices, and any one of us may need to depend on a Bard product at any given time. Tim Onley, whom you will meet on page 8, is a perfect example.

To that end, we continue to increase our investments in product quality and R&D, adding highly skilled staff and bringing important functions in-house, such as the management of clinical trials. In 2008, we sponsored 21 clinical trials, up from four as recently as 2004. Overall, we increased our spending on R&D to \$199 million in 2008. These investments have yielded many new products, including the three recently approved peripheral vascular devices described below.

## **Our Product Groups**

### **Vascular**

The U.S. Food and Drug Administration has recently issued Bard three pre-market approvals: the E•LUMINEXX™ vascular stent for treatment of common external iliac artery occlusions; the FLAIR™ endovascular stent graft for treatment of stenosis in synthetic arteriovenous bypass grafts; and the LIFEStENT® FLEXSTAR vascular stent, the only stent on the market in the United States for treatment of occlusive disease in the superficial femoral artery (SFA) and proximal popliteal artery.

Atrial fibrillation (A-fib) products are the fastest growing component of our electrophysiology business, driven primarily by our BARD® HD mesh ablation catheter in Europe (see page 6). The U.S. A-fib opportunity is estimated to be much larger than in Europe, and patient enrollment for our MAGELLAN pivotal clinical study is well underway.

With our VACORA® vacuum-assisted biopsy device and ULTRACLIP® breast tissue marker, we have moved into a leadership position in the ultrasound segment of the \$435 million global breast biopsy market. We are listening carefully to our customers as we design and develop our next-generation biopsy devices, which we think will further raise the bar in this area.

The peripheral percutaneous transluminal angioplasty (PTA) market is about \$395 million globally, growing roughly 11% annually. The DORADO® PTA catheter utilizes our proprietary high-pressure balloon technology that provides very consistent balloon diameters, even at high pressures, enabling precise vessel dilatation. The VACCESS™ product line of high-pressure specialty PTA catheters, launched in the first quarter of 2008, utilizes our high-pressure and non-compliant technology in a configuration specifically designed for use in cost-conscious dialysis access centers. The performance of these two catheters helped accelerate growth in our PTA line in 2008.

## Urology

We continue to expand into faster growing and more profitable areas including infection control, continence management and catheter stabilization, making the urology market in which we compete worth approximately \$2.1 billion globally. As we mentioned earlier, our infection control products are well-positioned to benefit from the CMS reimbursement changes and increasing customer awareness of the costs of HAIs.

We continue to enjoy strong demand for our STATLOCK® catheter stabilization devices, a product line we acquired in 2006. Since the acquisition, we've launched nearly 100 products in this family, and we see a lot more opportunity for growth.

Our continence management business has been primarily focused on treating female incontinence and pelvic floor prolapse, a roughly \$555 million global market. Our pipeline for this segment focuses on less invasive procedures that can be performed in the hospital, surgical center and, ultimately, the physician's office. Our AJUST™ sling platform was launched in Europe late in 2008 and is the first sling on the market to offer two-way adjustability in a single-incision product. Early clinical feedback from both doctors and their patients in Europe is encouraging, demonstrating the benefits of the unique and proprietary features of this novel device.

We have recently expanded the boundaries of our continence offerings with the launch of the DIGNICARE™ stool management system, an indwelling lower bowel catheter designed to reduce the risk of skin breakdown, minimize exposure to infectious microorganisms including *Clostridium difficile*, and reduce the time and expense associated with fecal incontinence.

## Oncology

Peripherally inserted central catheters (PICCs) comprise a \$335 million global market growing approximately 16% annually, as more institutions recognize their clinical and economic benefits for patients who will be on IV therapy for more than a few days. We have advanced PICC technology with new features including power injection capability and tip locator and proximal valve technology. We will continue to enhance PICC performance through the use of new materials and coatings that further extend their use and enhance their safety and efficacy. For example, we are currently developing electrocardiogram PICC tip confirmation technology, which has the potential to revolutionize the PICC market. If successful, it will

complement our SITE~RITE® ultrasound and SHERLOCK® tip location systems by allowing the nurse to place the PICC at the bedside, confirm its tip location and, potentially, release the patient for therapy immediately, without the need for X-ray confirmation.

The \$260 million global port market is growing at about 8% per year, and together with PICCs, represents about 70% of our total oncology business. In mid-2008, we launched the magnetic resonance imaging (MRI) compatible intermediate-sized POWERPORT® device, which is now the largest selling standard port configuration on the market. In June, we acquired Specialized Health Products International, Inc., a leading producer of safety winged infusion sets, which are used to access an implanted port 26 times over the typical patient's course of treatment.

Early in 2009, we plan to launch the POWERPORT® DUO dual-lumen port with power injection capability. This product is specifically designed to support patients who require multiple lumens for additional intravenous therapy or who need simultaneous injections of incompatible drugs. Also in the first half of 2009, we anticipate launching a new low-profile POWERPORT® device to support the needs of pediatric patients and patients who prefer to have their port placed in the upper arm.

## Surgical Specialties

The global market for Bard's hernia repair products is approximately \$825 million, growing about 7% annually. In the past year, several new technologies helped to stabilize our hernia repair portfolio which should set the stage for future growth. We introduced the SEPRAMESH™ IP product line as our first absorbable barrier product and launched an enhanced version of our PERMASORB® resorbable fixation device.

We launched our VENTRIO™ hernia patch in the United States in October, which incorporates a proprietary self-deployment ring made of polydioxanone that completely resorbs as the hernia repair takes hold. For inguinal hernia repair, we plan to launch later in 2009 the next generation of our market-leading PERFIX® plug and 3DMAX® mesh technologies for open and laparoscopic surgical repair. We recently launched the COLLAMEND® FM implant, a biologic ventral repair product designed to promote rapid healing and tissue in-growth for complex hernia repairs.

Early in 2009, we plan to launch the SORBAFIX™ fastening device, a new platform in the hernia fixation space. It has received very positive early physician feedback in testing, and will be our springboard to the new PERMAFIX™ permanent tack fixation device, scheduled to launch later this year.

Enrollment in the TRIM feasibility study for our endoscopically based proprietary suturing technology and its application to bariatric procedures for the treatment of obesity has been completed. Early results are very promising, with patients able to leave the hospital on the same day of treatment, reporting only minimal discomfort.

### **Expanding Overseas**

Historically, our primary overseas markets have been Europe and Japan. Today, Bard's products are marketed through subsidiaries and joint ventures in over 100 countries outside the United States. We are currently expanding our presence in the world's most populous country, China, with three offices and a sales force that continues to grow.

In 2008, we opened our first direct sales and marketing offices in Poland, the Czech Republic and South Africa. This year, we plan to do the same in Brazil, which will be our first direct sales and marketing office in South America. Establishing direct sales teams in these countries allows us to accelerate growth and facilitate greater customer contact and support in these markets. It also gives us the opportunity to provide more education and training for clinicians, and enables them to have faster access to the latest Bard technologies.

### **Our Leadership**

Our experienced and knowledgeable Board of Directors continues into 2009 unchanged, providing steady guidance in a turbulent economy, while three long-serving members of our corporate management team announced their retirements in 2008.

Joseph Cherry, James Natale and Amy Paul each played a key role in many of the company's accomplishments over the past two decades, and we wish to thank them for their contributions to Bard's success. In each case, we identified a capable replacement from within the organization. Timothy Collins, Group Vice President, Operations, Brian Kelly, Group Vice President, Corporate Healthcare Services and Sharon Alterio, Group Vice President for our International businesses, have smoothly transitioned into their important new roles.

We also welcomed two new Corporate Officers from outside the organization who are focusing their efforts on the critical areas of quality and regulatory compliance: Gary Dolch, Ph.D., Senior Vice President – Quality, Regulatory and Medical Affairs, and Patrician Christian, Vice President – Regulatory Affairs.

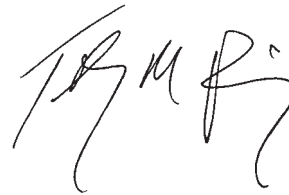
### **Looking Ahead**

In 2008, approximately 80% of our record \$2.45 billion in sales was derived from products that are number one or two in their respective markets. Product leadership remains our key strategic focus, and it will continue to drive us to develop and acquire devices for which clinicians lead the purchasing decisions, and for which we can demonstrate positive clinical outcomes. We will continue to look for opportunities in fast growing markets and in segments that may be overlooked or under-resourced, and our product and business decisions will focus on prospects for a sustainable competitive advantage.

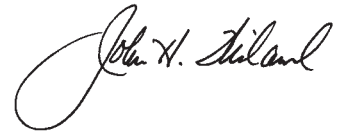
The year ahead will present many challenges for business leaders around the world. With a disciplined approach and sound fundamentals, we're confident that Bard is positioned to meet these challenges.

We would like to thank you, our shareholders, and our devoted employees for supporting our vision in 2008 and the years ahead.

Sincerely,



**Timothy M. Ring**  
Chairman and  
Chief Executive Officer



**John H. Weiland**  
President and  
Chief Operating Officer

February 23, 2009



## Curing a Man with Racing in His Heart

Paul Harper could barely walk 10 yards – much less put his thoroughbred through his paces – after he began to suffer from atrial fibrillation in 2005 at the age of 42. Three rounds of cardioversion therapy failed to improve his quality of life, and by April 2008, he was in declining health and desperate for a lasting solution.

The solution came in the form of the BARD® HD mesh ablation system, which delivers pulsed radiofrequency energy to the openings of the pulmonary veins, creating lesions that eradicate the heart arrhythmia.

Today, he's free of atrial fibrillation, and back to preparing Glen Orchy Lad for another season on the racing circuit.

The hamlet of Enniscrone, in northwestern Ireland, becomes a boomtown in the summer as vacationers flock to its broad, sandy beaches to immerse themselves in the water and breathtaking scenery of Kilalla Bay. But at dawn, the beach is quiet, just as it is in the off-season. That's when you will find Paul Harper exercising Glen Orchy Lad, putting the majestic thoroughbred through his paces to prepare him for a season of racing at premier venues around the country.

In 2005, Paul noticed that something besides the rugged coastal scenery was taking his breath away. "If I walked 10 yards, I was out of breath," he recalls. When the shortness of breath persisted, the otherwise physically fit 42-year-old visited a physician and learned that he suffered from atrial fibrillation.

Also known as A-fib, atrial fibrillation is an abnormal heart rhythm that affects millions of people around the world. Paul's case was more debilitating than most. "Every week, I would get out of bed thinking I was having a heart attack."

He struggled to appear as if nothing was bothering him. "I didn't want anyone to know about it," Paul says. "I didn't want to lose my job." Or, more specifically, "jobs" – Paul is also a member of the Sligo fire brigade, which, like putting a thoroughbred through his paces, requires a great degree of physical exertion and stamina. As a driver of one of the fire trucks, he needs to be available for every call, but he knew that he would never pass his next annual medical exam – a requirement for all members of the brigade.

At first, his physicians recommended cardioversion, or shock therapy, to jolt the heart back into rhythm. He endured three sessions of the treatment, each a few months after the previous treatment. His symptoms not only persisted, but worsened.

By April, 2008, Paul was taking a high daily dose of warfarin – an anticoagulant that, he wryly notes, was first developed as a rat poison – to prevent stroke, which can be caused by A-fib. It thinned his blood so much that he feared the consequences of a cut while shaving.

As his stamina decreased, he had to hire someone to exercise the four horses in his stable. Desperate for a lasting solution, he took his physician's advice to see David Keane, M.D., Ph.D., one of Ireland's most renowned cardiologists.

"Paul's symptoms included palpitations, and he also had previous adverse effects from antiarrhythmic medications," recalls Dr. Keane. "On monitoring, he was in atrial fibrillation more than 50% of the time." While the A-fib was debilitating on its own, Dr. Keane notes that it put him at risk for even more serious health problems, including stroke and heart failure, and further adverse effects from medications.

Dr. Keane treated Paul's atrial fibrillation with the versatile BARD® HD mesh ablation system, in which a catheter using Bard's proprietary mesh geometry is threaded into an area of tissue surrounding the pulmonary veins where the arrhythmia originates. The mesh contains 36 electrodes, which optimizes contact and allows the electrophysiologist to "map" the errant signals coming from the pulmonary veins, which are usually the triggers of A-fib. Then, the same catheter can deliver pulsed radiofrequency (RF) energy to the openings of the pulmonary veins in order to create a lesion that eradicates the arrhythmia. Unlike conventional RF ablation catheters, the BARD® HD mesh ablation catheter can deliver energy simultaneously to multiple electrodes, which may contribute to faster lesion creation.

Less than a year after the procedure, Paul is not only free of symptoms, but according to Dr. Keane, is free of atrial fibrillation altogether. He passed his mandatory annual medical examination for the fire brigade with flying colors, and is back outside with Glen Orchy Lad every morning, thankful that he wasn't forced to observe his favorite pastime from the sidelines. "I was going to sit it out," he says. "Now I can do a hard day's work and I'm not tired."

NOTE: The BARD® HD mesh ablation system is commercially available only in the European Union.

CAUTION: Investigational device. Limited by U.S. law to investigational use.



## For Venous Access, Less Is More

For Tim Onley, the most uncomfortable aspect of the surgical procedure that removed a section of his colon may have been the insertion of five peripheral intravenous (PIV) catheters into his arms in a single day, exhausting his peripheral veins and causing painful swelling.

To spare him further discomfort, Tim's interventional radiologist prescribed a POWERPICC SOLO™ catheter, enabling clinicians to draw blood and infuse IV fluids and medications for the rest of his hospital stay without the need for additional needlesticks.

Tim felt the improvement immediately, and it wasn't long before he was well enough to work in the flower beds that beautify his South Carolina property.

Tim Onley has never been afraid to get his hands dirty helping others. After working in his father's auto shop as a mechanic, he decided to share his skills and knowledge with others, joining the local school system as a vocational instructor in automotive technology. For 22 years, he mentored students as they mastered the complex systems that make a car perform at its peak.

For all his willingness to roll up his sleeves and get to work, there was one complex system he could not fix – his own body. A chronic case of diverticulitis made it increasingly difficult to perform the job that he loved, bringing his career to a premature halt. Reluctantly, he retired in 2006.

By the summer of 2008, his discomfort became too much to bear. Tim was admitted to the hospital, where physicians removed an 18-inch section of his colon. As traumatic as the surgery was, Tim's memories of the five peripheral intravenous (PIV) catheters that were inserted that day are even more vivid. "My veins have never been the best," he recalls. "They're deep under the skin, and the technicians had trouble getting the IV started." In addition, he was receiving medications that were harsh on peripheral vessels. In the course of 24 hours, his peripheral veins were completely exhausted, his arms painfully swollen.

Tim's daughter, Leah, was in town for her bridal shower, and had extended her visit to provide emotional support. On her way to the hospital the morning after the surgery, she received a call from her mother, explaining that the doctors were talking about giving Tim a peripherally inserted central catheter (PICC). A PICC is typically inserted into one of the large veins in the arm, providing direct access to the bloodstream for an extended period of time. The product can be used for drawing blood or for the infusion of intravenous fluids and medications, eliminating the need for multiple needlesticks.

As a sales representative for Bard Access Systems, Leah knew more about PICCs than the average healthcare consumer. "Knowing what I've heard about other PICC lines, my first thought was, does the hospital use Bard products?" Fortunately, it did.

Launched in late 2007, the POWERPICC SOLO™ catheter represents a significant advancement in specialty venous access technology. Unlike most catheters, this product contains a valve allowing liquids to flow in or out, yet remains closed when not in use. While conventional PICCs must be flushed daily with a saline-heparin solution to prevent clotting and thrombosis, the innovative proximal valve design of the POWERPICC SOLO™ catheter reduces the need for flushing to once per week, with saline only – reducing the risk potential for an adverse heparin reaction while simultaneously reducing cost and inconvenience.

If Tim had received a regular PICC and his doctors later decided he needed a contrast-enhanced computed tomography (CECT) scan – not an uncommon occurrence for someone who just had major surgery – his already exhausted veins would have had to endure yet another needlestick. Not so with the POWERPICC SOLO™ catheter, which is designed to withstand contrast power injections for CECT scans at up to five milliliters per second.

Once the POWERPICC SOLO™ catheter was placed, the remainder of his hospital stay was relatively quick and uneventful. "Wow, what a difference! It just took care of it," Tim says. The catheter was removed after four days, and, within a few weeks, Tim was back to getting his hands dirty, this time planting roses and bulbs around his South Carolina property.

And, in October, the person Leah calls "the most caring man in the world" had the honor of walking his daughter down the aisle on her wedding day, largely free of the discomfort that prompted his retirement two years earlier.

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Ann Jensen  
Intensive Care



Dr. Alex E. Morrow  
Medical College  
Alex E. Morrow, MD  
Pulmonary, Critical Care  
& Sleep Medicine

## A Silver Bullet for Hospital-Acquired Infections

Ventilator-associated pneumonia (VAP) is one of the most costly hospital-acquired infections, and is especially prevalent in intensive-care units for patients that are ventilated for more than 24 hours.

Lee Morrow, M.D. (seen here with Creighton University Medical Center colleague and infection control specialist Ann Lorenzen, R.N., left) was an investigator in the North American Silver-Coated Endotracheal Tube (NASCENT) clinical study, which demonstrated that Bard Medical Division's AGENTO® I.C. silver-coated endotracheal tube reduced the incidence of VAP in patients intubated for 24 hours or longer by 36%, with a 48% reduction within 10 days of intubation.

The device incorporates Bard's proprietary polymer technology, allowing the tube to elute silver ions to kill the microorganisms responsible for VAP.

People come to the hospital to get well – not to develop pneumonia or a urinary tract infection (UTI). Nevertheless, approximately 1.7 million people acquire some sort of infection during a hospital stay each year in the United States alone.<sup>1</sup>

In October 2008, the Centers for Medicare and Medicaid Services (CMS) stopped reimbursing hospitals for eight conditions that have evidence-based prevention guidelines. Immediately, the financial burden for the treatment of certain hospital-acquired infections (HAIs) shifted from patients and their insurance companies to hospitals.

While the CMS change forced many hospitals to look at new approaches for preventing infections, many others began taking steps years earlier. Among those was Creighton University Medical Center, a 404-bed teaching hospital in Omaha, Nebraska, with a busy Level I trauma center.

Creighton University Medical Center has been using BARDEX® I.C. Foley catheters for several years. With its BACTI-GUARD®\* silver alloy coating and BARD® hydrogel, the BARDEX® I.C. Foley catheter is clinically proven to reduce the occurrence of UTIs in catheterized patients.

When Ann Lorenzen, R.N., an infection control specialist at Creighton University Medical Center, learned that Bard was introducing an endotracheal tube that was designed to fight ventilator-associated pneumonia (VAP) by incorporating similar infection-resistant technology to that used on the BARDEX® I.C. Foley catheter, she immediately recognized the potential. “Silver on an endotracheal tube just made sense,” she explains.

The mere process of intubating a patient opens the door for microorganisms to enter the body, increasing the risk for pneumonia. As the endotracheal tube passes through the patient's mouth, it picks up microbes and carries them deeper into the body. Biofilms form on the inner and outer surfaces of the tube, hosting colonies of microorganisms that can detach and cause infections in the lower respiratory tract. The longer the patient is intubated, the greater the risk.

VAP is one of the most costly HAIs – a single case has been estimated to cost approximately \$40,000<sup>2</sup> – and is associated with high patient mortality and morbidity. The condition is especially prevalent in intensive-care units (ICUs) for patients that are intubated for more than 24 hours. In Creighton's ICU, typically half of the patients are on ventilators.

Based on National Healthcare Safety Network criteria, Creighton's adult VAP rate in 2007 was 7.9 VAPs per 1,000 ventilator days using standard endotracheal tubes. “We recognized the rate was high, and was resulting in prolonged length of stay in the ICU,” recalls Lee Morrow, M.D., who specializes in critical care and pulmonary medicine at Creighton University Medical Center. “We had to do something.”

To say that the rates have dropped since implementing the silver-coated tubes in the adult ICUs in March of 2008 would be an understatement. “The rate is zero,” says Lorenzen. “We had one case of VAP during the implementation phase, but we haven't had a case of VAP with the silver-coated endotracheal tube since then.”

Even better, the adoption of the AGENTO® I.C. silver-coated endotracheal tube (ETT) was a seamless process, because no additional training of staff was necessary. “Nobody had to change procedures or learn something new,” says Lorenzen. “The difference is inherent in the tube.”

Dr. Morrow has fielded a number of inquiries from physicians in the community who want to learn more about the AGENTO® I.C. silver-coated ETT. “When one institution goes out on a limb like this and the quality people do their assessments, you can bet that information is going to get passed along.”

\*The Foley catheters included in the BARDEX® I.C. system contain BACTI-GUARD® silver alloy coating licensed from Bactiguard AB. BACTI-GUARD is a registered trademark of Bactiguard AB.

<sup>1</sup> <http://www.cdc.gov/ncidod/dhqp/hai.html>

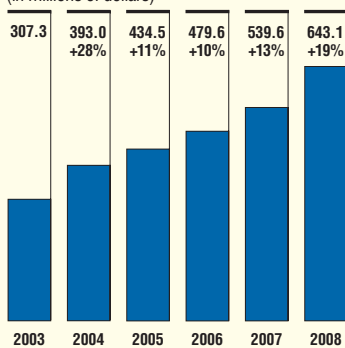
<sup>2</sup> Rello J, Ollendorf DA, Osler G, et al. Epidemiology and outcomes of ventilator-associated pneumonia in a large U.S. database. *Chest* 2002; 122(6):2115-2121.

## PRODUCT GROUP REVIEW

### Vascular

#### Net Sales

(in millions of dollars)



Five Year Compound Growth Rate: 15.9%

#### Key Products

##### Electrophysiology (EP)

Diagnostic Electrode Catheters  
Therapeutic Electrode Catheters  
Atrial Fibrillation Catheters  
Temporary Pacing Electrodes  
Computerized EP Lab Systems

##### Endovascular

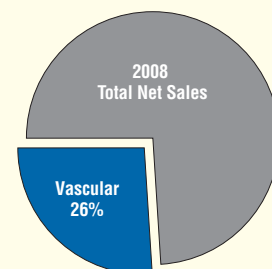
Biopsy Devices  
Peripheral Angioplasty Catheters  
Vena Cava Filters  
Peripheral Vascular Stents and Stent Grafts

##### Grafts

Dialysis Access Grafts  
Peripheral Vascular Grafts  
Abdominal Thoracic Grafts

#### 2008 Net Sales Growth

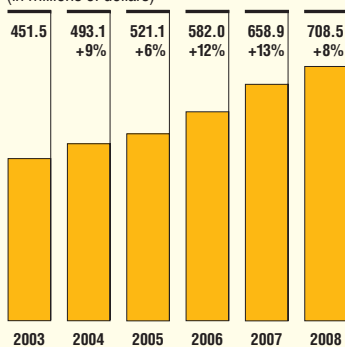
	Reported	Constant Currency
<b>Vascular</b>		
EP	18%	15%
Endovascular	25%	23%
Grafts	-1%	-4%
<b>Total Vascular</b>	19%	17%



### Urology

#### Net Sales

(in millions of dollars)



Five Year Compound Growth Rate: 9.4%

#### Key Products

##### Basic Drainage

Urinary Catheters and Trays  
Infection Control Foley Catheters  
Urine Collection Devices  
Ureteral Catheters and Stents

##### Continenace

Injectable Bulking Agents  
Surgical Continenace Products  
Pelvic Floor Repair Products  
Continenace Management Devices

##### Urological Specialties

Brachytherapy Services, Seeds and Accessories  
Specialty Foley Catheters  
Stone Management Devices

##### Catheter Stabilization

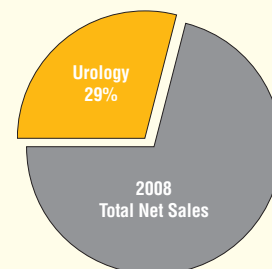
STATLOCK® Stabilization Devices

##### Respiratory Infection Control

Infection Control Endotracheal Tubes

#### 2008 Net Sales Growth

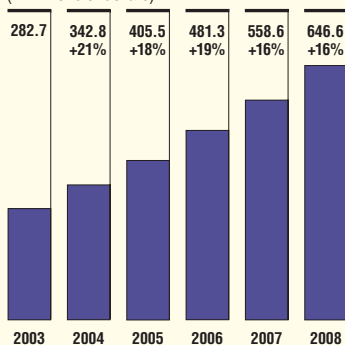
	Reported	Constant Currency
<b>Urology</b>		
Basic Drainage	9%	9%
Continenace	4%	4%
Urological Specialties	-4%	-5%
Catheter Stabilization	26%	25%
<b>Total Urology</b>	8%	7%



### Oncology

#### Ongoing Net Sales\*

(in millions of dollars)



Five Year Compound Growth Rate: 18.0%

#### Key Products

Implantable Ports  
Chronic Catheters  
Peripherally Inserted Central Catheters (PICCs)  
Dialysis Access Catheters  
Vascular Access Ultrasound  
Enteral Feeding Devices

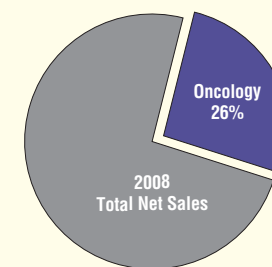
\*In 2004, the company sold certain assets of its Endoscopic Technologies division which was formerly reported in the oncology product group. The company uses "ongoing net sales" to refer to net sales excluding the net sales of the products that were sold.

Total reported oncology net sales and growth rates were as follows:

Year	2003	2004	2005	2006	2007	2008
Net Sales	336.3	388.9	405.5	481.3	558.6	646.6
Growth Rate		+16%	+4%	+19%	+16%	+16%

#### 2008 Net Sales Growth

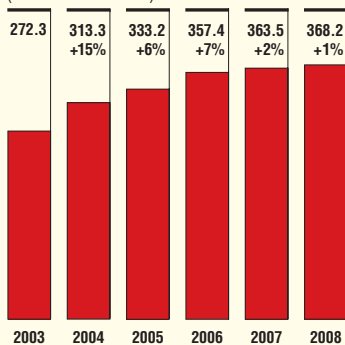
	Reported	Constant Currency
<b>Oncology</b>		
<b>Total Oncology</b>	16%	15%



### Surgical Specialties

#### Net Sales

(in millions of dollars)



Five Year Compound Growth Rate: 6.2%

#### Key Products

##### Soft Tissue Repair

Inguinal Hernia Repair Products  
Ventral Hernia Repair Products  
Complex Hernia Repair Products  
Surgical Fixation Devices

##### Performance Irrigation

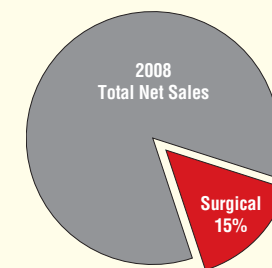
Orthopedic and Hysteroscopic Devices  
Laparoscopic Devices and Accessories

##### Hemostasis and Other

Topical Blood Clotting Products

#### 2008 Net Sales Growth

	Reported	Constant Currency
<b>Surgical Specialties</b>		
Soft Tissue Repair	-1%	-2%
Performance Irrigation	9%	9%
Hemostasis and Other	4%	3%
<b>Total Surgical</b>	1%	-



## 2008 CHARLES RUSSELL BARD AWARD RECIPIENTS

These outstanding employees were nominated by their colleagues for their exemplary performance and commitment to Bard's principles of Quality, Integrity, Service and Innovation. Each has also demonstrated the highest of personal values through a dedication to community and family.



From left to right, seated:

**Anne-Marie McGuinness**  
Financial Projects Administrator  
Bard Corporate  
Murray Hill, NJ

**Nellie Elizabeth Allgood**  
Administrative Assistant  
Bard Medical  
Covington, GA

From left to right, middle row:

**Richard K. Elton**  
Senior Polymer Chemist  
Glens Falls Technology Center  
Queensbury, NY

**Anabel Torres Picos**  
Human Resources Supervisor  
Bard Medical  
Nogales, Mexico

**Jolie E. Gordon**  
Marketing Associate  
Bard Access Systems  
Salt Lake City, UT

**Louis A. Vani**  
Rebate Coordinator  
Davol Inc.  
Warwick, RI

**Vicki Richardson**  
Manager, Financial Planning  
Bard Canada  
Mississauga, Ontario, Canada

From left to right, back row:

**Jim W. Ashton**  
Materials Manager  
Bard Access Systems  
Salt Lake City, UT

**Candice Honroth-Beaver**  
Territory Manager  
Bard Electrophysiology  
Lowell, MA

**Russell R. Riescher**  
Manager, Research and Development  
Bard Urological  
Covington, GA

**John M. Atkinson**  
Territory Manager  
Bard Peripheral Vascular  
Tempe, AZ

## BOARD OF DIRECTORS



### **Timothy M. Ring**

Chairman and Chief Executive Officer of the Company since August 2003, having been Group President from April 1997 to August 2003, Group Vice President from December 1993 to April 1997 and Corporate Vice President-Human Resources from June 1992 to December 1993; age 51. Mr. Ring has been a director of the Company since August 2003 and is a member of the Executive Committee. He is also a director of CIT Group Inc.



### **Gail K. Naughton, Ph.D.**

Dean, College of Business Administration, San Diego State University since August 2002, and Chairman and Chief Executive Officer of Histogen, Inc. (regenerative medicine) since June 2007, having been Vice Chairman of Advanced Tissue Sciences, Inc. (ATS) (human-based tissue engineering) from March 2002 to October 2002, President from August 2000 to March 2002, President and Chief Operating Officer from 1995 to 2000 and co-founder and director since inception in 1991; age 53. In March 2003, ATS liquidated pursuant to an order of the United States Bankruptcy Court for the Southern District of California, following the filing of a voluntary petition under Chapter 11 in October 2002. Dr. Naughton has been a director of the Company since July 2004 and is a member of the Governance Committee, Regulatory Compliance Committee and Science and Technology Committee. She is also a director of Celera Corporation.



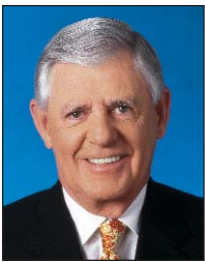
### **Marc C. Breslawsky**

Retired Chairman and Chief Executive Officer of Imagicstics International Inc. (formerly Pitney Bowes Office Systems) (document imaging solutions) since December 2005, having been Chairman and Chief Executive Officer from December 2001 to December 2005; President and Chief Operating Officer of Pitney Bowes Inc. from 1996 to 2001, Vice Chairman from 1994 to 1996 and President of Pitney Bowes Office Systems from 1990 to 1994; age 66. Mr. Breslawsky has been a director of the Company since June 1996 and is a member of the Audit Committee and Finance Committee. He is also a director of UIL Holdings Corporation and The Brink's Company.



### **Tommy G. Thompson**

Former U.S. Department of Health and Human Services Secretary from February 2001 to January 2005, having been Governor of Wisconsin from November 1986 to February 2001; age 67. Mr. Thompson has been a partner in the Akin Gump Strauss Hauer & Feld LLP law firm since March 2005, has served as Independent Chairman of the Deloitte Center for Health Solutions since March 2005 and has been President of Logistics Health, Inc. (medical readiness and homeland security solutions) since February 2005. Mr. Thompson has been a director of the Company since August 2005 and is a member of the Science and Technology Committee, Regulatory Compliance Committee and Governance Committee. Mr. Thompson is a recipient of the prestigious Horatio Alger Award. He is also a director of Centene Corporation, PURE Bioscience and SpectraScience, Inc.



### **T. Kevin Dunnigan**

Retired Chairman of Thomas & Betts Corporation (electrical connectors and components) since December 2005, having been Chairman from January 2004 to December 2005, having been a director since 1975 and having been Chairman, President and Chief Executive Officer from October 2000 to January 2004, Chairman from 1992 to May 2000, Chief Executive Officer from 1985 to 1997 and President from 1980 to 1994; age 71. Mr. Dunnigan has been a director of the Company since December 1994 and is a member of the Executive Committee, Audit Committee and Finance Committee.



### **John H. Weiland**

President and Chief Operating Officer of the Company since August 2003, having been Group President from April 1997 to August 2003 and Group Vice President from March 1996 to April 1997; age 53. Mr. Weiland joined the Company from Dentsply International in March 1996. Mr. Weiland has been a director of the Company since April 2005. He is also a director of West Pharmaceutical Services, Inc.



### **Herbert L. Henkel**

Chairman, President and Chief Executive Officer of Ingersoll-Rand Company (manufacturer of industrial products and components) since May 2000, having been President and Chief Executive Officer since October 1999 and President and Chief Operating Officer from April to October 1999; President and Chief Operating Officer of Textron, Inc. from 1998 to 1999, having been President of Textron Industrial Products from 1995 to 1998; age 60. Mr. Henkel has been a director of the Company since April 2002 and is a member of the Executive Committee, Compensation Committee, Governance Committee and Finance Committee. He is also a director of 3M Company.



### **Anthony Welters**

Executive Vice President, UnitedHealth Group (a diversified health and well-being company), since December 2006, and President, Public and Senior Markets Group since September 2007, having been President and Chief Executive Officer of AmeriChoice Corporation, a UnitedHealth Group Company, and Chairman and Chief Executive Officer of AmeriChoice Corporation and its predecessor companies since 1989; age 54. Mr. Welters has been a director of the Company since February 1999 and is a member of the Compensation Committee, Governance Committee, Science and Technology Committee and Regulatory Compliance Committee. Mr. Welters is a recipient of the prestigious Horatio Alger award and serves as a director of the Horatio Alger Association. He is also a director of West Pharmaceutical Services, Inc., Qwest Communications International, Inc. and serves as Chairman of the Board of Trustees for the Morehouse School of Medicine in Atlanta.



### **Theodore E. Martin**

Retired President and Chief Executive Officer of Barnes Group Inc. (manufacturer of precision metal parts and distributor of industrial supplies) since December 1998, having been President and Chief Executive Officer from 1995 to 1998 and Group Vice President from 1990 to 1995; age 69. Mr. Martin has been a director of the Company since October 2003 and is a member of the Audit Committee, Compensation Committee, Science and Technology Committee and Regulatory Compliance Committee. He is also a director of Ingersoll-Rand Company and Unisys Corporation.



### **Tony L. White**

Retired Chairman, President and Chief Executive Officer of Applied Biosystems, Inc. (formerly Applera Corporation) (life science systems and products) since November 2008, having been Chairman, President and Chief Executive Officer since September 1995; age 62. Mr. White has been a director of the Company since July 1996 and is a member of the Executive Committee, Governance Committee and Compensation Committee. He is also a director of Ingersoll-Rand Company.

## CORPORATE OFFICERS

### **Timothy M. Ring**

Chairman and  
Chief Executive Officer

### **John H. Weiland**

President and  
Chief Operating Officer

### **Todd C. Schermerhorn**

Senior Vice President and  
Chief Financial Officer

### **Sharon M. Alterio**

Group Vice President, International

### **Timothy P. Collins**

Group Vice President, Operations

### **Brian P. Kelly**

Group Vice President,  
Corporate Healthcare Services

### **John A. DeFord, Ph.D.**

Senior Vice President –  
Science, Technology and Clinical Affairs

### **Gary D. Dolch, Ph.D.**

Senior Vice President –  
Quality, Regulatory and Medical Affairs

### **James L. Natale**

Senior Vice President

### **Patricia G. Christian**

Vice President –  
Regulatory Affairs

### **Christopher D. Ganser**

Vice President –  
Quality, Environmental Services  
and Safety

### **Vincent J. Gurnari Jr.**

Vice President –  
Information Technology

### **James M. Howard II**

Vice President –  
Regulatory and Quality Systems Excellence

### **Bronwen K. Kelly**

Vice President –  
Human Resources

### **Stephen J. Long**

Vice President,  
General Counsel and Secretary

### **Scott T. Lowry**

Vice President and  
Treasurer

### **Frank Lupisella Jr.**

Vice President and  
Controller

### **Robert L. Mellen**

Vice President –  
Strategic Planning and Business Development

### **Jean F. Miller**

Assistant Secretary

## ORGANIZATION

### **Bard Access Systems**

J. E. Last  
President  
Salt Lake City, Utah

### **Bard Electrophysiology**

D. C. Hemink  
Vice President and General Manager  
Lowell, Massachusetts

### **Bard Medical**

R. Hanson  
Vice President and General Manager  
Covington, Georgia

### **Bard Peripheral Vascular**

J. C. Beasley  
President  
Tempe, Arizona

### **Bard Urological**

M. O. Downey  
President  
Covington, Georgia

### **Davol**

J. P. Groetelaars  
Vice President and General Manager  
Warwick, Rhode Island

### **Government and Public Relations**

H. P. Glass  
Vice President  
Gainesville, Virginia

### **Investor Relations**

E. J. Shick  
Vice President  
Murray Hill, New Jersey

### **International:**

#### **Asia and Americas**

P. R. Curry  
President

#### **Bard Asia**

T. R. Kupec  
Vice President and General Manager

#### **Bard Australia**

M. J. Daly  
Managing Director

#### **Bard Canada**

J. D. Kondrosky  
President

#### **Bard Japan**

D. W. LaFever  
President

#### **Bard Europe**

P. J. Byloos, M.D.  
President

#### **Benelux and South Africa**

I. D'Hauwe  
Area Vice President

#### **Europe – Central Region**

R. Link  
Area Vice President

#### **Italy, Iberia, Greece, Eastern Mediterranean and Middle East Export**

F. Napolitano  
Area Vice President

#### **UK, Ireland and Nordic**

P. J. Byloos, M.D. (acting)  
Area Vice President

## CORPORATE DATA

### Corporate Offices

730 Central Avenue  
Murray Hill, New Jersey 07974  
(908) 277-8000  
www.crbard.com

### Auditors

KPMG LLP  
150 John F. Kennedy Parkway  
Short Hills, New Jersey 07078-2778

### Annual Meeting

10:00 a.m., Wednesday, April 15, 2009  
Dolce Basking Ridge  
300 North Maple Avenue  
Basking Ridge, New Jersey 07920

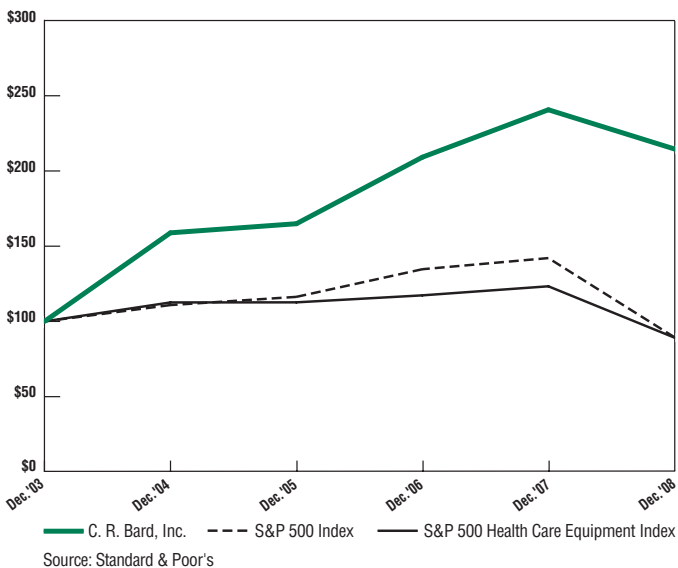
### Shareholder Information

Additional shareholder or investor information on Bard's reports or filings with the SEC, Corporate Governance Guidelines, Code of Ethics and other governance materials are posted on Bard's web site at www.crbard.com. Shareholders may receive without charge printed copies of these documents by contacting:

Eric J. Shick  
Vice President – Investor Relations  
C. R. Bard, Inc.  
730 Central Avenue  
Murray Hill, New Jersey 07974  
(908) 277-8413

### Comparison of Five Year Cumulative Total Returns

The graph below compares the cumulative total shareholder return on Bard common stock for the last five years with the cumulative total return on the S&P 500 Index and the S&P 500 Health Care Equipment Index over the same period. The graph assumes the investment of \$100 in each of Bard common stock, the S&P 500 Index and the S&P 500 Health Care Equipment Index on December 31, 2003, and that all dividends were reinvested.



### Stock Listed

New York Stock Exchange (NYSE)  
Symbol: BCR

On May 13, 2008, Bard filed with the NYSE the Certification of its Chief Executive Officer confirming that the company has complied with the NYSE corporate governance listing standards.

**A copy of Bard's Form 10-K filed with the Securities and Exchange Commission (SEC) for fiscal year 2008, which includes as Exhibits the Chief Executive Officer and Chief Financial Officer Certifications required to be filed with the SEC pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, may be obtained without charge upon written request to Bard at the corporate address listed under "Shareholder Information."**

### Registrar and Transfer Agent

Computershare Trust Company, N.A.  
Shareholder Relations  
250 Royall Street  
Canton, Massachusetts 02021  
(800) 446-2617  
www.computershare.com/investor

Please direct inquiries regarding change of address, lost certificates and other share transfer matters to the above address.

### Computershare Investment Plan for Shareholders

Registered shareholders and non-shareholders may purchase Bard common stock at any time with a low fee structure compared with normal brokerage fees. Dividends may be reinvested in Bard common stock at no cost to the shareholder. The plan is a convenient and economical way for shareholders to initiate and increase their investment in Bard through the purchase of shares with voluntary cash payments and/or all or part of their dividends. Cash payments may be made by mail or through automatic monthly deductions from your bank account.

For details or enrollment in the Computershare Investment Plan or for direct deposit of dividends, simply contact Computershare, which administers these programs for Bard. Please direct inquiries to:

Computershare Investment Plan  
for Shareholders of C. R. Bard, Inc.  
Computershare Trust Company, N.A.  
250 Royall Street  
Canton, Massachusetts 02021  
(800) 446-2617  
www.computershare.com/investor

### Proposed Next Four Dividend Dates

2009	Record Date	Payment Date
Second	April 27	May 8
Third	July 20	July 31
Fourth	October 26	November 6
2010		
First	January 25	February 5

Agento, Ajust, Bard, Bardex, Collamend, DigniCare, Dorado, E•Luminexx, Flair, LifeStent, PerFix, Permafex, PermaSorb, PowerPICC Solo, PowerPort, Sherlock, Site-Rite, Sorbafix, StatLock, Tegress, 3DMax, UltraClip, Vaccess, Vacora and Ventrio are trademarks and/or registered trademarks of C. R. Bard, Inc. or an affiliate.

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