BARD


QUALITY
INTEGRITY
SERVICE
INNOVATION
BARD
Celebrating
100 Years
1907-2007

100 YEARS

of Quality, Integrity, Service and Innovation

Since 1907, Bard has been developing innovative medical technologies that are cornerstones of modern health care.

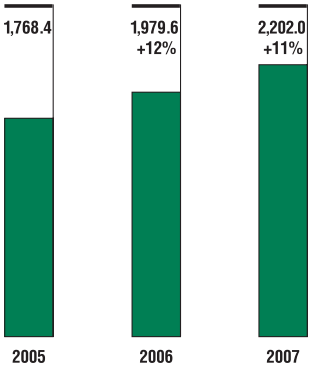
Charles Russell Bard and his successors grew the business by identifying the unmet needs of patients and clinicians, and by investing in innovative products to serve those needs. It is a business model we follow to this day, and one we are committed to follow in the future.

As we mark our centennial, Bard 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, employing over 10,000 people around the world.

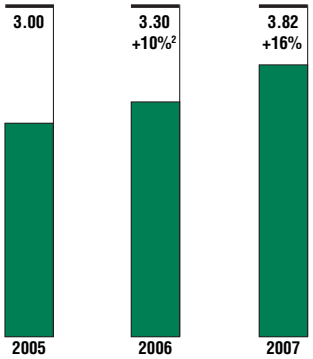
We are proud of our history, our heritage and the people who have come before us. Quality, Integrity, Service and Innovation – and the thousands of employees who uphold these values each day – remain the cornerstones of our success as we enter our second century.

Contents

Net Sales
(in millions of dollars)

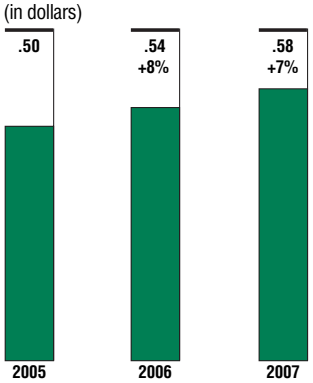


Diluted Earnings Per Share[1]
(in dollars)



(1) Excluding the items identified below.
(2) Excluding the incremental impact of the adoption in 2006 of FAS 123R of approximately $22.9 million after-tax ($0.21 diluted earnings per share), adjusted diluted earnings per share grew 17% from 2005 to 2006.

Cash Dividends Paid Per Share
(in dollars)



Operations as of and for the year ended December 31:	**2007**	2006	2005
(dollars in millions except per share data)			
Net sales	**$2,202.0**	$1,979.6	$1,768.4
Income from continuing operations	**$ 406.4**	$ 314.5	$ 340.4
Diluted earnings per share from continuing operations	**$ 3.84**	$ 2.94	$ 3.15
Diluted earnings per share from continuing operations – excluding the items identified below	**$ 3.82**	$ 3.30	$ 3.00
Cash dividends paid per share	**$ 0.58**	$ 0.54	$ 0.50
Research and development expense	**$ 135.8**	$ 144.9	$ 113.7
Return on average shareholders' investment	**22.9%**	16.8%	23.3%
Number of employees	**10,200**	9,400	8,900
Closing stock price	**$ 94.80**	$ 82.97	$ 65.92

"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, 2007.

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 and approximately $3.3 million after-tax ($0.03 diluted earnings per share) in 2005.

Net Income and Diluted Earnings Per Share (EPS) Reconciliation

As discussed below, items in each of 2007, 2006 and 2005 affect the comparability of the company's results of operations between periods.

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).

2005 – Included in the company's 2005 earnings are the following items: investment gains and the resolution of a royalty matter for a net adjustment of approximately $10.4 million after-tax, offset by a charge for an asset impairment of approximately $8.0 million after-tax, a reduction in the net income tax provision of approximately $45.6 million, predominantly related to the favorable completion of the Internal Revenue Service audit for the tax years 1996–1999, as well as the resolution of certain other tax positions and a tax provision of approximately $32.0 million related to the company's planned repatriation of $600.0 million of undistributed foreign earnings under the American Jobs Creation Act of 2004. The total of these items is $16.0 million after-tax ($0.15 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, 2007. A copy is enclosed with this mailing.

Timothy M. Ring
Chairman and
Chief Executive Officer

John H. Weiland
President and
Chief Operating Officer

TO OUR SHAREHOLDERS:

In addition to celebrating Bard's 100th anniversary, 2007 will be remembered for another milestone: we surpassed $2 billion in annual revenue for the first time. We also marked five consecutive years of meeting or exceeding our adjusted earnings per share growth objective of 14%. This success is the result of good execution of our plan, the dedication of our employees to serve patients and the unwavering support and confidence of our valued shareholders.

As we begin our second century, the world's demographic landscape is vastly different from the days of our founder, Charles Russell Bard. Our worldwide population is enjoying a longevity boom, and Bard is uniquely positioned to play a pivotal role in tackling many of the inevitable issues associated with the aging body. As people live longer and pursue more active lifestyles, there is a mounting demand for innovative medical devices that will not only extend their lives, but *preserve* their health and quality of life. With our diverse product portfolio, Bard stands ready to meet this growing demand for life-enhancing and life-prolonging treatments. Our technologies in high-growth segments of health care – infection control, hernia repair, oncology, electrophysiology, obesity therapy, continence management, pelvic floor reconstruction and dialysis, to name a few – represent opportunities in areas where patients are demanding better treatment options.

Bard's sound financial position allows it to invest in new technologies to improve patient outcomes and help achieve consistent, long-term growth. While our overall business strategy remains unchanged, we expect the volume and velocity in each of our strategic investment areas – research and development (R&D) and clinical work, business development, and sales force expansion – to continue to increase. The execution of this strategy has made the following results possible:

2007 Financial Highlights

- Net sales growth: 11% as reported and 9% in constant currency
- Net income from continuing operations: $406.4 million as reported; $404.2 million (up 15%) excluding items that impact the comparability of results between periods as identified in financial highlights on page 1
- EPS from continuing operations: $3.84 as reported; $3.82 (up 16%) excluding items that impact the comparability of results between periods as identified in financial highlights on page 1
- Stock price: up 14% over 2006 close

Bard's tradition of excellence has been shaped by a legacy of exceptional leaders. In celebrating our centennial year, we would like to pay tribute to the most recent trio of chairmen who guided us from the early 1970s through the first years of the new century: Robert H. McCaffrey, who joined Bard in 1976 and retired in 1988; George T. Maloney, who began his career with Bard as a sales representative in 1959 and retired in 1993; and William H. Longfield, who joined in 1989 and retired in 2003. Their steady guidance through recent decades positioned Bard well for a new century of success in the medical device industry. We thank them for their leadership and vision and the strong foundation they have established for the current management team.

We cannot deliver strong financial performances year after year without the commitment and loyalty of our employees worldwide who share Bard's values. To commemorate our centennial in 2007, our employees volunteered to perform 100 Acts of Kindness throughout the year. Thanks to an outpouring of efforts to benefit their local communities all over the world, our employees tallied nearly *250* Acts of Kindness, ranging from holiday food drives and walks to raise money for cancer research, to fund raising for a children's hospice and making critical repairs to a rural elementary school in Mexico. We are proud of their enthusiasm and generosity, both within and outside of the workplace.

Business Development Review

In 2007, we continued to improve our business development execution as a core component of Bard's product leadership strategy. Robert L. Mellen, Vice President, Strategic Planning and Business Development, and our divisional business development directors (pictured on page 4) have been building and refining our processes, resources and expertise over the last several years. Bob and his team identify and pursue new technologies and companies that meet our well-defined criteria. In addition to providing clinical and economic value, these opportunities are targeted to:

- generate a market leadership position;
- deliver sustainable double-digit revenue growth;
- compete in fast-growing markets; and
- benefit from intellectual property protection or other distinct competitive advantages.

We strive to ensure that each new addition to the Bard product family contributes to our goals. In 2007, we generated $250 million in revenue from business development activities completed over the past five years.

The LifeStent® self-expanding stent product family (developed and previously marketed by Edwards LifeSciences Corporation) represents one of the most exciting acquisitions announced in 2007. The LifeStent® system incorporates a new generation of highly flexible, fracture-resistant stents. Upon Food and Drug Administration (FDA) approval for the treatment of blockages in the superficial femoral artery (SFA), we expect that the LifeStent® product will add significant strategic value to our portfolio of non-coronary stent products. The LifeStent® system, together with our Flair™ arteriovenous access stent graft and E•Luminexx™ iliac stent – both also pending FDA approval – will give Bard one of the broadest product offerings for peripheral vascular stenting in the industry. We anticipate FDA approval for these products in the near future.

Other notable achievements in business development in 2007 include: obtaining a license from Genzyme Corporation to market and manufacture the SepraMesh® hernia repair product line – which accelerates Bard's entry into the absorbable barrier mesh market; purchasing from A.M.I. GmbH the unique PermaSorb™ resorbable fixation device used in ventral hernia repair; and acquiring from Inrad, Inc., the UltraClip® breast tissue marker used in ultrasound-guided breast biopsies. Each of these product lines creates exciting growth opportunities in 2008 and beyond, and we are grateful for the commitment and diligence exhibited by our business development team in their pursuit of new growth platforms for Bard.

Along with our emphasis on acquisitions, we continue to devote significant resources to internal research and development. In 2007, we invested $136 million in R&D, including purchased R&D. We generated 333 patentable ideas and filed 264 patent applications and had 71 patents issued. These efforts enhanced our pipeline with technologies that will help Bard maintain its position as a leading innovator in the medical device industry.

The application of our infection control coating technology to address the deadly threat of ventilator-associated pneumonia (VAP) provides an excellent example of the foresight and diligent efforts of Bard's R&D engineers. Nearly 10%[1] of patients intubated with an endotracheal tube for more than 24 hours develop VAP, which has a 50%[2] mortality rate. In late 2007, after completion of the largest and most extensive clinical trial in the company's history, the FDA approved Bard's claims that our new, proprietary Agento™ I.C. endotracheal tube reduces VAP by 36% in the first 24 hours after intubation, and 49% over the first 10 days of intubation. The technology's proprietary coating inhibits bacteria from colonizing the tube and infecting the patient's lungs.

[1]Rello J, Ollendorf DA, Oster G, et al. Epidemiology and outcomes of ventilator-associated pneumonia in a large U.S. database. *Chest* 2002;122(6):2115-21.

[2]Kollef MH. What is ventilator-associated pneumonia and why is it important? *Respir Care* 2005;50(6):714-21; discussion 21-4.

Bard's Business Development Team: (front) **Bob Mellen,** Vice President – Strategic Planning and Business Development; (middle, left to right) **Ben Davis,** Director, Bard Electrophysiology; **Scott Jones,** Director, Bard Urological; **Gene Fleischer,** Director, Technology Transfer, Business Development and Acquisitions; **Luke Harada,** Staff Vice President; (back, left to right) **Carl Rickenbaugh,** Director, Bard Peripheral Vascular; **Jim Brann,** Senior Director, Davol; **Mike Lee,** Director, Davol; **Ben Jackson,** Director, Bard Medical; **Steve Smith,** Director, Bard Access Systems

In this annual report, we have highlighted three innovative technologies developed internally or acquired through business development efforts. They include:

PowerPort® Implantable Port: This implantable port designed by Bard Access Systems sets a new standard for power injection devices for cancer patients, eliminating the need for repeated needlesticks associated with conventional intravenous therapy (see page 6).

UltraClip® Tissue Marker: Just three millimeters in length, these tiny tissue markers sold by Bard Peripheral Vascular are improving the diagnosis and treatment of breast cancer by helping doctors mark and later recall sites through ultrasound-guided biopsies (see page 8).

Avaulta Plus™ BioSynthetic Support System: Bard's Urological Division configured this new product for the anatomical needs of the pelvic floor area of the body, providing surgeons with a less invasive option than traditional open surgery for pelvic floor procedures (see page 10).

A Review of Our Businesses

Vascular Business

As a leader in electrophysiology catheter technology for the last 50 years, Bard's R&D efforts hold promise for treating atrial fibrillation (A-fib), a complex heart condition afflicting millions of people around the world. A-fib treatment represents a worldwide business opportunity of $900 million and is growing at a rate of 13% annually. In 2007, our controlled European rollout of the Bard® HD mesh ablation catheter showed very positive clinical performance. In 2008, we will continue to analyze this data in anticipation of entry into the larger U.S. market. Bard's mesh ablation system, combined with our diagnostic catheters and electrophysiology lab systems, position Bard for future leadership in the diagnosis and treatment of electrophysiology disorders.

Bard's endovascular business, which participates in a $1.8 billion market growing 8% annually, includes our high pressure and large diameter percutaneous transluminal angioplasty (PTA) catheters. The recent launch of the Dorado® catheter family has the potential to improve our leadership position in the standard PTA catheter segment. In 2008, we plan to expand our market-leading high pressure line with a new line of specialty PTA catheters designed for the nephrology and dialysis center market. Our G2® vena cava filter line was a strong growth driver in 2007, and recently received FDA clearance as a removable filter in the United States. Later this year, we anticipate the clearance and launch of the G2 Express™ filter, which will give clinicians the option of retrieving the filter with either our Recovery Cone® retrieval system or a snare catheter.

Urology Business

In keeping with Bard's emphasis on growth markets, we have successfully expanded our urology business beyond urine drainage products to include faster growing products in the areas of infection control, continence management and catheter stabilization.

The treatment of hospital-acquired infections (HAIs) costs U.S. hospitals more than $500 million annually and significantly increases a patient's length of stay. With the recently announced elimination of Medicare reimbursement to hospitals for the treatment of HAIs, our infection control products are well-positioned as a means to control costs and improve patient outcomes. Hospital-acquired urinary tract infections (UTIs) are particularly troublesome because they endanger patient health, strain hospital staff and budgets and help foster the growth of antibiotic-resistant bacteria. By effectively combating UTIs, Bard's infection control Foley catheter has achieved annual double-digit revenue growth since its launch more than 12 years ago. In late 2007, we initiated a clinical study of our next generation infection control Foley catheter, based on technology similar to our new proprietary Agento™ I.C. endotracheal tube, and anticipate launching this product in 2009.

Since acquiring the StatLock® catheter stabilization device in 2006, growth rates in this product line continue to exceed our expectations. In 2008, we plan to launch additional configurations for the StatLock® stabilization device and to add sales resources to capitalize on the global market opportunity. Our advances in surgical continence and pelvic floor reconstruction products have helped increase Bard's share in this growing $400 million global market. In addition to our Align® urethral support system, we augmented our Avaulta® biosynthetic support system line in 2007 with the launch of Avaulta Plus™ and Avaulta Solo™ support systems for anterior and posterior pelvic floor repair. These products are designed for strength, flexibility and ease of placement – helping thousands of women resume and maintain a better quality of life.

Oncology Business

Bard pioneered the peripherally inserted central catheter (PICC) and today it is our single largest product line. In late 2007, we launched our PowerPICC Solo™ catheter – a significant advancement in specialty venous access technology. Conventional PICC catheters must be flushed daily with a saline-heparin solution to prevent clotting and thrombosis. Our innovative proximal valve design reduces the need for flushing to once per week, with saline only – reducing risk, cost and inconvenience in clinical and home-based settings. As we continue to advance specialty venous technology, we also anticipate the launch of several new implantable PowerPort devices with new catheter configurations in 2008.

In early 2008, we upgraded our proprietary Sherlock® catheter tip location system to facilitate its use with Bard's Site-Rite® bedside ultrasound guidance system for specialty venous access catheter placement. These two systems, used together, allow for quicker, easier and more precise placement of catheters.

Surgical Specialties Business

In 2007, our Davol subsidiary broadened its product offering in the soft tissue hernia repair market – estimated at $585 million – with the addition of the SepraMesh® IP absorbable barrier hernia repair product line. We've begun the process of combining the unique Sepra® anti-adhesion technology with our diverse line of procedure-specific meshes and composites.

Looking forward, we expect to offer multiple new products in our soft tissue repair line using technologies like the Sepra® or tyrosine coatings, as well as new configurations of our Collamend® porcine dermal collagen product. The hernia fixation market – $125 million and growing 10% annually – is another key area where resorbable products are making inroads. Initial demand for our PermaSorb™ resorbable fixation device, acquired in mid-2007, has been strong.

Board of Directors and Organizational Changes

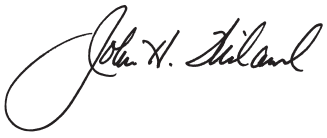
Bard is fortunate to have the guidance of a highly distinguished Board of Directors that brings a broad range of experience and knowledge. The Board's support and counsel are invaluable. We are also fortunate to have an exceptional management team whose efforts help advance our business plan. In 2007, we bid farewell to two long-term executives who have made many contributions to our organization over the years: James R. Kelleher, President, Asia, Americas, Australia & Canada, and Charles P. Grom, Vice President and Controller. We thank them for their dedication and service and wish them well in retirement.

Outlook for 2008

While creating shareholder value clearly starts with top-line revenue growth, achieving this growth comes from our ability to successfully execute our business strategy. As we often say, "Great strategy is more about great execution than great thinking." Looking ahead to our next century, we remain convinced that our fundamental approach is sound. We will continue to increase our strategic investments in acquisitions and R&D, focusing on innovative products in high-growth areas. We will strive for continuous improvement on all fronts to help ensure that our execution is as sound as our strategy.

You, our shareholders, are vital to our success as well. We thank you for your loyalty and confidence, and for supporting our vision.

Sincerely,



Timothy M. Ring
Chairman and
Chief Executive Officer

John H. Weiland
President and
Chief Operating Officer

February 25, 2008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WITH BETTER ACCESS, NEEDLESTICKS ARE NOTHING TO FEAR

When her physician suggested implanting a port for chemotherapy treatments, Pat Parault – an employee of Bard Access Systems in Salt Lake City, Utah – knew exactly where to turn for more information.

Her colleague at Bard, Dwight Hibdon, M.S., Senior Program Manager, R&D, explained that the PowerPort® device is implanted under the skin and consists of two primary components: an injection port with a self-sealing silicone septum, and a radiopaque ChronoFlex® polyurethane catheter. All materials are biocompatible and the product can be safely used with CECT and MRI imaging under defined conditions.*

Like Pat, many cancer patients require a port for vascular access after previous tests and therapies exhaust their peripheral veins.

Clinicians can identify the PowerPort device in their patients by feeling the three unique palpation points arranged in a triangle at the top of the septum, and by palpating the sides of the port, which is also triangular.

*Power injection is performed using a PowerLoc® safety infusion set only.

Coming from a family with a history of colon cancer, Pat Parault knew that she needed to be proactive to prevent the disease. However, during a routine colonoscopy in January 2007, she knew something was wrong even before the anesthesia wore off. "I could hear them talking about sending me down to see the surgeon right away," Pat recalls.

Pat spent the next two weeks in the hospital following surgery to remove 26 polyps, one of which was cancerous. Perhaps the most painful memory of her hospitalization isn't the surgery itself, but the seemingly endless array of needlesticks as clinicians performed diagnostic tests and administered medications and fluids. "They just about ruined every vein I had," she says. Worse, the chemotherapy treatment she was about to begin would require even more needlesticks.

That's when Pat's physician recommended implanting a port, a device indicated for patient therapies that require repeated access to the vascular system. Placed under the skin – usually in the upper chest – the port system can be used for the infusion of medications, intravenous fluids, parenteral nutrition solutions and blood products, and for the withdrawal of blood samples – without forcing patients to endure multiple needlesticks to the veins of the arm or wrist.

Though she does not have a clinical background, Pat has worked in the accounting department of Bard Access Systems for more than 20 years and was aware of some of the potential benefits of implantable ports. She wasted no time asking co-workers for more information about the options recommended by her physician, and eventually settled on Bard's PowerPort® implantable port, which was the first implantable port access device indicated for power injection of contrast media during contrast-enhanced computed tomography (CECT) scans. The port was placed under her skin just above her right breast. "I was so happy," she says. "I just wanted to do the chemo and get it over with."

Just hours after her first chemotherapy session, however, Pat experienced a pain in her abdomen that was more severe than the nausea she was expecting from the treatment. She returned to the hospital, where doctors discovered that her small intestine had twisted, necessitating a temporary ileostomy. Fortunately, she already had the PowerPort device, so "everything I took" – from anesthesia to pain relievers – "went right through my port," says Pat. When the ileostomy was removed a few months later, the implantable port proved its value all over again.

Despite some challenges – Pat, a diabetic, also suffered from kidney failure while undergoing her cancer treatment – CT scans proved that she had beaten the cancer, and she returned to work at Bard Access Systems in September 2007 as something of an in-house celebrity.

Her own experience with cancer treatment made Pat realize just how important the PowerPort device and other access devices are to patients – and to the clinicians who treat them. "When I told one of the oncology nurses where I worked, she said that if the people at the hospital found out that I worked for Bard, they would be lined up around the block to shake my hand because of all the sick people the company has helped," remembers Pat. She has always taken pride in working for a company that makes a difference in people's lives. Now that she has experienced that difference first-hand, she's thankful, as well.


Ex: 877
12/17/2007
Se: 171
Im: 148
BREAST
160ps
MI:0.9
GEN10.0 MHz
MapGIVEOff
RS85SCOff
Id:DCM / Lin:DCM / Id:ID
W:255 L:127
KT BREAST 900 PASS 2

X MARKS THE SPOT FOR FUTURE REFERENCE

Modern chemotherapy is so effective at shrinking cancerous areas that locating past biopsy sites, even with the aid of sophisticated imaging techniques, can be a challenge.

As Director of one of the busiest breast imaging centers in the country, H. Alexander Munitz, M.D., F.A.C.R., relies on Bard® UltraClip® breast tissue markers to make sure that he never loses track of a past biopsy site. Made with echogenic material for enhanced visibility in ultrasound imaging, the tiny devices are easily located by the doctor but are undetectable to the patient.

Bard acquired the UltraClip device from Inrad, Inc., in 2007 to complement the unit's family of complete biopsy solutions such as the Vacora® vacuum-assisted biopsy system.

Each week, nearly 50 women undergo breast biopsies at the Greater Baltimore Medical Center's Breast Imaging Center – making it one of the busiest facilities of its kind in the country. "If there's a busier one, we haven't found it," says the Center's Director, H. Alexander Munitz, M.D., F.A.C.R.

Yet despite the high volume, the Center is built around the philosophy that each patient must be treated not as another number, but as a human being going through an emotionally challenging time.

"When a mammogram or sonogram reveals an abnormality, the Center schedules a biopsy almost immediately, since waiting for answers is often the most difficult part of the process," Munitz says. To ensure the best possible care, the Center recruits top-level support technologists, as well as radiologists who not only specialize in breast imaging, but exhibit a human side as well. "The old paradigm of radiologists not interacting with patients is gone," he explains. "They come to us year after year, and we form close relationships with our biopsy patients."

The Center is as particular about its equipment as it is about its personnel. "It has to be top-of-the-line," Munitz says. About 90% of the Center's biopsies are performed using ultrasound, usually with Bard's Vacora® vacuum-assisted biopsy system, which is quick and accurate and provides exceptional tissue quality. "We rarely, if ever, have to repeat a biopsy," he says.

But some of the most important tools Dr. Munitz and others use are items the patient never feels. For example, whenever Dr. Munitz conducts a biopsy, he marks the area with a Bard® UltraClip® breast tissue marker, a tiny metal marker ensuring that he'll never lose track of a past biopsy site, no matter how small or how difficult it might otherwise be to locate. "We use a great number of UltraClip markers," Munitz says. "It's truly a case of X marks the spot."

Measuring only three millimeters, the markers are undetectable to the patient. But according to Dr. Munitz, the role they play in the biopsy process is significant. If a cancerous tumor is detected, it's critical for doctors to be able to locate the site long after the biopsy has been completed. Modern chemotherapy is so effective at shrinking cancerous areas that locating past biopsy sites, even with the aid of sophisticated imaging techniques, can be a challenge. UltraClip markers are designed for easy identification no matter which method the physician employs. The Center, for example, uses the UltraClip marker made with echogenic material for enhanced visibility in ultrasound imaging.

UltraClip markers serve an equally important role in women whose tumors turn out, thankfully, to be noncancerous. "Women who have one tumor, even if it's benign, may form other tumors that require biopsy," Munitz says. The markers come in three easy-to-identify shapes, allowing physicians to record which markers are associated with which biopsy. And while some other markers may slip or "migrate" over time in the soft breast tissue, the unique shapes of the UltraClip markers are designed to be securely anchored for as long as they are needed.

Finally, application is simple. The UltraClip needle application system fits easily through the coaxial cannula used for taking the biopsy, allowing a physician to place the marker with great accuracy. "It's very precise," Munitz says. And because it's deployed through the coaxial system, the process is fast and involves no discomfort for the patient – allowing the Breast Imaging Center to fulfill its driving goal of putting the needs of the patient first.

THE RIGHT INGREDIENT FOR PELVIC FLOOR REPAIR

Six years ago, pain in her pelvic area lead to the discovery that Patricia Bard suffered from pelvic organ prolapse. Multiple surgeries offered only a temporary solution, and the recurring condition threatened to curtail her ability to keep up with the demands of her job in a busy bakery at Shippensburg University.

In 2007, her surgeon implanted the AVAULTA PLUS™ biosynthetic support system, the latest generation of devices designed to help restore the function of tissues weakened by vaginal childbirth, strenuous exercise or gynecologic surgeries. This treatment provides an option to millions of women who might once have suffered in silence, but can now remain active for years to come.

Patricia has been able to put the fear of another failed procedure out of her mind, allowing her to concentrate on more important things – like returning to her job and filling cake orders for family and friends.

Like most professional bakers, Patricia Bard (who has no connection to C. R. Bard, Inc.) starts her days early, rising at 3 a.m. to prepare breads, rolls and pastries in the food service department of Shippensburg University in Pennsylvania. With such a schedule, you might expect her to avoid so much as a glimpse of a baking pan or oven when her workday is over.

Not so. Her skills in the kitchen have earned Patricia a reputation as a master baker among family and friends at her home near the campus. For the past 15 years or so, they've come to her for cakes to mark major occasions in their lives, especially weddings. Patricia says, "They tell me what they want, and I start baking."

Though it's not a contact sport, baking does require a certain amount of physical activity, particularly when you're baking for hundreds of students and faculty, and carrying sacks of flour and large trays of oven-bound rolls or pastries.

Six years ago, her routine was threatened by a pain in her pelvic area. "Something just didn't feel right," she says. Patricia, who had years earlier given birth to two sons and subsequently had undergone a hysterectomy, was diagnosed with a weakness in her pelvic floor – the network of muscles that supports the bladder and other organs. When this happens, organs shift (referred to as a prolapse) causing symptoms varying from discomfort to pain to incontinence.

Shortly after being diagnosed, Patricia underwent a surgical procedure to stitch the loosened muscles together and recreate the support network. For a while, the repair held. Then, two years after the procedure, she felt a recurrence of the pain and discomfort. The stitched muscles had failed. Two subsequent procedures produced the same results. Each failure was accompanied by the demoralizing realization that her active life might be constantly interrupted by concerns that the pain would likely return.

Then, in August 2007, a different surgeon recommended repairing the damage by implanting an AVAULTA PLUS™ biosynthetic support system, introduced that same year by Bard Urological Division. The AVAULTA PLUS system uses a monofilament polypropylene mesh providing long-term reinforcement for the body's natural support structures.

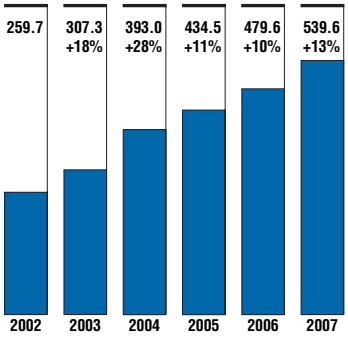
The AVAULTA PLUS system incorporates the latest materials – a porous, acellular, ultra-thin sheet of crosslinked collagen attached to the polypropylene mesh – allowing for maximum flexibility and tissue protection, as well as the ability of host tissue to grow into and around the implanted device.

The AVAULTA PLUS support system, together with the AVAULTA SOLO™ support system (for anterior and posterior pelvic repair) are helping women to overcome conditions that once might have forced them to scale back on their dreams of lives as fulfilling as they are long. The AVAULTA PLUS system represents significant advantages for the clinician – for example, the ergonomically comfortable and precise INSNARE™ introducer, which helps doctors place the AVAULTA PLUS and AVAULTA SOLO implants with greater control.

As a patient, Patricia is less concerned with the intricacies of the AVAULTA PLUS support system's engineering than with the fact that her active life has been restored with confidence. "I can sleep longer, and I feel better," she says. As a precaution, she has reduced the maximum weight of trays or ingredients she'll carry at work. But she adds that in the months since her procedure, "I know I can do more now and I won't be afraid, thinking, what if it fails?"

Vascular

Net Sales
(in millions of dollars)



Five Year Compound Growth Rate: 15.7%

Key Products

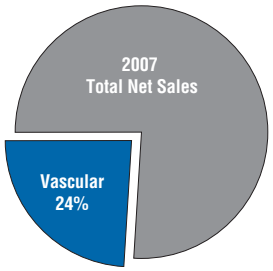
Electrophysiology (EP)
Diagnostic Electrode Catheters
Therapeutic Electrode Catheters
Temporary Pacing Electrodes
Computerized EP Lab Systems

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

Grafts
Dialysis Access Grafts
Peripheral Vascular Grafts
Abdominal Thoracic Grafts

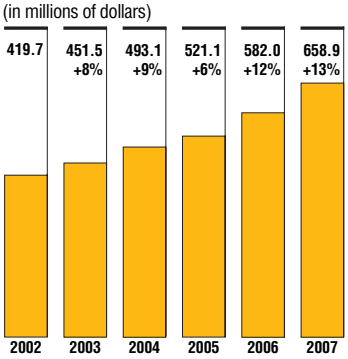
2007 Net Sales Growth

Vascular	Reported	Constant Currency
EP	13%	8%
Endovascular	17%	14%
Grafts	-3%	-6%
Total Vascular	13%	9%



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

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

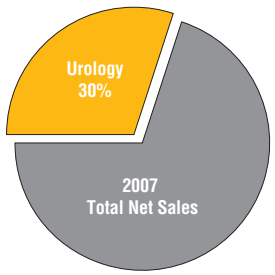
Urological Specialties
Brachytherapy Services, Seeds and Accessories
Specialty Foley Catheters
Stone Management Devices

Catheter Stabilization
StatLock® Stabilization Devices

Respiratory Infection Control
Infection Control Endotracheal Tubes (launched in December 2007)

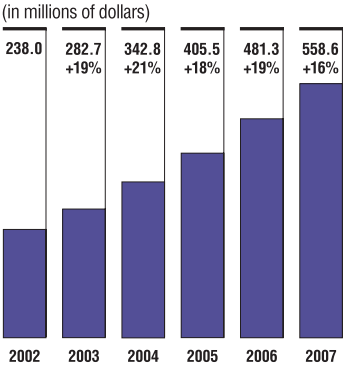
2007 Net Sales Growth

Urology	Reported	Constant Currency
Basic Drainage	7%	6%
Continence	13%	10%
Urological Specialties	5%	3%
Catheter Stabilization	110%	109%
Total Urology	13%	11%



Oncology

Ongoing Net Sales*
(in millions of dollars)



Five Year Compound Growth Rate: 18.6%

Key Products

Implantable Ports
Chronic Catheters
PICCs and Midlines
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:

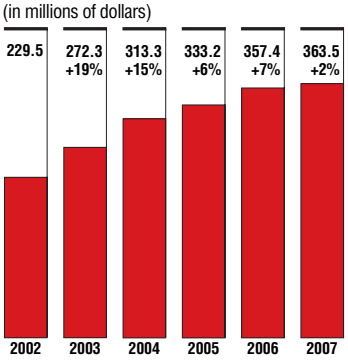
2002	2003	2004	2005	2006	2007
299.0	336.3	388.9	405.5	481.3	558.6
	+12%	+16%	+4%	+19%	+16%

2007 Net Sales Growth

Oncology	Reported	Constant Currency
Total Oncology	16%	14%

Surgical Specialties

Net Sales
(in millions of dollars)



Five Year Compound Growth Rate: 9.6%

Key Products

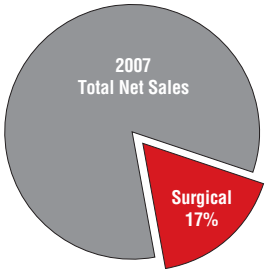
Soft Tissue Repair
Inguinal Hernia Repair Products
Ventral Hernia Repair Products
Complex Hernia Repair Products
Surgical Fixation Devices

Performance Irrigation
Orthopedic and Hysteroscopic Devices
Laparoscopic Devices and Accessories

Hemostasis and Other
Topical Blood Clotting Products

2007 Net Sales Growth

Surgical Specialties	Reported	Constant Currency
Soft Tissue Repair	2%	1%
Performance Irrigation	-1%	-1%
Hemostasis and Other	2%	1%
Total Surgical	2%	–



CHARLES RUSSELL BARD AWARD RECIPIENTS

We are pleased to present to our shareholders the 2007 winners of the Charles Russell Bard Award. These outstanding employees were nominated by their colleagues for their exemplary performance and commitment to Bard's principles of Quality, Integrity, Service and Innovation. These individuals have also demonstrated the highest of personal values through a dedication to community and family.

From left to right, seated:

John Uhoch
Senior Market Manager
Davol Inc.
Cranston, RI

Joanna B. Graft
Manager, Packaging Engineering
Bard Access Systems
Salt Lake City, UT

Edelis Ortiz Diaz
Material Handler
Bard Shannon Limited
Humacao, PR

From left to right, middle row:

Jennifer J. Williford
Marketing Associate
Bard Japan
Murray Hill, NJ

Santa Marcial
Personnel Manager
Bard Reynosa S.A. de C.V.
Reynosa, Mexico

Rebecca L. Harris
Administrative Assistant/
PMT Administrator
Bard Urological
Covington, GA

Sara Cooper
Personal Assistant to Vice President
and General Manager, Europe
Bard Europe
Crawley, United Kingdom

From left to right, back row:

John D. Zombar
Electrical Engineer
Dymax Corporation
Pittsburgh, PA

Janet E. D'Alessio
Systems Software Specialist
Corporate Headquarters
Murray Hill, NJ

Louis C. Mintz, III
Environmental Health and Safety Manager
Bard Medical
Moncks Corner, SC

Judith S. Ludwig
Quality Systems Manager
Bard Peripheral Vascular
Tempe, AZ

Jeremiah Russell Johnson
Project Engineer
Bard Electrophysiology
Lowell, MA

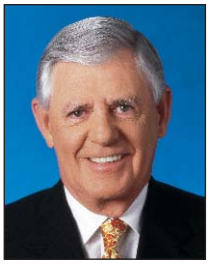
BOARD OF DIRECTORS

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 50. 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.

Marc C. Breslawsky

Retired Chairman and Chief Executive Officer of Imagistics 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 65. 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.



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 70. 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. He is also a director of Deere & Company.

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 59. 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.

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 68. Mr. Martin has been a director of the Company since October 2003 and is a member of the Audit Committee, Finance Committee, Science and Technology Committee and Regulatory Compliance Committee. He is also a director of Ingersoll-Rand Company, Unisys Corporation and Applera Corporation.

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 52. 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 Regulatory Compliance Committee and Science and Technology Committee. She is also a director of SYS Technologies.

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 66. 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 and Regulatory Compliance 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.

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 52. 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 Pharmaceuticals Services, Inc.

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 53. 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.

Tony L. White

Chairman, President and Chief Executive Officer of Applera Corporation (life science systems and products) since September 1995; age 61. 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

Timothy P. Collins
Group Vice President, Operations

Brian P. Kelly
Group Vice President

Amy S. Paul
Group Vice President

John A. DeFord, Ph.D.
Senior Vice President –
Science, Technology and Clinical Affairs

James L. Natale
Senior Vice President and
President, Corporate Healthcare Services

Joseph A. Cherry
Vice President

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 Sciences

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
S. M. Alterio
President
Covington, Georgia

Bard Peripheral Vascular
J. C. Beasley
President
Tempe, Arizona

Bard Urological
M. O. Downey
President
Covington, Georgia

Corporate Healthcare Services
J. L. Natale
President
Murray Hill, New Jersey

Davol
D. W. LaFever
President
Cranston, 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
J. J. Bohan
President

Bard Europe
P. J. Byloos, M.D.
Vice President and General Manager

Benelux/South Africa
P. J. Byloos, M.D. (acting)
Area Vice President

Europe, Central Region
R. Link
Area Vice President

Italy/Iberia/Middle East Export
F. Napolitano
Area Vice President

UK/Ireland/Nordic
S. W. Atkinson
Area Vice President

Angiomed
J. M. Spicer
Managing Director

Bard France
F. Deleplanque
General Manager

Bard Hellas
G. Politis
General Manager

Bard Nordic
K. M. Persson
General Manager

Corporate Offices
730 Central Avenue
Murray Hill, New Jersey 07974
(908) 277-8000
Web site: www.crbard.com

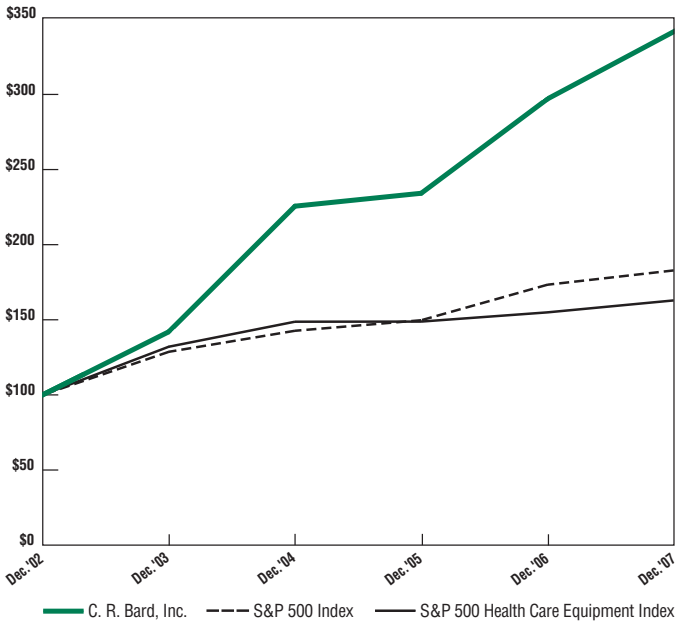
Auditors
KPMG LLP
150 John F. Kennedy Parkway
Short Hills, New Jersey 07078-2778

Annual Meeting
10:00 a.m., Wednesday, April 16, 2008
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, 2002, and that all dividends were reinvested.



Source: Standard & Poor's

Stock Listed
New York Stock Exchange (NYSE)
Symbol: BCR

On May 9, 2007, 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 2007, 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
Web site: www.computershare.com

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
Web site: www.computershare.com

Proposed Next Four Dividend Dates

2008	**Record Date**	**Payment Date**
Second	April 28	May 9
Third	July 21	August 1
Fourth	October 20	October 31
2009		
First	January 26	February 6

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C. R. Bard, Inc.

730 Central Avenue
Murray Hill, New Jersey
07974