Stock Study

Company	Abbott Labs 11.10	Price Date	11/16/10
Study by	Kathy E	Data Date	11/12/10
Sector	Healthcare	Data Source	StkCntrl
Industry	Drug Manufacturers - Maj	Reference	Morningstr
Preferred($M)	0.0		
Common(M Shares)	1,554.1	% Insiders	0.4
Debt($M)	18,717.1	% Institutions	69.8
% to Tot.Cap.	45.0	Quality 2.6 (Take Stock)	

1 Growth Analysis

NYSE: ABT

FY 2010 Q3 (Ended 9/30/2010)
RECENT QUARTERLY FIGURES

	SALES ($M)	EARNINGS PER SHARE ($)
Latest Quarter	8,674.5	0.57
Year Ago Quarter	7,761.3	0.95
Percentage Change	11.8%	-39.9%

EPS Estimates Source:

	Default	Override	
Projected 5 Year Sales @	7.5%	0.0	43,694.4
Less Expenses	20.9%	0.0	-34,562.3
Less Taxes	19.2%	0.0	-1,753.4
Less Preferred Dividends	$0.0	0.0	0.0
			===========
Projected 5 Yr Total Earnings			7,378.8
Divided by Shares Outs.	1554.1	0.0	4.75
Calculated Growth Rate			8.6

(1) Historical Sales Growth	8.5 %	(3) Historical Earnings Per Share Growth	7.8 %	
(2) Estimated Future Sales Growth	7.5 %	(4) Estimated Future Earnings Per Share Growth	12.7 %	
(5) Sales Growth R^2	0.98	(6) Earnings Per Share Growth R^2	0.85	

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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	5 YEAR AVG.	TREND UP / DOWN
A % Pre-tax Profit on Sales	26.8	21.5	21.6	19.7	22.8	20.8	22.0	17.2	20.3	24.1	20.9	UP
B % ROE (Beginning Yr)		33.2	31.6	26.6	26.3	23.6	25.9	25.3	27.0	33.8	27.1	UP
C % Debt to Equity	12.4	47.5	39.8	26.3	33.2	31.2	49.9	53.0	49.4	49.4	46.6	UP

3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE **47.660**   52-WEEK HIGH **56.790**   52-WEEK LOW **44.590**

	Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1	2005	50.0	37.6	2.17	23.1	17.4	1.090	50.3	2.9
2	2006	49.5	39.6	2.43	20.4	16.3	1.160	47.8	2.9
3	2007	59.4	49.0	2.31	25.7	21.2	1.270	54.9	2.6
4	2008	60.5	49.5	3.10	19.5	16.0	1.410	45.5	2.8
5	2009	57.3	41.5	3.82	15.0	10.9	1.560	40.8	3.8
6	AVERAGE		43.4		19.5	14.4		47.9	

AVERAGE P/E RATIO	16.9	PROJECTED P/E RATIO	13.4	TTM EPS		3.15
CURRENT P/E RATIO	15.1	PEG RATIO	1.1	FTM EPS		3.55
RELATIVE VALUE	89.3%	PROJ. RELATIVE VALUE	79.5%			

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS
Selected High P/E **19.5**   X Estimated High Earnings/Share **5.70**   = Forecast High Price $ **111.1**

B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS
(a) Avg. Low P/E **14.4** (as adj.)   X Estimated Low Earnings/Share ~~3.82~~ **3.53** = $ **50.8**
(b) Average 5-Year Low Price = **43.4**
(c) Recent Severe Low Price = **41.5**
(d) Price Dividend Will Support = Present Divd. ÷ High Yield = **1.760** ÷ **0.038** = **46.8**
Selected Estimated Low Price = $ **38.1**

C PRICE RANGES
Forecast High Price **111.1** - Estimated Low Price **38.1** = Range **73.0**   25% of Range = **18.2**

BUY (Lower 25% of Range) = **38.1** to **56.3**
MAYBE (Middle 50% of Range) = **56.3** to **92.9**
SELL (Upper 25% of Range) = **92.9** to **111.1**

Current Price **47.660** is in the **Buy** Range

D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price **111.1** - Current Price **47.660**) ÷ (Current Price **47.660** - Estimated Low Price **38.1**) = **6.7** To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD
Present Full Year's Dividend $ **1.760** ÷ Current Price of Stock $ **47.660** = **3.7 %** Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS
(Avg. EPS Next 5 Years **4.49** X Avg. % Payout ~~47.9~~ **47.8**) ÷ Current Price $ **47.660** = **4.5** %

C % COMPOUND ANNUAL TOTAL RETURN
Average Yield **2.5** % + Annual Appreciation **18.4** % = Compound Annual Total Return **20.9** %

D % PROJECTED AVERAGE RETURN
Average Yield **2.8** % + Annual Appreciation **15.2** % = Projected Average Total Return **18.0** %