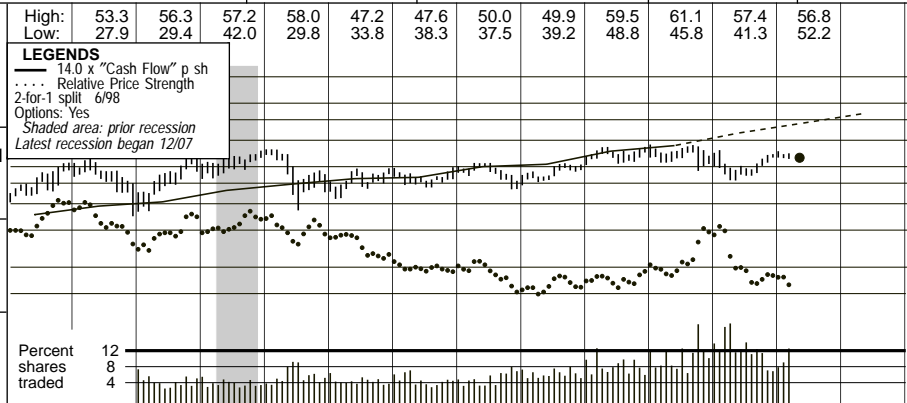


# ABBOTT LABS. NYSE-ABT

RECENT PRICE **52.84** P/E RATIO **13.0** (Trailing: 14.2; Median: 20.0) RELATIVE P/E RATIO **0.73** DIV'D YLD **3.3%** VALUE LINE

**TIMELINESS** 3 Lowered 4/9/10  
**SAFETY** 1 Raised 9/11/98  
**TECHNICAL** 3 Lowered 4/16/10  
**BETA** .60 (1.00 = Market)



High	Low	53.3	56.3	57.2	58.0	47.2	47.6	50.0	49.9	59.5	61.1	57.4	56.8	Target Price Range
27.9	29.4	42.0	29.8	33.8	38.3	37.5	39.2	48.8	45.8	41.3	52.2	2013	2014	2015
														128
														96
														80
														64
														48
														40
														32
														24
														16
														12

**2013-15 PROJECTIONS**  
 Price **115** Gain **(+120%)** Ann'l Total Return **23%**  
 High **95** Low **95** Gain **(+80%)** Return **18%**

**Insider Decisions**  
 M J J A S O N D J  
 to Buy 1 0 0 0 0 0 0 0 0 0  
 Options 0 0 0 1 2 3 3 7 0  
 to Sell 1 0 0 1 3 2 5 7 0

**Institutional Decisions**  
 2Q2009 3Q2009 4Q2009  
 to Buy 696 655 615  
 to Sell 567 552 603  
 Hld's(000) 104636310438231037448

**Percent shares traded**  
 12  
 8  
 4

**% TOT. RETURN 3/10**  
 THIS STOCK VL ARITH. INDEX  
 1 yr. 14.1 91.1  
 3 yr. 2.6 7.6  
 5 yr. 29.2 42.8

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	© VALUE LINE PUB., INC.	13-15
5.70	6.36	7.11	7.78	8.14	8.61	8.89	10.48	11.31	12.45	12.49	14.51	14.62	16.72	19.40	19.83	<b>22.90</b>	<b>24.80</b>	Sales per sh	<b>28.40</b>
1.26	1.43	1.66	1.85	2.03	2.23	2.34	2.65	2.83	3.01	3.05	3.42	3.51	4.05	4.32	5.09	<b>5.55</b>	<b>6.15</b>	"Cash Flow" per sh	<b>7.25</b>
.94	1.06	1.21	1.34	1.51	1.66	1.78	1.88	2.06	2.21	2.27	2.50	2.52	2.84	3.03	3.72	<b>4.20</b>	<b>4.70</b>	Earnings per sh <sup>A</sup>	<b>5.70</b>
.38	.42	.48	.54	.60	.66	.74	.82	.94	.98	1.04	1.10	1.18	1.30	1.44	1.60	<b>1.76</b>	<b>1.92</b>	Div'ds Decl'd per sh <sup>B=C</sup>	<b>2.18</b>
.58	.60	.61	.66	.65	.64	.67	.75	.83	.79	.82	.78	.87	1.07	.85	.70	<b>1.10</b>	<b>1.15</b>	Cap'l Spending per sh	<b>1.35</b>
2.52	2.79	3.11	3.27	3.73	4.85	5.54	5.83	6.82	8.27	9.09	9.37	9.14	11.47	11.48	14.73	<b>15.15</b>	<b>17.00</b>	Book Value per sh <sup>C</sup>	<b>22.05</b>
1606.6	1574.6	1548.9	1528.2	1533.8	1530.7	1545.9	1554.5	1563.1	1580.2	1575.1	1539.2	1537.2	1549.9	1522.4	1551.2	<b>1550.0</b>	<b>1540.0</b>	Common Shs Outst'g <sup>D</sup>	<b>1520.0</b>
15.9	18.1	18.7	23.1	27.1	26.3	23.5	26.6	22.3	18.7	18.7	18.1	17.9	19.2	18.3	13.0	<b>15.00</b>	<b>14.10</b>	Avg Ann'l P/E Ratio	<b>18.0</b>
1.04	1.21	1.17	1.33	1.41	1.50	1.53	1.36	1.22	1.07	.99	.96	.97	1.02	1.10	.87	<b>1.10</b>	<b>1.10</b>	Relative P/E Ratio	<b>1.20</b>
2.6%	2.2%	2.1%	1.7%	1.5%	1.5%	1.8%	1.6%	2.0%	2.4%	2.5%	2.4%	2.6%	2.4%	2.6%	3.3%	<b>3.3%</b>	<b>3.3%</b>	Avg Ann'l Div'd Yield	<b>2.4%</b>

**CAPITAL STRUCTURE as of 12/31/09**  
 Total Debt \$16.5 bill. Due in 5 Yrs \$6.5 bill.  
 LT Debt \$11.3 bill. LT Interest \$0.5 bill.  
 (39% of Capital)

**Pension Assets-12/08** \$4.0 bill. Oblig. \$5.5 bill.

**Preferred Stock** None

**Common Stock** 1,546,738,426 shares

**MARKET CAP: \$82 billion (Large Cap)**

13746	16285	17685	19681	19680	22338	22476	25914	29528	30765	<b>35500</b>	<b>38200</b>	Sales (\$mill)	<b>43200</b>
29.8%	27.0%	28.9%	27.0%	28.2%	27.6%	28.2%	26.2%	25.5%	<b>27.0%</b>	<b>29.5%</b>	<b>30.0%</b>	Operating Margin	<b>31.5%</b>
827.4	1168.0	1177.3	1274.0	1288.7	1358.9	1558.8	1854.9	1838.8	2089.5	<b>2120</b>	<b>2165</b>	Depreciation (\$mill)	<b>2300</b>
2786.0	2944.1	3242.4	3479.2	3522.8	3908.5	3841.8	4429.3	4734.2	5805.5	<b>6500</b>	<b>7350</b>	Net Profit (\$mill)	<b>8700</b>
27.0%	8.4%	24.5%	22.0%	21.4%	24.3%	23.5%	19.3%	19.2%	<b>16.8%</b>	<b>20.0%</b>	<b>20.0%</b>	Income Tax Rate	<b>20.0%</b>
20.3%	18.1%	18.3%	17.7%	17.9%	17.5%	17.1%	17.1%	16.0%	18.9%	<b>18.3%</b>	<b>19.1%</b>	Net Profit Margin	<b>20.0%</b>
3078.7	492.4	2119.6	2650.9	3908.9	3970.5	d669.3	4939.4	5450.7	10263.9	<b>8500</b>	<b>8850</b>	Working Cap'l (\$mill)	<b>10450</b>
1076.4	4335.5	4274.0	3452.3	4787.9	4571.5	7009.7	9487.8	8713.3	11266.3	<b>9000</b>	<b>8000</b>	Long-Term Debt (\$mill)	<b>6200</b>
8570.9	9059.4	10665	13072	14326	14415	14054	17779	17480	22856	<b>23500</b>	<b>26200</b>	Shr. Equity (\$mill)	<b>33550</b>
29.2%	22.8%	22.3%	21.5%	18.8%	21.0%	18.8%	17.0%	18.8%	<b>19.0%</b>	<b>20.5%</b>	<b>22.0%</b>	Return on Total Cap'l	<b>21.5%</b>
32.5%	32.5%	30.4%	26.6%	24.6%	27.1%	27.3%	24.9%	27.1%	25.4%	<b>27.5%</b>	<b>28.0%</b>	Return on Shr. Equity	<b>26.0%</b>
19.1%	18.5%	17.0%	15.0%	13.4%	15.4%	14.7%	13.9%	14.6%	11.0%	<b>16.0%</b>	<b>17.0%</b>	Retained to Com Eq	<b>16.0%</b>
41%	43%	44%	44%	45%	43%	46%	44%	46%	42%	<b>42%</b>	<b>39%</b>	All Div'ds to Net Prof	<b>38%</b>

CURRENT POSITION	2007	2008	12/31/09
Cash Assets	2820.8	4112.0	8809.3
Receivables	4946.9	5465.7	6541.9
Inventory (FIFO)	2951.4	2775.8	3264.9
Other	3323.6	4689.1	4697.8
Current Assets	14042.7	17042.6	23313.9
Accts Payable	1219.5	1351.4	1280.5
Debt Due	2725.9	2732.0	5189.6
Other	5157.9	7508.5	6579.4
Current Liab.	9103.3	11591.9	13049.5

**BUSINESS:** Abbott Laboratories operates four segments: Pharmaceutical Products (56.6% of '08 sales) develops, manufactures, and sells a broad line of adult and pediatric pharmaceuticals, which are sold primarily on the prescription, or recommendation, of physicians; Diagnostic Products (12.1%) diagnostic systems and tests for blood banks, hospitals, labs, physicians' offices, etc.; Nutri-

tional Products (16.7%) a wide range of adult and pediatric nutritional products; Vascular products (7.6%) coronary, vessel-closure, and endovascular devices; Other (7.0%). '08 R&D: \$2.7 billion. Employs about 69,000. Chairman & CEO: Miles D. White. Incorporated: IL. Address: 100 Abbott Park Road, Abbott Park, IL 60064. Telephone: 847-937-6100. Internet: www.abott.com.

ANNUAL RATES	Past 10 Yrs	Past 5 Yrs	Est'd '06-'08 to '13-'15
of change (per sh)	8.0%	8.0%	7.5%
"Cash Flow"	8.0%	7.0%	8.5%
Earnings	7.5%	6.5%	10.0%
Dividends	9.0%	7.5%	9.0%
Book Value	12.0%	9.0%	12.5%

**Abbott Laboratories finished 2009 on a strong note.** Fourth-quarter sales advanced 11%, to \$8.79 billion, ahead of our expectation, while share-net soared 33%. The top-line gain reflected a favorable currency translation, which boosted sales by 2%. Vigorous sales of flagship drug *Humira* (accounted for 19% of total volume) and strong international results continued to drive ABT's performance. International *Humira* sales surged 48%, helping offset relatively weak U.S. results (the U.S. segment faced a difficult comparison to the 43% gain in 2008). Overall, international sales advanced 22% (17% excluding currency effects).

from Venezuela, as a result of the recent currency devaluation (Venezuela contributed about \$350 million in revenue in 2009). However, earnings accretion from the Solvay acquisition may provide an extra boost to the bottom line.

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2007	5945	6371	6377	7221	25914
2008	6766	7314	7498	7950	29528
2009	6718	7495	7761	8790	30765
2010	<b>7680</b>	<b>8700</b>	<b>9020</b>	<b>10100</b>	<b>35500</b>
2011	<b>8400</b>	<b>9400</b>	<b>9750</b>	<b>10650</b>	<b>38200</b>

**We are maintaining our 2010 share-net estimate of \$4.20, and look for continued double-digit earnings growth in 2011.** Our 2010 estimate falls at the low end of management's guidance range (\$4.20-\$4.25). Although there may actually be upside to the current guidance, we remain cautious due to the numerous moving parts and some uncertainty in the year-ahead outlook. The company has significant exposure to currency fluctuations, and should see a sharp drop in revenue

**Recent acquisitions should provide further diversification and a stronger global presence.** Abbott announced/completed numerous deals in 2009, which allowed it to add new business segments and long-term avenues for growth. Advanced Medical Optics and Visigen provides ABT with an immediate foothold in the eye care business, while Solvay's \$3 billion pharmaceutical products portfolio adds a significant international presence, with a strong position in key emerging markets. Meanwhile, the additions of Evalve (devices) and Starlims (diagnostics) should help ABT diversify into new business segments.

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2007	.55	.69	.67	.93	2.84
2008	.60	.85	.69	.89	3.03
2009	.73	.89	.92	1.18	3.72
2010	<b>.80</b>	<b>1.05</b>	<b>1.05</b>	<b>1.30</b>	<b>4.20</b>
2011	<b>.95</b>	<b>1.15</b>	<b>1.20</b>	<b>1.40</b>	<b>4.70</b>

**These high-quality shares offer meaningful long-term appreciation potential.** ABT should continue to post strong earnings gains to 2013-2015, with key acquisitions lifting results.

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B=C</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2006	.275	.295	.295	.295	1.16
2007	.295	.325	.325	.325	1.27
2008	.325	.36	.36	.36	1.41
2009	.36	.40	.40	.40	1.56
2010	.40				

Joel Schwed  
 April 16, 2010

(A) Primary earnings thru '96, diluted earnings thereafter. Excludes nonrecurring gain/losses: '99, (9c); '01, (89c); '02, (28c); '03, (46c); '04, (21c); '05, (34c); '06, (\$1.40); '07, (53c); '08, 19c. Next earnings report due late April. (B) Dividends historically paid in February, May, August, and November. ■ Dividend reinvestment plan available. (C) Includes intangibles. In '08: \$15.1 billion, \$9.95 a share. (D) In millions, adjusted for stock split.	Company's Financial Strength	A++
	Stock's Price Stability	100
	Price Growth Persistence	40
	Earnings Predictability	100