

ABBVIE INC. NYSE-ABBV

RECENT PRICE **41.61**

P/E RATIO **13.2** (Trailing:NMF Median:NMF)

RELATIVE P/E RATIO **0.77**

DIV'D YLD **3.8%**

VALUE LINE

TIMELINESS -- E
SAFETY **2**
TECHNICAL -- E
BETA NMF (1.00 = Market)

LEGENDS
... Relative Price Strength
Options: Yes
Shaded areas indicate recessions

High: 48.0

Low: 33.3

Target Price Range

2016 2017 2018

2016-18 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+70%)	16%
Low	50	(+20%)	8%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	2	1	0	
Options	0	0	0	0	0	5	1	0	
to Sell	0	0	0	0	0	0	2	0	

Institutional Decisions

	3Q2012	4Q2012	1Q2013	Percent shares traded
to Buy	0	91	1223	21
to Sell	0	0	34	14
Hld's(000)	000	66394	1054691	7

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC	16-18
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	11.66	11.80	11.95	Sales per sh	13.05
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	4.48	3.45	3.55	"Cash Flow" per sh	4.30
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	4.13	3.15	3.25	Earnings per sh ^A	4.00
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1.60	1.64	Div'ds Decl'd per sh ^B	1.76
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	.21	.30	.30	Cap'l Spending per sh	.35
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	2.13	3.50	5.10	Book Value per sh ^C	7.65
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1577.0	1570.0	1570.0	Common Shs Outst'g ^D	1570.0
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Avg Ann'l P/E Ratio	15.0
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Relative P/E Ratio	1.00
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Avg Ann'l Div'd Yield	2.9%

CAPITAL STRUCTURE as of 3/31/13
Total Debt \$14.6 bill. Due in 5 Yrs \$8.0 bill.
LT Debt \$14.6 bill. LT Interest \$500 mill.
(83% of Capital)

Pension Assets-12/12 \$898 mill. Oblig. \$1.7 bill.

Preferred Stock None

Common Stock 1,583,729,114 shares

MARKET CAP: \$65.9 billion (Large Cap)

CURRENT POSITION

	2011	2012	3/31/13
Cash Assets	--	5901	6979
Receivables	--	4298	4299
Inventory (FIFO)	--	1091	1037
Other	--	4064	2608
Current Assets	--	15354	14923
Accts Payable	--	5734	6330
Debt Due	--	22	22
Other	--	1020	414
Current Liab.	--	6776	6766

ANNUAL RATES

Past	Past	Est'd '10-'12
10 Yrs.	5 Yrs.	to '16-'18
of change (per sh)		
Sales	--	NMF
"Cash Flow"	--	NMF
Earnings	--	NMF
Dividends	--	NMF
Book Value	--	NMF

QUARTERLY SALES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	--	--	--	--	--
2011	--	--	--	--	--
2012	4174	4493	4508	5205	18380
2013	4329	4550	4500	5121	18500
2014	4400	4600	4600	5200	18800

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	--	--	--	--	--
2011	--	--	--	--	--
2012	.86	1.01	1.16	1.10	4.13
2013	.68	.80	.80	.87	3.15
2014	.70	.80	.85	.90	3.25

QUARTERLY DIVIDENDS PAID ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	--	--	--	--	--
2010	--	--	--	--	--
2011	--	--	--	--	--
2012	--	--	--	--	--
2013	.40	.40	.40		

BUSINESS: AbbVie Inc. is a global, research-based biopharmaceutical company that engages in the development and marketing of advanced therapies for some of the world's most complex diseases. Its products are used to treat rheumatoid arthritis, psoriasis, Crohn's disease, HIV, cystic fibrosis, low testosterone, thyroid disease, Parkinson's disease, ulcerative colitis, and chronic

This week, AbbVie Inc. makes its debut in The Value Line Investment Survey. AbbVie is a global, research-based biopharmaceutical company that engages in the development and marketing of advanced therapies for some of the world's most complex and serious diseases. Its top-grossing products include *HUMIRA* (50% of '12 sales), *AndroGel* (6%), *TriCor/TRILIPIX* (6%), *Kaletra* (6%), and *Niaspan* (5%). Based in Chicago, the company was formed January 1, 2013 as a result of the distribution by Abbott Laboratories of 100% of the outstanding common stock of AbbVie to Abbott shareholders. In other words, AbbVie is comprised of Abbott's former pharmaceutical business.

The company runs on HUMIRA. As stated above, about half of the company's revenue base is comprised of *HUMIRA* sales, a subcutaneous injection approved to treat various autoimmune diseases (i.e. rheumatoid arthritis, Psoriatic arthritis, Crohn's disease, etc.). While limited product diversity is somewhat of a concern, sales of *HUMIRA* have been on an absolute tear in recent quarters and manage-

ment is currently projecting low-double-digit sales growth for the drug in 2013 (generated \$2.2 billion in the first quarter, up 16% year over year). With its patent not scheduled to expire until December 2016, AbbVie should continue to benefit from this fruitful revenue stream for the next several years.

We see much potential in the HCV franchise. The HCV franchise is a central program within AbbVie's late stage pipeline. Thus far, results have been encouraging and could support a submission by mid-2014. Given that it has been granted fast track status by the FDA, management expects market entry by early 2015.

Due to its short trading history, this stock is unranked for Timeliness. Indeed, we view these shares to be a solid long-term drug play for investors seeking income and relative stability. AbbVie currently maintains above-average rankings for Safety (2) and Financial Strength (A), to go along with an attractive 3.8% yield. Based on our 3- to 5-year projections, long-term capital gains potential is right around our *Survey's* median.

Michael Ratty July 12, 2013

(A) Diluted earnings. Next earnings report due early August. (B) Dividends historically paid in January, April, July, and October. (C) Dividend reinvestment plan available. (D) Includes intangibles. In '12: \$8.45 billion, \$5.36 a share. (E) Unranked due to short trading history.