

**2013 3rd Quarterly report for \_\_\_ABT\_\_\_\_\_ Date: 2013 11 13**

*NOTE: the data sources have not adjusted the historical data to account for the spin-off of ABBV.*

Percentage change in Sales from year ago quarter \_\_\_-45.06%

Percentage change in Earnings per Share from year ago quarter \_\_\_\_\_-59.84%\_\_\_\_\_

Is company meeting our target sales & earnings estimates? Perhaps

Pre-tax Profit on sales trend? (up, even, down) Down

Return on equity trends? (up, even, down) Flat

Debt? (up, even, down) Up

Current PE is \_\_\_21.1

Where does it fall in my estimated High/low range of PE's? \_\_toward upper end of range\_\_

Signature PE = \_\_12.2\_\_\_\_\_

Club cost basis for this stock is \_\_\_\$23.08\_\_\_\_\_. Current price is \_\_\_\_\_\$37.77\_\_\_\_\_ (from latest valuation)

Current fair value: Morningstar: \_\_\_\$40.00\_\_\_\_\_ S&P: \_\_\_\$41.60\_\_\_\_\_

My SSG Total Return is \_\_\_\_\_13.4%\_\_\_\_\_ Projected Average Return is \_\_5.7%\_\_\_\_\_

What will drive future growth? Margin expansion, new product development, and expanding nutritional segment in emerging markets.

**S&P:** 11/9/13) **Raised recommendation to BUY from hold.** Nutritional products, helped by new products and greater penetration and growth of emerging/foreign markets. Also growth for diagnostics, absorbable stents and mitral valve repair system. Growth in emerging markets bolstering sales of generic drugs. **ABT** has significant cash flow generation potential to enable resources for investments and acquisitions with returns to shareholders.

**VL:** (10/11/13) Recent acquisitions have provided some increased diversity. Of mention is OptiMedica which provides an immediate entry point into the laser cataract surgery market. Expanding operating margins from cost savings in the nutritional business. Expanding emerging markets—Brazil, Russia, India, and China provided 13% sales increases in 2<sup>nd</sup> quarter for approx 40% of 2013 projected sales.

**MStar:** (10/28/13) “Abbott’s cost structure reflects a poor combination of its individual segments. assumes 4.2% annual revenue increase fueled by strength in pediatric nutrition, non-US adult nutrition, molecular diagnostics, and vascular sales.

**Additional comments:**

S&P: 3 Stars—HOLD

M Str: Consider buy @ \$32.00 and sell @ \$50.00

VL: Timeliness: **unranked**

MicNOVA owns 31 shares 4% of portfolio

Recommend: Buy More \_\_Yes\_\_\_, Hold\_\_\_, Challenge with a better investment\_\_\_\_\_, Sell\_\_\_