

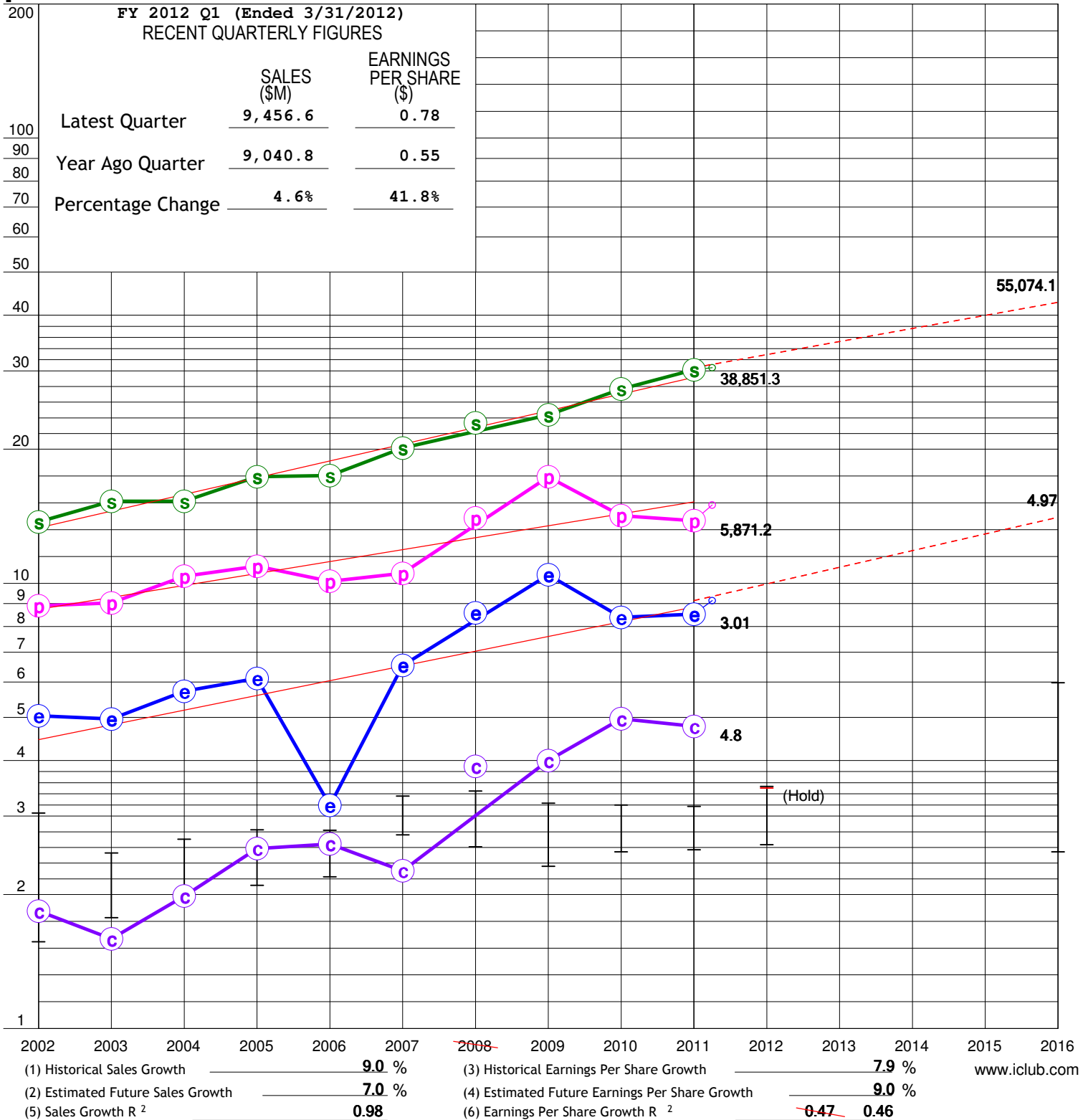


# Stock Study

Company	Abbott Laboratories-5..	Price Date	05/11/12
Study by	LindaHath	Data Date	05/11/12
Sector	Healthcare	Data Source	BI
Industry	Drug Manufacturers - Maj	Reference	Morningstr
Preferred(\$M)	0.0		
Common(M Shares)	1,573.9	% Insiders	0.4
Debt(\$M)	16,646.9	% Institutions	64.7
% Debt to Tot.Cap.	40.3	Quality	

## 1 Growth Analysis

NYSE: ABT



## 2 QUALITY ANALYSIS

Company **Abbott Laboratories-5-11-12**

(**ABT**)

05/11/12

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	5 YEAR AVG.	TREND UP / DOWN
<b>A</b> % Pre-tax Profit on Sales	21.4	19.5	22.4	20.8	19.1	17.2	20.2	23.9	17.1	15.1	18.7	DOWN
<b>B</b> % ROE (Beginning Yr)	<del>19.9</del>	25.6	24.2	23.5	12.1	25.2	26.3	32.8	20.1	20.5	25.0	DOWN
<b>C</b> % Debt to Equity	40.1	26.4	33.4	31.7	50.0	53.4	50.0	49.4	55.2	49.3	51.5	DOWN

## 3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) **62.04 (19.2)** 52-WEEK HIGH (P/E) **62.57 (19.4)** 52-WEEK LOW (P/E) **46.29 (14.3)**

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2007	59.5	48.7	2.31	25.8	21.1	1.270	55.0	2.6
2 2008	61.1	45.8	3.03	20.2	15.1	1.405	46.4	3.1
3 2009	57.4	41.4	3.69	15.6	11.2	1.560	42.3	3.8
4 2010	56.8	44.6	2.96	19.2	15.1	1.720	58.1	3.9
5 2011	56.4	45.1	3.01	18.7	15.0	1.880	62.5	4.2
6 AVERAGE		45.1		19.9	15.5		52.9	
AVERAGE P/E RATIO		17.7	PROJECTED P/E RATIO		17.6	TTM EPS		3.23
CURRENT P/E RATIO		19.2	PEG RATIO		2.0	FTM EPS		3.52
RELATIVE VALUE		108.5	PROJ. RELATIVE VALUE		99.6	AVG TTM + FTM EPS		3.38

## 4 EVALUATING REWARD and RISK over the next 5 years

### A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E ~~19.9~~ **21.5** X Estimated High Earnings/Share **4.97** = Forecast High Price \$ **106.9**

### B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E ~~15.5~~ **15.7** (as adj.) X Estimated Low Earnings/Share ~~3.01~~ **3.23** = \$ **50.7**

(b) Average 5-Year Low Price = **45.1**

(c) Recent Severe Low Price = **44.6**

(d) Price Dividend Will Support = Present Divd. + High Yield = **2.040** + **0.042** = **48.9**

Selected Estimated Low Price = \$ **44.6**

### C PRICE RANGES

Forecast High Price **106.9** - Estimated Low Price **44.6** = Range **62.3** 25% of Range = **15.6**

BUY (Lower 25% of Range) = **44.6** to **60.2**

MAYBE (Middle 50% of Range) = **60.2** to **91.3**

SELL (Upper 25% of Range) = **91.3** to **106.9**

Current Price **62.040** is in the **Hold** Range

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

(Forecast High Price **106.9** - Current Price **62.040**) + (Current Price **62.040** - Estimated Low Price **44.6**) = **2.6** To 1

## 5 TOTAL RETURN ANALYSIS

### A CURRENT YIELD

Present Full Year's Dividend \$ **2.040** ÷ Current Price of Stock \$ **62.040** = **3.3** % Present Yield or % Returned on Purchase Price

### B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout ~~52.9~~ **47.8** ÷ Forecast High P/E **21.5** = Avg. Yield **2.2**

### AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout ~~52.9~~ **47.8** ÷ Forecast Avg P/E **18.6** = Avg. Yield **2.6**

### C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E

Average Yield **2.2** % + Annual Appreciation **11.5** % = Compound Annual Total Return **13.7** %

### D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield **2.6** % + Annual Appreciation **8.3** % = Projected Average Total Return **10.9** %