

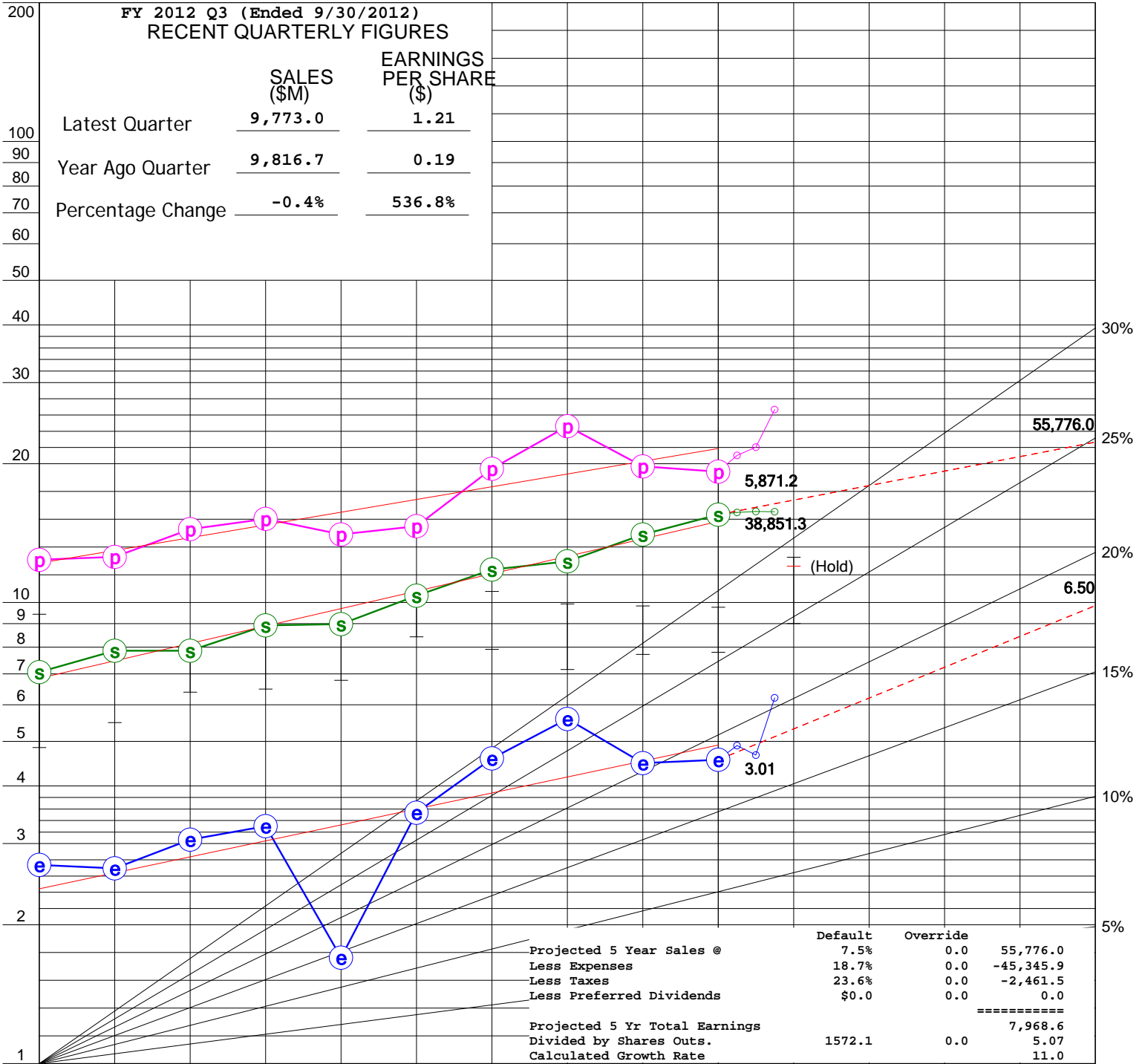


# Stock Study

Company	ABT KE Q3 2012	Price Date	10/17/12
Study by	Kathy E.	Data Date	10/15/12
Sector	Healthcare	Data Source	BI
Industry	Drug Manufacturers - Maj	Reference	Morningsta
Preferred(\$M)	0.0		
Common(M Shares)	1,572.1	% Insiders	0.4
Debt(\$M)	18,087.0	% Institutions	64.2
% Debt to Tot.Cap.	42.3	Quality	

## 1 Growth Analysis

NYSE: ABT



(1) Historical Sales Growth	9.1 %	(3) Historical Earnings Per Share Growth	8.3 %	www.iclub.com
(2) Estimated Future Sales Growth	7.5 %	(4) Estimated Future Earnings Per Share Growth	16.6 %	
(5) Sales Growth R <sup>2</sup>	0.98	(6) Earnings Per Share Growth R <sup>2</sup>	0.47	

## 2 QUALITY ANALYSIS

Company ABT KE Q3 2012 (ABT)

10/17/12

	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>19.5</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 69.300 52-WEEK HIGH 72.470 52-WEEK LOW 52.050

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		14.5	TTM EPS		4.10	
CURRENT P/E RATIO	16.9	PEG RATIO		0.9	FTM EPS		4.78	
RELATIVE VALUE	95.5	PROJ. RELATIVE VALUE		81.9	AVG TTM + FTM EPS		4.44	

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

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

Selected High P/E 19.9 15.6 X Estimated High Earnings/Share 6.50 = Forecast High Price \$ 101.4

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

(a) Sel. Low P/E 15.5 11.2 X Estimated Low Earnings/Share 3.01 4.00 = \$ 44.8  
(as adj.)

(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 = \$ 48.9

### C PRICE RANGES

Forecast High Price 101.4 - Estimated Low Price 48.9 = Range 52.5 25% of Range = 13.1

BUY (Lower 25% of Range) = 48.9 to 62.0

MAYBE (Middle 50% of Range) = 62.0 to 88.3

SELL (Upper 25% of Range) = 88.3 to 101.4

Current Price 69.300 is in the Hold Range

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

(Forecast High Price 101.4 - Current Price 69.300) + (Current Price 69.300 - Estimated Low Price 48.9) = 1.6 To 1

## 5 TOTAL RETURN ANALYSIS

### A CURRENT YIELD

Present Full Year's Dividend \$ 2.040 ÷ Current Price of Stock \$ 69.300 = 2.9 % Present Yield or % Returned on Purchase Price

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

Avg. % Payout 52.9 61.1 ÷ Forecast High P/E 15.6 = Avg. Yield 3.9

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

Avg. % Payout 52.9 61.1 ÷ Forecast Avg P/E 13.4 = Avg. Yield 4.6

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

Average Yield 3.9 % + Annual Appreciation 7.9 % = Compound Annual Total Return 11.8 %

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

Average Yield 4.6 % + Annual Appreciation 4.7 % = Projected Average Total Return 9.2 %