ABBOTT LABS. NYSE-ABT

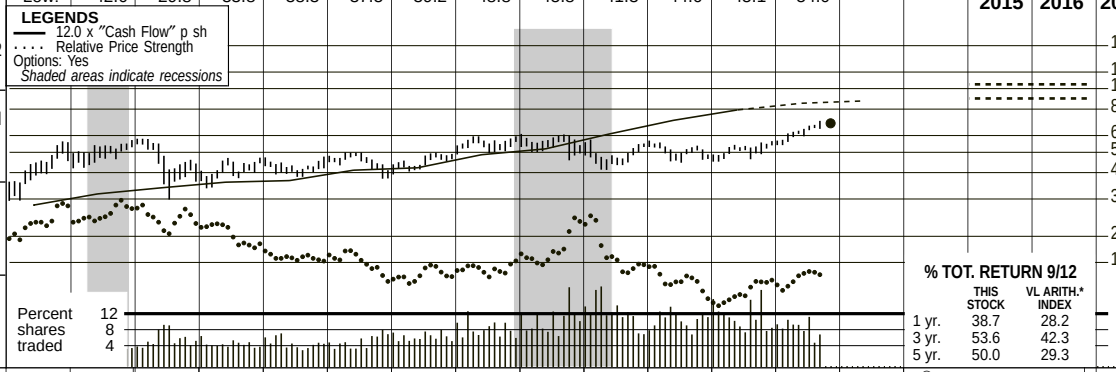
RECENT PRICE **68.54** | P/E RATIO **13.2** (Trailing: 14.0 / Median: 18.0) | RELATIVE P/E RATIO **0.86** | DIV'D YLD **3.0%** | VALUE LINE

TIMELINESS — Suspended 10/12/12
SAFETY 1 Raised 9/11/98
TECHNICAL — Suspended 10/12/12
BETA .60 (1.00 = Market)

High:	57.2	58.0	47.2	47.6	50.0	49.9	59.5	61.1	57.4	56.8	56.4	70.4
Low:	42.0	29.8	33.8	38.3	37.5	39.2	48.8	45.8	41.3	44.6	45.1	54.0

Target Price Range
2015 | 2016 | 2017

LEGENDS
—— 12.0 x "Cash Flow" p sh
.... Relative Price Strength
Options: Yes
Shaded areas indicate recessions



2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+55%)	*13%*
Low	90	(+30%)	*10%*

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	1	10	0	6	8	0	2	2	6
to Sell	2	10	0	12	9	1	1	2	1

Institutional Decisions

	4Q2011	1Q2012	2Q2012
to Buy	693	695	625
to Sell	647	672	708
Hld's(000)	10124531	10365 15	963469

% TOT. RETURN 9/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	38.7	28.2
3 yr.	53.6	42.3
5 yr.	50.0	29.3

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
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	19.82	22.73	24.74	***25.50***	***26.75***	Sales per sh	***33.05***
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	5.90	6.61	***7.05***	***7.55***	"Cash Flow" per sh	***8.50***
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	4.17	4.66	***5.10***	***5.50***	Earnings per sh A	***6.50***
.48	.54	.60	.66	.74	.82	.94	.98	1.04	1.10	1.18	1.30	1.44	1.60	1.76	1.88	***2.04***	***2.16***	Div'ds Decl'd per sh B■	***2.40***
.61	.66	.65	.64	.67	.75	.83	.79	.82	.78	.87	1.07	.85	.70	.66	.95	***.95***	***.85***	Cap'l Spending per sh	***.90***
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	14.47	15.56	***17.05***	***18.70***	Book Value per sh C	***22.25***
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	1551.9	1547.0	1570.4	***1570.0***	***1560.0***	Common Shs Outst'g D	***1550.0***
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	12.2	11.0	*Bold figures are*		Avg Ann'l P/E Ratio	***15.0***
1.17	1.33	1.41	1.50	1.53	1.36	1.22	1.07	.99	.96	.97	1.02	1.10	.87	.78	.69	*Value Line*		Relative P/E Ratio	***1.00***
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%	3.5%	3.7%	*estimates*		Avg Ann'l Div'd Yield	***2.6%***

CAPITAL STRUCTURE as of 6/30/12
Total Debt $18.1 bill. **Due in 5 Yrs** $6.5 bill.
LT Debt $12.0 bill. **LT Interest** $0.5 bill.
(39% of Capital)

Pension Assets-12/11 $7.0 bill. **Oblig.** $9.0 bill.

Preferred Stock None

Common Stock 1,569,333,729 shares

MARKET CAP: $108 billion (Large Cap)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		15-17
17685	19681	19680	22338	22476	25914	29528	30765	35167	38851	***40050***	***41750***	Sales ($mill)	***51200***
28.9%	27.0%	28.2%	27.6%	28.2%	26.2%	25.5%	28.8%	30.3%	31.2%	***32.5%***	***33.0%***	Operating Margin	***31.0%***
1177.3	1274.0	1288.7	1358.9	1558.8	1854.9	1838.8	2089.3	2624.3	3043.9	***3000***	***3050***	Depreciation ($mill)	***3150***
3242.4	3479.2	3522.8	3908.5	3841.8	4429.3	4734.2	5805.2	6501.1	7330.4	***8080***	***8700***	Net Profit ($mill)	***10050***
24.5%	22.0%	21.4%	24.3%	23.5%	19.3%	19.2%	17.0%	15.0%	15.1%	***15.5%***	***16.0%***	Income Tax Rate	***17.0%***
18.3%	17.7%	17.9%	17.5%	17.1%	17.1%	16.0%	18.9%	18.5%	18.9%	***20.2%***	***20.8%***	Net Profit Margin	***19.6%***
2119.6	2650.9	3908.9	3970.5	d669.3	4939.4	5450.7	10264	5055.1	8288.6	***8800***	***8550***	Working Cap'l ($mill)	***9500***
4274.0	3452.3	4787.9	4571.5	7009.7	9487.8	8713.3	11266	12524	12040	***11800***	***11200***	Long-Term Debt ($mill)	***9000***
10665	13072	14326	14415	14054	17779	17480	22856	22388	24440	***26750***	***29200***	Shr. Equity ($mill)	***34500***
22.3%	21.5%	18.8%	21.0%	18.8%	17.0%	18.8%	17.5%	19.1%	20.6%	***21.0%***	***21.5%***	Return on Total Cap'l	***23.0%***
30.4%	26.6%	24.6%	27.1%	27.3%	24.9%	27.1%	25.4%	29.0%	30.0%	***30.0%***	***30.0%***	Return on Shr. Equity	***29.0%***
17.0%	15.0%	13.4%	15.4%	14.7%	13.9%	14.6%	14.8%	17.1%	18.0%	***17.5%***	***18.0%***	Retained to Com Eq	***18.0%***
44%	44%	45%	43%	46%	44%	46%	42%	41%	40%	***40%***	***39%***	All Div'ds to Net Prof	***37%***

CURRENT POSITION ($MILL.)	2010	2011	6/30/12
Cash Assets	3648.4	6812.8	7052.8
Receivables	7184.0	7683.9	6767.9
Inventory (FIFO)	3188.7	3284.2	3518.5
Other	8296.4	5987.9	8918.3
Current Assets	22317.5	23768.8	26257.5
Accts Payable	1535.8	1721.1	1519.5
Debt Due	6394.8	3374.8	6082.9
Other	9331.8	10384.3	9518.1
Current Liab.	17262.4	15480.2	17120.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Sales	9.0%	10.0%	*7.5%*
"Cash Flow"	9.5%	12.0%	*8.5%*
Earnings	9.0%	11.5%	*10.0%*
Dividends	9.0%	9.5%	*9.0%*
Book Value	10.5%	10.0%	*12.5%*

Cal-endar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	6718	7494	7762	8791	30765
2010	7698	8827	8674	9967	35167
2011	9041	9616	9817	10377	38851
2012	9457	9807	***10100***	***10686***	***40050***
2013	***9800***	***10350***	***10470***	***11130***	***41750***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.73	.89	.92	1.18	3.72
2010	.81	1.01	1.05	1.30	4.17
2011	.91	1.12	1.18	1.45	4.66
2012	1.03	1.23	***1.28***	***1.56***	***5.10***
2013	***1.12***	***1.35***	***1.40***	***1.63***	***5.50***

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.325	.36	.36	.36	1.41
2009	.36	.40	.40	.40	1.56
2010	.40	.44	.44	.44	1.72
2011	.44	.48	.48	.48	1.88
2012	.48	.51	.51		

BUSINESS: Abbott Laboratories operates four segments: Pharmaceutical Products (56.5% of '10 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 (10.8%) diagnostic systems and tests for blood banks, hospitals, labs, physicians' offices, etc.; Nutritional Products (15.7%) a wide range of adult and pediatric nutritional products; Vascular products (9.1%) coronary, vessel-closure, and endovascular devices; Other (7.9%). '10 R&D: $3.7 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.abbott.com.

Abbott Laboratories is on track for strong earnings in 2012. The company delivered double-digit bottom-line growth in the first half, with second-quarter share net climbing 10%, to $1.23. The earnings result matched our expectation, despite lower-than-anticipated sales. Abbott continued to face a substantial headwind from currency translation, which seems likely to persist in the near term. Yet, strong growth from blockbuster drug *Humira*, solid results from nutritionals and emerging markets, and margin expansion should provide a boost to the bottom line. Notably, sales of *Humira* have continued to exceed our expectation, increasing 21% on a constant-currency basis (17% including currency effects) in the first half.

The highly anticipated spinoff remains on track to be completed by yearend. Although there haven't been any recent updates beyond the initial filing of the form 10, management remains optimistic that the transaction will be completed by the end of this year. Investors have been focused on the upcoming split of the Proprietary Pharmaceuticals and Medical Products businesses. The spinoff of the pharmaceutical company, which would be called AbbVie, should help unlock greater overall value. Notably, AbbVie accounted for 45% of overall 2011 sales, but the higher-margin business delivered $6.2 billion in operating cash flow, which was 69% of the company's total. AbbVie would feature strong margins and robust cash flow, coupled with a relatively slower growth profile.

Both companies are expected to pay dividends, with a combined total that is equal to the current payout. Yet, the dividend split between the two companies likely won't be even. We believe that AbbVie will end up with the larger payout, and the stock should have greater appeal to the traditional Abbott investor base that is focused on yield and safety. On the other hand, the remaining ABT should be attractive to growth-oriented investors.

The Timeliness rank has been suspended for this stock, due to the upcoming spinoff. Shares of ABT have continued to rise in recent months in anticipation of the transaction, which should unlock shareholder value.

Joel Schwed *October 12, 2012*

(A) Primary earnings thru '96, diluted earnings thereafter. Excludes nonrecurring gain/(losses): '99, (9¢); '01, (89¢); '02, (28¢); '03, (46¢); '04, (21¢); '05, (34¢); '06, ($1.40); '07, (53¢); '08, 19¢; '10, ($1.21). Next earnings report due late October. (B) Dividends historically paid in February, May, August, and November. ■ Dividend reinvestment plan available. (C) Includes intangibles. In '11: $25.7 billion, $16.37 a share. (D) In millions.

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	50
Earnings Predictability	100

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