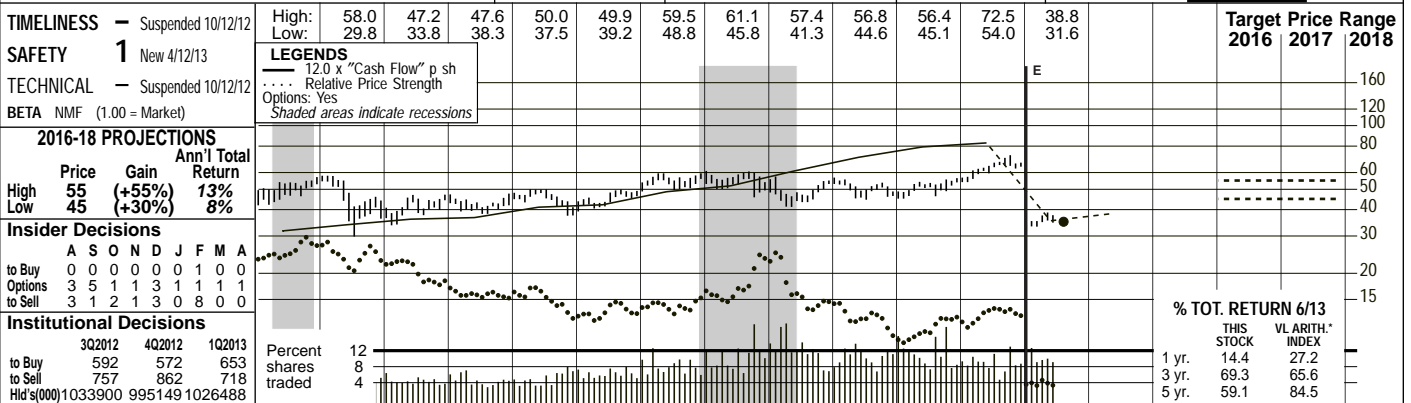


# ABBOTT LABS. NYSE-ABT

RECENT PRICE **35.03** P/E RATIO **17.5** (Trailing: 7.9 Median: 17.0) RELATIVE P/E RATIO **1.02** DIV'D YLD **1.6%**

**VALUE LINE**



Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC	16-18	
Price	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	25.29	14.35	15.30	Sales per sh	17.50	
Gain	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	6.91	2.95	3.20	"Cash Flow" per sh	4.25	
Return	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	5.07	2.00	2.25	Earnings per sh <sup>A</sup>	3.30	
Options	.54	.60	.66	.74	.82	.94	.98	1.04	1.10	1.18	1.30	1.44	1.60	1.76	1.88	2.01	.56	.60	Div'ds Decl'd per sh <sup>B</sup>	.76	
to Buy	.66	.65	.64	.67	.75	.83	.79	.82	.78	.87	1.07	.85	.70	.66	.95	1.14	1.00	1.00	Cap'l Spending per sh	1.00	
to Sell	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	16.95	13.40	14.65	Book Value per sh <sup>C</sup>	16.55	
Hld's(000)	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	1576.7	1570.0	1570.0	Common Shs Outst'g <sup>D</sup>	1570.0	
to Buy	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	12.6	Bold figures are Value Line estimates			Avg Ann'l P/E Ratio	15.0
to Sell	1.33	1.41	1.50	1.53	1.36	1.22	1.07	.99	.96	.97	1.02	1.10	.87	.78	.69	.80				Relative P/E Ratio	1.00
Hld's(000)	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%	3.2%				Avg Ann'l Div'd Yield	1.5%

**CAPITAL STRUCTURE as of 3/31/13**

Total Debt \$7.1 bill. Due in 5 Yrs NA  
LT Debt \$3.5 bill. LT Interest NA (13% of Capital)

Pension Assets-12/12 \$7.9 bill. Oblig. \$11.0 bill.

Preferred Stock None

Common Stock 1,558,864,658 shares

MARKET CAP: \$54.6 billion (Large Cap)

Year	2011	2012	3/31/13
Cash Assets	6812.8	10802.2	4373.1
Receivables	7683.9	7612.9	3917.9
Inventory (FIFO)	3284.2	3792.3	2710.3
Other	5987.9	9115.2	8095.6
Current Assets	23768.8	31322.6	19096.9
Accts Payable	1721.1	1797.0	1088.0
Debt Due	3374.8	2390.7	3635.9
Other	10384.3	9092.5	5682.4
Current Liab.	15480.2	13280.2	10406.3

Year	2011	2012	2013	2014	2015	2016	2017	2018
Sales (\$mill)	19681	19680	22338	22476	25914	29528	30765	35167
Operating Margin	27.0%	28.2%	27.6%	28.2%	26.2%	25.5%	28.8%	30.3%
Depreciation (\$mill)	1274.0	1288.7	1358.9	1558.8	1854.9	1838.8	2089.3	2624.3
Net Profit (\$mill)	3479.2	3522.8	3908.5	3841.8	4429.3	4734.2	5805.2	6501.1
Income Tax Rate	22.0%	21.4%	24.3%	23.5%	19.3%	19.2%	17.0%	15.0%
Net Profit Margin	17.7%	17.9%	17.5%	17.1%	17.1%	16.0%	18.9%	18.5%
Working Cap'l (\$mill)	2650.9	3908.9	3970.5	6669.3	4939.4	5450.7	10264	5055.1
Long-Term Debt (\$mill)	3452.3	4787.9	4571.5	7009.7	9487.8	8713.3	11266	12524
Shr. Equity (\$mill)	13072	14326	14415	14054	17779	17480	22856	23388
Return on Total Cap'l	21.5%	18.8%	21.0%	18.8%	17.0%	18.8%	17.5%	19.1%
Return on Shr. Equity	26.6%	24.6%	27.1%	27.3%	24.9%	27.1%	25.4%	29.0%
Retained to Com Eq	15.0%	13.4%	15.4%	14.7%	13.9%	14.6%	14.8%	17.1%
All Div'ds to Net Prof	44%	45%	43%	46%	44%	46%	42%	41%

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd '10-'12 of change (per sh)

Sales 9.0% NMF  
"Cash Flow" 9.5% NMF  
Earnings 9.0% NMF  
Dividends 8.5% NMF  
Book Value 10.0% NMF

**BUSINESS:** Abbott Laboratories engages in the discovery, development, manufacture, and sale of healthcare-related products around the world. Beginning in 2013, its four key reportable revenue segments include: Nutritional Products, Diagnostic Products, Medical Device Products, and Established Products Division. On January 1, 2013, Abbott completed the separation of its research-

based pharmaceuticals business through the distribution of the issued and outstanding common stock of AbbVie Inc. to ABT shareholders. Has 91,000 employees. Off/dirs. own less than 1% of common stock; BlackRock, 5.5%. Chairman & CEO: Miles D. White. Inc.: IL. Address: 100 Abbott Park Road, Abbott Park, IL 60064. Telephone: 847-937-6100. Internet: www.abbott.com.

**QUARTERLY SALES (\$ mill.)**

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	7698	8826	8674	9967	35166
2011	9041	9616	9817	10377	38851
2012	9457	9807	9773	10836	39873
2013	5378	5500	5600	6022	22500
2014	5700	5900	6100	6300	24000

**We are maintaining our 2013 estimates for Abbott Laboratories.** The company's first-quarter results were relatively in line with what we had expected. Reported earnings of \$0.42 a share was slightly better than our \$0.40 estimate, while sales of \$5.38 billion fell just a hair short of our \$5.4 billion target. With research-based pharmaceutical operations now completely off the books (completed AbbVie spinoff 1/1/13), performance was driven by solid gains in its Nutrition (+9%) and Diagnostics (+6%) divisions. Growth was also supported by stronger demand in International markets (+15%). Given the in line results, we are leaving our 2013 share-net estimate unchanged at \$2.00.

**Product launches should help to support comps.** In the Nutrition segment alone, Abbott completed 19 new product launches in the March period and is on track for 70 by year's end. This includes the first international market launches of *Similac* and the continued global rollout of its infant formula tolerance line. Meanwhile, the Established Pharmaceuticals unit completed more than 45 launches across 16 geographies during this time. This included new formulations of brands aimed to broaden its therapeutic portfolios in gastroenterology and neurology.

**EARNINGS PER SHARE <sup>A</sup>**

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.30	1.51	5.07
2013	.42	.43	.55	.60	2.00
2014	.45	.50	.60	.70	2.25

**Sales growth ought to accelerate in the second half.** Though sales have been decent thus far in 2013, results continue to be impacted by the overhang from 2012 EU austerity measures and Japanese Biennial price cuts, particularly within the Established Pharmaceutical and Medical Device segments. With these issues expected to annualize in the second half of 2013, management believes it will open the door for accelerated growth in the

**Emerging markets are expected to play an intricate part in Abbott's long-term growth story.** With nearly 40% of Abbott's total sales coming from emerging markets, its exposure represents roughly four times that of the average medical device company. By 2015, it expects to more than double its presence in China, which is currently the largest and fastest-growing nutritional market in the world. **Due to its recent spinoff, the stock remains unranked for Timeliness.**  
*Michael Ratty*  
July 12, 2013

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

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