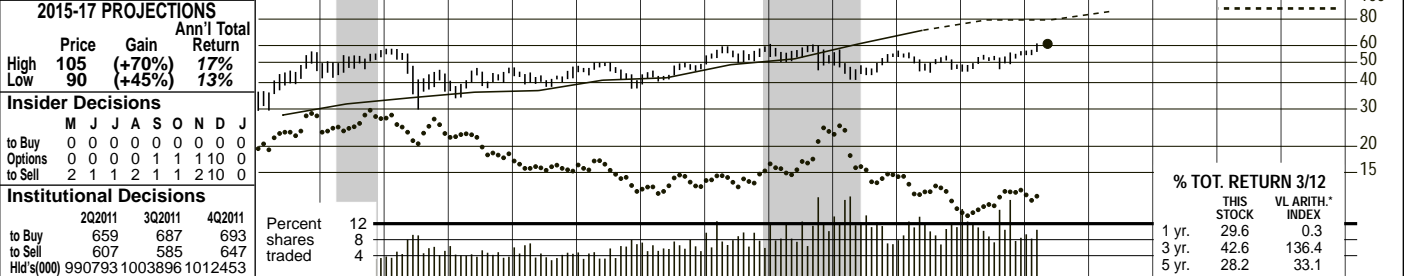


# ABBOTT LABS. NYSE-ABT

RECENT PRICE **61.14** P/E RATIO **12.4** (Trailing: 13.1; Median: 18.0) RELATIVE P/E RATIO **0.78** DIV'D YLD **3.3%** VALUE LINE

TIMELINESS <b>1</b> Raised 11/4/11	High: 57.2	58.0	47.2	47.6	50.0	49.9	59.5	61.1	57.4	56.8	56.4	61.5	Target Price Range 2015 2016 2017
SAFETY <b>1</b> Raised 9/11/98	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	
TECHNICAL <b>4</b> Lowered 4/6/12	LEGENDS — 12.0 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded areas indicate recessions												



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	<b>25.65</b>	<b>21.05</b>	Sales per sh	<b>33.05</b>
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	<b>6.60</b>	<b>7.30</b>	"Cash Flow" per sh	<b>8.50</b>
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	<b>5.00</b>	<b>5.35</b>	Earnings per sh <sup>A</sup>	<b>6.50</b>
.48	.54	.60	.66	.74	.82	.94	.98	1.04	1.10	1.18	1.30	1.44	1.60	1.76	1.88	<b>2.04</b>	<b>2.16</b>	Div'ds Decl'd per sh <sup>B</sup>	<b>2.40</b>
.61	.66	.65	.64	.67	.75	.83	.79	.82	.78	.87	1.07	.85	.70	.66	.95	<b>.85</b>	<b>.75</b>	Cap'l Spending per sh	<b>.90</b>
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	<b>17.05</b>	<b>18.25</b>	Book Value per sh <sup>C</sup>	<b>22.25</b>
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	<b>1570.0</b>	<b>1560.0</b>	Common Shs Outst'g <sup>D</sup>	<b>1550.0</b>
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	12.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	<b>15.0</b>
2.17	1.33	1.41	1.50	1.53	1.36	1.22	1.07	.99	.96	.97	1.02	1.10	.87	.78	.79			Relative P/E Ratio	<b>1.00</b>
1.1%	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%			Avg Ann'l Div'd Yield	<b>2.6%</b>	

<b>CAPITAL STRUCTURE as of 12/31/11</b>	17685	19681	19680	22338	22476	25914	29528	30765	35167	38851	<b>40250</b>	<b>42850</b>	Sales (\$mill)	<b>51200</b>		
Total Debt \$15.4 bill. Due in 5 Yrs \$6.5 bill.	28.9%	27.0%	28.2%	27.6%	28.2%	26.2%	25.5%	28.8%	30.3%	<b>31.2%</b>	<b>31.8%</b>	<b>31.5%</b>	Operating Margin	<b>31.0%</b>		
LT Debt \$12.0 bill. LT Interest \$0.5 bill. (39% of Capital)	1177.3	1274.0	1288.7	1358.9	1558.8	1854.9	1838.8	2089.3	2624.3	3043.9	<b>3100</b>	<b>3050</b>	Depreciation (\$mill)	<b>3150</b>		
	3242.4	3479.2	3522.8	3908.5	3841.8	4429.3	4734.2	5805.2	6501.1	7331.0	<b>7880</b>	<b>8350</b>	Net Profit (\$mill)	<b>10050</b>		
	24.5%	22.0%	21.4%	24.3%	23.5%	19.3%	19.2%	17.0%	15.0%	<b>15.0%</b>	<b>15.5%</b>	<b>16.0%</b>	Income Tax Rate	<b>17.0%</b>		
Pension Assets-12/10 \$7.5 bill. Oblig. \$8.6 bill.	18.3%	17.7%	17.9%	17.5%	17.1%	17.1%	16.0%	18.9%	18.5%	18.9%	<b>19.6%</b>	<b>19.5%</b>	Net Profit Margin	<b>19.6%</b>		
	2119.6	2650.9	3908.9	3970.5	4669.3	4939.4	5450.7	10264	5055.1	8288.5	<b>7800</b>	<b>7900</b>	Working Cap'l (\$mill)	<b>9500</b>		
Preferred Stock None	4274.0	3452.3	4787.9	4571.5	7009.7	9487.8	8713.3	11266	12524	12040	<b>11500</b>	<b>10800</b>	Long-Term Debt (\$mill)	<b>9000</b>		
	10665	13072	14326	14415	14054	17779	17480	22856	22388	24440	<b>26750</b>	<b>28500</b>	Shr. Equity (\$mill)	<b>34500</b>		
Common Stock 1,572,356,859 shares	22.3%	21.5%	18.8%	21.0%	18.8%	17.0%	18.8%	17.5%	19.1%	<b>20.5%</b>	<b>19.0%</b>	<b>19.5%</b>	Return on Total Cap'l	<b>23.0%</b>		
MARKET CAP: \$96 billion (Large Cap)	30.4%	26.6%	24.6%	27.1%	27.3%	24.9%	27.1%	25.4%	29.0%	30.0%	<b>29.5%</b>	<b>29.5%</b>	Return on Shr. Equity	<b>29.0%</b>		
	17.0%	15.0%	13.4%	15.4%	14.7%	13.9%	14.6%	14.8%	17.1%	<b>18.0%</b>	<b>17.5%</b>	<b>18.0%</b>	Retained to Com Eq	<b>18.0%</b>		
CURRENT POSITION	2009	2010	12/31/11	44%	44%	45%	43%	46%	44%	46%	42%	41%	40%	40%	38%	37%

**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 poised to deliver solid results in 2012.** The company maintained double-digit growth in 2011, as sales advanced 10% and share net increased 12%. Robust Humira growth continues to lead the way. Sales of Humira climbed 21% in 2011, accounting for 47% of the core proprietary pharmaceuticals segment sales. We look for Humira growth to moderate to about 13% this year, and the top line should advance at a slower pace. Despite softer organic revenue growth and an anticipated unfavorable impact from currency translation, the bottom-line result should be solid. We look for 2012 share net of \$5.00, which is at the midpoint of management's guidance range. **Investor focus remains on the planned split into two separate companies.** The proposed spinoff of the Proprietary Pharmaceuticals business, which should be completed by the end of the year, seems to make strategic sense on multiple levels. The new pharma company would include Abbott's branded drug portfolio, led by Humira, and a diversified development pipeline. The remaining part of Abbott, which will retain the company name, will be comprised of its devices, diagnostics, nutritional, and generics businesses. Shares of ABT have been weighed down by the overhang from investor concern regarding Humira competition and its future growth rate. The separation of the businesses should help address this issue, and result in an appropriate valuation for each of the unique companies. **The resulting two publicly traded stocks should appeal to different types of investors.** Both companies are expected to pay dividends, with a combined total that is equal to the current payout. However, the spinoff should result in two stocks with different investment profiles. Shares of the new pharmaceuticals company should appeal to the traditional Abbott investor base that is primarily focused on yield and safety. Meanwhile, ABT would likely be more attractive to growth investors. **These timely shares have continued to rise in recent months,** as investors look ahead to the spinoff. We believe that the transaction should help to improve overall shareholder value.

ANNUAL RATES of change (per sh)	Past 10 Yrs	Past 5 Yrs	Est'd '08-'10 to '15-'17
Sales	9.0%	9.5%	7.5%
"Cash Flow"	9.0%	10.0%	8.5%
Earnings	8.0%	9.5%	10.0%
Dividends	9.0%	9.0%	9.0%
Book Value	11.0%	9.0%	12.5%

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	6718	7496	7761	8790	30765
2010	7698	8826	8675	9968	35167
2011	9041	9616	9817	10377	38851
2012	<b>9400</b>	<b>9950</b>	<b>10100</b>	<b>10800</b>	<b>40250</b>
2013	<b>9850</b>	<b>10400</b>	<b>10650</b>	<b>11950</b>	<b>42850</b>

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
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	<b>1.00</b>	<b>1.22</b>	<b>1.26</b>	<b>1.52</b>	<b>5.00</b>
2013	<b>1.08</b>	<b>1.30</b>	<b>1.35</b>	<b>1.62</b>	<b>5.35</b>

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
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				

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

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