

Quarterly report for ABT Q1 2011

Date: May 17, 2011

Percentage change in Sales from year ago quarter __17.4 %_____

Percentage change in Earnings per Share from year ago quarter ____-14%_____

Is company meeting our target sales _____yes_____

& earnings estimates at bottom of p. 1 of SSG? ___no_____

Pre-tax Profit on sales trend? Down

Return on equity trends? Down

Debt? Up

Current P/E ratio is __18.8_____.

Where does the P/E fall in my estimated High/low range of PE's? _____mid-range_____

Signature PE is _____20.4_____

Club cost basis for this stock is ____\$48.47____. Current price is _____53.82_____

Current fair value: Morningstar: __\$68.00_____ S&P: __\$69.30_____

My SSG Total Return is ____18.1_____ Projected Average Return is
_____12.6_____

What will drive future growth? FDA approval of new drugs. S&P expects margin growth, lower debt levels, and continued growth in sales of Humira and Xience. Continued growth of acquired Humira @ 20% of ABT total growth. Aggressive cost cutting and international sales.

Additional comments: M* holds somewhat premium PE of 15 X earnings because of industry-leading growth. Recent acquisition of Piramal's drug is included in valuation. Leading drug –Humira—20% of ABT value. Projects 6% annual sales growth. Downside: pipeline of new drugs is not as large as rivals. Cardiovascular drug Trilipex has blockbuster potential.

Near 52-week high

Recommend: Buy More _____, Hold _____X____, Challenge with a better investment _____, Sell _____.