

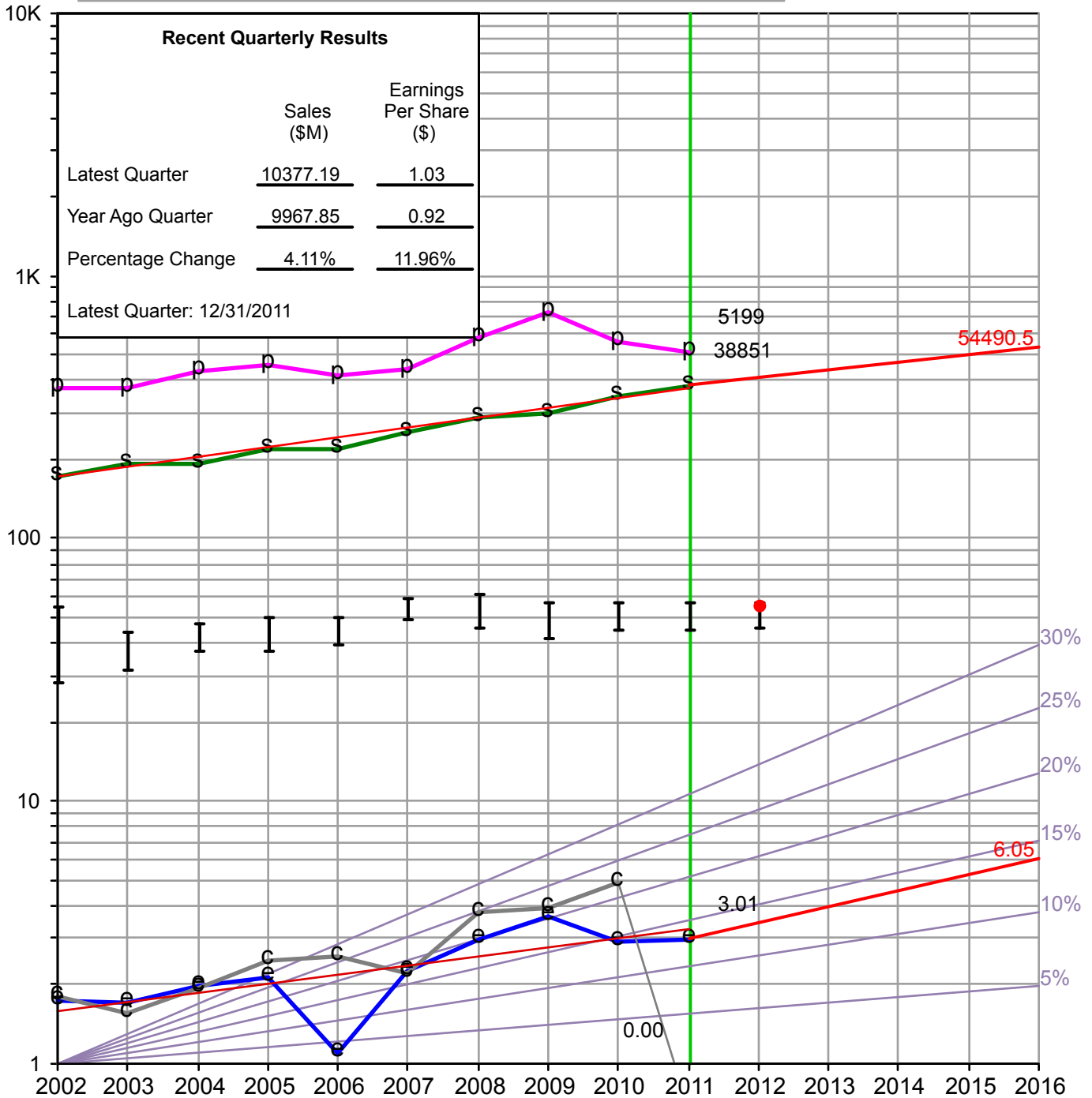
# Abbott Laboratories (ABT)

Date: 02/09/2012

## Stock Prices

Current Price = \$55.71      52 Week Range = \$45.28 to \$56.84  
 Exchange: NYSE  
 Industry: Drug Manufacturers - Major

<b>Share Data</b>	Authorized	Issued	Debt (\$M): 0.00
Preferred:			% Total Cap.: %
Common:	1575.703	1575.703	
Preferred Stock Dividend:		Dilution: 0.000	



(1) Historical Sales Growth = 9.09%  
 (2) Estimated Sales Growth = 7.00%

(3) Historical EPS Growth = 8.30%  
 (4) Estimated EPS Growth = 15.0%

ACE 5-year EPS Growth Estimate: 10.8%

## 2 EVALUATING MANAGEMENT

Abbott Laboratories (ABT) - 02/07/2012

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	5 Yr Ave	Trend
% Pretax Profit on Sales (Net Before Tax/Sales)	21.4	19.5	22.4	20.8	19.1	17.2	20.2	23.9	16.2	13.4	18.2	DOWN
% Earned on Invested Capital (EPS/Book Val)	26.1	20.9	22.0	23.3	12.2	20.1	26.9	25.1	20.5	19.1	22.3	DOWN
% Debt to Equity	40.1	26.4	33.3	31.7	50.0	53.4	50.0	49.4	56.0	0.0	41.8	DOWN

## 3 PRICE & EARNINGS HISTORY

Current Price: 55.71

52 Week High= 56.84

52 Week Low= 45.28

Year	High Price	Low Price	EPS	PE High	PE Low	Dividend	Payout	High Yield
2007	59.5	48.7	2.31	25.8	21.1	1.270	55.0	2.6
2008	61.1	45.8	3.03	20.2	15.1	1.405	46.4	3.1
2009	57.4	41.4	3.69	15.6	11.2	1.560	42.3	3.8
2010	56.8	44.6	2.96	19.2	15.1	1.720	58.1	3.9
2011	56.4	45.1	3.01	18.8	15.0	1.880	62.5	4.2
TOTAL	291.2	225.5						
AVE	58.2	45.1		19.9	15.5		52.8	
Average Price Earnings Ratio: 17.7					Current Price Earnings Ratio: 18.6			

Current PE Ratio Based on Current EPS [\$3.00]

Projected PE Ratio of [16.1] Based on Projected EPS [\$3.4]

## 4 EVALUATING BUY, HOLD, & SELL

### A. CALCULATED HIGH PRICE - 5 YEARS

Ave High PE 15.6 X Estimated High Earnings/Share 6.05 Projected High Price = \$ 94.4

### B. CALCULATED LOW PRICE - 5 YEARS

(a) Avg. Low P/E 11.2 X Estimated Low Earnings/Share 3.01 = \$ 33.71  
 (b) Avg. Low Price of Last 5 Years = \$45.1 (e) Price Variant = \$44.0  
 (c) Recent Market Low = \$41.4  
 (d) Dividend Price Support = \$44.8

Selected Estimated Low Price \$ 41.4

### C. BUY/HOLD/SELL ZONES

Selected High of \$94.40 minus Selected Low of \$41.40 = \$53.00 Range. 1/4 of Range = \$13.250

Lower 1/4 = \$41.4 To \$54.65 (Buy)  
 Center 1/2 = \$54.65 To \$81.15 (Hold)  
 Upper 1/4 = \$81.15 To \$94.4 (Sell)

**25%/50%/25% Zoning**

### D. UPSIDE RISK ANALYSIS

High Price 94.4 - Current Price 55.71 = **2.7** to 1  
 Current Price 55.71 - Low Price 41.4

**Current price of \$55.71 is in the HOLD zone**

PEG Ratio = 1.24 Relative Value = 105.1%  
 Proj PEG = 1.08 Proj Rel Value = 91.2%

## 5 YIELD ANALYSIS

Current Yield = (100 \* Current Dividend)÷Current Price = 100 \* 1.92 / 55.7 = 3.4%

Ave. 5 Yr. Yield = (Ave. EPS(5Yr) \* Ave. Payout)÷Current Price = (4.58 \* 52.8)/55.7 = 4.3%

Price Appreciation = ((100\*Projected High Price÷Current Price)-100)÷5 = 13.9 %

Average Total Return = Price Appreciation+Ave. 5 Yr. Yield = 18.2 %

	P.A.R	Tot. Ret.
Average Yield	3.9%	3.4%
Annual Appreciation	<u>7.8%</u>	<u>11.1%</u>
Compounded Annual Return	11.7%	14.5%