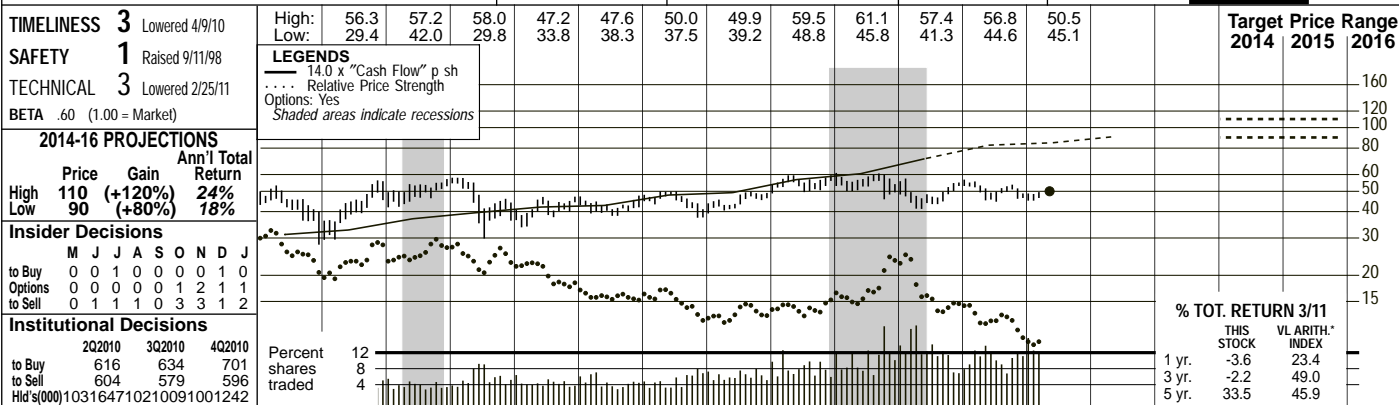


ABBOTT LABS. NYSE-ABT

RECENT PRICE **49.99** P/E RATIO **11.1** (Trailing: 12.0 Median: 19.0) RELATIVE P/E RATIO **0.65** DIV'D YLD **3.8%** VALUE LINE



1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
6.36	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	22.70	24.55	25.95	Sales per sh	29.30
1.43	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	6.05	6.50	"Cash Flow" per sh	7.55
1.06	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	4.60	5.00	Earnings per sh ^A	6.00
.42	.48	.54	.60	.66	.74	.82	.94	.98	1.04	1.10	1.18	1.30	1.44	1.60	1.76	1.88	2.00	Div'ds Decl'd per sh ^B	2.20
.60	.61	.66	.65	.64	.67	.75	.83	.79	.82	.78	.87	1.07	.85	.70	.65	.75	.75	Cap'l Spending per sh	1.35
2.79	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	14.45	16.05	16.90	Book Value per sh ^C	20.60
1574.6	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	1548.0	1545.0	1540.0	Common Shs Outst'g ^D	1530.0
18.1	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	10.8	Avg Ann'l P/E Ratio	17.0
1.21	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	.78	.78	Relative P/E Ratio	1.25
2.2%	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%	3.5%	3.5%	Avg Ann'l Div'd Yield	2.1%

CAPITAL STRUCTURE as of 12/31/10				2008	2009	12/31/10												2008	2009	12/31/10		
Total Debt \$18.9 bill. Due in 5 Yrs \$6.5 bill.				16285	17685	19681	19680	22338	22476	25914	29528	30765	35167	37900	39950	Sales (\$mill)	44800					
LT Debt \$12.5 bill. LT Interest \$0.5 bill. (39% of Capital)				27.0%	28.9%	27.0%	28.2%	27.6%	28.2%	26.2%	25.5%	28.8%	29.0%	29.5%	Operating Margin	30.5%						
Pension Assets-12/08 \$4.0 bill. Oblig. \$5.5 bill.				1168.0	1177.3	1274.0	1288.7	1358.9	1558.8	1854.9	1838.8	2089.3	2624.4	2220	2240	Depreciation (\$mill)	2350					
Preferred Stock None				2944.1	3242.4	3479.2	3522.8	3908.5	3841.8	4429.3	4734.2	5805.2	6500	7750	Net Profit (\$mill)	9200						
Common Stock 1,545,815,965 shares				8.4%	24.5%	22.0%	21.4%	24.3%	23.5%	19.3%	19.2%	17.0%	17.0%	16.0%	Income Tax Rate	20.0%						
MARKET CAP: \$77 billion (Large Cap)				18.1%	18.3%	17.7%	17.9%	17.5%	17.1%	17.1%	16.0%	18.9%	18.5%	18.8%	Net Profit Margin	20.5%						
CURRENT POSITION				492.4	2119.6	2650.9	3908.9	3970.5	6669.3	4939.4	5450.7	10264.4	5055.1	6800	8850	Working Cap'l (\$mill)	10300					
Cash Assets				4335.5	4274.0	3452.3	4787.9	4571.5	7009.7	9487.8	8713.3	11266	12524	12000	10800	Long-Term Debt (\$mill)	9000					
Receivables				9059.4	10665	13072	14326	14415	14054	17779	17480	22856	24800	26000	Shr. Equity (\$mill)	31500						
Inventory (FIFO)				22.8%	22.3%	21.5%	18.8%	21.0%	18.8%	17.0%	18.8%	17.5%	19.5%	20.0%	Return on Total Cap'l	23.0%						
Other				32.5%	30.4%	26.6%	24.6%	27.1%	27.3%	24.9%	27.1%	25.4%	29.0%	29.0%	Return on Shr. Equity	29.0%						
Current Assets				18.5%	17.0%	15.0%	13.4%	15.4%	14.7%	13.9%	14.6%	14.8%	17.0%	17.0%	Retained to Com Eq	18.0%						
Current Payable				43%	44%	44%	45%	43%	46%	44%	46%	42%	41%	42%	39.0%	All Div'ds to Net Prof	37%					
Debt Due				BUSINESS: Abbott Laboratories operates four segments: Pharmaceutical Products (53.6% of '09 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 (11.6%) diagnostic systems and tests for blood banks, hospitals, labs, physicians' offices, etc.; Nutri-																		
Other				Abbott Laboratories has maintained strong top- and bottom-line growth. The company finished 2010 on an upbeat note, as share net improved 10%, to \$1.30, and revenues advanced 13% in the final quarter. The top-line result reflected strong international sales (19% gain) and a boost from acquisitions. Adjusted gross margin increased 230 basis points, but the gain was somewhat offset by higher SG&A and R&D spending. Overall segment performance remained solid, but a little mixed. Core Pharmaceutical sales improved 22% (23% on a constant-currency basis), while the Vascular segment posted a 14% gain. However, Nutritional's top line was flat, reflecting the lingering impact from the infant formula recall. We look for continued double-digit earnings growth in 2011. Our share-net estimate of \$4.60 is a penny above the mid-point of management's guidance range of \$4.54-\$4.64. We remain cautiously optimistic with our near-term outlook, given the potential for further deceleration in both <i>Humira</i> sales and international results. Moreover, gross margin improvement should be somewhat lower than the																		
Current Liab.				tional Products (17.2%) a wide range of adult and pediatric nutritional products; Vascular products (8.8%) coronary, vessel-closure, and endovascular devices; Other (8.8%). '09 R&D: \$2.7 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.																		

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year											
	Mar.31	Jun.30	Sep.30	Dec.31												
2008	6766	7314	7498	7950	29528											
2009	6718	7495	7762	8790	30765											
2010	7698	8826	8675	9968	35167											
2011	8550	9400	9350	10600	37900											
2012	9100	9900	9800	11150	39950											
Cal-endar	EARNINGS PER SHARE ^A				Full Year											
	Mar.31	Jun.30	Sep.30	Dec.31												
2008	.60	.85	.69	.89	3.03											
2009	.73	.89	.92	1.18	3.72											
2010	.81	1.01	1.05	1.30	4.17											
2011	.91	1.12	1.18	1.39	4.60											
2012	1.00	1.22	1.28	1.50	5.00											
Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year											
	Mar.31	Jun.30	Sep.30	Dec.31												
2007	.295	.325	.325	.325	1.27											
2008	.325	.36	.36	.36	1.41											
2009	.36	.40	.40	.40	1.56											
2010	.40	.44	.44	.44	1.72											
2011	.44	.48														

These shares offer attractive 3- to 5-year appreciation potential. Concerns about the long-term outlook have weighed on the stock, creating an appealing entry point for patient investors. Indeed, the current P/E ratio of 11.1 is a significant discount to ABT's historical valuation, and not reflective of a company on a double-digit earnings growth track. Moreover, the solid dividend heightens the appeal.

Joel Schwed
 April 15, 2011

(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. Next earnings report due late April. (B) Dividends historically paid in February, May, August, and November. ■ Dividend reinvestment plan available. (C) Includes intangibles. In '09: \$19.5 billion, \$12.55 a share. (D) In millions.	Company's Financial Strength A++ Stock's Price Stability 100 Price Growth Persistence 40 Earnings Predictability 100
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