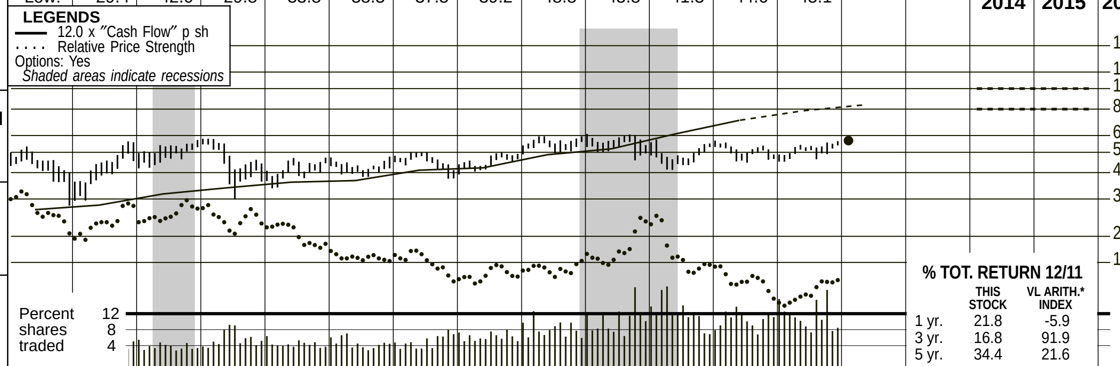
ABBOTT LABS. NYSE-ABT

RECENT PRICE	56.72	P/E RATIO	11.7 (Trailing: 12.6 / Median: 18.0)	RELATIVE P/E RATIO	0.81	DIV'D YLD	3.4%	VALUE LINE

TIMELINESS 1 Raised 11/4/11
SAFETY 1 Raised 9/11/98
TECHNICAL 4 Lowered 12/30/11
BETA .60 (1.00 = Market)

High:	56.3	57.2	58.0	47.2	47.6	50.0	49.9	59.5	61.1	57.4	56.8	56.4
Low:	29.4	42.0	29.8	33.8	38.3	37.5	39.2	48.8	45.8	41.3	44.6	45.1

Target Price Range
2014 | 2015 | 2016



2014-16 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	100	(+75%)	18%
Low	80	(+40%)	12%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	0	0	0
Options	4	1	2	0	0	0	0	1	1
to Sell	15	1	4	2	1	1	2	1	1

Institutional Decisions

	1Q2011	2Q2011	3Q2011
to Buy	708	659	687
to Sell	605	607	585
Hld's(000)	989533	990793	1003896

% TOT. RETURN 12/11

	THIS STOCK	VL ARITH.* INDEX
1 yr.	21.8	-5.9
3 yr.	16.8	91.9
5 yr.	34.4	21.6

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	22.73	25.10	26.35	Sales per sh	29.85
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	6.60	7.00	"Cash Flow" per sh	7.85
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	4.65	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	.66	.85	.75	Cap'l Spending per sh	.90
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	14.47	17.05	18.40	Book Value per sh C	20.50
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	1547.0	1555.0	1550.0	Common Shs Outst'g D	1535.0
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		Avg Ann'l P/E Ratio	15.0
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	.79	.69		Relative P/E Ratio	1.00
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%	3.7%		Avg Ann'l Div'd Yield	2.3%

CAPITAL STRUCTURE as of 9/30/11
Total Debt $16.7 bill. **Due in 5 Yrs** $6.5 bill.
LT Debt $13.1 bill. **LT Interest** $0.5 bill.
(39% of Capital)

Pension Assets-12/10 $7.5 bill. **Oblig.** $8.6 bill.

Preferred Stock None

Common Stock 1,557,795,578 shares

MARKET CAP: $88 billion (Large Cap)

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		14-16
16285	17685	19681	19680	22338	22476	25914	29528	30765	35167	39000	40850	Sales ($mill)	45800
27.0%	28.9%	27.0%	28.2%	27.6%	28.2%	26.2%	25.5%	28.8%	30.3%	30.9%	31.3%	Operating Margin	31.0%
1168.0	1177.3	1274.0	1288.7	1358.9	1558.8	1854.9	1838.8	2089.3	2624.3	2950	3070	Depreciation ($mill)	2850
2944.1	3242.4	3479.2	3522.8	3908.5	3841.8	4429.3	4734.2	5805.2	6501.1	7290	7800	Net Profit ($mill)	9200
8.4%	24.5%	22.0%	21.4%	24.3%	23.5%	19.3%	19.2%	17.0%	15.0%	15.5%	15.5%	Income Tax Rate	17.0%
18.1%	18.3%	17.7%	17.9%	17.5%	17.1%	17.1%	16.0%	18.9%	18.5%	18.7%	19.1%	Net Profit Margin	20.0%
492.4	2119.6	2650.9	3908.9	3970.5	d669.3	4939.4	5450.7	10264	5055.1	7200	7750	Working Cap'l ($mill)	10300
4335.5	4274.0	3452.3	4787.9	4571.5	7009.7	9487.8	8713.3	11266	12524	12800	10800	Long-Term Debt ($mill)	9000
9059.4	10665	13072	14326	14415	14054	17779	17480	22856	22388	26550	28500	Shr. Equity ($mill)	31500
22.8%	22.3%	21.5%	18.8%	21.0%	18.8%	17.0%	18.8%	17.5%	19.1%	19.0%	20.0%	Return on Total Cap'l	23.0%
32.5%	30.4%	26.6%	24.6%	27.1%	27.3%	24.9%	27.1%	25.4%	29.0%	27.5%	27.5%	Return on Shr. Equity	29.0%
18.5%	17.0%	15.0%	13.4%	15.4%	14.7%	13.9%	14.6%	14.8%	17.1%	16.5%	16.5%	Retained to Com Eq	18.0%
43%	44%	44%	45%	43%	46%	44%	46%	42%	41%	40%	39%	All Div'ds to Net Prof	37%

CURRENT POSITION ($MILL.)	2009	2010	9/30/11
Cash Assets	8809.3	3648.4	5049.3
Receivables	6541.9	7184.0	7043.5
Inventory (FIFO)	3264.9	3188.7	3269.3
Other	4697.8	8296.4	7732.3
Current Assets	23313.9	22317.5	23094.4
Accts Payable	1280.5	1535.8	1602.0
Debt Due	5189.6	6394.8	3624.6
Other	6579.4	9331.8	10187.4
Current Liab.	13049.5	17262.4	15414.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '08-'10 to '14-'16
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.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	6765	7314	7498	7951	29528
2009	6718	7496	7761	8790	30765
2010	7698	8826	8675	9968	35167
2011	9041	9616	9817	10526	39000
2012	9450	10050	10250	11100	40850

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.44	4.65
2012	1.00	1.22	1.26	1.52	5.00

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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					

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 has made the strategic decision to split into two separate publicly traded companies. The breakup would result in the creation of two separate entities; a diversified medical products company and a proprietary pharmaceuticals company. Under terms of the plan, ABT will spin off its pharmaceuticals unit to shareholders in a tax-free transaction. The pharma business includes the company's branded drug portfolio, led by blockbuster drug *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 branded generics businesses. Although many details have yet to be released, the transaction is expected to be completed by the end of the year.

The split makes strategic sense for Abbott, and should help unlock value for shareholders. The separation is a logical step in the ongoing evolution of the diversified company. Indeed, the two units have very different characteristics and growth profiles. The pharmaceutical business, which was on track to generate approximately $18 billion in sales (45% of total) in 2011, is a mature business that is dominated by *Humira*. The flagship $8 billion drug has actually been an impediment to share price improvement, due to investor concerns regarding its future growth rate/competition. Investors had been penalizing ABT with a low P/E multiple (both on a historical and industry basis) because of the overhang from *Humira* concerns, without properly valuing the diversified medical products business. Notably, the medical products group of businesses has a significantly higher growth profile, with a large focus on emerging markets. Indeed, approximately 40% of segment sales come from these regions. Thus, the separation of the higher-growth medical products business from the pharmaceutical unit should help unlock value. Importantly, both companies are expected to pay dividends, with a combined total that is equal to the current payout.

This timely stock has performed well over the past few months. Moreover, it remains an attractive choice for total return potential out to 2014-2016.

Joel Schwed *January 13, 2012*

(A) Primary earnings thru '96, diluted earnings thereafter. Excludes nonrecurring gain/(losses): '99, (9¢); '01, (89¢); '02, (28¢); '03, (46¢); '04, (21¢); '05, (34¢); '06, ($1.40); '07, (53¢); '08, 19¢; '10, ($1.21). Next earnings report due late January. (B) Dividends historically paid in February, May, August, and November. ■ Dividend reinvestment plan available. (C) Includes intangibles. In '10: $28.1 billion, $18.15 a share. (D) In millions.

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	40
Earnings Predictability	100