

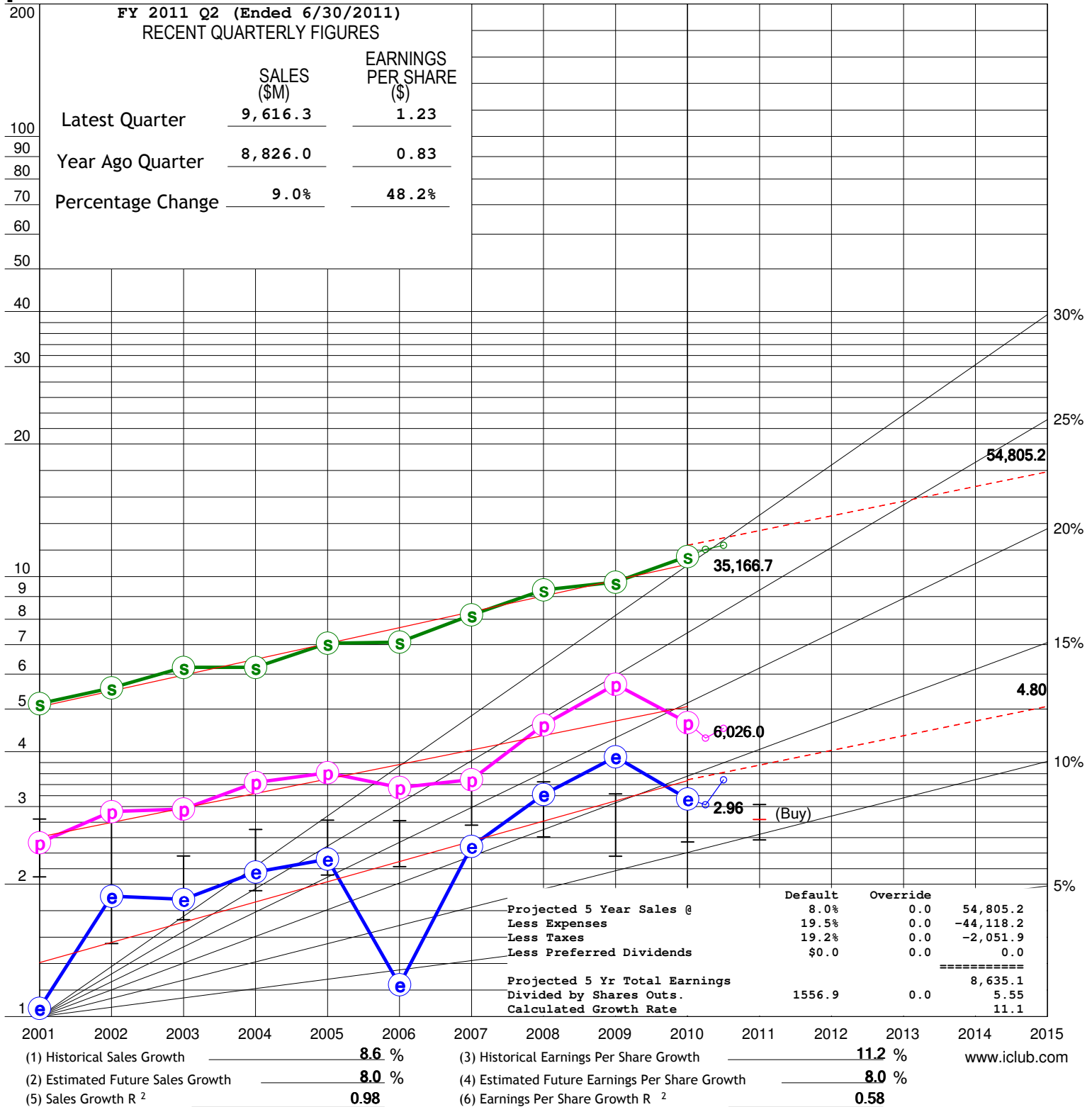


# Stock Study

Company	Abbott Laboratories S..	Price Date	08/17/11
Study by	LindaHath	Data Date	08/12/11
Sector	Healthcare	Data Source	BI
Industry	Drug Manufacturers - Maj	Reference	Morningstr
Preferred(\$M)	0.0		
Common(M Shares)	1,556.9	% Insiders	0.4
Debt(\$M)	18,219.1	% Institutions	68.7
% Debt to Tot.Cap.	44.7	Quality	

## 1 Growth Analysis

NYSE: **ABT**



## 2 QUALITY ANALYSIS

Company **Abbott Laboratories SSG 8-17**

(**ABT**)

08/17/11

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	5 YEAR AVG.	TREND UP / DOWN
<b>A</b> % Pre-tax Profit on Sales	19.7	21.4	19.5	22.4	20.8	19.1	17.2	20.2	23.9	17.1	19.5	DOWN
<b>B</b> % ROE (Beginning Yr)	NMF	30.5	25.6	24.2	23.5	12.1	25.2	26.3	32.8	20.1	23.3	DOWN
<b>C</b> % Debt to Equity	47.9	40.1	26.4	33.4	31.7	50.0	53.4	50.0	49.4	56.0	51.8	UP

## 3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE 50.150 52-WEEK HIGH 54.240 52-WEEK LOW 45.070

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2006	49.9	39.2	1.12	44.6	35.0	1.160	103.6	3.0
2 2007	59.5	48.7	2.31	25.8	21.1	1.270	55.0	2.6
3 2008	61.1	45.8	3.03	20.2	15.1	1.405	46.4	3.1
4 2009	57.4	41.4	3.69	15.6	11.2	1.560	42.3	3.8
5 2010	56.8	44.6	2.96	19.2	15.1	1.720	58.1	3.9
6 AVERAGE		43.9		25.1	19.5		61.1	
AVERAGE P/E RATIO		22.3	PROJECTED P/E RATIO		14.2	TTM EPS		3.27
CURRENT P/E RATIO		15.3	PEG RATIO		1.8	FTM EPS		3.53
RELATIVE VALUE		68.6	PROJ. RELATIVE VALUE		63.7	AVG TTM + FTM EPS		3.40

## 4 EVALUATING REWARD and RISK over the next 5 years

### A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E ~~25.1~~ 20.3 X Estimated High Earnings/Share 4.80 = Forecast High Price \$ 97.4

### B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E ~~19.5~~ 14.6 X Estimated Low Earnings/Share ~~2.96~~ 3.53 = \$ 51.5  
(as adj.)

(b) Average 5-Year Low Price = 43.9

(c) Recent Severe Low Price = 41.4

(d) Price Dividend Will Support = Present Divd. + High Yield = 1.920 + 0.039 = 49.8

Selected Estimated Low Price = \$ 37.5

### C PRICE RANGES

Forecast High Price 97.4 - Estimated Low Price 37.5 = Range 59.9 25% of Range = 15.0

BUY (Lower 25% of Range) = 37.5 to 52.5

MAYBE (Middle 50% of Range) = 52.5 to 82.4

SELL (Upper 25% of Range) = 82.4 to 97.4

Current Price 50.150 is in the Buy Range

### D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price 97.4 - Current Price 50.150) + (Current Price 50.150 - Estimated Low Price 37.5) = 3.7 To 1

## 5 TOTAL RETURN ANALYSIS

### A CURRENT YIELD

Present Full Year's Dividend \$ 1.920 ÷ Current Price of Stock \$ 50.150 = 3.8 % Present Yield or % Returned on Purchase Price

### B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout ~~61.1~~ 47.8 ÷ Forecast High P/E 20.3 = Avg. Yield 2.4

### AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout ~~61.1~~ 47.8 ÷ Forecast Avg P/E 17.5 = Avg. Yield 2.7

### C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E

Average Yield 2.4 % + Annual Appreciation 14.2 % = Compound Annual Total Return 16.6 %

### D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield 2.7 % + Annual Appreciation 10.8 % = Projected Average Total Return 13.5 %