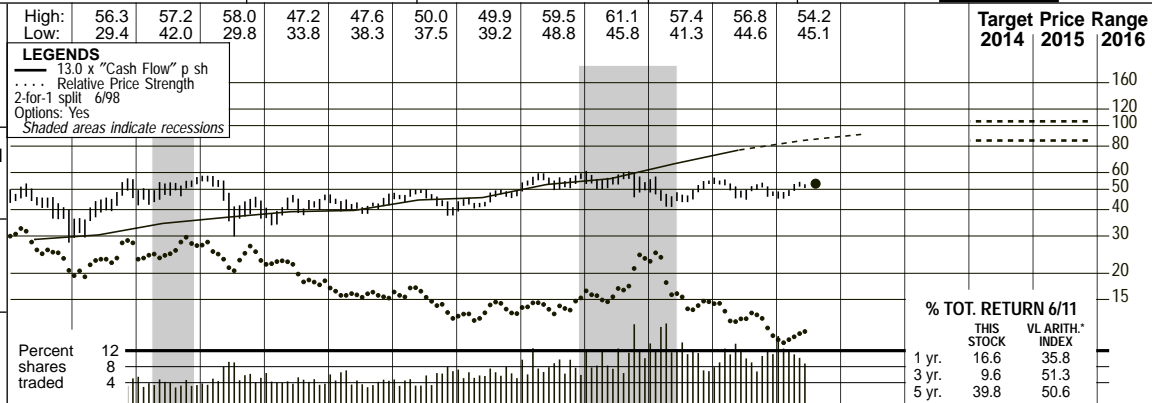


ABBOTT LABS. NYSE-ABT

RECENT PRICE **53.16** P/E RATIO **11.5** (Trailing: 12.4 Median: 18.0) RELATIVE P/E RATIO **0.70** DIV'D YLD **3.6%** VALUE LINE

TIMELINESS **2** Raised 4/29/11
SAFETY **1** Raised 9/11/08
TECHNICAL **3** Raised 5/27/11
BETA .60 (1.00 = Market)



2014-16 PROJECTIONS
Price **105** Gain **(+100%)** Ann'l Total Return **21%**
High **105** Low **85** (+60%)
Insider Decisions
to Buy 0 0 0 0 1 0 0 0 0
Options 0 0 1 2 1 1 4 1 2
to Sell 1 0 3 3 1 2 1 5 1 4
Institutional Decisions
3Q2010 4Q2010 1Q2011
to Buy 634 701 708
to Sell 579 596 605
Hld's(000) 10210091001242 989533

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	24.80	26.15	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	6.55	7.05	"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	4.62	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=C}	2.20
.60	.61	.66	.65	.64	.67	.75	.83	.79	.82	.78	.87	1.07	.85	.70	.66	.75	.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	17.10	18.50	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	1545.0	1540.0	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	10.8	10.8	Avg Ann'l P/E Ratio	16.0
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	.87	.79	Relative P/E Ratio	1.05
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%	3.3%	3.5%	Avg Ann'l Div'd Yield	2.3%

CAPITAL STRUCTURE as of 3/31/11
Total Debt \$18.8 bill. Due in 5 Yrs \$6.5 bill.
LT Debt \$12.5 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 1,554,282,988 shares
MARKET CAP: \$83 billion (Large Cap)

16285	17685	19681	19680	22338	22476	25914	29528	30765	35167	38300	40250	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%	31.5%	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	3050	Depreciation (\$mill)	2850
2944.1	3242.4	3479.2	3522.8	3908.5	3841.8	4429.3	4734.2	5805.2	6501.1	7200	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%	18.8%	19.4%	Net Profit Margin	20.0%
492.4	2119.6	2650.9	3908.9	3970.5	4669.3	4939.4	5450.7	10264	5055.1	6600	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	26400	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%	19.5%	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

(SMILL.)	2009	2010	3/31/11
Cash Assets	8809.3	3648.4	2740.2
Receivables	6541.9	7184.0	7160.2
Inventory (FIFO)	3264.9	3188.7	3401.0
Other	4697.8	8296.4	10345.7
Current Assets	23313.9	22317.5	23647.1
Acc'ts Payable	1280.5	1535.8	1577.2
Debt Due	5189.6	6394.8	6251.9
Other	6579.4	9331.8	9396.0
Current Liab.	13049.5	17262.4	17225.1

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.; Nutri-

tional 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.abott.com.

ANNUAL RATES

Past 10 Yrs	Past 5 Yrs	Est'd '08-'10 to '14-'16
of change (per sh)		
Sales	9.0%	7.5%
"Cash Flow"	9.0%	8.5%
Earnings	8.0%	10.0%
Dividends	9.0%	9.0%
Book Value	11.0%	12.5%

Abbott Laboratories continues to post solid results. The company started off 2011 with a 17% (16% on a constant-currency basis) sales gain, while share net improved 12%, to \$0.91. This follows the double-digit top- and bottom-line growth in 2010. Moreover, the recent performance was well balanced, with strong international sales, solid domestic improvement, and robust emerging market results. Yet despite the solid performance, investors appear to remain concerned about the eventual impact from reduced *Humira* sales and general softening in organic growth. Indeed, this issue may continue to exert some pressure on the stock in the near term.

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QUARTERLY SALES (\$ mill.)

Cal-endar	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	9480	9450	10329	38300
2012	9450	9850	9800	11150	40250

We look for a 12% increase in share net in 2011. Our estimate of \$4.62 falls in the upper end of management's provided guidance range of \$4.54-\$4.64. The top line should be somewhat stronger than we originally anticipated, reflecting a higher international sales component. Yet, gross margin improvement will likely moderate from the recent pace, while SG&A and R&D spending should stay elevated. **The long-term outlook remains attrac-**

ive, with international expansion fueling growth. Abbott's emerging market diversification strategy is still in the early stages, but should play a significant role in the coming years. The company has invested heavily to expand its position in these higher-growth regions, particularly in India. M&A has played a large role in strengthening ABT's position in key international markets, with the recent Solvay and Piramal acquisitions. Emerging market sales surged 38%, to \$2.3 billion in the first quarter, and accounted for 26% of revenue. Notably, emerging markets accounted for 41% of Nutritional sales and 56% of the newly classified Established Pharmaceutical division sales. **We have raised the Timeliness rank to 2 (Above Average).** ABT has gained some momentum over the past couple of months. Yet, the valuation is still appealing at a P/E ratio of 11.5, and the shares have above-average appreciation potential. Although it may take some time for the transition from *Humira*, and the emerging market strategy, to play out, investors are being paid to wait with the solid dividend. *Joel Schwed* July 15, 2011

EARNINGS PER SHARE ^A

Cal-endar	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	1.41	4.62
2012	1.00	1.22	1.26	1.52	5.00

QUARTERLY DIVIDENDS PAID ^{B=C}

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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			

(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 early October. (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	35
Earnings Predictability	100

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