ABBOTT LABORATORIES (NYSE) - ABT

Company Description:

Abbott Laboratories engages in the discovery, development, manufacture, and sale of healthcare-related products around the world. Beginning in 2013, its four key reportable revenue segments include: Nutritional Products (34%), Diagnostic Products (23%), Medical Device Products (25%), and Established Products (18%). On January 1, 2013, Abbott completed the seperation of its research based pharmaceuticals business through the distribution of the issued and outstanding common stock of AbbVie Inc. to ABT shareholders. R&D: 6.9%. Has 77,000 employees. Chairman & CEO: Miles D. White 70% of sales are int'l; 50% of sales are emerging markets. Abbott Park, IL: www.abbott.com.

Basic Description:

The net profits are continuing to grow after the spin-off of AbbVie. ABT has also renewed its historical payout ratio of dividends as 40% of earnings. In addition, ABT has bought back a considerable amount of stock in line with its history of periodic purchasing. This should be enhanced by the sale of some established products to Mylan for stock. The debt levels are low and allow for acquisitions to help with growth. Finally, the operating margin has held up well after the spin-off of AbbVie - a surprise given that Humira had the highest margins. Tax rates are stable and low given non-US exposure. The numbers here are non-GAAP (in line with VL).

Profitability Description:

ABT has high profitability in each of its four segments, despite being much lower than VL assessment (23% vs 27%). In addition, due to its exposure in emerging markets, most of these segments should experience good growth despite currency fluctuations. ABT is in a period of extensive business purchasing and strategic selling, complicating analyses and forcing use of non-GAAP numbers for valuation. The operating margins have remained high throughout the transactions. In 2014, purchases and shareholder compensation drew down on the balance sheet. Yet, the sale of non-U.S. developed markets branded generic ($2 bln rev.) for $5.8 bln to MYL replenished assets and narrowed focus to emerging markets. It is difficult to assess "real" organic growth as opposed to inflation adjustments.

Core Advantage Description:

ABT has a diversified product line with a global footprint. The 50% exposure to emerging markets is a source of growth. The lower margined products have better competitiveness in these markets because only 25% of these sales come from third-party payers. Because 75% is self-pay, branding is critical but competitive. In addition, the new narrowed focus after the AbbVie proprietary pharmaceuticals should enable better returns. ABT has a low R&D, high consumer focus, diversified healthcare model. The wide disparity in lines of business do not seem complementary.

Investment Thesis:

The company generates excess cash flow from operations and has returned that capital to shareholders in the form of dividends. Returns are above average and cash flow is reinvested into the business, primarily through acquisitions. These insure the company maintains a healthy pipeline, resulting in an estimated 5% organic growth (bc of emerging markets), 2% inflation, 2% acquisition/repurchasing, a 2% dividend and a terminal P/E of 19.

Purchase Description:

We would recommend patient, value-oriented investors pay up to $32 for ABT (based on earnings growth and hist. P/E) with a sell price of $50 (cap'l charge approach) as a Tier II investment due to the company's diversification, market position and size.

FY End	Stock Price	Market Value (in mlns)
December	$39.00	$57,330.00

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net Profit (mln)	1,882	2,095	2,333	2,578	2,786	2,944	3,242	3,479	3,523	3,909	3,842	4,429	4,734	5,805	6,501	7,331	8,119	3,189	3,502	3,258	*3,180*	*3,600*
EPS	$1.21	$1.34	$1.51	$1.57	$1.78	$0.99	$1.78	$1.75	$2.06	$2.16	$1.12	$2.31	$3.22	$3.72	$2.96	$4.66	$5.00	$1.67	$1.53	$2.21	*$2.16*	*$2.47*
Operating EPS	$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	$4.66	$5.00	$2.06	$2.32	$2.21	*$2.16*	*$2.47*
Ave. P/E Ratios	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	12.2	12.4	17.8	18.0	21.5		
Yrly Price Low	19.1	24.9	32.5	27.9	29.4	42.0	29.8	33.8	38.3	37.5	39.2	48.8	45.8	41.3	44.6	45.1	54.0	31.6	35.7	39.0	36.0	
Yrly Price High	28.7	34.9	50.1	53.3	56.3	57.2	58.0	47.2	47.6	50.0	49.9	59.5	61.1	57.4	56.8	56.4	61.5	38.3	46.0	51.7	45.8	
Dividends Paid	743	825	920	1,010	1,144	1,275	1,469	1,549	1,638	1,693	1,814	2,015	2,192	2,483	2,723	2,952	3,168	867	1,327	1,414	*1,529*	*1,635*
Dividends PS	$0.48	$0.54	$0.60	$0.66	$0.74	$0.82	$0.94	$0.98	$1.04	$1.10	$1.18	$1.30	$1.44	$1.60	$1.76	$1.88	$2.01	$0.56	$0.88	$0.96	*$1.04*	*$1.12*
Ave. Div. Yld.	2.01%	1.81%	1.45%	1.63%	1.73%	1.65%	2.14%	2.42%	2.42%	2.51%	2.65%	2.40%	2.69%	3.24%	3.47%	3.70%	3.48%	1.60%	2.15%	2.12%	*2.54%*	
Shares Outstdg.	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	1570.4	1576.1	1548.0	1508.0	1472.7	*1470.0*	*1460.0*
Buyback $ (mln)	614	619	(231)	126	(651)	(427)	(378)	(693)	219	1,571	89	*(688)*	1,470	(1,456)	248	(1,188)	(329)	982	1,634	1,601	*110*	
Shr. Equity (mln)	4,820	4,999	5,714	7,428	8,571	9,059	10,665	13,072	14,326	14,415	14,054	17,779	17,480	22,856	22,388	24,440	26,750	25,171	21,526	21,211	*20,500*	*21,000*
Book Value PS	$3.11	$3.27	$3.73	$4.85	$5.54	$5.83	$6.82	$8.27	$9.10	$9.37	$9.14	$11.47	$11.48	$14.73	$14.47	$15.56	$16.97	$16.26	$14.27	$14.40	*$13.95*	*$14.38*
LT Debt (mln)	933	938	1,340	1,337	1,076	4,336	4,274	3,452	4,788	4,572	7,010	9,488	8,713	11,266	12,524	12,040	18,085	3,388	3,408	5,871	*6,000*	*6,000*
Return On Eq.	39.04%	41.90%	40.84%	34.71%	32.51%	32.50%	30.40%	26.62%	24.59%	27.11%	27.34%	24.91%	27.08%	25.40%	29.04%	30.00%	30.35%	12.67%	16.27%	15.36%	*15.51%*	*17.14%*
Return On Capl.	32.71%	35.28%	33.08%	29.42%	28.88%	21.98%	21.70%	21.06%	18.43%	20.59%	18.24%	16.24%	18.07%	17.01%	18.62%	20.10%	18.11%	11.17%	14.05%	12.03%	*12.00%*	*13.33%*

Summary:

Investment Characteristics

Earnings Analysis:		*Use Of Earnings Analysis:*	
Growth Rate %:	**4.15%**	*Avg Div Payout Ra*	**42.26%**
Quality %:	**88.56%**	*Avg Stk Buyback R*	**9.36%**

	1995	1996	1997	1999	2000	2001	2002	2003	2004
Revenues (mln)	10,012	11,013	11,883	13,178	13,746	16,285	17,683	19,678	19,680
SPS	$6.36	$7.11	$7.78	$8.61	$8.89	$10.48	$11.31	$12.45	$12.49
Adj. Sales (mln)									

Sales Analysis:		*Sales Analysis (last 5 yrs.):*	
Growth Rate %:	**4.05%**	*Growth Rate %:*	**-11.2%**
Growth Rate PS %	**4.55%**	*Growth Rate PS %*	**-10.0%**

	1995	1996	1997	1999	2000	2001	2002	2003	2004
Oper. Margin	29.50%	30.00%	30.10%	31.60%	29.80%	27.00%	28.90%	27.00%	28.20%
Tax Rate	29.50%	29.50%	29.00%	28.00%	27.00%	8.40%	24.50%	22.00%	21.40%
Deprec. (mln)	566	686	728	828	827	1,168	1,177	1,274	1,289
Depreciation %	33.54%	36.46%	34.75%	32.11%	29.70%	39.67%	36.31%	36.62%	36.58%

Summary:

Description & Analysis of Profitability:

	2002		2003	2010	2011
Sales:	**15,279,537**		**17,280,333**	**35,166,721**	**38,851,259**
Proprietary Pharmaceuticals				*15,331,000*	*17,022,000*
Established Pharmaceuticals				*4,519,000*	*5,413,000*
Nutritionals				*5,532,000*	*6,006,000*
Diagnostics				*3,794,000*	*4,126,000*
Vascular				*3,194,000*	*3,333,000*
Other				*2,797,000*	*2,951,000*
Expenses:	**12,127,593**		**14,306,321**	**29,079,140**	**33,099,311**
Cost of products sol	*6,820,501*	44.6%	*7,774,239*	*14,665,192*	*15,540,580*
R&D	*1,474,537*	9.7%	*1,623,752*	*3,724,424*	*4,129,414*
Acq. ip R&D/amortiz	*107,700*	0.7%	*100,240*	*313,200*	*672,500*
S,G&A	*3,724,855*	24.4%	*4,808,090*	*10,376,324*	*12,756,817*
EBITDA:	**4,195,567**		**4,101,451**	**8,711,886**	**8,795,842**
Depreciation & Am	*1,043,623*		*1,127,439*	*2,624,305*	*3,043,894*
"Free" Cash Flow	**3,090,122**		**3,051,393**	**7,696,811**	**7,304,342**
CapEx	*1,105,445*		*1,050,058*	*1,015,075*	*1,491,500*
Operating Earnings	**3,151,944**	20.6%	**2,974,012**	**6,087,581**	**5,751,948**
Proprietary Pharmaceuticals				*6,545,000*	*7,155,000*
Established Pharmaceuticals				*985,000*	*1,301,000*
Nutritionals				*777,000*	*797,000*
Diagnostics				*559,000*	*766,000*
Vascular				*910,000*	*980,000*
External Costs:	**604,939**		**469,287**	**1,461,409**	**1,023,499**
Net interest expense	*205,479*	1.3%	*146,365*	*447,682*	*444,945*
Foreign exchange lo	*(595,589)*	-3.9%	*(523,902)*	*(10,924)*	*(50,271)*
Other expense	*221,067*	1.4%	*(35,602)*	*(62,011)*	*158,632*
Income taxes	*773,982*	5.1%	*882,426*	*1,086,662*	*470,193*
Net Income	**2,547,005**	16.7%	**2,504,725**	**4,626,172**	**4,728,449**
Dividend/% of FCF	**1,469,314**	47.5%	**1,548,596**	**2,722,720**	**2,952,352**
Stock Repurch/% of FCF	**(377,540)**	-12.2%	**(692,550)**	**248,430**	**(1,187,550)**
Share buybacks: Stmt of C. F.					
Net Bness Acquisitions:				**9,433,243**	**672,500**
Purchases				*9,433,243*	*672,500*
Disposals					

Balance Sheet :

	2002	2003
Assets:	**24,259,102**	**26,715,342**
Cash and cash equivalents	704,450	995,124
Investment securities	512,456	697,654
Accounts receivable, net	2,927,370	3,313,377
Inventories	2,441,302	2,738,439
Other current assets	2,786,973	2,952,178
Land, property and equipme	5,828,122	6,281,806
Goodwill and intangible ass	7,651,781	8,539,290
Deferred income taxes and otl	1,406,648	1,197,474
Investments		
Liabilities:	**13,594,549**	**13,643,084**
Current loans, notes and debt	2,148,654	2,537,357
Accounts payable	1,661,650	1,754,367
Other payables	3,191,898	3,347,811
Long-term debt	4,273,973	3,452,329
Post-employment obligatior	2,318,374	2,551,220
Shareholder's Equity:	**10,664,553**	**13,072,258**
Common stock	2,891,266	3,034,054
Retained earnings	8,524,914	9,635,148
Treasury stock	(231,845)	(229,696)
Accumulated other comprel	(519,782)	632,752
Noncontrlling Interests		

Summary:

Description & Analysis of Debt Levels (in mlns):

Summary: Debt is a four-letter word. Debt causes the years of repayment of capital to equity shareholders to stretch out into the more distant future. Even worse, debt can cause the best business model to become the property of bondholders in a rough economic environment.

Total Debt-Capital: The measure of total debt to total capital is useful when book value is a good measure of a firm's worth. This is particularly true of traditional businesses where property, plant and equipment are important. Further, it helps to have this ratio in capital intensive businesses with cyclical earnings.

Total Debt:	19,924	Here, deferred income taxes have been excluded.
Total Capital:	41,250	Here, deferred income taxes have been excluded.
Ratio:	48.30%	

Long Term Debt-Cap.: The measure of long term debt to total capital is useful when total debt is distorted by the high presence of current assets being financed by current liabilities. Again, the measure works best within a traditional industry setting. The ratio helps position the equity shareholders.

L. T. Debt:	5,871	Here, the current liabilities have been excluded.
L. T. Capital:	27,197	Here, the current liabilities have been excluded.
Ratio:	21.59%	

Net Income Payback: The measure of how quickly total debt is repaid by net income is a conservative measure, as it includes debt such as current liabilities, that are financed by current assets and excludes some sources of cash, such as noncash amortization numbers.

Total Debt:	19,924
Net Income:	2,606
Years Payback:	7.6

L.T. Debt:	5,871
Net Income:	2,606
Years Payback:	2.3

Addback Net Inc. Paybac The measure of how quickly debt is repaid by addback net income is a good measure, as it starts with GAAP net income and adds back expenses on an after-tax basis that are clearly discretionary, such as business acquisitions to better analyze the strength of the repayment stream.

L.T. Debt:	5,871	
Net Income:	2,606	
Addback:	650	Merger charges, writedowns above the line, dep. Amort below the line less capex
Years Payback:	1.8	

Interpretations: Abbott uses debt in a prudent manner. The current levels do not present any problems for the company. High levels of cash and liquid Mylan stock on balance sheet.

Industry Overview

The pharmaceutical industry, given its high returns on capital, represents one of the most attractive industries to invest in. The low debt levels, large firm size, high margins and superior payout ratios are attractive qualities. Furthermore, the industry sells at a discount to the general market.

Qualitative Characteristics

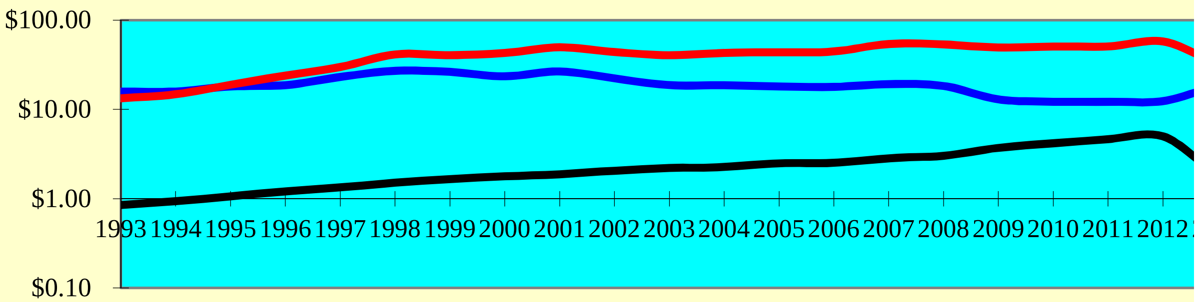
	Positives:	Negatives:
ice:		
Pricing Power:		Yes, due to third party pmts and lawyers
Durability:	Limited	
Brand Appeal:		Not compelling for cheaper deal
Unique:		None
Role Of Media:	Not important	
Toll Bridge:	Yes	
Global Opportunity	Yes	
Competition		Yes; JNJ, BSX and others
Economic Risk:		
Government Role		Medicare payments
Role Of Technology:		
Supply/Demand:	Aging populations in wealthy regions	
		Pension plans in old companies.
Business Model:		Technologically based
High Capital Reinv.:		Required to move forward
Effective As Public:	Yes	
Ownership:		
Growth:	High	
Concentration:		Domestic
nt:	Reasonable	
Proxy Information:		Highly compensated and stacked for mgmt.

Core Analysis

Positives:

ABT is a diversified company geographically and productwise

Average Stock Price vs. Average P/E vs. EPS



	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
EPS	$0.85	$0.94	$1.06	$1.21	$1.34	$1.51	$1.66	$1.78	$1.88	$2.06	$2.21
Ave. P/E Ratios	15.90	15.90	18.10	18.70	23.10	27.10	26.30	23.50	26.60	22.30	18.70
Ave. Stock Price	13.35	14.80	18.90	23.90	29.90	41.30	40.60	42.85	49.60	43.90	40.50

Price/Earnings Ratio: used - $2.16
Nine year average low P/E is 13.7
Nine year average high P/E is 17.4
If we set the purchase at the ave. Nine year low P/E,
the price implied is: **$29.54**
If we set the sell at the ave. Nine year high P/E,
the price implied is: **$37.58**

Price/Sales Ratio: used - $14.25
Nine year average low P/S is 2.31
Nine year average high P/S is 2.94
If we set the purchase at the ave. Nine year low F
the price implied is: **$32.93**
If we set the sell at the ave. Nine year high F
the price implied is: **$41.84**

Price/Book Ratio: used - $13.95
Nine year average low P/B is 3.04
Nine year average high P/B is 3.86
If we set the purchase at the ave. Nine year low P/B,
the price implied is: **$42.40**
If we set the sell at the ave. Nine year high P/B,
the price implied is: **$53.84**

Price/Cash Flow Ratio: used - $3.12
Nine year average low P/CF is 10.1
Nine year average high P/CF is 12.7
If we set the purchase at the ave. Nine year low F
the price implied is: **$31.61**
If we set the sell at the ave. Nine year high F
the price implied is: **$39.57**

Initial Rate of Investment	
Current Price	$39.00
Current EPS	$2.16
Initial ROI	**5.55%**

Relative Value to Investment In T-Bonds	
Current EPS	$2.16
T-Bond Rate	4.00%
Relative Value	**$54.08**

Valuation as an Equity Bond:	
Current BV	$13.95
Current ROE	15.51%
Retained %	48.39%
Net BV Growth	7.51%
BV in Year 10	$28.76
EPS in Year 10	$4.46
Valueat19.P/E	$84.76
Total Dividends	$15.92
Total F.Value	$100.68
Purchaseat14%	**$27.16**

Valuation on Earnings Growth:	
Current EPS	$2.16
EPS in Year 10	$5.12
Ave. P/E Ratio	19.31
Valueat19.P/E	$113.23
Price Return	9.57%
Dividend Return	2.54%
Total Return	12.12%
Purchaseat14%	**$34.84**
Sellat7.5%	**$54.94**

Capital "charge"

4,339
0.12
0.07
0.8
0.064
67,797
5,871
61,926
1473
42.05
25.23
50.46

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Sales (mln)	$17,683.00	$18,399.04	$19,144.07	$19,919.28	$20,725.87	$21,565.12	$22,438.36	$23,346.96	$24,292.35	$25,276.02	$26,299.53	#########
SPS	$11.31	$11.82	$12.34	$12.89	$13.47	$14.07	$14.70	$15.35	$16.03	$16.75	$17.50	$18.28
Earnings (mln)	$3,242.40	$3,373.69	$3,510.31	$3,652.45	$3,800.35	$3,954.24	$4,114.36	$4,280.96	$4,454.31	$4,634.68	$4,822.35	$5,017.62
EPS	$2.07	$2.17	$2.26	$2.36	$2.47	$2.58	$2.69	$2.81	$2.94	$3.07	$3.21	$3.35
Operating EPS	$2.07	$2.17	$2.26	$2.36	$2.47	$2.58	$2.69	$2.81	$2.94	$3.07	$3.21	$3.35
Shares Outstdg.	1563.10	1557.00	1550.93	1544.89	1538.86	1532.86	1526.88	1520.93	1515.00	1509.09	1503.21	1497.35
Buyback $ (mln)	$303.44	$315.72	$328.51	$341.81	$355.65	$370.05	$385.04	$400.63	$416.85	$433.73	$451.29	$469.57
#ShresBuyback	6,095,037	6,071,271	6,047,597	6,024,015	6,000,526	5,977,128	5,953,821	5,930,605	5,907,480	5,884,445	5,861,499	5,838,643
Ave. P/E Ratio	24.00											

Statement of Cash Flows (in thousands):

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
om Operations										
Earnings From Continuing Operations	$4,728,449	$4,626,172	$5,745,838	$4,734,216	$3,606,314	$1,716,755	$3,372,065	$3,175,836	$2,504,725	$2,547,005
Depreciation & Amortization	$3,043,894	$2,624,305	$2,089,510	$1,838,829	$1,854,886	$1,558,750	$1,358,939	$1,288,700	$1,127,439	$1,043,623
Acquired in-process R&D	$672,500	$313,200	$170,000	$97,256	$0	$1,927,300	$17,131	$279,006	$100,240	$107,700
Investing and Financing (Gains) and Losses	$141,565	$126,337	$41,967	$111,238	$356,331	$277,388	$125,328	$47,400	$76,755	$93,523
Trade Receivables	($670,152)	($394,665)	($387,749)	($948,314)	($431,846)	($101,781)	($98,216)	($588,575)	($121,702)	($142,781)
Inventories	($129,621)	$139,857	$230,555	($257,476)	$131,324	$104,653	($88,257)	($285,328)	$101,360	($156,580)
Prepaids and Other Assets	$413,266	$553,145	($386,889)	$783,233	$11,333	$46,502	($406,858)	($431,436)	($333,858)	$280,522
Accounts Payable and Other Liabilities	$1,789,652	$572,533	($374,715)	$569,056	($82,960)	($183,203)	$199,703	$602,605	($131,809)	$93,268
Income Taxes Payable and Other	($1,019,476)	$175,097	$146,643	$66,582	($261,539)	($84,275)	$567,569	$217,815	$62,084	($212,764)
ı From Operations	**$8,970,077**	**$8,735,981**	**$7,275,160**	**$6,994,620**	**$5,183,843**	**$5,262,089**	**$5,047,404**	**$4,306,023**	**$3,385,234**	**$3,653,516**
ım Investing										
Acquisition of Business	($672,500)	($9,433,243)	($2,370,630)	($250,000)	$568,437	($10,018,943)	($295,123)	($2,327,821)	($497,914)	($585,999)
Acquisition of PP&E	($1,491,500)	($1,015,075)	($1,089,048)	($1,287,724)	($1,656,207)	($1,337,818)	($1,207,493)	($1,291,633)	($1,050,058)	($1,105,445)
Purchase/Sale of Investment Securities	$538,733	$148,429	($248,970)	($474,706)	($15,022)	($15,156)	$767,929	($318,369)	$44,325	($15,794)
Other	$1,886,099	($1,888,426)	$9,938	($75,061)	($33,485)	($25,712)	$14,600	$14,433	$66,465	$16,570
ı From Investing	**$260,832**	**($12,188,315)**	**($3,698,710)**	**($2,087,491)**	**($1,136,277)**	**($11,397,629)**	**($720,087)**	**($3,923,390)**	**($1,437,182)**	**($1,690,668)**
ım Financing										
Proceeds From Comm. Paper	($1,964,685)	($203,854)	$3,217,331	($324,739)	($3,603,481)	$5,004,000	($1,619,000)	$813,000	($814,000)	($1,306,000)
Proceeds From LT Debt	($2,012,426)	$2,326,002	$516,824	($913,948)	$3,058,988	$467,592	$1,701,013	($150,000)	$688,643	$0
Purchase of Common Stock	$891,752	($538,414)	($317,676)	($72,963)	$191,011	($251,720)	($1,078,677)	($344,548)	($22,582)	$137,004
Dividends Paid	($2,938,096)	($2,671,475)	($2,414,460)	($2,174,252)	($1,959,150)	($1,777,170)	($1,686,472)	($1,599,770)	($1,515,703)	($1,427,850)
Other	$0	$0	$0	$0	$0	$179,225	$90,820	$142,998	($342,570)	$286,872
ı From Financing	($6,023,455)	($1,087,741)	$1,002,019	($3,485,902)	($2,312,632)	$3,621,927	($2,592,316)	($1,138,320)	($2,006,212)	($2,309,974)
Exchange Rate Changes	($43,005)	($620,893)	$118,848	($115,160)	$200,258	$73,966	($193,954)	$184,271	$180,971	$55,627
h Provided by Discontinued Operations	$0	$0	$0	$349,571	$0	$67,152	$127,012	$801,920	$167,863	$338,571
ease in Cash and Equivalents	$3,164,449	($5,160,968)	$4,697,317	$1,655,638	$1,935,192	($2,372,495)	$1,668,059	$230,504	$290,674	$47,072
d Equivalents at Beginning of Year	$3,648,371	$8,809,339	$4,112,022	$2,456,384	$521,192	$2,893,687	$1,225,628	$995,124	$704,450	$657,378
d Equivalents at End of Year	$6,812,820	$3,648,371	$8,809,339	$4,112,022	$2,456,384	$521,192	$2,893,687	$1,225,628	$995,124	$704,450

Summary:

Simple and understandable statement until 2006. In 2006, Abbott did three major transactions. First, the company spent $3.8 billion to purchase Kos Pharmaceuticals, Inc. (to increase their exposure to the lipid management area). Abbott then spent $4.1 billion to purchase Guidant's vascular business and invested $2 billion into Boston Scientific to facilitate the Guidant purchase. These purchases were financed with cash from operations and new debt. In 2008, the company did four acquisitions in the area of vision care and the treatment of heart and infectious diseases
In addition the company closed on the $6.2 billion acquisition of Solvay's pharmaceuticals business on 2/15/10 and the $2.2 billion acquisition of