

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1998

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 1-2189

ABBOTT LABORATORIES

An Illinois Corporation

I.R.S. Employer Identification
No. 36-0698440

100 Abbott Park Road
Abbott Park, Illinois 60064-3500

Telephone: (847) 937-6100

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

As of April 30, 1998, the Corporation had 771,789,413 common shares without par value outstanding.

PART 1 FINANCIAL INFORMATION
ABBOTT LABORATORIES AND SUBSIDIARIES
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

ABBOTT LABORATORIES AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF EARNINGS

(UNAUDITED)

(DOLLARS AND SHARES IN THOUSANDS EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED MARCH 31	
	1998	1997
Net Sales.....	\$3,044,913	\$2,999,814
Cost of products sold.....	1,279,973	1,327,331
Research and development.....	279,876	280,074
Selling, general and administrative.....	682,175	656,596
Total Operating Cost and Expenses.....	2,242,024	2,264,001
Operating Earnings.....	802,889	735,813
Interest expense.....	37,960	32,754
Interest income.....	(12,914)	(11,723)
Other (income) expense, net.....	(41,036)	(43,836)
Earnings Before Taxes.....	818,879	758,618
Taxes on Earnings.....	229,286	223,792
Net Earnings.....	\$ 589,593	\$ 534,826
Basic Earnings Per Common Share.....	\$.77	\$.69
Diluted Earnings Per Common Share.....	\$.76	\$.68
Cash Dividends Declared Per Common Share.....	\$.30	\$.27
Average Number of Common Shares Outstanding Used for Basic Earnings Per Common Share...	764,004	773,983
Dilutive Common Stock Options.....	10,541	10,640
Average Number of Common Shares Outstanding Plus Dilutive Common Stock Options.....	774,545	784,623
Outstanding Employee Common Stock Options Having No Dilutive Effect.....	6,734	5,937

The accompanying notes to condensed consolidated financial statements are an integral part of this statement.

ABBOTT LABORATORIES AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET

(DOLLARS IN THOUSANDS)

	MARCH 31 1998	DECEMBER 31 1997
	----- (UNAUDITED)	-----
ASSETS		
Current Assets:		
Cash and cash equivalents.....	\$ 225,544	\$ 230,024
Investment securities.....	69,401	28,986
Trade Receivables, less allowances of \$183,677 in 1998 and \$167,406 in 1997.....	1,701,232	1,782,326
Inventories:		
Finished products.....	698,925	667,355
Work in process.....	320,245	287,653
Materials.....	325,021	324,892
Total Inventories.....	1,344,191	1,279,900
Prepaid expenses, income taxes, and other receivables.....	1,841,436	1,716,972
Total Current Assets.....	5,181,804	5,038,208
Investment Securities Maturing after One Year.....	573,701	630,967
Property and Equipment, at Cost.....	8,899,831	8,790,157
Less: accumulated depreciation and amortization..	4,313,956	4,220,466
Net Property and Equipment.....	4,585,875	4,569,691
Deferred Charges, Intangible and Other Assets.....	1,773,722	1,822,202
	\$12,115,102	\$12,061,068
	-----	-----
LIABILITIES AND SHAREHOLDERS' INVESTMENT		
Current Liabilities:		
Short-term borrowings and current portion of long-term debt.....	\$ 1,290,488	\$ 1,781,352
Trade accounts payable.....	942,589	1,001,058
Salaries, income taxes, dividends payable, and other accruals.....	2,493,498	2,252,058
Total Current Liabilities.....	4,726,575	5,034,468
Long-Term Debt.....	1,139,720	937,983
Other Liabilities and Deferrals.....	1,107,095	1,089,940
Shareholders' Investment:		
Preferred shares, \$1 par value		
Authorized - 1,000,000 shares, none issued.....
Common shares, without par value		
Authorized - 1,200,000,000 shares		
Issued at stated capital amount -		
Shares: 1998: 772,226,694;		
1997: 773,234,252.....	997,593	907,106
Earnings employed in the business.....	4,507,409	4,395,582
Accumulated other comprehensive income.....	(276,042)	(230,241)
	5,228,960	5,072,447
	-----	-----
Less:		
Common shares held in treasury, at cost -		

Shares: 1998: 8,871,199; 1997: 9,140,199.....	46,818	48,238
Unearned compensation - restricted stock awards...	40,430	25,532
	-----	-----
Total Shareholders' Investment.....	5,141,712	4,998,677
	-----	-----
	\$12,115,102	\$12,061,068
	-----	-----
	-----	-----

The accompanying notes to condensed consolidated financial statements are an integral part of this statement.

ABBOTT LABORATORIES AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)
(DOLLARS IN THOUSANDS)

	THREE MONTHS ENDED MARCH 31	
	1998	1997
	-----	-----
Cash Flow From (Used in) Operating Activities:		
Net earnings.....	\$ 589,593	\$ 534,826
Adjustments to reconcile net earnings to net cash from operating activities -		
Depreciation and amortization.....	190,585	176,076
Trade Receivables.....	50,467	(93,688)
Inventories.....	(86,212)	4,445
Other, Net.....	136,950	162,967
	-----	-----
Net Cash From Operating Activities.....	881,383	784,626
	-----	-----
Cash Flow From (Used in) Investing Activities:		
Acquisitions of property, equipment and businesses	(238,447)	(220,069)
Investment Securities Transactions.....	16,778	15,394
Other.....	4,388	5,857
	-----	-----
Net Cash (Used in) Investing Activities.....	(217,281)	(198,818)
	-----	-----
Cash Flow From (Used in) Financing Activities:		
Borrowing transactions.....	(286,763)	(175,842)
Common share transactions.....	(171,709)	(189,608)
Dividends paid.....	(206,343)	(185,905)
	-----	-----
Net Cash (Used in) Financing Activities.....	(664,815)	(551,355)
	-----	-----
Effect of exchange rate changes on cash and cash equivalents.....	(3,767)	(10,569)
	-----	-----
Net Increase (Decrease) in Cash and Cash Equivalents...	(4,480)	23,884
Cash and Cash Equivalents, Beginning of Year.....	230,024	110,209
	-----	-----
Cash and Cash Equivalents, End of Period.....	\$ 225,544	\$ 134,093
	-----	-----

The accompanying notes to condensed consolidated financial statements are an integral part of this statement.

ABBOTT LABORATORIES AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 1998

(UNAUDITED)

NOTE 1 - BASIS OF PREPARATION:

The accompanying unaudited, condensed consolidated financial statements have been prepared pursuant to rules and regulations of the Securities and Exchange Commission and, therefore, do not include all information and footnote disclosures normally included in audited financial statements. However, in the opinion of management, all adjustments (which include only normal adjustments) necessary to present fairly the financial position, cash flows, and results of operations have been made. It is suggested that these statements be read in conjunction with the financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 1997.

NOTE 2 - TAXES ON EARNINGS:

Taxes on earnings reflect the estimated annual effective tax rates. The effective tax rates are less than the statutory U. S. Federal income tax rate principally due to tax incentive grants related to subsidiaries operating in Puerto Rico, the Dominican Republic, Italy, Ireland, and the Netherlands.

NOTE 3 - LITIGATION AND ENVIRONMENTAL MATTERS:

The Company is involved in various claims and legal proceedings including numerous antitrust suits and investigations in connection with the pricing of prescription pharmaceuticals. In addition, the Company has been identified as a potentially responsible party for investigation and cleanup costs at a number of locations in the United States and Puerto Rico under Federal and state remediation laws and is investigating potential contamination at a number of Company-owned locations.

The matters above are discussed more fully in Note 10 to the financial statements included in the Company's Annual Report on Form 10-K, which is available upon request.

The Company expects that within the next year, progress in the legal proceedings described above may cause a change in the estimated reserves recorded by the Company. While it is not feasible to predict the outcome of such pending claims, proceedings and investigations with certainty, management is of the opinion that their ultimate disposition should not have a material adverse effect on the Company's financial position, cash flows, or results of operations.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1998
(UNAUDITED), CONTINUED

NOTE 4 - ACQUISITIONS:

On April 17, 1998, the Company acquired International Murex Technologies Corporation for approximately \$234 million in cash. Had this acquisition taken place on January 1, 1997, consolidated sales and net income would not have been significantly different from reported amounts.

NOTE 5 - COMPREHENSIVE INCOME:

	THREE MONTHS ENDED MARCH 31	
	1998	1997
	-----	-----
Net Earnings	\$ 589,593	\$ 534,826
Other comprehensive income:		
Foreign currency translation adjustments	(45,595)	(99,579)
Unrealized losses on marketable equity securities	(343)	(4,704)
Tax benefit related to items of other comprehensive income	137	1,882
Other comprehensive income, net of tax	(45,801)	(102,401)
Comprehensive Income	543,792	432,425
	-----	-----

As of March 31, 1998, the cumulative balances for foreign currency translation adjustments and the unrealized (gain) on marketable equity securities were \$308 million and (\$32) million, respectively.

NOTE 6 - ADOPTION OF STATEMENT OF POSITION

In the first quarter, 1998, the Company elected early adoption of the provisions of the American Institution of Certified Public Accountants' Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." Adoption of the provisions of this statement will not have a material effect on the financial statements of the Company.

NOTE 7 - STOCK SPLIT:

On February 13, 1998, the Company announced a two-for-one stock split. Shareholders of record at the close of business on May 1, 1998 will be issued an additional share of the Company's common stock on May 29, 1998 for each share owned on the record date. The number of shares and the per share amounts included in the March 31, 1998 and December 31, 1997 condensed consolidated financial statements have not been restated for the stock split.

FINANCIAL REVIEW

RESULTS OF OPERATIONS - FIRST QUARTER 1998 COMPARED WITH FIRST QUARTER 1997

Worldwide sales for the first quarter increased 1.5 percent to \$3.045 billion from \$3.000 billion in 1997. Excluding the negative effect of the relatively stronger U.S. dollar, sales increased 5.1 percent in the first quarter 1998 compared to 1997. Net earnings increased 10.2 percent over the prior year quarter. Basic earnings per common share and diluted earnings per common share increased 11.6 percent and 11.8 percent, respectively, over the prior year.

Gross profit margin (sales less cost of products sold, including freight and distribution expenses) of 58.0 percent for the first quarter was up from 55.8 percent one year ago. This increase was primarily due to productivity improvements and cost savings, partially offset by unfavorable product mix, primarily slower sales of pharmaceuticals.

Research and development expenses were \$279.9 million in the first quarter 1998. This represented 9.2 percent of net sales, compared to 9.3 percent in 1997. The majority of research and development expenditures continues to be concentrated on pharmaceutical and diagnostic products.

Selling, general, and administrative expenses for the first quarter increased 3.9 percent from the prior year, net of the favorable effect of the relatively stronger U.S. dollar of 3.9%. This net increase reflects inflation and additional selling and marketing support for new and existing products, primarily for pharmaceutical and nutritional products.

Other (income) expense, net, includes net foreign exchange losses of \$7.4 million in the 1998 first quarter, compared with net foreign exchange gains of \$10.9 million in the same quarter last year.

FINANCIAL REVIEW
(CONTINUED)

INDUSTRY SEGMENTS

Industry segment sales for the first quarter 1998 and the related change from the comparable 1997 period are shown in the table below. The Pharmaceutical and Nutritional Products segment includes a broad line of adult and pediatric pharmaceuticals and nutritionals, which are sold primarily on the prescription or recommendation of physicians or other health care professionals; consumer products; agricultural and chemical products; and bulk pharmaceuticals. The Hospital and Laboratory Products segment includes diagnostic systems for consumers, blood banks, hospitals, commercial laboratories and alternate-care testing sites; intravenous and irrigation fluids and related administration equipment; drugs and drug delivery systems; anesthetics; critical care products; and other medical specialty products for hospitals and alternate-care sites.

Domestic and international sales for the first quarter primarily reflect unit growth. Total sales were unfavorably affected 3.6 percent and international sales were unfavorably affected 9.5 percent by the relatively stronger U. S. dollar in the first quarter.

SEGMENT SALES (in millions of dollars)	FIRST QUARTER	
	1998 SALES	PERCENT INCREASE

Pharmaceutical and Nutritional Products:		
Domestic	\$1,200.1	0.1

International	606.9	(3.2)

	1,807.0	(1.1)
Hospital and Laboratory Products:		
Domestic	736.4	13.0

International	501.5	(3.9)

	1,237.9	5.5
Total All Segments:		
Domestic	1,936.5	4.6

International	1,108.4	(3.5)

	\$3,044.9	1.5

FINANCIAL REVIEW
(CONTINUED)

LIQUIDITY AND CAPITAL RESOURCES AT MARCH 31, 1998
COMPARED WITH DECEMBER 31, 1997

Net cash from operating activities for the first quarter 1998 totaled \$881 million. The Company expects annual cash flow from operating activities to continue to approximate or exceed the Company's capital expenditures and cash dividends. The Company funded the acquisition of Murex through commercial paper borrowings.

The Company has maintained its favorable bond ratings (AAA by Standard & Poor's Corporation and Aa1 by Moody's Investors Service) and continues to have readily available financial resources, including unused domestic lines of credit of \$1.5 billion at March 31, 1998. These lines of credit support domestic commercial paper borrowing arrangements.

In the first quarter 1998, the Company issued \$200 million of debt securities under a registration statement filed with the Securities and Exchange Commission in June 1996. The Company may issue up to an additional \$200 million under this registration statement.

During the first quarter 1998, the Company continued its program to purchase its common shares. The Company purchased and retired 2,688,000 shares during this period at a cost of \$199 million. As of March 31, 1998, an additional 11,012,000 shares may be purchased in future periods under authorization granted by the Board of Directors in December 1997.

LEGISLATIVE ISSUES

The Company's primary markets are highly competitive and subject to substantial government regulation. The Company expects debate to continue at both the federal and the state levels over the availability, method of delivery, and payment for health care products and services. The Company believes that if legislation is enacted, it could have the effect of reducing prices, or reducing the rate of price increases for medical products and services. International operations are also subject to a significant degree of government regulation. It is not possible to predict the extent to which the Company or the health care industry in general might be adversely affected by these factors in the future. A more complete discussion of these factors is contained in Item 1, Business, in the Annual Report on Form 10-K, which is available upon request.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company's 10-K for the fiscal year ended December 31, 1997 described two antitrust suits and five investigations (as of January 31, 1998) in connection with the Company's sale and marketing of infant formula products. During the first quarter of 1998, the court denied the Company's motion to dismiss the case pending in state court in St. Louis, Missouri.

As reported in the Company's 10-K for the fiscal year ended December 31, 1997, the Company is involved in numerous antitrust suits and two investigations regarding the Company's pricing of pharmaceutical products. As of March 31, 1998, 120 federal cases are pending in the United States District Court for the Northern District of Illinois as In re: Brand Name Prescription Drug Antitrust Litigation, MDL 997. Four cases previously pending in federal court were remanded to state court. Numerous appeals have arisen out of the case pending in the MDL 997 litigation which has been certified as a class action on behalf of certain retail pharmacies. The petition of the Company (along with other defendants) for certiorari to the United States Supreme Court seeking a reversal of the Court of Appeals' rulings on certain issues was denied on March 23, 1998. The federal retail pharmacy class action trial is scheduled to begin in September 1998.

As of March 31, 1998, there were 25 cases pending in state court and one case pending in a District of Columbia court. As noted above, the following four cases were remanded to state court by the federal court in the MDL 997 litigations: Clark County, Alabama, Dade County, Florida, Johnson County, Kansas, and Davidson County, Tennessee. The Company has entered into settlement agreements to settle the retail pharmacy lawsuits in Washington County, Wisconsin and one of the suits in Hennepin County, Minnesota. The settlement agreement in the Minnesota lawsuit was approved on December 30, 1997. The settlement agreement in the Wisconsin lawsuit was approved on February 16, 1998. Under the settlement agreements, the Company did not admit liability but did pay \$42,767.32 in connection with the Minnesota lawsuit and \$147,877.78 in connection with the Wisconsin lawsuit. Motions for certification as a consumer class action were denied in Maine, Michigan, and Minnesota. Appeals of the consumer class certification decisions are pending in Maine and Michigan. Trial in the individual consumer case pending in Michigan is scheduled for July 1998.

The Company's 10-K for the fiscal year ended December 31, 1997 described five cases (as of January 31, 1998) involving the Company's patents for terazosin hydrochloride, a drug the Company sells under the trademark Hytrin-Registered Trademark-. On March 31, 1998, the Company and Zenith reached an agreement that resolved the litigation between the parties. In the settlement, Zenith acknowledged the validity of Abbott's terazosin hydrochloride patents and agreed to refrain from selling a generic version of terazosin hydrochloride until the expiration of one of Abbott's patents for terazosin hydrochloride (patent No. 4,251,532). On April 1, 1998, the Company and Geneva reached an agreement under which Geneva will not market its Food and Drug Administration approved generic terazosin hydrochloride capsules until resolution of the pending litigation between the parties. The Company agreed to make quarterly payments to Zenith and Geneva until the date on which they may enter the market for terazosin hydrochloride under their agreements. Both Zenith and Geneva would be free to enter the market for terazosin hydrochloride in the United States if certain of the Company's patents for terazosin hydrochloride were determined to be invalid or if another company legally enters the generic market in the United States. On April 6, 1998, the Company sued Warner Chilcott, Inc. ("Warner") alleging infringement of one of the Company's patents for terazosin hydrochloride. Warner filed counterclaims alleging, among other things that the Company's agreements with Zenith and Geneva and its course of conduct with respect to terazosin hydrochloride violate the Antitrust laws. Warner seeks unspecified damages.

While it is not feasible to predict the outcome of such pending claims, proceedings, and investigations with certainty, management is of the opinion that their ultimate disposition should not have a material adverse effect on the Company's financial position, cash flows, or results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

The Company held its Annual Meeting of Shareholders on April 24, 1998. The following is a summary of the matters voted on at that meeting.

(a) The shareholders elected the Company's entire Board of Directors. The persons elected to the Company's Board of Directors and the number of shares cast for and the number of shares withheld, with respect to each of these persons, were as follows:

Name	Votes For	Votes Withheld
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K. Frank Austen, M.D.	644,878,769	8,534,278
Duane L. Burnham	649,189,909	4,223,138
Paul N. Clark	649,229,974	4,183,073
H. Laurance Fuller	646,543,750	6,869,297
Thomas R. Hodgson	649,236,127	4,176,920
David A. Jones	648,672,816	4,740,231
The Lord Owen CH	649,117,785	4,295,262
Robert L. Parkinson, Jr.	649,186,045	4,227,002
Boone Powell, Jr.	646,617,575	6,795,472
Addison Barry Rand	646,540,057	6,872,990
W. Ann Reynolds, Ph.D.	648,864,446	4,548,601
Roy S. Roberts	648,949,509	4,463,538
William D. Smithburg	645,922,563	7,490,484
John R. Walter	648,186,179	5,226,868
William L. Weiss	646,289,205	7,123,842
Miles D. White	649,259,002	4,154,045

(b) The shareholders approved the adoption of the 1998 Abbott Laboratories Performance Incentive Plan. The number of shares cast in favor of the approval of the 1998 Abbott Laboratories Performance Incentive Plan, the number against, and the number abstaining were as follows:

For	Against	Abstain
-----	-----	-----
606,116,758	41,787,264	5,509,025

(c) The shareholders ratified the appointment of Arthur Andersen LLP as auditors of the Company. The number of shares cast in favor of the ratification of Arthur Andersen LLP, the number against, and the number abstaining were as follows:

For	Against	Abstain
-----	-----	-----
649,678,052	2,159,959	1,575,036

(d) The shareholders rejected a shareholder proposal that the Company adopt the CERES Principles. The number of shares cast in favor of the shareholder proposal, the number against, the number abstaining, and the number of broker non-votes were as follows:

For	Against	Abstain	Broker Non-Vote
-----	-----	-----	-----
43,508,171	491,955,075	33,871,791	84,078,010

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

- 3.1 Articles of Incorporation of Abbott Laboratories, as amended and effective May 1, 1998 - attached hereto.
- 3.2 Amendment to Articles of Incorporation of Abbott Laboratories - attached hereto.
- 3.3 By-Laws of Abbott Laboratories, as amended and effective April 24, 1998 - attached hereto.
- 10.1 1998 Abbott Laboratories Incentive Performance Plan*- attached hereto.
- 11. Statement re: computation of per share earnings - attached hereto.
- 12. Statement re: computation of ratio of earnings to fixed charges - attached hereto.
- 27. Financial Data Schedule - attached hereto.

* Denotes management contract or compensatory plan or arrangement required to be filed as an exhibit hereto.

b) Reports on Form 8-K

None

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ABBOTT LABORATORIES

/s/ Theodore A. Olson

Theodore A. Olson, Vice President
and Controller (Principal Accounting
Officer)

Date: May 14, 1998

A B B O T T
L A B O R A T O R I E S
RESTATED ARTICLES OF INCORPORATION

RESTATED ARTICLE R-I

1. The name of the corporation is: Abbott Laboratories.
2. The corporation was incorporated March 6, 1900 under the name: The Abbott Alkaloidal Company.
3. Subsequent corporate names and the dates of their adoption are:

Name -----	Date Adopted -----
Abbott Laboratories	May 29, 1915

RESTATED ARTICLE R-II

The address of its registered office in the State of Illinois on the date of adoption of this Amendment and Restatement of Articles of Incorporation was: 14th Street and Sheridan Road, North Chicago, Illinois, County of Lake, and the name of its Registered Agent at said address was: Laurence R. Lee.

RESTATED ARTICLE R-III

The duration of the corporation is: Perpetual.

RESTATED ARTICLE R-IV

The purpose or purposes for which the corporation is organized are:

(1) To manufacture, purchase or otherwise acquire, own, sell, mortgage, pledge, assign, convey, transfer, or otherwise dispose of, to invest, trade, deal in and deal with all kinds of medicines, medicinal preparations and supplies; chemical products, pharmaceutical products, drugs, druggists' sundries, surgical instruments, dressings and supplies, dental instruments, dressings and supplies, dentifrices, preparations used by dentists, and in dentistry and oral surgery; hospital preparations and supplies; medicines, preparations and instruments used in the cure and care of animals; perfumes and perfumery, toilet preparations, and other articles generally dealt in the retail drug trade; instruments, supplies and

preparations used for medicinal, sanitary and other health purposes; and in general all instruments, preparations and supplies that appertain to pharmacy, pharmacology, medicines, drugs, sanitation and health.

(2) To own and operate laboratories for experimentation and research in the fields of chemistry, pharmacology, biology and physics, or such other fields as the corporation may engage in under its charter.

(3) To manufacture, purchase, or in any manner acquire, own, mortgage, pledge, sell, assign, convey, transfer, or otherwise dispose of, to invest, trade, deal in and deal with, goods, wares and merchandise, and personal property of every class and description wherever situated or located.

(4) To develop, apply for, purchase, lease, acquire, hold, use, take or grant licenses in respect of, mortgage, pledge, lease, sell, assign or otherwise dispose of, letters patent of the United States or any foreign country, patent rights, licenses, privileges, inventions, devices, improvements, and processes, formulas, copyrights, trade marks and trade names.

(5) To purchase or otherwise acquire the whole or any part of the property, assets, business, good will and rights and to undertake or assume the whole or any part of the bonds, mortgages, franchises, leases, contracts, indebtedness, liabilities and obligations of any person, firm, association, corporation or organization, and to pay for the same or any part or combination thereof in cash, shares of the capital stock, bonds, debentures, debenture stock, notes, or other obligations of the corporation or otherwise, or by undertaking and assuming the whole or any part of the liabilities or obligations of the transferor; and to hold or in any manner dispose of the whole or any part of the property and assets so acquired, and to conduct in any lawful manner the whole or any part of the business so acquired and to exercise all the powers necessary or convenient in and about the conduct, management and carrying on of such business.

(6) To purchase, subscribe for, acquire, own, hold, sell, exchange, assign, transfer, mortgage, pledge or otherwise dispose of shares of voting trust certificates for shares of the capital stock, or any bonds, notes, securities or evidence of indebtedness created by any other corporation or corporations organized under the laws of this state or any other state or district or country, nation or government to issue in exchange therefor shares of the capital stock, bonds, notes or other obligations of the corporation and while the owners thereof to exercise all the rights, powers and privileges of ownership including the right to vote on any shares of stock or voting trust certificates so owned; to promote, lend money to any corporation or association of which any bonds, stocks, voting trust certificates, or other securities or evidences of indebtedness shall be held by or for this corporation, or in which or in the welfare of which, this corporation shall have any

interest, and to do any acts and things permitted by law and designed to protect, preserve, improve or enhance the value of any such bonds, stocks or other securities or evidences of indebtedness or the property of this corporation.

(7) In general, to carry on any other lawful business whatsoever in connection with the foregoing or which is calculated directly or indirectly to promote the interest of the corporation or to enhance the value of its properties and to have and exercise all the rights, powers and privileges, which are now or may hereafter be conferred by the laws of Illinois, to execute, from time to time, general or special powers of attorney to persons, firms, associations or corporations either in the United States or in any other country, state or locality, and to revoke same as and when the Board of Directors may determine; and so far as law will permit, to do any or all of the things hereinbefore set forth to the same extent as natural persons might or could do, and in any part of the world, either as principal, agent, contractor, or otherwise, or through corporations of which it may own the stock or securities, or any part thereof, or otherwise, and either alone or in company with others.

(8) To have all other powers possessed by corporations organized or operating under the general corporation law of the State of Illinois.

RESTATED ARTICLE R-V

The aggregate number of shares which the Corporation is authorized to issue is 2,401,000,000 divided into two classes. The designation of each class, the number of shares of each class, and the par value, if any, of the shares of each class, or a statement that the shares of any class are without par value, are as follows:

Class	Series (if any)	Number of Shares	Par Value per Share or Statement that Shares are Without Par Value
Preferred Shares	Issuable in series	1,000,000	\$1 per share
Common Shares	None	2,400,000,000	Without par value

The preferences, qualifications, limitations, restrictions and the special or relative rights in respect of the shares of each class are:

SECTION A

The Preferred Shares

- The Preferred Shares may be issued in one or more series and

with such designation for each such series sufficient to distinguish the shares thereof from the shares of all other series and classes, as shall be stated and expressed in the resolution or resolutions providing for the issue of each such series adopted by the Board of Directors. The Board of Directors in any such resolution or resolutions is hereby expressly authorized to divide the Preferred Shares into series and to fix and determine the relative rights and preferences of the shares of any series so established as to:

- (i) The rate per annum at which the holders of shares shall be entitled to receive dividends.
- (ii) The price at and the terms and conditions on which shares may be redeemed.
- (iii) The amount payable upon shares in event of involuntary liquidation.
- (iv) The amount payable upon shares in event of voluntary liquidation.
- (v) The sinking fund provisions, if any, for the redemption or purchase of shares.
- (vi) The terms and conditions on which shares may be converted, if the shares are issued with the privilege of conversion.

The Board of Directors may increase the number of shares designated for any existing series by a resolution adding to such series authorized and unissued Preferred Shares not designated for any other series.

2. All preferred Shares of any one series shall be identical with each other in all respects, except that shares of any one series issued at different times as provided in paragraph 3 of this Section A, may differ as to the dates from which dividends thereon shall be cumulative.

3. Before any dividends on the Common Shares or on any other class or classes of shares of the Corporation, ranking junior to the Preferred Shares with respect to payment of dividends, shall be paid or declared or set apart for payment, the holders of Preferred Shares shall be entitled to receive when and as declared by the Board of Directors, cumulative cash dividends, out of any funds legally available for the declaration of dividends and in the case of each series at the rate per annum, and no more, for the particular series fixed in the resolution or resolutions providing for the issue of such series of Preferred Shares, adopted by the Board of Directors, payable quarterly on such dates, in each year, as may be fixed in such resolution or resolutions. With respect to each series of the Preferred Shares, such dividends shall be cumulative from the respective dates of issue thereof. No dividends shall be paid on any series of the Preferred Shares in respect of any dividend period unless

all cumulative dividends accrued prior to said dividend period with respect to all Preferred Shares of each other series shall have been paid or declared and set aside for payment.

4. The holders of Preferred Shares shall be entitled to vote as a class and otherwise as provided by law.

5. Preferred shares which have been redeemed or shall have been purchased, converted or otherwise acquired by the Corporation may thereafter be reissued under such terms and conditions, not inconsistent with the provisions of this Section A, as the Board of Directors may thereafter determine.

6. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and before any distribution of the assets of the Corporation shall be made to or set apart for the holders of the Common Shares or of any other class of shares of the Corporation ranking junior to the Preferred Shares with respect to payment of dividends or upon dissolution, liquidation or winding up of the Corporation, the holders of the shares of each series of the Preferred Shares then outstanding shall be entitled to receive payment of such amount, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issue of such series; but such holders upon receipt of such payment shall be entitled to no further payment.

7. In case of any liquidation, dissolution or winding up of the Corporation, if the amounts payable with respect to all series of Preferred Shares then outstanding are not paid in full, the shares of all series of the Preferred Shares shall share proportionately in accordance with the respective amounts which would be payable on said shares if all amounts payable were paid in full.

8. A consolidation or merger of the Corporation with or into one or more corporations shall not be deemed to be a liquidation, dissolution or winding up within the meaning of this Section A.

SECTION B

The Common Shares

1. Subject to the limitations set forth in Section A of this Restated Article R-V, the holders of Common Shares shall be entitled to dividends if, when and as the same shall be declared by the Board of Directors out of funds of the Corporation legally available thereof.

2. The holders of Common Shares shall be entitled to vote as provided by law.

SECTION C

The Preferred and Common Shares

No holder of shares of any class of the Corporation shall be entitled as of right to subscribe to or purchase any additional or increased shares of any class (whether now or hereafter authorized), or obligations convertible into any class or classes of shares (whether now or hereafter authorized), or shares of any class convertible into shares of any other class or classes (whether now or hereafter authorized), or obligations, shares or other securities carrying warrants or rights to subscribe to shares of the Corporation of any class or classes (whether now or hereafter authorized), but any and all shares, bonds, debentures or other securities or obligations, whether or not convertible into shares or carrying warrants entitling the holders thereof to subscribe to shares, may be issued, sold or disposed of from time to time by the board of Directors to such persons, firms or corporations and for such consideration (so far as may be permitted by law, by the Articles of Incorporation of the Corporation, and by the terms of any resolution creating any series of Preferred Shares) as the Board of Directors shall from time to time in its absolute discretion determine. Among other things the Board of Directors shall have the right at any time and from time to time to offer, sell and issue shares of any class of the Corporation, or obligations, shares or other securities carrying warrants or rights to subscribe to shares of the Corporation of any class or classes, to employees of the Corporation and to employees of subsidiaries of the Corporation without first offering the same to its share holders, for such prices or considerations, and upon such terms and conditions as the Board of Directors shall from time to time determine, and upon any such issuance and sale, or plan or proposal to issue and sell, the Board of Directors may classify employees as in its discretion it may deem advisable, and may differentiate between classes, and exclude any class from participation. The fact that an employee may be a director or an officer of the Corporation, or any of its subsidiaries, shall not disqualify him from participation as an employee in any such issuance or sale to employees.

1. A director of the corporation shall not be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its shareholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) under Section 8.65 of the Illinois Business Corporation Act, or (iv) for any transaction from which the director derived an improper personal benefit; provided that the foregoing provision shall not eliminate or limit the liability of a director for any act or omission occurring before the date this provision became effective.
2. Any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or who is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall, in the case of persons who are or were directors or officers of the corporation, and may, as to such other persons, be indemnified (and the corporation shall, in the case of persons who are or were directors or officers of the corporation, and may, as to such other persons, advance expenses incurred in defending such actions, suits or proceedings) to the fullest extent now or hereafter permitted by law.
3. The foregoing right of indemnification and advancement of expenses shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise.

RESTATED ARTICLE R-VII

1. The class and number of shares issued on the date of adoption of this Restatement of the Articles of Incorporation and the stated capital and paid-in surplus as of such date were:

Class	Series (If Any)	Number of Shares	Par Value	Stated Capital with Respect Thereo
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -
Common	None	4,388,318	\$5	\$41,889,395.75
		Paid-in Surplus		\$ None
Total Stated Capital and Paid-in Surplus				\$41,889,395.75

2. The class and number of shares and the stated capital and paid-in surplus set forth in paragraph 1 above are changed by this Amendment and Restatement as follows:

Effective as of the close of business on the date of filing this Amendment and Restatement with the Secretary of State of Illinois each of the presently issued Common Shares of \$5 par value is hereby changed into three Common Shares without par value authorized by this amendment to and restatement of Articles of Incorporation. The amendment does not affect stated capital or paid-in surplus.

RESTATED ARTICLE R-VIII

The foregoing Restated Articles R-I to R-VII are an amendment constituting a restatement of the Articles of Incorporation of Abbott Laboratories, effective as of the date of issuance of the Certificate of Amendment of Articles of Incorporation by the Secretary of State, and shall from that time supersede and stand in lieu of the Corporation's pre-existing Articles of Incorporation.

ARTICLE R-IX

A majority of the directors then in office may fill one or more vacancies occurring in the board of directors arising between meetings of shareholders by reason of an increase in the number of directors or otherwise and any director so elected shall serve until the next annual meeting of shareholders, provided that at no time may the number of directors selected to fill vacancies in this manner during any interim period between meetings of shareholders exceed $33\frac{1}{3}$ percent of the total membership of the board of directors.

RESOLUTION

RESOLVED: That, effective as of the close of business on May 1, 1998, each issued whole common share without par value of this Corporation ("Common Share[s]") is split and shall become two issued whole Common Shares and each unissued authorized Common Share is split and shall become two unissued authorized Common Shares; and

RESOLVED: That, the first paragraph of Restated Article R-V of the Restated Articles of Incorporation of the Corporation is amended effective as of the close of business on May 1, 1998 by changing the number 1,201,000,000 in the first sentence of that paragraph to 2,401,000,000 and by changing the number of authorized common shares without par value shown in the table in that paragraph from 1,200,000,000 to 2,400,000,000; and

RESOLVED: That, certificates for issued whole Common Shares shall continue to represent only the number of shares set forth in such certificates. Certificates representing the number of Common Shares by which the Corporation's outstanding Common Shares shall increase by reason of the share split hereby authorized shall be distributed on May 29, 1998 to holders of record of the outstanding Common Shares as of the close of business on May 1, 1998. The dollar amount of the capital accounts of this Corporation shall not be affected by this share split. The Common Shares so distributed shall be validly issued, fully paid and non-assessable;

BY-LAWS
OF
ABBOTT LABORATORIES

Adopted by the Board of Directors
of Abbott Laboratories at the
Annual Meeting, April 11, 1963
as amended and restated, effective April 24, 1998

BY-LAWS OF ABBOTT LABORATORIES

ARTICLE I

OFFICES

The principal office of the Corporation in the State of Illinois shall be located at the intersection of State Routes 43 and 137 in the County of Lake. The Corporation may have such other offices either within or without the State of Illinois as the business of the Corporation may require from time to time.

The registered office of the Corporation may be, but need not be, identical with the principal office in the State of Illinois. The address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

SHAREHOLDERS

SECTION 1. ANNUAL MEETING; TRANSACTION OF BUSINESS, NOMINATION OF DIRECTORS. The annual meeting of the shareholders shall be held in the month of April in each year on such date and at such time as the Board of Directors shall provide. The meeting shall be held for the purpose of electing Directors and for the transaction of such other business as is properly brought before the meeting in accordance with these By-Laws. If the election of Directors shall not be held on the day designated for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a meeting of the shareholders as soon thereafter as conveniently may be.

To be properly brought before the meeting, business must be either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors or (c) otherwise properly brought before the meeting by a shareholder. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary. To be timely, a shareholder's notice must be delivered to or mailed and received at the principal office of the Corporation, not earlier than October 1 nor later than February 15 immediately prior to the date of the meeting; PROVIDED, HOWEVER, that in the event that the date of such meeting is not in the month of April and less than sixty-five days' notice or prior public disclosure of the date of the meeting is given or made to shareholders, notice by the shareholder to be timely must be so received not later than the close of business on the fifteenth day following the day on which such notice of the date of the annual meeting was mailed or such

public disclosure was made, whichever first occurs. A shareholder's notice to the Secretary shall set forth as to each matter the shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of the shareholder proposing such business, (iii) the class and number of shares of the Corporation which are beneficially owned by the shareholder and (iv) any material interest of the shareholder in such business.

Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in this Section 1, PROVIDED, HOWEVER, that nothing in this Section 1 shall be deemed to preclude discussion by any shareholder of any business properly brought before the annual meeting.

The Chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 1, and if he should so determine, he shall so declare to the meeting and such business not properly brought before the meeting shall not be transacted.

Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the Corporation at the annual meeting may be made at such annual meeting of shareholders by or at the direction of the Board of Directors, by any nominating committee or person appointed by the Board of Directors, or by any shareholder of the Corporation entitled to vote for the election of directors at such meeting who complies with the notice procedures set forth in this Section 1. Such nominations, other than those made by or at the direction of the Board of Directors or by a committee or person appointed by the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary. To be timely, a shareholder's notice shall be delivered to or mailed and received at the principal office of the Corporation not earlier than October 1 nor later than February 15 immediately prior to that date of the meeting; PROVIDED, HOWEVER, that in the event that the date of such meeting is not in the month of April and less than sixty-five days' notice or prior public disclosure of the date of the meeting is given or made to shareholders, notice by the shareholder to be timely must be so received not later than the close of business on the fifteenth day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made, whichever first occurs. Such shareholder's notice to the Secretary shall set forth: (a) as to each person whom the shareholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the person and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended; and (b) as to the shareholder giving the notice, (i) the name and record address of such shareholder and (ii) the class and number of shares of the Corporation which are beneficially owned by such shareholder. The Corporation

may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as director of the Corporation. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth herein.

The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

SECTION 2. SPECIAL MEETINGS. Special meetings of the shareholders may be called by the Chairman of the Board, the President, the Board of Directors or by the holders of not less than one-fifth of all the outstanding shares entitled to vote on the matter for which the meeting is called.

SECTION 3. PLACE OF MEETING. The Board of Directors may designate any place, either within or without the State of Illinois, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Corporation in the State of Illinois.

SECTION 4. NOTICE OF MEETINGS. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting, or in the cases of a merger, consolidation, share exchange, dissolution or sale, lease or exchange of assets not less than twenty nor more than sixty days before the meeting, either personally or by mail, by or at the direction of the Chairman of the Board, the President, or the Secretary or the persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his or her address as it appears on the records of the Corporation, with postage thereon prepaid.

SECTION 5. FIXING RECORD DATE. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors of the Corporation may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than sixty days and, for a meeting of shareholders, not less than ten days, or in the case of a merger, consolidation, share exchange, dissolution or sale, lease or exchange of assets not less than twenty days, immediately preceding such meeting.

SECTION 6. VOTING LISTS. The Secretary shall make, or cause to have made, within twenty days after the record date for a meeting of shareholders or ten days before such meeting,

whichever is earlier, a complete list of the shareholders entitled to vote at such meeting, arranged in alphabetical order, with the address of and the number of shares held by each, which list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any shareholder and to copying at the shareholder's expense, at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original share ledger or transfer book, or a duplicate thereof kept in this State, shall be prima facie evidence as to who are the shareholders entitled to examine such list or share ledger or transfer book or to vote at any meeting of shareholders.

SECTION 7. QUORUM. A majority of the outstanding shares of the Corporation entitled to vote on a matter, represented in person or by proxy, shall constitute a quorum for consideration of such matter at a meeting of shareholders. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on a matter shall be the act of the shareholders, unless the vote of a greater number or voting by classes is required by The Business Corporation Act of 1983 or the Articles of Incorporation, as in effect on the date of such determination. If a quorum is not present, a majority of the shares of the Corporation entitled to vote on a matter and represented in person or by proxy at such meeting may adjourn the meeting from time to time without further notice.

SECTION 8. PROXIES. A shareholder may appoint a proxy to vote or otherwise act for the shareholder by signing an appropriate form and delivering it to the person so appointed; provided, however, no shareholder may name more than three persons as proxies to attend and to vote the shareholder's shares at any meeting of shareholders. No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Each proxy continues in full force and effect until revoked by the person executing it prior to the vote pursuant thereto, except as otherwise provided by law. Such revocation may be effected by a writing delivered to the Secretary of the Corporation stating that the proxy is revoked or by a subsequent proxy executed by, or by attendance at the meeting and voting in person by, the person executing the proxy. The dates contained on the forms of proxy presumptively determine the order of execution, regardless of the postmark dates on the envelopes in which they were mailed.

SECTION 9. VOTING OF SHARES. Each outstanding share, regardless of class, shall be entitled to one vote in each matter submitted to a vote at a meeting of shareholders and, in all elections for Directors, every shareholder shall have the right to vote the number of shares owned by such shareholder for as many persons as there are Directors to be elected, or to cumulate such votes and give one candidate as many votes as shall equal the number of Directors multiplied by the number of such shares or to distribute such cumulative votes in any proportion among any number of candidates; provided that, vacancies on the Board of Directors may be filled as provided in Section 9, Article III of these By-Laws. A shareholder may vote either in person or by proxy.

SECTION 10. VOTING OF SHARES BY CERTAIN HOLDERS. Shares of this Corporation held by the Corporation in a fiduciary capacity may be voted and shall be counted in determining the total number of outstanding shares entitled to vote at any given time.

Shares registered in the name of another corporation, domestic or foreign, may be voted by any officer, agent, proxy or other legal representative authorized to vote such shares under the law of incorporation of such corporation.

Shares registered in the name of a deceased person, a minor ward or a person under legal disability may be voted by his or her administrator, executor, or court appointed guardian, either in person or by proxy without a transfer of such shares into the name of such administrator, executor, or court appointed guardian. Shares registered in the name of a trustee may be voted by him or her, either in person or by proxy.

Shares registered in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his or her name if authority so to do is contained in an appropriate order of the court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

SECTION 11. VOTING BY BALLOT. Voting on any question or in any election may be viva voce unless the presiding officer shall order that voting be by ballot.

SECTION 12. INSPECTORS OF ELECTION. The Board of Directors in advance of any meeting of shareholders may appoint inspectors to act at such meeting or any adjournment thereof. If inspectors of election are not so appointed, the officer or person acting as chairman at any such meeting may, and on the request of any shareholder or his proxy, shall make such appointment. In case any person appointed as inspector shall fail to appear or to act, the vacancy may be filled by appointment made by the Board of Directors in advance of the meeting or at the meeting by the officer or person acting as chairman.

Such inspectors shall ascertain and report the number of shares represented at the meeting, based upon their determination of the validity and effect of proxies; count all votes and report the results; and do such other acts as are proper to conduct the election and voting with impartiality and fairness to all the shareholders.

Each report of an inspector shall be in writing and signed by him or her or by a majority of them if there be more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of shares represented at the meeting and the results of the

voting shall be prima facie evidence thereof.

ARTICLE III

DIRECTORS

SECTION 1. GENERAL POWERS. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors.

SECTION 2. NUMBER, TENURE AND QUALIFICATIONS. The number of Directors of the Corporation shall be sixteen. The terms of all Directors shall expire at the next annual meeting of shareholders following their election. Despite the expiration of a Director's term, he or she shall continue to serve until the next meeting of shareholders at which Directors are elected. Directors need not be residents of Illinois or shareholders of the Corporation.

SECTION 3. REGULAR MEETINGS. A regular annual meeting of the Board of Directors shall be held without other notice than this By-Law, immediately after, and at the same place as, the annual meeting of shareholders. Other regular meetings of the Board of Directors shall be held at the principal office of the Corporation on the second Friday of every month at 9:00 a.m. without other notice than this By-Law. The Board of Directors may provide, by resolution, for the holding of the regular monthly meetings at a different time and place, either within or without the State of Illinois, or for the omission of the regular monthly meeting altogether. Where the Board of Directors has, by resolution, changed or omitted regular meetings, no other notice than such resolution shall be given.

SECTION 4. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the Chairman of the Executive Committee, the President, or of any four Directors. The persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Illinois, as the place for holding any special meeting of the Board of Directors.

SECTION 5. NOTICE. Notice of any special meeting shall be given: (i) at least one day prior thereto if the notice is given personally or by an electronic transmission, (ii) at least two business days prior thereto if the notice is given by having it delivered by a third party entity that provides delivery services in the ordinary course of business and guarantees delivery of the notice to the Director no later than the following business day, and (iii) at least seven days prior thereto if the notice is given by mail. For this purpose, the term "electronic transmission" may include, but shall not be limited to, a telex, facsimile, or other electronic means. Notice shall be delivered to the Director's business address and/or telephone number and shall be deemed given upon electronic transmission, upon delivery to the third party delivery service, or upon being deposited in the United States mail with postage thereon prepaid. Any Director may waive notice of any meeting by signing a written waiver of notice either before or after the meeting. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting,

except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need to be specified in the notice or waiver of notice of such meeting.

SECTION 6. QUORUM. A majority of the number of Directors fixed by these By-Laws shall constitute a quorum for transaction of business at any meeting of the Board of Directors; provided, that if less than a majority of such number of Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

SECTION 7. MANNER OF VOTING. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 8. INFORMAL ACTION BY DIRECTORS. Any action required to be taken at a meeting of the Board of Directors, or any other action which may be taken at a meeting of the Board of Directors or a committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof, or by all the members of such committee, as the case may be.

The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more Directors. All the approvals evidencing the consent shall be delivered to the Secretary of the Corporation to be filed in the corporate records. The action taken shall be effective when all the Directors have approved the consent unless the consent specifies a different effective date.

Any such consent signed by all the Directors or all the members of a committee shall have the same effect as a unanimous vote.

SECTION 9. VACANCIES. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors, may be filled by election at an annual meeting or at a special meeting of shareholders called for that purpose. A Director elected to fill a vacancy shall serve until the next annual meeting of shareholders. A majority of Directors then in office may also fill one or more vacancies arising between meetings of shareholders by reason of an increase in the number of Directors or otherwise, and any Director so selected shall serve until the next annual meeting of shareholders, provided that at no time may the number of Directors selected to fill vacancies in this manner during any interim period between meetings of shareholders exceed 33-1/3 per cent of the total membership of the Board of Directors.

SECTION 10. PRESUMPTION OF ASSENT. A Director of the Corporation who is present at a meeting of the Board of Directors or any committee thereof at which action on any

corporate matter is taken is conclusively presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless he or she files his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or forwards such dissent by registered or certified mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

SECTION 11. APPOINTMENT OF AUDITORS. Upon the recommendation of the Audit Committee, the Board of Directors shall appoint annually a firm of independent public accountants as auditors of the Corporation. Such appointment shall be submitted to the shareholders for ratification at the Annual Meeting next following such appointment. Should the holders of a majority of the shares represented at the meeting fail to ratify the appointment of any firm as auditors of the Corporation, or should the Board of Directors for any reason determine that such appointment be terminated, the Board of Directors shall appoint another firm of independent public accountants to act as auditors of the Corporation and such appointment shall be submitted to the shareholders for ratification at the Annual or Special Shareholders Meeting next following such appointment.

ARTICLE IV

COMMITTEES

SECTION 1. APPOINTMENT. A majority of the Board of Directors may create one or more committees and appoint members of the Board to serve on the committee or committees. Each committee shall have three or more members, who serve at the pleasure of the Board. The Board shall designate one member of each committee to be chairman of the committee. The Board shall designate a secretary of each committee who may be, but need not be, a member of the committee or the Board.

SECTION 2. COMMITTEE MEETINGS. A majority of any committee shall constitute a quorum and a majority of the committee is necessary for committee action. A committee may act by unanimous consent in writing without a meeting. Committee meetings may be called by the Chairman of the Board, the chairman of the committee, or any two of the committee's members. The time and place of committee meetings shall be designated in the notice of such meeting. Notice of each committee meeting shall be given to each committee member. Each Committee shall keep minutes of its proceedings and such minutes shall be distributed to the Board of Directors.

SECTION 3. EXECUTIVE COMMITTEE. The Board shall appoint an Executive Committee. A majority of the members of the Committee shall be selected from those Directors who are not then serving as full-time employees of the Corporation or any of its subsidiaries.

SECTION 4. DUTIES OF THE EXECUTIVE COMMITTEE. The Executive

Committee may, when the Board of Directors is not in session, exercise the authority of the Board in the management of the business and affairs of the Corporation; provided, however, the Committee may not:

- (1) authorize distributions;
- (2) approve or recommend to shareholders any act the Business Corporation Act of 1983 requires to be approved by shareholders.
- (3) fill vacancies on the Board or on any of its committees;
- (4) elect or remove Officers or fix the compensation of any member of the Committee;
- (5) adopt, amend or repeal the By-Laws;
- (6) approve a plan of merger not requiring shareholder approval;
- (7) authorize or approve reacquisition of shares, except according to a general formula or method prescribed by the Board;
- (8) authorize or approve the issuance or sale, or contract for sale, of shares or determine the designation and relative rights, preferences, and limitations of a series of shares, except that the Board may direct the Committee to fix the specific terms of the issuance or sale or contract for sale or the number of shares to be allocated to particular employees under an employee benefit plan; or
- (9) amend, alter, repeal, or take action inconsistent with any resolution or action of the Board of Directors when the resolution or action of the Board of Directors provides by its terms that it shall not be amended, altered or repealed by action of the Committee.

SECTION 5. AUDIT COMMITTEE. The Board of Directors shall appoint an Audit Committee. All of the members of the Committee shall be selected from those Directors who are not then serving as full-time employees of the Corporation or any of its subsidiaries.

SECTION 6. DUTIES OF THE AUDIT COMMITTEE. The Audit Committee shall:

- (1) recommend to the Board of Directors annually a firm of independent public accountants to act as auditors of the Corporation;
- (2) review with the auditors in advance the scope of and fees for their annual

audit;

- (3) review with the auditors and the management, from time to time, the Corporation's accounting principles, policies, and practices and its reporting policies and practices;
- (4) review with the auditors annually the results of their audit; and
- (5) review from time to time with the auditors and the Corporation's financial personnel the adequacy of the Corporation's accounting, financial and operating controls.

SECTION 7. COMPENSATION COMMITTEE. The Board of Directors shall appoint a Compensation Committee. The members of the Committee shall be selected from those Directors who are not then serving as full-time employees of the Corporation or any of its subsidiaries and who are "non-employee directors" under Rule 16b-3 promulgated under the Securities Exchange Act of 1934, or any similar successor rule.

SECTION 8. DUTIES OF THE COMPENSATION COMMITTEE. The Compensation Committee shall:

- (1) administer the stock option plans of the Corporation;
- (2) review, at least annually, the compensation of Directors who are not then serving as full-time employees of the Corporation or any of its subsidiaries and recommend for approval by the Board any change in the compensation of such Directors;
- (3) review, at least annually, the compensation of all Officers of the Corporation. The committee shall have the authority to approve changes in the base compensation, and any proposed special separation arrangements of Officers, except the Chairman of the Board of Directors and the President, whose base compensation, and any special separation arrangements, shall be subject to approval by the Board of Directors.

SECTION 9. NOMINATIONS AND BOARD AFFAIRS COMMITTEE. The Board of Directors shall appoint a Nominations and Board Affairs Committee. A majority of the members of the Committee shall be selected from those Directors who are not then serving as full-time employees of the Corporation or any of its subsidiaries.

SECTION 10. DUTIES OF THE NOMINATIONS AND BOARD AFFAIRS COMMITTEE. The Nominations and Board Affairs Committee shall:

- (1) develop general criteria for selection of and qualifications desirable in members of the Board of Directors and Officers of the Corporation and aid the Board in identifying and attracting qualified candidates to stand for election to such positions;
- (2) recommend to the Board annually a slate of nominees to be proposed by the Board to the shareholders as nominees for election as Directors, and, from time to time, recommend persons to fill any vacancy on the Board;
- (3) review annually, or more often if appropriate, the performance of individual members of the management of the Corporation and the membership and performance of committees of the Board and make recommendations deemed necessary or appropriate to the Board;
- (4) recommend to the Board persons to be elected as Officers of the Corporation; and
- (5) serve in an advisory capacity to the Board of Directors and Chairman of the Board on matters of organization, management succession plans, major changes in the organizational structure of the Corporation, and the conduct of Board activities, including assisting in the evaluation of the Board's own performance.

ARTICLE V

OFFICERS

SECTION 1. NUMBER. The Officers of the Corporation shall be the Chairman of the Board, the President, one or more Executive, Group or Senior Vice Presidents, one or more Vice Presidents, a Treasurer, a Secretary, a Controller, a General Counsel and such Assistant Treasurers and Assistant Secretaries as the Board of Directors may elect. Any two or more offices may be held by the same person.

SECTION 2. ELECTION AND TERM OF OFFICE. The Officers of the Corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of shareholders. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies or new offices may be filled at any meeting of the Board of Directors. Each Officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3. REMOVAL OF OFFICERS. Any Officer may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby.

SECTION 4. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. CHAIRMAN OF THE BOARD OF DIRECTORS. The Chairman of the Board of Directors shall be the Chief Executive Officer of the Corporation. The Chairman shall be responsible for the overall management of the Corporation subject to the direction of the Board of Directors. The Chairman shall preside at all meetings of the Board of Directors and the shareholders.

SECTION 6. PRESIDENT. The President shall be the Chief Operating Officer. The President shall perform such duties as may be prescribed by the Board of Directors or by the Chairman.

SECTION 7. EXECUTIVE, GROUP AND SENIOR VICE PRESIDENTS. Each Executive, Group, or Senior Vice President shall be responsible for supervising and coordinating a major area of the Corporation's activities subject to the direction of the Chairman of the Board or the President.

SECTION 8. VICE PRESIDENTS. Each of the Vice Presidents shall be responsible for those activities designated by an Executive, Group, or Senior Vice President, the President, the Chairman of the Board or by the Board of Directors.

SECTION 9. TREASURER. The Treasurer shall administer the investment, financing, insurance and credit activities of the Corporation.

SECTION 10. SECRETARY. The Secretary will be the custodian of the corporate records and of the seal of the Corporation, will countersign certificates for shares of the Corporation, and in general will perform all duties incident to the office of the Secretary. The Secretary shall have the authority to certify the By-laws, resolutions of the shareholders and the Board of Directors and committees thereof, and other documents of the Corporation as true and correct copies hereof.

SECTION 11. CONTROLLER. The Controller will conduct the accounting activities of the Corporation, including the maintenance of the Corporation's general and supporting ledgers and books of account, operating budgets, and the preparation and consolidation of financial statements.

SECTION 12. GENERAL COUNSEL. The General Counsel will be the chief consultant of the Corporation on legal matters. He or she will supervise all matters of legal import

concerning the interests of the Corporation.

SECTION 13. ASSISTANT TREASURER. The Assistant Treasurer shall, in the absence or incapacity of the Treasurer, perform the duties and exercise the powers of the Treasurer, and shall perform such other duties as shall from time to time be given to him or her by the Treasurer.

SECTION 14. ASSISTANT SECRETARY. The Assistant Secretary shall, in the absence or incapacity of the Secretary, perform the duties and exercise the powers of the Secretary, and shall perform such other duties as shall from time to time be given to him or her by the Secretary. The Assistant Secretary shall be, with the Secretary, keeper of the books, records, and the seal of the Corporation, and shall have the authority to certify the By-Laws, resolutions and other documents of the Corporation.

SECTION 15. GENERAL POWERS OF OFFICERS. The Chairman of the Board, the President, and any Executive, Group or Senior Vice President, may sign without countersignature any deeds, mortgages, bonds, contracts, reports to public agencies, or other instruments whether or not the Board of Directors has expressly authorized execution of such instruments, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws solely to some other Officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed. Any other Officer of this Corporation may sign contracts, reports to public agencies, or other instruments which are in the regular course of business and within the scope of his or her authority, except where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other Officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed.

ARTICLE VI

CERTIFICATES FOR SHARES AND THEIR TRANSFER

SECTION 1. CERTIFICATES FOR SHARES. Certificates representing shares of the Corporation shall be in such form as may be determined by the Board of Directors. Such certificates shall be signed by any one of the Chairman of the Board, the President or an Executive Vice President, and shall be countersigned by the Secretary or an Assistant Secretary and shall be sealed with the seal, or a facsimile of the seal, of the Corporation. If a certificate is countersigned by a Transfer Agent or Registrar, other than the Corporation itself or its employee, any other signatures or countersignature on the certificate may be facsimiles. In case any Officer of the Corporation, or any officer or employee of the Transfer Agent or Registrar who has signed or whose facsimile signature has been placed upon such certificate ceases to be an Officer of the Corporation, or an officer or employee of the Transfer Agent or Registrar before such certificate is issued, the certificate may be issued by the Corporation with the same effect as if the Officer of the Corporation, or the officer or employee of the Transfer Agent or Registrar had not ceased to

be such at the date of its issue. Each certificate representing shares shall state: that the Corporation is organized under the laws of the State of Illinois; the name of the person to whom issued; the number and class of shares; and the designation of the series, if any, which such certificate represents. Each certificate shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the Corporation. All certificates surrendered to the Corporation for transfer shall be canceled, and no new certificate shall be issued in replacement until the former certificate for a like number of shares shall have been surrendered and canceled, except in the case of lost, destroyed or mutilated certificates.

SECTION 2. TRANSFER AGENT AND REGISTRAR. The Board of Directors may from time to time appoint such Transfer Agents and Registrars in such locations as it shall determine, and may, in its discretion, appoint a single entity to act in the capacity of both Transfer Agent and Registrar in any one location.

SECTION 3. TRANSFER OF SHARES. Transfers of shares of the Corporation shall be made only on the books of the Corporation at the request of the holder of record thereof or of his attorney, lawfully constituted in writing, and on surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation.

SECTION 4. LOST, DESTROYED OR MUTILATED CERTIFICATES. In case of lost, destroyed or mutilated certificates, duplicate certificates shall be issued to the person claiming the loss, destruction or mutilation, provided:

- (a) That the claimant furnishes an affidavit stating the facts of such loss, destruction or mutilation so far as known to him or her and further stating that the affidavit is made to induce the Corporation to issue a duplicate certificate or certificates; and that issuance of the duplicate certificate or certificates is approved:
 - (i) in a case involving a certificate or certificates for more than 1,000 shares, by the Chairman of the Board, the President, an Executive Vice President, or the Secretary; or
 - (ii) in a case involving a certificate or certificates for 1,000 shares or less, by the Transfer Agent appointed by the Board of Directors for the transfer of the shares represented by such certificate or certificates,

upon receipt of a bond, with one or more sureties, in the amount to be determined by the party giving such approval; or

- (b) that issuance of the said duplicate certificate or certificates is approved by the Board of Directors upon such terms and conditions as it shall determine.

ARTICLE VII

FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January in each year and end on the last day of December in each year.

ARTICLE VIII

VOTING SHARES OR INTERESTS IN OTHER CORPORATIONS

The Chairman of the Board, the President, an Executive, Group, or Senior Vice President and each of them, shall have the authority to act for the Corporation by voting any shares or exercising any other interest owned by the Corporation in any other corporation or other business association, including wholly or partially owned subsidiaries of the Corporation, such authority to include, but not be limited to, power to attend any meeting of any such corporation or other business association, to vote shares in the election of directors and upon any other matter coming before any such meeting, to waive notice of any such meeting and to consent to the holding thereof without notice, and to appoint a proxy or proxies to represent the Corporation at any such meeting with all the powers that the said Officer would have under this section if personally present.

ARTICLE IX

DISTRIBUTIONS TO SHAREHOLDERS

The Board of Directors may authorize, and the Corporation may make, distributions to its shareholders, subject to any restriction in the Articles of Incorporation and subject also to the limitations prescribed by law.

ARTICLE X

SEAL

The Corporate Seal of the Corporation shall be in the form of a circle in the center of which is the insignia ["LOGO"] and shall have inscribed thereon the name of the Corporation and the words "an Illinois Corporation."

ARTICLE XI

WAIVER OF NOTICE

Whenever any notice whatever is required to be given under the provisions of these By-Laws

or under the provisions of the Articles of Incorporation or under the provisions of The Business Corporation Act of 1983, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute waiver of notice thereof unless the person at the meeting objects to the holding of the meeting because proper notice was not given.

ARTICLE XII

AMENDMENTS

These By-Laws may be made, altered, amended or repealed by the shareholders or the Board of Directors.

1998 ABBOTT LABORATORIES PERFORMANCE INCENTIVE PLAN

SECTION 1. ESTABLISHMENT AND PURPOSES

1.1 ESTABLISHMENT OF THE PLAN. Abbott Laboratories ("Abbott") hereby establishes the "1998 Abbott Laboratories Performance Incentive Plan" (the "Plan"), as set forth in this document.

Subject to approval by Abbott's shareholders at the 1998 Annual Meeting of the Shareholders, the Plan shall become effective as of January 1, 1998 (the "Effective Date") and shall remain in effect as provided in Section 6.1 hereof.

1.2 PURPOSES OF THE PLAN. The purposes of the Plan are to:

- (a) Prove flexibility to Abbott in its ability to attract, motivate, and retain the services of participants in the Plan ("Participants") who make significant contributions to Abbott's success and to allow Participants to share in the success of Abbott.
- (b) Optimize the profitability and growth of Abbott through incentives which are consistent with Abbott's goals and which link the performance objectives of Participants to those of Abbott's shareholders; and
- (c) Provide Participants with an incentive for excellence in individual performance.

SECTION 2. ADMINISTRATION

2.1 GENERAL. The Plan shall be administered by the Compensation Committee (the "Committee") appointed by the Board of Directors of Abbott (the "Board").

2.2 AUTHORITY OF THE COMMITTEE. The Committee will have full authority to administer the Plan, including the authority to interpret and construe any provision of the Plan, and all rules, regulations and interpretations shall be conclusive and binding on all persons. The Committee has sole responsibility for selecting Participants, establishing performance objectives, setting award targets, and determining award amounts.

2.3 DELEGATION BY THE COMMITTEE. The Committee from time to time may delegate the performance of certain ministerial functions in connection with the Plan, such as the keeping of records, to such person or persons as the Committee may select. The cost of administration of the Plan will be paid by Abbott.

SECTION 3. ELIGIBILITY AND PARTICIPATION

3.1 ELIGIBILITY AND PARTICIPATION. Eligibility for participation in the Plan shall be limited to senior officers of Abbott and its subsidiaries. Participants in the Plan will be determined annually by the Committee from those senior officers eligible to participate in the Plan.

SECTION 4. PERFORMANCE OBJECTIVES

4.1 PERFORMANCE OBJECTIVES. The Plan's performance objectives (the "Performance Objectives") shall be determined with reference to Abbott's consolidated net earnings prepared in accordance with generally accepted accounting principles.

4.2 INDIVIDUAL BASE AWARD ALLOCATION--DEFINED. The base award allocation for the Chief Executive Officer, if a Participant for such fiscal year, shall be .0015 of the consolidated net earnings of Abbott for that fiscal year. The base award allocation for the Chief Operating Officer, if a Participant for such fiscal year, shall be .0010 of the consolidated net earnings of Abbott for that fiscal year. The base award allocation for any other Participant shall be .00075 of the consolidated net earnings of Abbott for that fiscal year. Each such base award will be increased by interest, at prevailing market rates, accrued on awards deferred or paid to grantor trusts.

SECTION 5. FINAL AWARDS

5.1 FINAL AWARD ALLOCATION. As soon as practical after the close of each fiscal year, a Participant's final award allocation will be determined solely on the basis of the Performance Objectives. In determining a Participant's final award allocation, the Committee will have the discretion to reduce but not increase a Participant's base award allocation (as increased by the last sentence of Section 4.2), provided that a Participant's individual performance will be considered by the Committee in exercising that discretion.

5.2 PAYMENT OF AWARDS. A Participant's final award allocation will be paid or deferred in the manner and at the time(s) established by the Committee.

SECTION 6. DURATION, AMENDMENT, AND TERMINATION

6.1 DURATION OF THE PLAN. The Plan shall commence on the Effective Date, as described in Section 1.1 hereof, and shall remain in effect until terminated by the Board.

6.2 AMENDMENT AND TERMINATION. The Board, in its sole discretion, may modify or amend any or all of the provisions of the Plan at any time and, without notice, may suspend or terminate it entirely. However, no such modification may, without the consent of the Participant, reduce the right of a Participant to a payment or distribution to which the Participant is entitled by reason of an outstanding award allocation.

SECTION 7. SUCCESSORS

7.1 OBLIGATIONS. All obligations of Abbott under the Plan with respect to awards granted hereunder shall be binding on any successor to Abbott, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of Abbott.

ABBOTT LABORATORIES AND SUBSIDIARIES

CALCULATION OF EARNINGS PER COMMON SHARE

(DOLLARS AND SHARES IN MILLIONS EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED MARCH 31	
	1998	1997
	-----	-----
1. Net earnings	\$ 589.6	\$ 534.8
	-----	-----
2. Average number of common shares outstanding	764.0	774.0
	-----	-----
3. Basic earnings per common share (1 divided by 2)	\$.77	\$.69
	-----	-----
4. Diluted earnings per common share:		
a. Stock options granted and outstanding for which the market price at quarter-end exceeds the option price	27.8	28.6
	-----	-----
b. Aggregate proceeds to the Company from the exercise of options in 4.a:		
1. Cash received upon exercise	\$ 1,181.8	\$ 942.8
	-----	-----
2. Tax benefits to be credited to earnings employed in the business	82.0	63.6
	-----	-----
Total proceeds (sum of 1-2)	\$ 1,263.8	\$ 1,006.4
	-----	-----
c. Average market price of the Company's common stock	\$ 72.846	\$ 56.038
	-----	-----
d. Shares which could be repurchased under the treasury stock method (4.b. divided by 4.c.)	17.3	18.0
	-----	-----
e. Addition to average outstanding shares (4.a. - 4.d.)	10.5	10.6
	-----	-----
f. Shares for diluted earnings per common share calculation (2. + 4.e.)	774.5	784.6
	-----	-----
g. Diluted earnings per common share (1. divided by 4.f.)	\$.76	\$.68
	-----	-----

EXHIBIT 12

ABBOTT LABORATORIES

CALCULATION OF RATIO OF EARNINGS TO FIXED CHARGES

(UNAUDITED)

(MILLIONS OF DOLLARS)

	THREE MONTHS ENDED MARCH 31, 1998

Net Earnings	\$ 590
Add (deduct):	
Income Taxes	229
Minority Interest	2

Net earnings as adjusted	\$ 821

Fixed Charges:	
Interest on long-term and short-term debt	\$ 38
Capitalized interest cost	3
Rental expense representative of an interest factor	10

Total Fixed Charges	51

Total adjusted earnings available for payment of fixed charges	\$ 872

Ratio of earnings to fixed charges	17.1

NOTE: For the purpose of calculating this ratio, (i) earnings have been calculated by adjusting net earnings for taxes on earnings; interest expense; capitalized interest cost, net of amortization; minority interest; and the portion of rentals representative of the interest factor, (ii) the Company considers one-third of rental expense to be the amount representing return on capital, and (iii) fixed charges comprise total interest expense, including capitalized interest and such portion of rentals.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM ABBOTT LABORATORIES' 1998 FIRST QUARTER FORM 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

3-MOS	
	DEC-31-1998
	JAN-01-1998
	MAR-31-1998
	225,544
	69,401
	1,884,909
	183,677
	1,344,191
	5,181,804
	8,899,831
	4,313,956
	12,115,102
4,726,575	
	1,139,720
0	
	0
	997,593
	4,144,119
12,115,102	
	3,044,913
	3,044,913
	1,279,973
	1,279,973
	279,876
	16,504
	37,960
	818,879
	229,286
589,593	
	0
	0
	0
	589,593
	0.77
	0.76

Other Expenses consist of research and development expenses.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM ABBOTT LABORATORIES' 1998 FIRST QUARTER FORM 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH 10-Q FILING.

1,000

	3-MOS	6-MOS	9-MOS	YEAR	
	DEC-31-1997	DEC-31-1997	DEC-31-1997	DEC-31-1997	DEC-31-1996
	JAN-01-1997	JAN-01-1997	JAN-01-1997	JAN-01-1997	JAN-01-1996
	MAR-31-1997	JUN-30-1997	SEP-30-1997	DEC-31-1996	
	134,093	126,521	129,404	110,209	
	18,138	18,669	36,180	12,875	
	1,891,897	1,891,914	1,866,881	1,862,231	
	160,700	163,245	166,768	153,424	
	1,199,715	1,263,986	1,252,421	1,238,205	
	4,627,438	4,587,932	4,653,093	4,480,902	
	8,355,593	8,568,669	8,656,445	8,370,283	
	3,932,048	4,067,168	4,153,953	3,908,740	
	11,200,394	11,433,526	11,575,997	11,125,600	
	4,377,610	4,513,758	4,721,152	4,343,717	
	0	931,227	931,055	939,485	932,898
	0	0	0	0	0
	741,200	783,063	802,682	694,380	
	4,114,968	4,154,107	4,039,610	4,125,802	
11,200,394	11,433,526	11,575,997	11,125,600		
	2,999,814	5,900,222	8,765,406	11,013,460	
2,999,814	1,327,331	2,544,374	3,786,216	4,731,998	
	1,327,331	2,544,374	3,786,216	4,731,998	
	280,074	600,222	927,019	1,204,841	
	9,322	14,755	17,260	7,389	
	32,754	64,142	97,612	95,445	
	758,618	1,498,376	2,151,836	2,669,550	
	223,792	442,021	624,032	787,517	
534,826	1,056,355	1,527,804	1,882,033		
	0	0	0	0	
	0	0	0	0	
	0	0	0	0	
	534,826	1,056,355	1,527,804	1,882,033	
	0.69	1.37	1.98	2.41	
	0.68	1.35	1.95	2.38	

Other expenses consist of research and development expenses.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM ABBOTT LABORATORIES' 1998 FIRST QUARTER FORM 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

	3-MOS			6-MOS			9-MOS			YEAR		
	DEC-31-1996			DEC-31-1996			DEC-31-1996			DEC-31-1995		
	JAN-01-1996	JAN-01-1996	JAN-01-1996	JAN-01-1996	JAN-01-1996	JAN-01-1996	JAN-01-1995	JAN-01-1995	JAN-01-1995	JAN-01-1995	JAN-01-1995	JAN-01-1995
	MAR-31-1996	MAR-31-1996	MAR-31-1996	JUN-30-1996	JUN-30-1996	JUN-30-1996	SEP-30-1996	SEP-30-1996	SEP-30-1996	DEC-31-1995	DEC-31-1995	DEC-31-1995
		87,922			111,482			139,896			281,197	
		44,035			66,189			39,274			34,500	
		1,718,488			1,791,459			1,700,153			1,721,028	
		156,167			147,550			150,415			157,990	
		1,156,918			1,195,242			1,224,705			1,110,941	
		4,113,266			4,326,405			4,273,851			4,226,711	
		7,895,249			8,044,533			8,242,116			7,762,442	
		3,621,131			3,709,198			3,839,638			3,512,904	
		9,312,020			10,553,874			10,669,342			9,412,580	
		3,491,495			4,526,824			4,287,888			3,790,314	
		0			433,724			433,437			682,166	
		0			0			0			0	
		0			0			0			0	
		608,933			628,216			659,274			581,562	
		3,956,734			4,012,280			4,054,696			3,815,285	
9,312,020		10,553,874			10,669,342			9,412,580			10,012,194	
		2,672,177			5,371,417			8,017,611			10,012,194	
		2,672,177			5,371,417			8,017,611			10,012,194	
		1,156,217			2,300,164			3,477,411			4,325,805	
		1,156,217			2,300,164			3,477,411			4,325,805	
		268,616			573,462			852,432			1,072,745	
		13,838			4,465			23,999			32,462	
		17,607			39,835			68,030			69,532	
		681,005			1,348,272			1,945,275			2,395,319	
		200,896			397,740			573,856			706,619	
		480,109			950,532			1,371,419			1,688,700	
		0			0			0			0	
		0			0			0			0	
		0			0			0			0	
		480,109			950,532			1,371,419			1,688,700	
		0.61			1.21			1.75			2.12	
		0.60			1.20			1.73			2.10	

Other expenses consist of research and development expenses