

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

(Mark One)

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

For the quarterly period ended June 30, 1995

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: (708) 937-6100

One Abbott Park Road
Abbott Park, Illinois 60064-3500
(Former address, changed since last report)

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 X . No .

As of July 31, 1995, the Corporation had 793,539,326 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 in thousands except per share data)

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	1995	1994	1995	1994
Net Sales	\$2,500,310	\$2,204,030	\$5,024,707	\$4,419,278
Cost of products sold	1,086,023	946,816	2,174,934	1,911,088
Research and development	287,360	244,989	534,535	471,786
Selling, general and administrative	532,277	468,739	1,131,109	965,923
Total Operating Cost and Expenses	1,905,660	1,660,544	3,840,578	3,348,797
Operating Earnings	594,650	543,486	1,184,129	1,070,481
Interest expense	17,852	12,253	31,804	23,749
Interest and dividend income	(13,202)	(8,296)	(24,212)	(16,726)
Other (income) expense, net	(11,461)	1,593	(16,774)	2,331
Earnings Before Taxes	601,461	537,936	1,193,311	1,061,127
Taxes on Earnings	177,431	161,381	352,027	318,338
Net Earnings	\$ 424,030	\$ 376,555	\$ 841,284	\$ 742,789
Net Earnings Per Common Share	\$.53	\$.46	\$1.05	\$.91
Cash Dividends Declared				
Per Common Share	\$.21	\$.19	\$.42	\$.38

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)

	JUNE 30	DECEMBER 31
	1995	1994
	(unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 254,395	\$ 290,272
Investment securities	56,463	25,056
Trade Receivables, less allowances of \$155,059 in 1995 and \$128,929 in 1994	1,518,773	1,468,519
Inventories:		
Finished products	531,740	514,715
Work in process	239,467	218,643
Materials	278,557	284,833
Total Inventories	1,049,764	1,018,191
Prepaid income taxes	534,679	549,091
Other prepaid expenses and receivables	626,057	525,199
Total Current Assets	4,040,131	3,876,328
Investment Securities Maturing after One Year	388,783	316,195
Property and Equipment, at Cost	7,544,199	7,053,604
Less: accumulated depreciation and amortization	3,391,117	3,132,754
Net Property and Equipment	4,153,082	3,920,850
Deferred Charges and Other Assets	408,327	410,351
	\$ 8,990,323	\$ 8,523,724
LIABILITIES AND SHAREHOLDERS' INVESTMENT		
Current Liabilities:		
Short-term borrowings and current portion of long-term debt	\$ 829,594	\$ 772,503
Trade accounts payable	754,266	671,100
Salaries, income taxes, dividends payable, and other accruals	1,951,201	2,032,263
Total Current Liabilities	3,535,061	3,475,866
Long-Term Debt	435,730	287,091
Other Liabilities and Deferrals	776,323	711,367
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 - 1995: 804,785,789 shares; 1994: 813,046,602 shares	546,974	505,170
Earnings employed in the business	3,762,687	3,652,434
Cumulative translation adjustments	(9,574)	(51,124)
	4,300,087	4,106,480
Less:		
Common shares held in treasury, at cost - 1995: 9,732,259 shares; 1994: 9,766,880 shares	51,363	51,545
Unearned compensation - restricted stock awards	5,515	5,535
Total Shareholders' Investment	4,243,209	4,049,400

\$ 8,990,323

\$ 8,523,724

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)

	SIX MONTHS ENDED JUNE 30	
	1995	1994
Cash Flow From (Used in) Operating Activities:		
Net earnings	\$ 841,284	\$ 742,789
Adjustments to reconcile net earnings to net cash from operating activities -		
Depreciation and amortization	260,286	260,450
Trade receivables	3,604	(92,565)
Inventories	(8,656)	(99,720)
Other, net	(61,303)	209,034
	-----	-----
Net Cash From Operating Activities	1,035,215	1,019,988
	-----	-----
Cash Flow From (Used in) Investing Activities:		
Acquisitions of property and equipment	(485,627)	(436,959)
Investment securities transactions	(104,105)	(41,123)
Other	11,092	16,553
	-----	-----
Net Cash (Used in) Investing Activities	(578,640)	(461,529)
	-----	-----
Cash Flow From (Used in) Financing Activities:		
Borrowing transactions	184,038	(100,106)
Common share transactions	(355,741)	(284,281)
Dividends paid	(320,432)	(294,663)
	-----	-----
Net Cash (Used in) Financing Activities	(492,135)	(679,050)
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	(317)	511
	-----	-----
Net (Decrease) in Cash and Cash Equivalents	(35,877)	(120,080)
Cash and Cash Equivalents, Beginning of Year	290,272	300,676
	-----	-----
Cash and Cash Equivalents, End of Period	\$ 254,395	\$ 180,596
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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

JUNE 30, 1995

(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, 1994.

NOTE 2 - EARNINGS PER COMMON SHARE:

Earnings per common share amounts are computed by using the weighted average number of common shares outstanding. These shares averaged 799,246,000 for the six months ended June 30, 1995 and 816,763,000 for the same period in 1994.

NOTE 3 - 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, the Netherlands, and Ireland.

NOTE 4 - LITIGATION AND ENVIRONMENTAL MATTERS:

The Company is involved in various claims and legal proceedings including numerous antitrust suits and investigations in connection with the sale and marketing of infant formula products and 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 remediation laws and is voluntarily investigating potential contamination at a number of Company-owned locations.

The matters above are discussed more fully in Item 1, Business - Environmental Matters, and Item 3, Legal Proceedings, in the Annual Report on Form 10-K, which is available upon request, and in Part II, Item 1, Legal Proceedings, in this Form.

While it is not feasible to predict the outcome of such pending claims, proceedings, investigations and remediation activities 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.

FINANCIAL REVIEW

RESULTS OF OPERATIONS - SECOND QUARTER AND FIRST SIX MONTHS 1995 COMPARED WITH SAME PERIODS IN 1994

Worldwide sales for the second quarter and first six months increased 13.4 percent and 13.7 percent, respectively, over the comparable 1994 periods. Net earnings increased 12.6 percent and 13.3 percent, respectively, in the second quarter and first six months 1995. Earnings per share increased 15.2 percent and 15.4 percent, respectively, in the second quarter and first six months 1995.

Gross profit margin (sales less cost of products sold, including freight and distribution expenses) was 56.6 percent for the 1995 second quarter, compared to 57.0 percent for the 1994 second quarter. First half gross margin was 56.7 percent, compared to 56.8 percent a year earlier. The lower gross profit margins are due to higher project expenses for new products, higher manufacturing capacity costs for anticipated unit growth, and the effects of inflation; partially offset by favorable product mix, especially higher sales of pharmaceuticals, and productivity improvements.

Research and development expenses were \$287.4 million and \$534.5 million for the second quarter and first six months 1995, respectively. This represented 11.5 percent and 10.6 percent of net sales, compared to 11.1 percent and 10.7 percent in 1994. The majority of research and development expenditures continues to be concentrated on pharmaceutical and diagnostic products.

Selling, general and administrative expenses for the second quarter and first six months 1995 increased 13.6 percent and 17.1 percent, respectively, over the comparable prior year periods, including the adverse effects of the relatively weaker dollar of 3.7 percent and 2.7 percent, respectively. Selling, general and administrative expenses also increased as a result of additional selling and marketing support for new and existing products, primarily in the pharmaceutical and nutritional segment, and reflect contributions to the Company's charitable foundation. The six month results reflect charges against earnings for certain settled and pending litigation.

Other (income) expense, net, includes net foreign exchange losses of \$7.1 million and \$15.5 million, respectively, for the second quarter and first six months 1995 compared with net foreign exchange losses of \$15.3 million and \$27.5 million for the corresponding prior year periods.

INDUSTRY SEGMENTS

Industry segment sales for the second quarter and first six months 1995 and the related change from the comparable 1994 periods 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 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 second quarter and first six months 1995 primarily reflect unit growth. International sales were favorably affected 7.8 percent by the relatively weaker dollar in the second quarter. On a year-to-date basis, international sales were favorably affected 6.4 percent by the relatively weaker U.S. dollar.

SEGMENT SALES (in millions of dollars)	Second Quarter		Six Months	
	1995 Sales	Percent Increase	1995 Sales	Percent Increase
Pharmaceutical and Nutritional Products:				
Domestic	\$ 895.5	13.9	\$1,875.2	15.0
International	498.1	30.1	993.8	30.4
	1,393.6	19.2	2,869.0	19.9
Hospital and Laboratory Products:				
Domestic	589.2	2.5	1,163.7	2.3
International	517.5	12.4	992.0	11.7
	1,106.7	6.9	2,155.7	6.4
Total All Segments:				
Domestic	1,484.7	9.1	3,038.9	9.7
International	1,015.6	20.4	1,985.8	20.3
	\$2,500.3	13.4	\$5,024.7	13.7

FINANCIAL REVIEW
(continued)

LIQUIDITY AND CAPITAL RESOURCES AT JUNE 30, 1995
COMPARED WITH DECEMBER 31, 1994

Net cash from operating activities for the first six months 1995 totaled \$1.035 billion. 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 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 \$400 million at June 30, 1995. These lines of credit support domestic commercial paper borrowing arrangements.

During the first six months 1995, the Company continued its program to purchase its common shares. The Company purchased and retired 10,710,000 shares during this period at a cost of \$396 million. As of June 30, 1995, an additional 2,660,000 shares may be purchased in future periods under authorization granted by the Board of Directors in September 1994.

In May 1995, the Company issued \$150 million in senior debt securities under a registration statement filed with the Securities and Exchange Commission in 1993. Net proceeds were used to retire short-term borrowings and for the purchase of the Company's common shares. The Company may issue up to an additional \$150 million of debt securities in the future under this registration statement.

LEGISLATIVE ISSUES

The Company's primary markets are highly competitive and subject to substantial government regulation, and the trend is toward more stringent regulation. The Company expects debate to continue during 1995 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 health and medical insurance and 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-Q for the fiscal quarter ended March 31, 1995 reported 23 antitrust suits, one shareholder derivative suit, and seven investigations in connection with the Company's marketing of infant formula products. During the second quarter, the trial court dismissed the cases that were pending in the state courts of Colorado, Florida, Kentucky, Nevada, and Tennessee. The Colorado, Florida, and Nevada cases are now on appeal. On May 22, 1995, the court denied class certification with respect to the case pending in state court in Michigan. On May 30, 1995, the court denied class certification with respect to the case pending in state court in Minnesota. On June 19, 1995, a jury in federal court in Los Angeles, California found in favor of the Company and the American Academy of Pediatrics in the anti-trust case brought by Nestle Food Company. Nestle Food Company has appealed this verdict. On June 29, 1995, the Supreme Court of the State of Texas dismissed *SEGURA V. ABBOTT LABORATORIES, ET. AL.* As of June 30, 1995, 20 antitrust suits, one shareholder derivative suit, and seven investigations are pending in connection with the Company's marketing of infant formula products.

The Company's 10-Q for the fiscal quarter ended March 31, 1995 reported 107 antitrust suits in connection with the Company's pricing of prescription pharmaceuticals. During the second quarter, the Company was served with 15 new antitrust suits regarding the Company's pricing of prescription pharmaceuticals. Thirteen of these cases were consolidated in the litigation that is pending in federal court in Chicago, Illinois and is known as *IN RE: BRAND NAME PRESCRIPTION DRUG ANTITRUST LITIGATION, MDL 997*. The two other cases, both of which purport to be class actions, were filed in state court. One was filed on May 24, 1995 in San Francisco County, California on behalf of California consumers. The other was filed on June 6, 1995 in Denver County, Colorado on behalf of Colorado consumers. Each of these cases alleges that various pharmaceutical manufacturers have conspired to fix prices for prescription pharmaceuticals and/or to discriminate in pricing to retail pharmacies by providing discounts to mail-order pharmacies, institutional pharmacies and HMOs in violation of state and federal antitrust laws. The suits have been brought on behalf of individuals and retail pharmacies and name both the Company and other pharmaceutical manufacturers as well as pharmaceutical wholesalers and at least one mail-order pharmacy company as defendants. The plaintiffs in these cases seek treble damages in an unspecified amount, civil penalties and other relief. The Company has filed or intends to file a response to each of the complaints denying all substantive allegations. As of June 30, 1995, a total of 122 antitrust suits are pending in state and federal courts in connection with the Company's pricing of prescription pharmaceuticals.

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 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

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.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended June 30, 1995.

SIGNATURE

Pursuant to the requirements of the Securities 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 August 10, 1995

ABBOTT LABORATORIES AND SUBSIDIARIES

CALCULATION OF FULLY DILUTED EARNINGS PER SHARE

(Dollars and Shares in Millions Except Per Share Amounts)

	SIX MONTHS ENDED JUNE 30	
	1995	1994
1. Net earnings	\$ 841.3	\$ 742.8
2. Average number of shares outstanding	799.2	816.8
3. Earnings per share based upon average outstanding shares (1 divided by 2)	\$ 1.05	\$.91
4. Fully diluted earnings per share:		
a. Stock options granted and outstanding for which the market price at quarter-end exceeds the option price	31.1	18.4
b. Aggregate proceeds to the Company from the exercise of options in 4.a.	\$ 847.9	\$ 321.9
c. Market price of the Company's common stock at quarter-end	\$ 40.50	\$ 29.00
d. Shares which could be repurchased under the treasury stock method (4.b. divided by 4.c.)	20.9	11.1
e. Addition to average outstanding shares (4.a. - 4.d.)	10.2	7.3
f. Shares for fully diluted earnings per share calculation (2. + 4.e.)	809.4	824.1
g. Fully diluted earnings per share (1. divided by 4.f.)	\$ 1.04	\$.90

ABBOTT LABORATORIES

CALCULATION OF RATIO OF EARNINGS TO FIXED CHARGES

(Unaudited)

(Millions of Dollars)

	SIX MONTHS ENDED JUNE 30, 1995

Net Earnings	\$ 841
Add (deduct):	
Income taxes	352
Capitalized interest cost, net of amortization	(4)
Minority interest	9

Net earnings as adjusted	\$ 1,198

Fixed Charges:	
Interest on long-term and short-term debt	32
Capitalized interest cost	9
Rental expense representative of an interest factor	12

Total Fixed Charges	53

Total adjusted earnings available for payment of fixed charges	\$ 1,251

Ratio of earnings to fixed charges	23.6

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 second quarter and six months year-to-date summary financial information extracted from Abbott Laboratories 1995 second quarter 10-Q and is qualified in its entirety by reference to such Form 10-Q filing.

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6-MOS	
	DEC-31-1995
	JAN-01-1995
	JUN-30-1995
	254,395
	56,463
	1,673,832
	155,059
	1,094,764
	4,040,131
	7,544,199
	3,391,117
	8,990,323
3,535,061	
	435,730
	546,974
0	
	0
	3,696,235
8,990,323	
	5,024,707
5,024,707	
	2,174,934
	2,174,934
	534,535
	41,871
	31,804
	1,193,311
	352,027
841,284	
	0
	0
	0
	841,284
	1.05
	1.04

OTHER EXPENSES CONSIST OF RESEARCH AND DEVELOPMENT EXPENSES