SECURITIES AND EXCHANGE COMMISSION

FORM 10-K
WASHINGTON, D. C. 20549

(MARK ONE)

/X/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1995. COMMISSION FILE NUMBER 1-2189

[LOGO] ABBOTT LABORATORIES

AN ILLINOIS CORPORATION 36-0698440
(I.R.S. employer identification number)

100 ABBOTT PARK ROAD (847) 937-6100
ABBOTT PARK, ILLINOIS 60064-3500 (telephone number)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Shares, Without Par Value	New York Stock Exchange Chicago Stock Exchange Pacific Stock Exchange

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, AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS.

YES __X__ NO _____

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OF REGULATION S-K IS NOT CONTAINED HEREIN AND WILL NOT BE CONTAINED, TO THE BEST OF THE REGISTRANT'S KNOWLEDGE, IN THE PROXY STATEMENT INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K OR ANY AMENDMENT TO THIS FORM 10-K. [ ]

THE AGGREGATE MARKET VALUE OF THE 719,359,387 SHARES OF VOTING STOCK HELD BY NONAFFILIATES OF THE REGISTRANT, COMPUTED BY USING THE CLOSING PRICE AS REPORTED ON THE CONSOLIDATED TRANSACTION REPORTING SYSTEM FOR ABBOTT LABORATORIES COMMON SHARES WITHOUT PAR VALUE ON JANUARY 31, 1996, WAS APPROXIMATELY $30,572,773,947.50.

NUMBER OF COMMON SHARES OUTSTANDING AS OF JANUARY 31, 1996: 786,075,095.

DOCUMENTS INCORPORATED BY REFERENCE

PORTIONS OF THE ABBOTT LABORATORIES ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 1995 ARE INCORPORATED BY REFERENCE INTO PARTS I, II, AND IV.

PORTIONS OF THE 1996 ABBOTT LABORATORIES PROXY STATEMENT ARE INCORPORATED BY REFERENCE INTO PART III.

PART I

ITEM 1. BUSINESS

GENERAL DEVELOPMENT OF BUSINESS

Abbott Laboratories is an Illinois corporation, incorporated in 1900. The Company's* principal business is the discovery, development, manufacture, and sale of a broad and diversified line of health care products and services.

FINANCIAL INFORMATION RELATING TO INDUSTRY SEGMENTS, GEOGRAPHIC AREAS, AND CLASSES OF SIMILAR PRODUCTS

Incorporated herein by reference is the footnote entitled "Industry Segment and Geographic Area Information" of the Consolidated Financial Statements in the Abbott Laboratories Annual Report for the year ended December 31, 1995 (1995 Annual Report), filed as an exhibit to this report. Also incorporated herein by reference is the text and table of sales by class of similar products included in the section of the 1995 Annual Report captioned "Financial Review."

NARRATIVE DESCRIPTION OF BUSINESS

PHARMACEUTICAL AND NUTRITIONAL PRODUCTS

Included in this segment is a broad line of adult and pediatric pharmaceuticals and nutritionals. These products are sold primarily on the prescription or recommendation of physicians or other health care professionals. The segment also includes agricultural and chemical products, bulk pharmaceuticals, and consumer products.

Principal pharmaceutical and nutritional products include the anti-infectives clarithromycin, sold in the United States under the trademark Biaxin-Registered Trademark- and outside the United States primarily under the trademark Klacid-Registered Trademark-, and tosufloxacin, sold in Japan under the trademark Tosuxacin-Registered Trademark-; various forms of the antibiotic erythromycin, sold primarily as PCE-Registered Trademark- or polymer coated erythromycin, Erythrocin-Registered Trademark-, and E.E.S.-Registered Trademark-; agents for the treatment of epilepsy and bipolar disorder, including Depakote-Registered Trademark-; a broad line of cardiovascular products, including Loftyl-Registered Trademark-, a vasoactive agent sold outside the United States; Hytrin-Registered Trademark-, used as an anti-hypertensive and for the treatment of benign prostatic hyperplasia; Abbokinase-Registered Trademark-, a thrombolytic drug; Survanta-Registered Trademark-, a bovine derived lung surfactant; various forms of prepared infant formula, including Similac-Registered Trademark-, Isomil-Registered Trademark-, Alimentum-Registered Trademark-, Toddler's Best-TM-, and Similac NeoCare-TM-; and other medical and pediatric nutritionals, including Ensure-Registered Trademark-, Ensure Plus-Registered Trademark-, Ensure-Registered Trademark- High Protein, Jevity-Registered Trademark-, Glucerna-Registered Trademark-, Advera-Registered Trademark-, PediaSure-Registered Trademark-, Pedialyte-Registered Trademark-, Pulmocare-Registered Trademark- and Gain-Registered Trademark-. Consumer products include the dandruff shampoo Selsun Blue-Registered Trademark-; Murine-Registered Trademark- eye care and ear care products; Tronolane-Registered Trademark- hemorrhoid medication; and Faultless-Registered Trademark- rubber sundry products. Agricultural, animal health, and chemical products include plant growth regulators, including ProGibb-Registered Trademark-; herbicides; larvicides, including VectoBac-Registered Trademark-; biologically derived insecticides, including DiPel-Registered Trademark- and XenTari-Registered Trademark-; and anti-infectives, including Saraflox-Registered Trademark- and Sarafin-Registered Trademark-.

Pharmaceutical and nutritional products are generally sold directly to retailers, wholesalers, health care facilities, and government agencies. In most cases, they are distributed from Company-owned distribution centers or public warehouses. Certain products are co-marketed with other companies. In certain overseas countries, some of these products are marketed and distributed through distributors. Primary marketing efforts for pharmaceutical and nutritional products are directed toward securing the prescription or recommendation of the Company's brand of products by physicians or other health care professionals. In the United States managed care purchasers, for example

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* As used throughout the text of this report on Form 10-K, the term "Company" refers to Abbott Laboratories, an Illinois corporation, or Abbott Laboratories and its consolidated subsidiaries, as the context requires.

health maintenance organizations (HMOs) and pharmacy benefit managers, are becoming increasingly important customers. Competition is generally from other broad line and specialized health care manufacturers. A significant aspect of competition is the search for technological innovations. The introduction of new products by competitors and changes in medical practices and procedures can result in product obsolescence. In addition, the substitution of generic drugs for the brand prescribed has increased competitive pressures on pharmaceutical products.

Consumer products are promoted directly to the public by consumer advertising. These products are generally sold directly to retailers and wholesalers. Competitive products are sold by other diversified consumer and health care companies. Competitive factors include consumer advertising, scientific innovation, price, and availability of generic product forms.

Agricultural, animal health and chemical products are generally sold to agricultural distributors, animal health companies and pharmaceutical companies. Competition is primarily from chemical, animal health and agricultural companies. Competition is based on numerous factors depending on the market served. Competitive factors include product performance, quality, price, and technological advantages.

The Company is the leading worldwide producer of the antibiotic erythromycin. Ensure-Registered Trademark- is the leading medical nutritional worldwide. Similac-Registered Trademark- is a leading infant formula in the United States.

Under an agreement between the Company and Takeda Chemical Industries, Ltd. of Japan (Takeda), TAP Holdings Inc., (owned 50 percent by the Company and 50 percent by Takeda) together with its subsidiary, TAP Pharmaceuticals Inc. (TAP), develops and markets products in the United States. TAP markets Lupron-Registered Trademark-, an LH-RH analog, and Lupron Depot-Registered Trademark- a sustained release form of Lupron-Registered Trademark- in the United States. Lupron-Registered Trademark- and Lupron Depot-Registered Trademark- are used for the palliative treatment of advanced prostate cancer, treatment of endometriosis and central precocious puberty, and for preoperative treatment of patients with anemia caused by uterine fibroids. TAP also markets Prevacid-Registered Trademark- (lansoprazole), a proton pump inhibitor, and has a co-promotion arrangement with the Company for Prevacid-Registered Trademark-. Prevacid-Registered Trademark- is indicated for short-term treatment of duodenal ulcers, esophagitis, and long-term treatment of Zollinger-Ellison syndrome. The Company also has marketing rights to certain Takeda products in select Latin American markets. The Company also markets Lupron-Registered Trademark-, Lupron Depot-Registered Trademark-, and Lupron Depot-Ped-Registered Trademark- in select markets outside the United States.

HOSPITAL AND LABORATORY PRODUCTS

Hospital and laboratory products include diagnostic systems for blood banks, hospitals, commercial laboratories, and alternate-care testing sites; intravenous and irrigation fluids and related administration equipment, including electronic drug delivery systems; drugs and drug delivery systems; anesthetics; critical care products; and other medical specialty products for hospitals and alternate-care sites.

The principal products included in this segment are parenteral (intravenous or I.V.) solutions and related administration equipment sold as the LifeCare-Registered Trademark- line of products, LifeShield-Registered Trademark- needleless products, and Venoset-Registered Trademark- products; irrigating fluids; parenteral nutritionals such as Aminosyn-Registered Trademark- and Liposyn-Registered Trademark-; Plum-Registered Trademark- and Omni-Flow-Registered Trademark- electronic drug delivery systems; Abbott Pain Manager-Registered Trademark-; patient-controlled analgesia (PCA) systems; venipuncture products; hospital injectables including FirstChoice-Registered Trademark- generics; premixed I.V. drugs in various containers; ADD-Vantage-Registered Trademark- and Nutrimix-Registered Trademark- drug and nutritional delivery systems; Anne-Registered Trademark- anesthetic infusion systems; anesthetics, including Pentothal-Registered Trademark-, Amidate-Registered Trademark-, sevoflurane (sold in the United States and a few other markets as Ultane-Registered Trademark- and outside of the United States primarily under the trademark Sevorane-Registered Trademark-), isoflurane and enflurane; Calcijex-Registered Trademark-, an injectable agent for treatment of bone disease in hemodialysis patients; critical care products including Opticath-Registered Trademark- and OptiQue-TM- advanced sensor catheters, Transpac-Registered Trademark- for hemodynamic monitoring, and specialty cardiac products; screening tests for hepatitis B, HTLV-1, hepatitis B core, and hepatitis C; tests for detection of AIDS antibodies and antigens, and other infectious disease

detection systems; tests for determining levels of abused drugs with the ADx-Registered Trademark- instrument; physiological diagnostic tests; cancer monitoring tests including tests for prostate specific antigen; laboratory tests and therapeutic drug monitoring systems such as TDx-Registered Trademark-; clinical chemistry systems such as Abbott Spectrum-Registered Trademark-, Abbott Spectrum-Registered Trademark- EPx-Registered Trademark-, Abbott Spectrum-Registered Trademark- CCx-TM-, and Quantum-TM-; AxSYM-Registered Trademark-, Commander-Registered Trademark-, IMx-Registered Trademark-, and Abbott Prism-Registered Trademark- lines of diagnostic instruments and chemical reagents used with immunoassay diagnostics; the LCx-Registered Trademark- amplified DNA probe system and reagents; Abbott Vision-Registered Trademark-, a desk-top blood analyzer; the Abbott TestPack-Registered Trademark- system for diagnostic testing; and a full line of hematology systems and reagents known as the Cell-Dyn-Registered Trademark- series.

The Company markets hospital and laboratory products in the United States and many other countries. These products are generally distributed to wholesalers and directly to hospitals, laboratories, and physicians' offices from distribution centers maintained by the Company. Sales are also made in the home infusion services market, directly to patients receiving treatment outside the hospital through marketing arrangements with hospitals and other health care providers. Overseas sales are made either directly to customers or through distributors, depending on the market served.

The hospital and laboratory products industry segment is highly competitive, both in the United States and overseas. This segment is subject to competition in technological innovation, price, convenience of use, service, instrument warranty provisions, product performance, long-term supply contracts, and product potential for overall cost effectiveness and productivity gains. Products in this segment can be subject to rapid product obsolescence. The Company has benefitted from technological advantages of certain of its current products; however, these advantages may be reduced or eliminated as competitors introduce new products.

The Company is one of the leading domestic manufacturers of I.V. and irrigating solutions and related administration equipment, parenteral nutritional products, anesthesia products, and drug delivery systems. It is also the worldwide leader in in vitro diagnostic products, including thyroid tests, therapeutic drug monitoring, cancer monitoring tests, diagnostic tests for the detection of hepatitis and AIDS antibodies, and immunodiagnostic instruments.

INFORMATION WITH RESPECT TO THE COMPANY'S BUSINESS IN GENERAL

SOURCES AND AVAILABILITY OF RAW MATERIALS

The Company purchases, in the ordinary course of business, necessary raw materials and supplies essential to the Company's operations from numerous suppliers in the United States and overseas. There have been no recent availability problems or significant supply shortages.

PATENTS, TRADEMARKS, AND LICENSES

The Company is aware of the desirability for patent and trademark protection for its products. Accordingly, where possible, patents and trademarks are sought and obtained for the Company's products in the United States and all countries of major marketing interest to the Company. The Company owns, has applications pending for, and is licensed under a substantial number of patents. Principal trademarks and the products they cover are discussed in the Narrative Description of Business on pages 1, 2 and 3. These, and various patents which expire during the period 1996 to 2016, in the aggregate, are believed to be of material importance in the operation of the Company's business. The Company believes that no single patent, license, trademark (or related group of patents, licenses, or trademarks), except for those related to clarithromycin, is material in relation to the Company's business as a whole. Clarithromycin is licensed from Taisho Pharmaceutical Co., Ltd. of Tokyo, Japan. Prior to the implementation of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) by the United States, the patent on clarithromycin was scheduled to expire in the United States in 2003. The intellectual property provisions of GATT appear to extend this expiration date to 2005.

SEASONAL ASPECTS, CUSTOMERS, BACKLOG, AND RENEGOTIATION

There are no significant seasonal aspects to the Company's business. The incidence of certain infectious diseases which occur at various times in different areas of the world does, however, affect the demand for the Company's anti-infective products. Orders for the Company's products are generally filled on a current basis, and order backlog is not material to the Company's business. No single customer accounted for sales equaling 10 percent or more of the Company's consolidated net sales. No material portion of the Company's business is subject to renegotiation of profits or termination of contracts at the election of the government.

RESEARCH AND DEVELOPMENT

The Company spent $1,072,745,000 in 1995, $963,516,000 in 1994, and $880,974,000 in 1993 on research to discover and develop new products and processes and to improve existing products and processes. The Company continues to concentrate research expenditures in pharmaceutical and diagnostic products.

ENVIRONMENTAL MATTERS

The Company believes that its operations comply in all material respects with applicable laws and regulations concerning environmental protection. Regulations under federal and state environmental laws impose stringent limitations on emissions and discharges to the environment from various manufacturing operations. The Company's capital and operating expenditures for pollution control in 1995 were approximately $18 million and $43 million, respectively. Capital and operating expenditures for pollution control are estimated to approximate $19 million and $43 million, respectively, in 1996.

The Company is participating as one of many potentially responsible parties in investigation
and/or remediation at nine locations in the United States and Puerto Rico under the Comprehensive Environmental Response, Compensation, and Liability Act, commonly known as Superfund. The aggregate costs of remediation at these sites by all identified parties are uncertain but have been subject to widely ranging estimates totaling as much as several hundred million dollars. In many cases, the Company believes that the actual costs will be lower than these estimates, and the fraction for which the Company may be responsible is anticipated to be considerably less and will be paid out over a number of years. The Company expects to participate in the investigation or cleanup at these sites. The Company is also voluntarily investigating potential contamination at one Company-owned site, and has initiated voluntary remediation at three sites, in cooperation with the Environmental Protection Agency (EPA) or similar state agencies.

While it is not feasible to predict with certainty the costs related to the previously described investigation and cleanup activities, the Company believes that such costs, together with other expenditures to maintain compliance with applicable laws and regulations concerning environmental protection, should not have a material adverse effect on the Company's financial position, cash flows, or results of operations.

EMPLOYEES

The Company employed 50,241 persons as of December 31, 1995.

REGULATION

The development, manufacture, sale, and distribution of the Company's products are subject to comprehensive government regulation, and the general trend is toward more stringent regulation. Government regulation by various federal, state, and local agencies, which includes detailed inspection of and controls over research and laboratory procedures, clinical investigations, and manufacturing, marketing, sampling, distribution, recordkeeping, storage and disposal practices, substantially increases the time, difficulty, and costs incurred in obtaining and maintaining the approval to market newly developed and existing products. Government regulatory actions can result in the seizure or recall of products, suspension or revocation of the authority necessary for their production and sale, and other civil or criminal sanctions.

Continuing studies of the utilization, safety, and efficacy of health care products and their components are being conducted by industry, government agencies, and others. Such studies, which employ increasingly sophisticated methods and techniques, can call into question the utilization, safety, and efficacy of previously marketed products and in some cases have resulted, and may in the future result, in the discontinuance of marketing of such products and give rise to claims for damages from persons who believe they have been injured as a result of their use.

The cost of human health care products continues to be a subject of investigation and action by governmental agencies, legislative bodies, and private organizations in the United States and other countries. In the United States, most states have enacted generic substitution legislation requiring or permitting a dispensing pharmacist to substitute a different manufacturer's version of a pharmaceutical product for the one prescribed. Federal and state governments continue to press efforts to reduce costs of Medicare and Medicaid programs, including restrictions on amounts agencies will reimburse for the use of products. Manufacturers must pay certain statutorily-prescribed rebates on Medicaid purchases for reimbursement on prescription drugs under state Medicaid plans. In addition, the federal government follows a diagnosis-related group (DRG) payment system for certain institutional services provided under Medicare or Medicaid. The DRG system entitles a health care facility to a fixed reimbursement based on discharge diagnoses rather than actual costs incurred in patient treatment, thereby increasing the incentive for the facility to limit or control expenditures for many health care products. The Veterans Health Care Act of 1992 requires manufacturers to extend additional discounts on pharmaceutical products to various federal agencies, including the Department of Veterans Affairs, Department of Defense, and Public Health Service entities and institutions.

In the United States, governmental cost-containment efforts have extended to the federally funded Special Supplemental Food Program for Women, Infants, and Children (WIC). All states participate in WIC and have sought and obtained rebates from manufacturers of infant formula whose products are used in the program. All of the states have also conducted competitive bidding for infant formula contracts which require the use of specific infant formula products for the state WIC program. The Child Nutrition and WIC Reauthorization Act of 1989 requires all states participating in WIC to engage in competitive bidding or to use any other cost containment measure that yields savings equal to or greater than the savings generated by a competitive bidding system.

Governmental regulatory agencies now require manufacturers to pay additional fees. Under the Prescription Drug User Fee Act of 1992, the Federal Food and Drug Administration (FDA) imposes substantial fees on various aspects of the approval, manufacture and sale of prescription drugs. Congress is now considering expanding user fees to medical devices. The Company believes that such legislation, if enacted, will add considerable expense for the Company.

The Company expects debate to continue during 1996 at both the federal and the state level 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. Many countries, directly or indirectly through reimbursement limitations, control the selling price of most health care products. Furthermore, many developing countries limit the importation of raw materials and finished products. International regulations are having an impact on United States regulations, as well. The International Organization for Standardization ("ISO") provides the voluntary criteria for regulating medical devices within the European Economic Community. The Company has made significant strides in gaining ISO 9000 and European Union 46000 certification for facilities that manufacture devices for European markets. The FDA has announced that it will attempt to harmonize its regulation of medical devices with that of the ISO. Proposed changes to the FDA's regulations governing the manufacture of medical devices appear to encompass and exceed the ISO's approach to

regulating medical devices. The FDA's adoption of the ISO's approach to regulation and other changes to the manner in which the FDA regulates medical devices will increase the cost of compliance with those regulations.

Efforts to reduce health care costs are also being made in the private sector. Health care providers have responded by instituting various cost reduction and containment measures.

It is not possible to predict the extent to which the Company or the health care industry in general might be affected by the matters discussed above.

INTERNATIONAL OPERATIONS

The Company markets products in approximately 130 countries through affiliates and distributors. Most of the products discussed in the preceding sections of this report are also sold outside the United States. In addition, certain products of a local nature and variations of product lines to meet local regulatory requirements and marketing preferences are manufactured and marketed to customers outside the United States. International operations are subject to certain additional risks inherent in conducting business outside the United States, including price and currency exchange controls, changes in currency exchange rates, limitations on foreign participation in local enterprises, expropriation, nationalization, and other governmental action.

ITEM 2. PROPERTIES

The Company's corporate offices are located at 100 Abbott Park Road, Abbott Park, Illinois 60064-3500. The locations of a number of the Company's principal plants are listed below.

LOCATION	INDUSTRY SEGMENTS OF PRODUCTS PRODUCED
Abbott Park, Illinois	Pharmaceutical and Nutritional Products, and Hospital and Laboratory Products
Altavista, Virginia	Pharmaceutical and Nutritional Products
Austin, Texas	Hospital and Laboratory Products
Barceloneta, Puerto Rico	Pharmaceutical and Nutritional Products, and Hospital and Laboratory Products
Campoverde, Italy	Pharmaceutical and Nutritional Products, and Hospital and Laboratory Products
Casa Grande, Arizona	Pharmaceutical and Nutritional Products
Columbus, Ohio	Pharmaceutical and Nutritional Products
Delkenheim, Germany	Hospital and Laboratory Products
Irving, Texas	Hospital and Laboratory Products
Laurinburg, North Carolina	Pharmaceutical and Nutritional Products, and Hospital and Laboratory Products
Mexico City, Mexico	Pharmaceutical and Nutritional Products, and Hospital and Laboratory Products
Montreal, Canada	Pharmaceutical and Nutritional Products, and Hospital and Laboratory Products
Mountain View, California	Hospital and Laboratory Products
North Chicago, Illinois	Pharmaceutical and Nutritional Products, and Hospital and Laboratory Products
Queenborough, England	Pharmaceutical and Nutritional Products, and Hospital and Laboratory Products
Rocky Mount, North Carolina	Hospital and Laboratory Products
Salt Lake City, Utah	Hospital and Laboratory Products
Santa Clara, California	Hospital and Laboratory Products
Sligo/Donegal/Cootehill/ Finisklin, Ireland	Pharmaceutical and Nutritional Products, and Hospital and Laboratory Products
Sturgis, Michigan	Pharmaceutical and Nutritional Products
St. Remy, France	Pharmaceutical and Nutritional Products, and Hospital and Laboratory Products
Tokyo, Japan	Hospital and Laboratory Products

In addition to the above, the Company has manufacturing facilities in six other locations in the United States and Puerto Rico. Overseas manufacturing facilities are located in 18 other countries. The Company's facilities are deemed suitable, provide adequate productive capacity, and are utilized at normal and acceptable levels.

In the United States and Puerto Rico, the Company owns seven distribution centers. The Company also has eleven United States research and development facilities located at Abbott Park, Illinois; Ashland, Ohio; Columbus, Ohio (2 locations); Irving, Texas; Long Grove, Illinois; Madera,

California; Mountain View, California; North Chicago, Illinois; Salt Lake City, Utah; and Santa Clara, California. Overseas, the Company has research and development facilities in Argentina, Australia, Canada, Germany, Italy, Japan, The Netherlands, and the United Kingdom.

The corporate offices, and those principal plants in the United States that are listed above are owned, other than the plants located in Mountain View, California which are leased. The remaining manufacturing plants and all other facilities are owned or leased by the Company or subsidiaries of the Company.

ITEM 3. LEGAL PROCEEDINGS

The Company is involved in various claims and legal proceedings including (as of January 31, 1996) 23 antitrust suits, one shareholder derivative suit, and 5 investigations in connection with the Company's sale and marketing of infant formula products, and 133 antitrust suits in connection with the Company's pricing of prescription pharmaceuticals. The Company is also involved in a civil proceeding involving certain Illinois environmental laws.

The infant formula antitrust suits allege that the Company conspired with one or more of its competitors to fix prices, restrain trade and monopolize the market for infant formula products in violation of state and federal antitrust laws. The suits have been brought on behalf of individuals, the Nestle Food Company, and state government agencies and name the Company, certain other infant formula manufacturers and, in some instances, the American Academy of Pediatrics as defendants. The cases seek treble damages, civil penalties and other relief.

A total of twelve infant formula antitrust suits are currently pending in the following state courts: Calhoun County, Alabama (2 cases); St. Clair County, Illinois; Sedgwick County, Kansas; Hennepin County, Minnesota; Ramsey County, Minnesota; Holmes County, Mississippi; Burleigh County, North Dakota; Holmes County, South Dakota; Kanwaha County, West Virginia; and Milwaukee County, Wisconsin (2 cases). The case pending in Sedgwick County, Kansas was certified as a class action on March 2, 1995 and went to trial on October 10, 1995. On December 6, 1995 the jury returned a verdict in favor of the Company. The plaintiffs filed a motion for a new trial on December 28, 1995. This motion was denied on February 15, 1996. The plaintiffs are expected to appeal. On December 4, 1995,
the court granted summary judgment in favor of the Company with respect to the case that had been pending in Calhoun County, Michigan, having previously denied class certification on May 22, 1995. Plaintiffs filed a notice of appeal on December 26, 1995. On November 13, 1995 the case that had been pending in Harrison County, Texas was voluntarily dismissed by the plaintiffs. On November 17, 1995 the parties settled the case which had been brought by the Texas Attorney General and which had been pending in Travis County, Texas. Under the terms of the settlement the Company does not admit any liability but does agree to pay approximately $250,000 in cash and $500,000 in nutritional products. The two cases that are pending in Milwaukee County, Wisconsin have been certified as a class action. They are scheduled to go to trial on June 10, 1996. On October 20, 1995, the case pending in Holmes County, South Dakota was certified as a class action. The case that had been pending in Jefferson County, Kentucky was dismissed on December 12, 1995. The plaintiffs have appealed. Five other cases that had been pending in the following state courts have also been dismissed and are now on appeal: Boulder County, Colorado; Okaloosa County, Florida; Washoe County, Nevada; Jackson County, North Carolina; and Blount County, Tennessee. Three infant formula antitrust cases are pending in federal courts in Florida, Louisiana, and Massachusetts and all purport to be state-wide consumer class actions. The Company has filed or intends to file a response to each of the complaints denying all substantive allegations. In addition, 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 infant formula antitrust case brought by Nestle Food Company ("Nestle"). Nestle has appealed this verdict. The shareholder derivative suit that had been pending in state court in Cook County, Illinois was dismissed on December 15, 1995. The plaintiffs have appealed. The shareholder derivative suit named all of the Company's present directors (other than Allen F. Jacobson) and a former executive officer as defendants and alleged that the defendants breached their fiduciary duty to the Company by permitting antitrust violations in connection with the Company's sale and marketing of infant

formula products. The plaintiffs sought to hold the defendants liable for an amount exceeding $140 million in connection with the Company's settlement of certain antitrust litigation arising out of its marketing of infant formula. The investigations are being conducted by the Attorneys General of the states of California, Connecticut, New York, Pennsylvania and Wisconsin. On January 23, 1996, the Canadian Bureau of Competition Policy closed both its civil and its criminal investigations.

As of January 31, 1996, 114 prescription pharmaceutical pricing antitrust cases were pending in federal court and 19 were pending in state court. The prescription pharmaceutical pricing antitrust suits allege 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 certain other pharmaceutical manufacturers and pharmaceutical wholesalers and at least one mail-order pharmacy company as defendants. The cases seek treble damages, civil penalties, injunctive and other relief. The Company has filed or intends to file a response to each of the complaints denying all substantive allegations. The state cases are pending in the following state courts: Clarke County and Greene County, Alabama; Yavapai County, Arizona; Alameda County, California; Monterey County, California; San Francisco County, California (8 cases); San Joaquin County, California; New York County, New York; Oakland County, Michigan; Hennepin County, Minnesota; and Dane County and Washington County, Wisconsin. The cases which had been pending in King County, Washington and Denver County, Colorado have been dismissed. The federal cases are pending in the United States District Court for the Northern District of Illinois under the Multidistrict Litigation Rules as IN RE: BRAND NAME PRESCRIPTION DRUG ANTITRUST LITIGATION, MDL 997. One of the cases which is pending in the MDL 997 litigation has been certified as a class action on behalf of certain retail pharmacies. The Company has entered into an agreement to settle the class action portion of the MDL 997 litigation. The agreement does not become final until it is approved by the United States District Court for the Northern District of Illinois.

On March 31, 1995 the Illinois Attorney General informed the Company that it proposed the assessment of a civil penalty of $750,000 in connection with an administrative enforcement action initiated in May of 1993 by the Illinois Environmental Protection Agency against the Company. The enforcement action alleges that the Company violated its waste water discharge permits and certain Illinois environmental laws at its North Chicago, Illinois facility. The Company intends to defend itself in this matter and to deny all substantive allegations.

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

None.

EXECUTIVE OFFICERS OF THE REGISTRANT

Officers of the Company are elected annually by the board of directors at the first meeting held after the annual shareholders meeting. Each officer holds office until a successor has been duly elected and qualified or until the officer's death, resignation, or removal. Vacancies may be filled at any meeting of the board. Any officer may be removed by the board of directors when, in its judgment, removal would serve the best interests of the Company.

Current corporate officers, and their ages as of February 9, 1996, are listed below. The officers' principal occupations and employment from January 1991 to the present and the dates of their first election as officers of the Company are also shown. Unless otherwise stated, employment was by the Company for the period indicated. There are no family relationships between any corporate officers or directors.

DUANE L. BURNHAM**, 54

1991 to present -- Chairman of the Board and Chief Executive Officer, and Director.

Elected Corporate Officer -- 1982.

THOMAS R. HODGSON**, 54

1991 to present -- President and Chief Operating Officer, and Director.

Elected Corporate Officer -- 1980.

JOY A. AMUNDSON**, 41

1991 to 1994 -- Vice President, Corporate Hospital Marketing.

1994 to 1995 -- Vice President, HealthSystems.

1995 to present -- Senior Vice President, Chemical and Agricultural Products.

Elected Corporate Officer -- 1990.

PAUL N. CLARK**, 49

1991 to present -- Senior Vice President, Pharmaceutical Operations.

Elected Corporate Officer -- 1985.

GARY P. COUGHLAN**, 51

1991 to present -- Senior Vice President, Finance and Chief Financial Officer.

Elected Corporate Officer -- 1990.

JOSE M. DE LASA**, 54

1991 to 1994 -- Vice President and Associate General Counsel, Bristol-Myers Squibb Company (Health and personal care products company).

1994 -- Vice President, Secretary and Associate General Counsel, Bristol-Myers Squibb Company.

1994 to present -- Senior Vice President, Secretary and General Counsel.

Elected Corporate Officer -- 1994.

JOHN G. KRINGEL**, 56

1991 to present -- Senior Vice President, Hospital Products.

Elected Corporate Officer -- 1981.

THOMAS M. MCNALLY**, 48

1991 to 1993 -- Senior Vice President, Chemical and Agricultural Products.

1993 to present -- Senior Vice President, Ross Products.

Elected Corporate Officer -- 1989.

DAVID V. MILLIGAN**, 55

1991 to 1992 -- Vice President, Diagnostic Products Research and Development.

1992 to 1994 -- Vice President, Pharmaceutical Products Research and Development.

1994 to present -- Senior Vice President, Chief Scientific Officer.

Elected Corporate Officer -- 1984.

ROBERT L. PARKINSON, JR.**, 45

1991 to 1993 -- Vice President, European Operations.

1993 to 1995 -- Senior Vice President, Chemical and Agricultural Products.

1995 to present -- Senior Vice President, International Operations.

Elected Corporate Officer -- 1989.

ELLEN M. WALVOORD**, 56

1991 -- Director, Corporate Communications.

1991 -- Vice President, Investor Relations.

1991 to 1995 -- Vice President, Investor Relations and Public Affairs.

1995 to present -- Senior Vice President, Human Resources.

Elected Corporate Officer -- 1991.

MILES D. WHITE**, 40

1991 to 1992 -- Divisional Vice President and General Manager, Hospital Laboratory Sector.

1992 to 1993 -- Divisional Vice President and General Manager, Diagnostic Systems and Operations.

1993 to 1994 -- Vice President, Diagnostic Systems and Operations.

1994 to present -- Senior Vice President, Diagnostic Operations.

Elected Corporate Officer -- 1993.

CATHERINE V. BABINGTON**, 43

1991 to 1995 -- Director, Corporate Communications.

1995 to present -- Vice President, Investor Relations and Public Affairs.

Elected Corporate Officer -- 1995.

MARK E. BARMAK, 54

1991 to 1995 -- Divisional Vice President, Associate General Counsel, Litigation.

1995 to present -- Vice President, Litigation and Government Affairs.

Elected Corporate Officer -- 1995.

CHRISTOPHER B. BEGLEY, 43

1991 to 1993 -- Divisional Vice President and General Manager, Hospital Products Business Sector.

1993 to present -- Vice President, Hospital Products Business Sector.

Elected Corporate Officer -- 1993.

THOMAS D. BROWN, 47

1991 to 1992 -- Divisional Vice President, Western Hemisphere.

1992 to 1993 -- Divisional Vice President, Diagnostic Commercial Operations.

1993 to present -- Vice President, Diagnostic Commercial Operations.

Elected Corporate Officer -- 1993.

GARY R. BYERS**, 54

1991 to 1993 -- Divisional Vice President, Corporate Auditing.

1993 to present -- Vice President, Internal Audit.

Elected Corporate Officer -- 1993.

KENNETH W. FARMER**, 50

1991 to present -- Vice President, Management Information Services and Administration.

Elected Corporate Officer -- 1985.

THOMAS C. FREYMAN**, 41

1991 -- Treasurer, Abbott International Ltd. (a subsidiary of the Company).

1991 to present -- Vice President and Treasurer.

Elected Corporate Officer -- 1991.

DAVID B. GOFFREDO, 41

1991 to 1993 -- Divisional Vice President, Pharmaceutical Marketing.

1993 to 1995 -- Divisional Vice President, Pharmaceutical Sales and Marketing.

1995 to present -- Vice President, Pharmaceutical Products Marketing and Sales.

Elected Corporate Officer -- 1995.

RICHARD A. GONZALEZ**, 42

1991 to 1995 -- Divisional Vice President and General Manager, U.S./Canada Diagnostics.

1995 to present -- Vice President, HealthSystems.

Elected Corporate Officer -- 1995.

JAY B. JOHNSTON, 52

1991 to 1992 -- President, Dainabot Co., Ltd. (an affiliate of the Company) and General Manager Asia Pacific, Abbott Diagnostics Division.

1992 -- Divisional Vice President, Business Development.

1992 to 1993 -- Divisional Vice President and General Manager, Diagnostic Assays and Operations.

1993 to present -- Vice President, Diagnostic Assays and Systems.

Elected Corporate Officer -- 1993.

JAMES J. KOZIARZ, 47

1991 to 1992 -- Divisional Vice President and General Manager, Diagnostic Assays.

1992 to 1993 -- Divisional Vice President, Diagnostic Products Research and Development.

1993 to present -- Vice President, Diagnostic Products Research and Development.

Elected Corporate Officer -- 1993.

JOHN F. LUSSEN**, 54

1991 to present -- Vice President, Taxes.

Elected Corporate Officer -- 1985.

RICHARD H. MOREHEAD**, 61

1991 to present -- Vice President, Corporate Planning and Development.

Elected Corporate Officer -- 1985.

THEODORE A. OLSON**, 57

1991 to present -- Vice President and Controller.

Elected Corporate Officer -- 1988.

ANDRE G. PERNET, 51

1991 to 1992 -- Divisional Vice President, Therapeutic Area Ventures, Pharmaceutical Products Division.

1992 to 1994 -- Divisional Vice President, Pharmaceutical Development, Pharmaceutical Products Division.

1994 to present -- Vice President, Pharmaceutical Products Research and Development.

Elected Corporate Officer -- 1994.

CARL A. SPALDING, 50

1991 to 1992 -- Vice President, International, Johnson & Johnson (manufacturer of health care products serving the consumer, pharmaceutical and professional markets).

1992 to 1993 -- Divisional Vice President/General Manager, Ross Pediatric Products.

1993 to present -- Vice President, Ross Pediatric Products.

Elected Corporate Officer -- 1993.

WILLIAM H. STADTLANDER, 50

1991 to 1992 -- Divisional Vice President, Medical Nutritionals.

1992 to 1993 -- Divisional Vice President and General Manager, Medical Nutritionals.

1993 to present -- Vice President, Ross Medical Nutritional Products.

Elected Corporate Officer -- 1993.

JOSEF WENDLER, 46

1991 to 1992 -- Regional Director, Europe, Diagnostic Division.

1992 to 1993 -- Divisional Vice President, Pacific, Asia, Africa.

1993 to 1995 -- Vice President, Pacific/Asia /Africa Operations.

1995 to present -- Vice President, European Operations.

Elected Corporate Officer -- 1993.

DON G. WRIGHT**, 53

1991 to present -- Vice President, Corporate Quality Assurance and Regulatory Affairs.

Elected Corporate Officer -- 1988.

LANCE B. WYATT**, 51

1991 to 1995 -- Divisional Vice President, Quality Assurance and Regulatory Affairs.

1995 to present -- Vice President, Corporate Engineering.

Elected Corporate Officer -- 1995.

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** Pursuant to Item 401(b) of Regulation S-K the Company has identified these persons as "executive officers" within the meaning of Item 401(b).

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

PRINCIPAL MARKET

The principal market for the Company's common shares is the New York Stock Exchange. Shares are also listed on the Chicago and Pacific Stock Exchanges and are traded on the Boston, Cincinnati, and Philadelphia Exchanges. Overseas, the Company's shares are listed on the London Stock Exchange and the Swiss Stock Exchanges of Zurich, Basel, and Geneva.

	MARKET PRICE PER SHARE			
	1995		1994	
	HIGH	LOW	HIGH	LOW
First Quarter	38 3/8	30 5/8	30 5/8	25 5/8
Second Quarter	42 3/8	35 5/8	31 3/8	25 3/8
Third Quarter	43 7/8	36 1/8	32	26 5/8
Fourth Quarter	44 3/4	38 1/2	34	30 1/8

Market prices are as reported by the New York Stock Exchange composite transaction reporting system.

SHAREHOLDERS

There were 89,831 shareholders of record of Abbott common shares as of December 31, 1995.

DIVIDENDS

Quarterly dividends of $.21 per share and $.19 per share were declared on common shares in 1995 and 1994, respectively.

ITEM 6. SELECTED FINANCIAL DATA

Incorporated herein by reference for the years 1991 through 1995 are the applicable portions of the section captioned "Summary of Selected Financial Data" of the 1995 Annual Report.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Incorporated herein by reference is management's discussion and analysis of financial condition and results of operations for the years 1995, 1994, and 1993 found under the section captioned "Financial Review" of the 1995 Annual Report.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Incorporated herein by reference are the portions of the 1995 Annual Report captioned Consolidated Balance Sheet, Consolidated Statement of Earnings, Consolidated Statement of Cash Flows, Consolidated Statement of Shareholders' Investment, Notes to Consolidated Financial Statements and Report of Independent Public Accountants (which contains the related report of Arthur Andersen LLP dated January 15, 1996). Data relating to quarterly results is found in Note 8.

ITEM 9. DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Incorporated herein by reference are "Committees of the Board of Directors," "Information Concerning Nominees for Directors" and "Compliance with Section 16(a) of The Securities Exchange Act of 1934" found in the 1996 Abbott Laboratories Proxy Statement ("1996 Proxy Statement").

ITEM 11. EXECUTIVE COMPENSATION

The material in the 1996 Proxy Statement under the heading "Executive Compensation," other than the Report of the Compensation Committee, the Performance Graph, and Security Ownership of Officers and Directors are hereby incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Incorporated herein by reference is the text found under the caption "Information Concerning Security Ownership" and the material under the heading "Security Ownership of Officers and Directors" in the 1996 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) DOCUMENTS FILED AS PART OF THIS FORM 10-K.

1. FINANCIAL STATEMENTS: The Consolidated Financial Statements for the years ended December 31, 1995, 1994, and 1993 and the related report of Arthur Andersen LLP dated January 15, 1996 appearing under the portions of the 1995 Annual Report captioned Consolidated Balance Sheet, Consolidated Statement of Earnings, Consolidated Statement of Cash Flows, Consolidated Statement of Shareholders' Investment, Notes to Consolidated Financial Statements and Report of Independent Public Accountants, respectively, are incorporated by reference in response to Item 14(a)1. With the exception of the portions of the 1995 Annual Report specifically incorporated herein by reference, such Report shall not be deemed filed as part of this Annual Report on Form 10-K or otherwise deemed subject to the liabilities of Section 18 of the Securities Exchange Act of 1934.

2. FINANCIAL STATEMENT SCHEDULES: The required financial statement schedules are found on the pages indicated below. These schedules should be read in conjunction with the Consolidated Financial Statements in the 1995 Annual Report:

3. EXHIBITS REQUIRED BY ITEM 601 OF REGULATION S-K: The information called for by this paragraph is incorporated herein by reference to the Exhibit Index on pages 18 and 19 of this Form 10-K.

(b) REPORTS ON FORM 8-K DURING THE QUARTER ENDED DECEMBER 31, 1995:

No reports on Form 8-K were filed during the quarter ended December 31, 1995.

(c) EXHIBITS FILED (SEE EXHIBIT INDEX ON PAGES 18 AND 19).

(d) FINANCIAL STATEMENT SCHEDULES FILED (PAGE 20).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Abbott Laboratories has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ABBOTT LABORATORIES

By /s/ DUANE L. BURNHAM
Duane L. Burnham
Chairman of the Board and
Chief Executive Officer

Date: February 9, 1996

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Abbott Laboratories on February 9, 1996 in the capacities indicated below.

/s/ DUANE L. BURNHAM
Duane L. Burnham
Chairman of the Board,
Chief Executive Officer and
Director of Abbott Laboratories
(principal executive officer)

/s/ GARY P. COUGHLAN
Gary P. Coughlan
Senior Vice President, Finance and
Chief Financial Officer
(principal financial officer)

/s/ THOMAS R. HODGSON
Thomas R. Hodgson
President, Chief Operating Officer
and Director of Abbott Laboratories

/s/ THEODORE A. OLSON
Theodore A. Olson
Vice President and Controller
(principal accounting officer)

/s/ K. FRANK AUSTEN
K. Frank Austen, M.D.
Director of Abbott Laboratories

/s/ H. LAURANCE FULLER
H. Laurance Fuller
Director of Abbott Laboratories

/s/ BERNARD J. HAYHOE
Bernard J. Hayhoe
Director of Abbott Laboratories

/s/ ALLEN F. JACOBSON
Allen F. Jacobson
Director of Abbott Laboratories

/s/ DAVID A. JONES
David A. Jones
Director of Abbott Laboratories

/s/ BOONE POWELL, JR.
Boone Powell, Jr.
Director of Abbott Laboratories

/s/ A. BARRY RAND
A. Barry Rand
Director of Abbott Laboratories

/s/ W. ANN REYNOLDS
W. Ann Reynolds
Director of Abbott Laboratories

/s/ WILLIAM D. SMITHBURG
William D. Smithburg
Director of Abbott Laboratories

/s/ JOHN R. WALTER
John R. Walter
Director of Abbott Laboratories

EXHIBIT INDEX
ABBOTT LABORATORIES
ANNUAL REPORT
FORM 10-K
1995

10-K EXHIBIT TABLE ITEM NO.		
3.1	*	Articles of Incorporation-Abbott Laboratories, filed as Exhibit 3.1 to the Abbott Laboratories Quarterly Report on Form 10-Q for the Quarter ended March 31, 1994.
3.2	*	Corporate ByLaws-Abbott Laboratories, filed as Exhibit 3.2 to the 1994 Abbott Laboratories Annual Report on Form 10-K.
4.1	*	Indenture dated as of October 1, 1993 between Abbott Laboratories and Harris Trust and Savings Bank, filed as Exhibit 4.1 to the Abbott Laboratories Quarterly Report for the Quarter ended September 30, 1993 on Form 10-Q.
4.2	*	Form of 5.6% Note issued pursuant to the Indenture filed as Exhibit 4.2 to the Abbott Laboratories Quarterly Report for the Quarter ended September 30, 1993 on Form 10-Q.
4.3	*	Form of Medium-Term Note, Series A (Fixed Rate) to be issued pursuant to the Indenture filed as Exhibit 4.3 to the Abbott Laboratories Quarterly Report for the Quarter ended September 30, 1993 on Form 10-Q.
4.4	*	Form of Medium-Term Note, Series A (Floating Rate) to be issued pursuant to the Indenture filed as Exhibit 4.4 to the Abbott Laboratories Quarterly Report for the Quarter ended September 30, 1993 on Form 10-Q.
4.5	*	Resolution of the Company's Board of Directors filed as Exhibit 4.5 to the Abbott Laboratories Quarterly Report for the Quarter ended September 30, 1993 on Form 10-Q.
4.6	*	Actions of the Authorized Officers with respect to the Company's $200,000,000 5.6% Notes filed as Exhibit 4.6 to the Abbott Laboratories Quarterly Report for the Quarter ended September 30, 1993 on Form 10-Q.
4.7	*	Actions of the Authorized Officers with respect to the Company's Medium-Term Notes, Series A filed as Exhibit 4.7 to the Abbott Laboratories Quarterly Report for the Quarter ended September 30, 1993 on Form 10-Q.
4.8	*	Officers' Certificate and Company Order with respect to the Company's $200,000,000 5.6% Notes filed as Exhibit 4.8 to the Abbott Laboratories Quarterly Report for the Quarter ended September 30, 1993 on Form 10-Q.
4.9		Form of 6.8% Note issued pursuant to Indenture.
4.10		Actions of Authorized Officers with respect to the Company's $150,000,000 6.8% Notes.
4.11		Officers' Certificate and Company Order with respect to the Company's $150,000,000 6.8% Notes.
10.1	*	Supplemental Plan -- Abbott Laboratories Extended Disability Plan, filed as an exhibit (pages 50-51) to the 1992 Abbott Laboratories Annual Report on Form 10-K.**
10.2	*	The Abbott Laboratories 1986 Incentive Stock Program, filed as an exhibit (pages 37-59) to the 1989 Abbott Laboratories Annual Report on Form 10-K.**
10.3	*	The Abbott Laboratories 1991 Incentive Stock Program, filed as an exhibit (pages 128-149) to the 1990 Abbott Laboratories Annual Report on Form 10-K.**

10-K EXHIBIT TABLE ITEM NO.		
10.4	*	Consulting agreement between Abbott Laboratories and K. Frank Austen, M.D. dated September 13, 1991, filed as an exhibit (pages 63-66) to the 1992 Abbott Laboratories Annual Report on Form 10-K.**
10.5	*	Abbott Laboratories 401(k) Supplemental Plan, filed as Exhibit 10.7 to the Abbott Laboratories 1993 Annual Report on Form 10-K.**
10.6		Abbott Laboratories Supplemental Pension Plan.**
10.7	*	The 1986 Abbott Laboratories Management Incentive Plan, filed as Exhibit 10.9 to the Abbott Laboratories 1993 Annual Report on Form 10-K.**
10.8	*	Abbott Laboratories Non-Employee Directors' Fee Plan, filed as Exhibit 10.10 to the Abbott Laboratories 1993 Annual Report on Form 10-K.**
11		Calculation of Fully Diluted Earnings Per Share.
12		Computation of Ratio of Earnings to Fixed Charges.
13		The portions of the Abbott Laboratories Annual Report for the year ended December 31, 1995 captioned Financial Review, Consolidated Balance Sheet, Consolidated Statement of Earnings, Consolidated Statement of Cash Flows, Consolidated Statement of Shareholders' Investment, Notes to Consolidated Financial Statements, Report of Independent Public Accountants, and the applicable portions of the section captioned Summary of Financial Data for the years 1991 through 1995.
21		Subsidiaries of Abbott Laboratories.
23		Consent of Independent Public Accountants.
27		Financial Data Schedule.
		The 1996 Abbott Laboratories Proxy Statement will be filed with the Commission under separate cover on or about March 11, 1996.

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* Incorporated herein by reference.

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

The Company will furnish copies of any of the above exhibits to a shareholder upon written request to the Corporate Secretary, Abbott Laboratories, 100 Abbott Park Road, Abbott Park, Illinois 60064-3500.

ABBOTT LABORATORIES AND SUBSIDIARIES
SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1995, 1994, AND 1993
(DOLLARS IN THOUSANDS)

ALLOWANCES FOR DOUBTFUL ACCOUNTS AND SALES DEDUCTIONS	BALANCE AT BEGINNING OF YEAR	PROVISIONS CHARGED TO INCOME (a)	AMOUNTS CHARGED OFF, NET OF RECOVERIES	BALANCE AT END OF YEAR
1995	$128,929	$32,462	$ (3,401)	$157,990
1994	$116,925	$18,123	$ (6,119)	$128,929
1993	$106,857	$29,441	$(19,373)	$116,925

(a) Represents provisions related to allowances for doubtful accounts and the net change in the allowances for sales deductions.

SUPPLEMENTAL REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Abbott Laboratories:

We have audited in accordance with generally accepted auditing standards, the financial statements included in the Company's Annual Report incorporated by reference in this Form 10-K, and have issued our report thereon dated January 15, 1996. Our audits were made for the purpose of forming an opinion on those statements taken as a whole. Schedule II is the responsibility of the Company's management, is presented for purposes of complying with the Securities and Exchange Commission's rules, and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Chicago, Illinois,
January 15, 1996

ABBOTT LABORATORIES

6.80% NOTE DUE MAY 15, 2005

NO. 1001 $150,000,000
CUSIP NO. 002824AG5

This Security is a Security in a global form within the meaning of the Indenture hereinafter referred to and is registered in the name of the Depositary or a nominee of a Depositary. This global Security is exchangeable for Securities registered in the name of a Person other than the Depositary or its nominee only in the limited circumstances described in the Indenture, and no transfer of this Security (other than a transfer of this Security as a whole by the Depositary to a nomine of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary) may be registered except in such limited circumstances.

Unless this Security is presented by an authorized representative of The Depositary Trust Company (55 Water Street, New York, New York) to the issuer or its agent for registration of transfer, exchange or payment, and any Security issued upon registration of transfer of, or in exchange for, or in lieu of, this Security is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment hereon is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

ABBOTT LABORATORIES

ABBOTT LABORATORIES, a corporation duly organized and existing under the laws of Illinois (herein called the "Company," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., as nominee for The Depository Trust Company, or registered assigns, the principal sum of One Hundred Fifty Million Dollars ($150,000,000) on May 15, 2005 and to pay interest thereon from May 15, 1995 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on May 15 and November 15 in each year, commencing November 15, 1995, at the rate of 6.80% per annum, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the May 1 or November 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of (and premium, if any) and any such interest on this Security will be made at the office or agency of the Company maintained for that purpose in Chicago, Illinois, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; PROVIDED, HOWEVER, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

Unless the certificate of authentication hereon has been executed by the Trustee referred to herein by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of October 1, 1993 (herein called the "Indenture"), between the Company and Harris Trust and Savings Bank, as Trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures

supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, limited in aggregate principal amount to $150,000,000.

The Securities of this Series are not redeemable prior to maturity and do not provide for a sinking fund.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Security or certain restrictive covenants and Events of Default with respect to this Security, in each case upon compliance with certain conditions set forth therein.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registerable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly

authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: May 17, 1995

ABBOTT LABORATORIES

By

Name:
Title:

Attest:

_____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

HARRIS TRUST AND SAVINGS BANK,
as Trustee, certifies that this is one of the
Securities referred to in the within-mentioned
Indenture.

By

Authorized Signature

ABBOTT LABORATORIES

ACTIONS OF THE AUTHORIZED OFFICERS

Pursuant to the authority granted by the Board of Directors of Abbott Laboratories ("Corporation") in its September 10, 1993 resolutions, the undersigned agree as follows:

1. The Corporation shall issue $150,000,000 aggregate principal amount of the Corporation's 6.80% Notes due May 15, 2005 ("Notes").

2. The Corporation shall issue and sell Notes to Goldman, Sachs & Co., Lehman Brothers, Inc., Lazard Freres & Co., LLC and Salomon Brothers Inc (collectively, "Underwriters") pursuant to an Underwriting Agreement dated October 4, 1993 and a Pricing Agreement dated May 10, 1995 ("Pricing Agreement") between the Corporation and the Underwriters, upon the terms and conditions set forth therein, to be issued under and in accordance with an Indenture dated as of October 1, 1993, between the Corporation and the Harris Trust and Savings Bank, as Trustee ("Trustee"), relating to the Corporation's Notes and other obligations ("Indenture").

3. In addition to the other terms provided in the Indenture with respect to securities issued thereunder, all as more particularly described in the Pricing Agreement, the Prospectus and the Prospectus Supplement relating to the Notes and the form of Note referred to below, the Notes shall contain the following terms:

(a) The Notes shall be entitled "6.80% Notes due May 15, 2005";

(b) The Notes shall be limited in aggregate principal amount to $150,000,000;

(c) Interest shall be payable to the persons in whose names the Notes are registered at the close of business on the applicable Regular Record Date (as defined below);

(d) The principal of the Notes is payable on May 15, 2005;

(e) The Notes shall bear interest at the rate of 6.80% per annum beginning May 15, 1995. Interest on the Notes will be payable semi-annually on the fifteenth day of May and November of each year (each an "Interest Payment Date"), commencing on November 15, 1995. Interest shall be paid to persons in whose names the Notes are registered on the May 1

or November 1 preceding the Interest Payment Date (each a "Regular Record Date");

(f) Payment of the principal of, and any premium and interest on, the Notes will be made at the office or agency of the Corporation maintained for that purpose in Chicago, Illinois;

(g) The Notes shall not be redeemable or repayable prior to maturity;

(h) The Notes shall not provide for any sinking fund;

(i) The Notes are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof;

(j) The payment of the principal of, and any premium and interest on, the Notes shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts;

(k) The payment of principal of, and any premium and interest on, the Notes shall not be determined with reference to an index or formula;

(l) There shall be no optional currency or currency unit in which the payment of principal of, and any premium and interest on, the Notes shall be payable;

(m) Both Section 13.2 and 13.3 of the Indenture shall apply to the Notes;

(n) The Notes shall be in global form as set forth in Section 3.5 of the Indenture;

(o) The principal amount of the Notes shall be payable upon declaration of acceleration pursuant to Section 5.2 of the Indenture; and

(p) The other terms and conditions of the Notes shall be substantially as set forth in the Indenture and in the Prospectus and the Prospectus Supplement relating to the Notes.

4. The form of the Notes shall be substantially as attached hereto as EXHIBIT A.

5. The price at which the Notes shall be sold by the Corporation to the Underwriters pursuant to the Pricing Agreement

shall be 99.35% of the principal amount thereof, plus accrued interest from May 15, 1995 to the time of Delivery;

6. The Notes initially will be offered to the public by the Underwriters at 100% of the principal amount thereof, plus accrued interest from May 15, 1995 to the time of Delivery;

7. The execution and delivery of the Pricing Agreement, dated May 10, 1995, and substantially in the form attached hereto as EXHIBIT B, is hereby approved.

8. Any officer of this Corporation is hereby authorized and empowered to execute the Notes of this Corporation in the form he deems appropriate, and to deliver such Notes to the Trustee with a written order directing the Trustee to have the Notes authenticated and delivered to such persons as such officer designates.

9. The Harris Trust and Savings Bank is hereby designated and appointed as Paying Agent and Securities Registrar with respect to the Notes.

Dated: May 10, 1995

AUTHORIZED OFFICERS OF
ABBOTT LABORATORIES

By_____

By_____

ABBOTT LABORATORIES

OFFICERS' CERTIFICATE

and

COMPANY ORDER

With respect to the issuance by Abbott Laboratories (the "Company") of $150,000,000 in aggregate principle amount of 6.80% Notes due May 15, 2005 (the "Notes"), Jose M. de Lasa and Thomas C. Freyman, officers of the Company, certify pursuant to Sections 2.1, 3.1 and 3.3 of the Indenture, dated as of October 1, 1993 (the "Indenture"), between the Company and Harris Trust and Savings Bank, as Trustee (the "Trustee"), as follows:

1. We have read Sections 2.1, 3.1 and 3.3 of the Indenture and the definitions therein relating hereto, reviewed the resolutions of the Board of Directors of the Company adopted on September 10, 1993 (attached as Exhibit B to the Secretary's Certificate of even date herewith), the Action of Authorized Officers of May 10, 1995 (attached as Exhibit C to the Secretary's Certificate of even date herewith), conferred with executive officers of the Company and, in our opinion, made such other examinations and investigations as are necessary to enable us to express an informed opinion as to whether Sections 2.1, 3.1 and 3.3 of the Indenture have been complied with.

2. Based on the above-described examinations and investigations, in our opinion, all conditions precedent relating to the authentication and delivery of the Notes, including those conditions under Sections 2.1, 3.1 and 3.3 of the Indenture, have been complied with.

3. The terms of the Notes are set forth in the Action of Authorized Officers, dated May 10, 1995 (attached as Exhibit C to the Secretary's Certificate of even date herewith).

4. In accordance with the provisions of Section 3.3 of the Indenture, the Trustee is hereby authorized and requested to authenticate the Notes and to deliver the Notes to or at the direction of Goldman, Sachs & Co., Lazard Freres & Co., LLC, Lehman Brothers, Inc. and Salomon Brothers Inc.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned thereto in the Indenture.

IN WITNESS WHEREOF, the undersigned have executed this Officers' Certificate as of this 17th day of May, 1995.

ABBOTT LABORATORIES

By:_____
Jose M. de Lasa, Senior Vice President, Secretary and General Counsel

By:_____
Thomas C. Freyman, Vice President and Treasurer

Exhibit 10.6

Adopted by Board of Directors 12/13/85. Amended by Board of Review 3/13/86, 12/11/86, 3/ll/87, 3/4/88, 12/9/88, 3/9/89, 10/1/89, 12/21/90, 6/1/92, 9/30/93 and 9/1/95.

ABBOTT LABORATORIES SUPPLEMENTAL PENSION PLAN

SECTION 1
INTRODUCTION

1-1. On September 9, 1977, December 14, 1979 and February 10, 1984 the Board of Directors of Abbott Laboratories ("Abbott") adopted certain resolutions providing for payment of (i) pension benefits calculated under the Abbott Laboratories Annuity Retirement Plan ("Annuity Plan") in excess of those which may be paid under that plan under the limits imposed by Section 415 of the U.S. Internal Revenue Code, as amended, and the Employee Retirement Income Security Act ("ERISA") and (ii) the additional pension benefits that would be payable under the Annuity Plan if deferred awards under the Abbott Laboratories Management Incentive Plan were included in "final earnings" as defined in the Annuity Plan.

On February 10, 1984 the Board of Directors of Abbott also adopted a resolution (this and the resolutions described above being hereinafter referred to as the "prior resolutions") allowing participants in the Abbott Laboratories Stock Retirement Plan ("Stock Plan") to elect "supplemental pay conversion" contributions under the Stock Plan in excess of the limits imposed by Section 415 of the U.S. Internal Revenue Code, as amended.

The purpose of this ABBOTT LABORATORIES SUPPLEMENTAL PENSION PLAN (the "Supplemental Plan") is to clarify, restate and supersede the prior resolutions.

1-2. The Supplemental Plan shall apply to employees of Abbott and its subsidiaries and affiliates existing as of the date of adoption of the Supplemental Plan or thereafter created or acquired. (Abbott and each of such subsidiaries and affiliates are hereinafter referred to as an "employer" and collectively as the "employers").

1-3. All benefits provided under the Supplemental Plan shall be provided from the general assets of the employers and not from any trust fund or other designated asset. All participants in the Supplemental Plan shall be general creditors of the employers with no priority over other creditors.

1-4. The Supplemental Plan shall be administered by the Abbott Laboratories Employee Benefit Board of Review appointed and acting under the Annuity Plan ("Board of Review"). Except as stated below, the Board of Review shall perform all powers and duties with respect to the Supplemental Plan, including the power to direct payment of benefits, allocate costs among employers, adopt amendments and determine questions of interpretation. The Board of

Directors of Abbott shall have the sole authority to terminate the Supplemental Plan.

SECTION 2
ERISA ANNUITY PLAN SUPPLEMENTAL BENEFIT

2-1. The benefits described in this Section 2 shall apply to all participants in the Annuity Plan who retire, or terminate with a vested pension under that plan, on or after September 9, 1977.

2-2. Each Annuity Plan participant whose retirement or vested pension under that plan would otherwise be limited by Section 415, Internal Revenue Code, shall receive a supplemental pension under this Supplemental Plan in an amount, which, when added to his or her Annuity Plan pension, will equal the amount the participant would be entitled to under the Annuity Plan as in effect from time to time, based on the particular option selected by the participant, without regard to the limitations imposed by Section 415, Internal Revenue Code.

SECTION 3
1986 TAX REFORM ACT SUPPLEMENTAL BENEFIT

3-1. The benefits described in this Section 3 shall apply to all participants in the Annuity Plan who retire, or terminate with a vested pension under that plan, after December 31, 1988.

3-2. Each Annuity Plan participant shall receive a supplemental pension under this Supplemental Plan in an amount determined as follows:

(a) The supplemental pension shall be the difference, if any, between:

(i) The monthly benefit payable under the Annuity Plan plus any supplement provided by Section 2; and

(ii) The monthly benefit which would have been payable under the Annuity Plan (without regard to the limits imposed by Section 415, Internal Revenue Code) if the participant's "final earnings", as defined in the Annuity Plan had included compensation in excess of the limits imposed by Section 401(a)(17), Internal Revenue Code, and any "pre-tax contributions" made by the participant under the Abbott Laboratories Supplemental 401(k) Plan.

SECTION 4
DEFERRED MIP ANNUITY PLAN SUPPLEMENTAL BENEFIT

4-1. The benefits described in this Section 4 shall apply to all participants in the Annuity Plan who retire, or terminate with a vested pension, under that plan, on or after December 14, 1979 and who were awarded Management Incentive Plan awards for any calendar year during the ten consecutive calendar years ending with the year of retirement or termination of employment.

4-2. Each Annuity Plan participant shall receive a supplemental pension under this Supplemental Plan in an amount determined as follows:

(a) The supplemental pension shall be the difference, if any, between:

(i) The monthly benefit payable under the Annuity Plan plus any supplement provided by Section 2 and Section 3; and

(ii) the monthly benefit which would have been payable under the Annuity Plan (without regard to the limits imposed by Section 415, Internal Revenue Code) if the participant's "final earnings", as defined in the Annuity Plan, were one-sixtieth of the sum of:

(A) the participant's total "basic earnings" (excluding any payments under the Management Incentive Plan or any Division Incentive Plan) received in the sixty consecutive calendar months for which his basic earnings (excluding any payments under the Management Incentive Plan or any Division Incentive Plan) were highest within the last one hundred twenty consecutive calendar months immediately preceding his retirement or termination of employment; and

(B) the amount of the participant's total awards under the Management Incentive Plan and any Division Incentive Plan (whether paid immediately or deferred) made for the five consecutive calendar years during the ten consecutive calendar years ending with the year of retirement or termination for which such amount is the greatest and (for participants granted Management Incentive Plan awards for less than five consecutive calendar years during such ten year period) which include all Management Incentive Plan awards granted for consecutive calendar years within such ten year period.

(b) That portion of any Management Incentive Plan award which the Compensation Committee has determined shall be excluded from the participant's "basic earnings" shall be excluded from the calculation of "final earnings" for

purposes of this subsection 4-2. "Final earnings" for purposes of this subsection 4-2 shall include any compensation in excess of the limits imposed by Section 401(a)(17), Internal Revenue Code.

(c) In the event the period described in subsection 4-2(a)(ii)(B) is the final five calendar years of employment and a Management Incentive Plan award is made to the participant subsequent to retirement for the participant's final calendar year of employment, the supplemental pension shall be adjusted by adding such new award and subtracting a portion of the earliest Management Incentive Plan award included in the calculation, from the amount determined under subsection 4-2(a)(ii)(B). The portion subtracted shall be equal to that portion of the participant's final calendar year of employment during which the participant was employed by Abbott. If such adjustment results in a greater supplemental pension, the greater pension shall be paid beginning the first month following the date of such new award.

Section 5
RESTRICTED STOCK AWARD SUPPLEMENTAL BENEFIT

5-1. The benefits described in this Section 5 shall apply to all participants in the Annuity Plan who retire or terminate with a vested pension, under that plan, after September 1, 1995.

5-2. For purposes of this Supplemental Plan, the phrase "Eligible Restricted Stock Award" shall mean a restricted stock award granted under the Abbott Laboratories 1991 Incentive Stock Program, or any successor plan or program, (the "Incentive Stock Program"), which is designated by the Compensation Committee of the Board of Directors of Abbott, at any time prior to retirement or termination of the participant, as includable in "final earnings" for purposes of this Supplemental Plan.

5-3. Each Annuity Plan participant shall receive a supplemental pension under this Supplemental Plan in an amount determined as follows:

(a) The supplemental pension shall be the difference, if any, between:

(i) The monthly benefit payable under the Annuity Plan plus any supplement provided by Sections 2, 3 and 4; and

(ii) The monthly benefit which would have been payable under the Annuity Plan (without regard to the limits imposed by Section 415, Internal Revenue Code) if the participant's "final earnings", as defined in the Annuity Plan, were one-sixtieth of the sum of:

(A) the participant's earnings described in subsection 4-2(a)(ii)(A);

(B) the participant's awards described in subsection 4-2(a)(ii)(B) (adjusted as provided in subsections 4-2(b) and (c)); and

(C) the total value of those installments of Eligible Restricted Stock Awards granted the participant which become non-forfeitable during the sixty consecutive calendar months for which his basic earnings (as defined in subsection 4-2(a)(ii)(A)) are highest within the last one hundred twenty consecutive calendar months immediately preceding his retirement or termination of employment.

(b) For purposes of this subsection 5-3:

(i) The value of an Eligible Restricted Stock Award shall be the fair market value of such award (as determined under the Incentive Stock Program) on the date the award is granted;

(ii) No more than five installments of Eligible Restricted Stock Awards shall be included in the amount calculated under subsection 5-3(a)(ii)(C); and

(iii) "Final earnings" shall include compensation in excess of the limits imposed by Section 401(a)(17), Internal Revenue Code."

In the event the limitation described in subsection 5-3(b)(ii) would be exceeded for a participant, those installments in

excess of five with the lowest fair market value (as defined in subsection 5-3(b)(i)) shall be disregarded in calculating the benefit due under this Section 5.

SECTION 6
CORPORATE OFFICER ANNUITY PLAN SUPPLEMENTAL BENEFIT

6-1. The benefits described in this Section 6 shall apply to all participants in the Annuity Plan who are corporate officers of Abbott as of September 30, 1993 or who become corporate officers thereafter, and who retire, or terminate with a vested pension under that plan on or after September 30, 1993. The term "corporate officer" for purposes of this Section 6 shall mean an individual elected an officer of Abbott by its Board of Directors (or designated as such for purposes of this Section 6 by the Compensation Committee of the Board of Directors of Abbott), but shall not include assistant officers.

6-2. Subject to the limitations and adjustments described below, each participant described in subsection 6-1 shall receive a monthly supplemental pension under this Supplemental Plan commencing on the participant's normal retirement date under the Annuity Plan and payable as a life annuity, equal to 6/10 of 1 percent (.006) of the participant's final earnings (as that phrase is used in subsection 5-3(a)(ii), adjusted as provided in subsections

5-3(b)(ii) and (iii)) for each of the first twenty years of the participant's benefit service (as defined in the Annuity Plan) occurring after the participant's attainment of age 35.

6-3. In no event shall the sum of (a) the participant's aggregate percentage of final earnings calculated under subsection 6-2 and (b) the participant's aggregate percentage of final earnings calculated under subsection 5-1(b)(i) of the Annuity Plan, exceed the maximum aggregate percentage of final earnings allowed under subsection 5-1(b)(i) of the Annuity Plan (without regard to any limits imposed by the Internal Revenue Code), as in effect on the date of the participant's retirement or termination. In the event the limitation described in this subsection 6-3 would be exceeded for any participant, the participant's aggregate percentage calculated under subsection 6-2 shall be reduced until the limit is not exceeded.

6-4. Benefit service occurring between the date a participant ceases to be a corporate officer of Abbott and the date the participant again becomes a corporate officer of Abbott shall be disregarded in calculating the participant's aggregate percentage under subsection 6-2.

6-5. Any supplemental pension otherwise due a participant under this Section 6 shall be reduced by the amount (if any) by which:

(a) the sum of (i) the benefits due such participant under the Annuity Plan and this Supplemental Plan, plus (ii) the actuarially equivalent value of the employer-paid portion of all benefits due such participant under the primary retirement plans of all non-Abbott employers of such participant; exceeds

(b) the maximum benefit that would be due under the Annuity Plan (without regard to the limits imposed by Section 415, Internal Revenue Code) based on the participant's final earnings (as that phrase is used in subsection 5-3(a)(ii), adjusted as provided in subsections 5-3(b)(ii) and (iii), if the participant had accrued the maximum benefit service recognized by the Annuity Plan.

The term "primary retirement plan" shall mean any pension benefit plan as defined in ERISA, whether or not qualified under the Internal Revenue Code, which is determined by the Board of Review to be the primary pension plan of its sponsoring employer. The term "non-Abbott employer" shall mean any employer other than Abbott or a subsidiary or affiliate of Abbott. A retirement plan maintained by an employer prior to such employer's acquisition by Abbott shall be deemed a retirement plan maintained by a non-Abbott employer for purposes of this subsection 6-5.

6-6. Any supplemental pension due a participant under this Section 6 shall be actuarially adjusted as provided in the Annuity Plan to reflect the pension form selected by the participant and the

participant's age at commencement of the pension, and shall be paid as provided in subsection 7-2.

SECTION 7
CORPORATE OFFICER ANNUITY PLAN
SUPPLEMENTAL EARLY RETIREMENT BENEFIT

7-1. The benefits described in this Section 7 shall apply to all persons described in subsection 6-1.

7-2. The supplemental pension due under Sections 2, 3, 4, 5 and 6 to each participant described in subsection 7-1 shall be reduced as provided in subsections 5-3 and 5-6 of the Annuity Plan for each month by which its commencement date precedes the last day of the month in which the participant will attain age 60. No reduction will be made for the period between the last day of the months the participant will attain age 60 and age 62.

7-3. Each participant described in subsection 7-1 shall receive a monthly supplemental pension under this Supplemental Plan equal to any reduction made in such participant's Annuity Plan pension under subsections 5-3 or 5-6 of the Annuity Plan for the period between the last day of the months the participant will attain age 60 and age 62.

SECTION 8
ERISA STOCK PLAN SUPPLEMENTAL BENEFIT

8-1. This Section 8 shall apply to any employee who participates in the Stock Plan at any time during the period

commencing January l, 1984 and ending December 31, 1986 and shall apply only to supplemental pay conversion contributions made by such participant during such period.

8-2. All "supplemental pay conversion" contributions as defined in the Stock Plan elected by participants in that plan in excess of the limits imposed on each such participant by Section 415, Internal Revenue Code, (the "supplemental contributions") shall not be paid over to the Abbott Laboratories Stock Retirement Trust (the "Stock Trust"), but shall be retained by the participant's employer and credited by Abbott to bookkeeping accounts maintained for each such participant corresponding to the investment alternatives available under the Stock Plan (the "bookkeeping accounts").

8-3. Each participant's supplemental contributions shall be allocated among his or her bookkeeping accounts in the same proportions as the participant's supplemental pay conversion contributions are allocated among the investment alternatives available under the Stock Plan.

8-4. Each participant's supplemental contributions allocated to his or her bookkeeping account for Abbott common shares shall be credited with the same dividends and appreciation such contributions would have earned had they been deposited in the Stock Trust and

invested solely in Abbott common shares. Each participant's supplemental contributions allocated to his or her bookkeeping accounts for other investment alternatives shall be credited with the same rate of return such contributions would have earned had they been deposited in the Stock Trust and invested solely in such investment alternative.

8-5. The amounts credited to each participant's bookkeeping accounts shall be distributed to such participant or his or her beneficiary in the manner described in subsection 9-2 or 9-3.

8-6. Each distribution from a participant's bookkeeping account for Abbott common shares shall be increased by an amount which, after provision for any federal income tax applicable to such amount, will equal the difference between the then applicable maximum ordinary income and long-term capital gain federal income tax rates applied to that portion of the distribution which exceeds the sum of the participant's supplemental contributions allocated to that account and the imputed dividends thereon.

SECTION 9
MISCELLANEOUS

9-1. For purposes of this Supplemental Plan, the term "Management Incentive Plan" shall mean the Abbott Laboratories 1971 Management Incentive Plan, the Abbott Laboratories 1981 Management Incentive Plan and all successor plans to those plans.

9-2. The supplemental pensions described in Sections 2, 3, 4, 5, 6 and 7 shall be paid to the participant or his or her beneficiary based on the particular pension option elected by the participant, in the same manner, at the same time, for the same period and on the same terms and conditions as the pension payable to the participant or his beneficiary under the Annuity Plan. In the event a participant is paid his or her pension under the Annuity Plan in a lump sum, any supplemental pension due under Sections 2, 3, 4, 5, 6 or 7 shall likewise be paid in a lump sum. All amounts credited to a participant under Section 8 shall be distributed to the participant or his or her beneficiary in the same manner, at the same time and on the same terms and conditions as the distribution of the participant's interest in the Stock Trust. Notwithstanding the foregoing provisions of this subsection 9-2: (a) if the present value of the vested supplemental pensions described in Sections 2, 3, 4, 5, 6 and 7 of a participant who is actively employed by Abbott exceeds $100,000, then payment of such pensions shall be made to the participant under Section 10 below; and (b) the amount credited to a participant under Section 8 shall be paid to the participant under Section 11 below; and (c) if the monthly vested supplemental pensions, expressed as a straight life annuity, due a participant or his or her beneficiary under Sections 2, 3, 4,

5, 6 and 7 do not exceed an aggregate of One Hundred Fifty Dollars ($150.00) as of the commencement date of the pension payable such participant or his or her beneficiary under the Annuity Plan, and payment of such supplemental pension has not previously been made under Section 10, the present value of such supplemental pensions shall be paid such participant or beneficiary in a lump-sum.

9-3. Notwithstanding any other provisions of this Supplemental Plan, if employment of any participant with Abbott and its subsidiaries and affiliates should terminate for any reason within five (5) years after the date of a Change in Control:

(a) All amounts credited to the participant under Section 8 shall be paid to the participant in a lump sum within thirty (30) days following such termination;

(b) The present value of any supplemental pension due the participant under Section 2 (whether or not then payable) shall be paid to the participant in a lump sum within thirty (30) days following such termination; and

(c) The present value of any supplemental pension due the participant under Sections 3 or 4 (whether or not then payable) shall be paid to the participant in a lump sum within thirty (30) days following such termination.

The supplemental pension described in paragraph (b) shall be computed using as the applicable limit under Section 415, Internal Revenue Code, such limit as is in effect on the termination date and based on the assumption that the participant will receive his or her

Annuity Plan pension in the form of a straight life annuity with no ancillary benefits. The present values of the supplemental pensions described in paragraphs (b) and (c) shall be computed as of the date of payment by using an interest rate equal to the Pension Benefit Guaranty Corporation interest rate applicable to an immediate annuity, as in effect on the date of payment.

9-4. For purposes of subsection 9-3, a "Change in Control" shall be deemed to have occurred on the earliest of the following dates:

(a) The date any entity or person (including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934 (the "Exchange Act")) shall have become the beneficial owner of, or shall have obtained voting control over thirty percent (30%) or more of the outstanding common shares of the Company;

(b) The date the shareholders of the Company approve a definitive agreement (A) to merge or consolidate the Company with or into another corporation, in which the Company is not the continuing or surviving corporation or pursuant to which any common shares of the Company would be converted into cash, securities or other property of another corporation, other than a merger of the Company in which holders of common shares immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger as immediately before, or (B) to sell or otherwise dispose of substantially all the assets of the Company; or

(c) The date there shall have been a change in a majority of the Board of Directors of the Company within a twelve (12) month period unless the nomination for election by the Company's shareholders of each new director was approved by the vote of two-thirds of the directors then still in office who were in office at the beginning of the twelve (12) month period.

9-5. The provisions of subsections 9-3, 9-4 and this subsection 9-5 may not be amended or deleted, nor superseded by any other provision of this Supplemental Plan, during the period beginning on the date of a Change in Control and ending on the date five years following such Change in Control.

9-6. All benefits due under this Supplement Plan shall be paid by Abbott and Abbott shall be reimbursed for such payments by the employee's employer. In the event the employee is employed by more than one employer, each employer shall reimburse Abbott in proportion to the period of time the employee was employed by such employer, as determined by the Board of Review in its sole discretion.

9-7. The benefits under the Supplemental Plan are not in any way subject to the debts or other obligations of the persons entitled to benefits and may not be voluntarily or involuntarily sold, transferred to assigned.

9-8. Nothing contained in this Supplemental Plan shall confer on any employee the right to be retained in the employ of Abbott or any of its subsidiaries or affiliates.

9-9. Upon adoption of this Supplemental Plan, the prior resolutions shall be deemed rescinded.

SECTION 10
ALTERNATE PAYMENT OF SUPPLEMENTAL PENSIONS

10-1. If, as of any December 31, the present value of the supplemental pensions described in Sections 2, 3, 4, 5, 6 and 7 of a participant who is actively employed by Abbott exceeds $100,000, then payment of such present value shall be made, at the direction of the participant, by either of the following methods: (a) current payment in cash directly to the participant; or (b) current payment of a portion of such present value (determined as of that December 31) in cash for the participant directly to a Grantor Trust established by the participant, provided such trust is in a form which Abbott determines to be substantially similar to the trust attached to this Plan as Exhibit A; and current payment of the balance of such present value in cash directly to the participant, provided that the payment made directly to the participant shall approximate the aggregate federal, state and local individual income taxes attributable to the amount paid pursuant to this subparagraph

10-l(b). If a participant fails to make an election under this subsection 10-l, or if a participant makes an election under subparagraph 10-1(b) but fails to establish a Grantor Trust, then payment shall be made in cash directly to the participant. Each payment required under this subsection 10-l shall be made as soon as practicable after the amount thereof can be ascertained by Abbott, but in no event later than the last day of the calendar year following the calendar year in which the present value of the participant's supplemental pensions described in Sections 2, 3, 4, 5, 6 and 7 first exceeds $100,000.

10-2. If the present value of a participant's supplemental pensions has been paid to the participant (including amounts paid to the participant's Grantor Trust) pursuant to subsection 10-1, then as of each subsequent December 31, such participant shall be entitled to a payment in an amount equal to: (a) the present value (as of that December 31) of the participant's supplemental pensions described in Sections 2, 3, 4, 5, 6 and 7; less (b) the current value (as of that December 31) of the payments previously made to the participant under subsections 10-1 and 10-2; less (c) the excess, if any, of (1) the Tax Gross Up payment made to the participant under subsection 12-1 for the immediately preceding calendar year, over (2) the net increase in the participant's

federal, state and local income taxes as a result of the inclusion in his or her taxable income of the income of the participant's Grantor Trust and any Guaranteed Rate Payments for that year. Payments under this subsection 10-2 shall be made, at the direction of the participant, by either of the following methods: (i) current payment in cash directly to the participant; or (ii) current payment of a portion of such amount in cash for the participant directly to the Grantor Trust established by the participant; and current payment of the balance of such amount in cash directly to the participant, provided that the payment made directly to the participant shall approximate the aggregate federal, state and local individual income taxes attributable to the amount paid pursuant to this subparagraph 10-2(ii). If a participant fails to make an election under this subsection 10-2, then payment shall be made in cash directly to the participant. Each payment required under this subsection 10-2 shall be made as soon as practicable after the amount thereof can be ascertained by Abbott, but in no event later than the last day of the calendar year following the December 31 as of which such payment becomes due. No payments shall be made under this subsection 10-2 as of any December 31 after the calendar year in which the participant retires or otherwise terminates employment with Abbott.

10-3. Present values shall be determined using reasonable actuarial assumptions specified for this purpose by Abbott and consistently applied. The "current value" of the payments previously made to a participant under subsections 10-1 and 10-2 means the aggregate amount of such payments, with interest thereon (at the rate specified for this purpose by Abbott) from January 1 of the year of payment.

10-4. Abbott will establish and maintain a separate Supplemental Pension Account in the name of each participant, which shall reflect any amounts paid to a participant (including amounts paid to a participant's Grantor Trust) pursuant to subsections 10-1 and 10-2, and any adjustments made pursuant to subsection 10-5. The accounts established pursuant to this subsection 10-4 are for the convenience of the administration of the Plan and no trust relationship with respect to such accounts is intended or should be implied.

10-5. As of the end of each calendar year, Abbott shall adjust each participant's Supplemental Pension Account as follows:

(a) FIRST, charge an amount equal to the product of: (i) any payments made (or which would have been made) to the participant during that year from his or her Grantor Trust (other than distributions of earnings in excess of the Net Interest Accrual to provide for the Tax Gross Up under subsection 11-1); multiplied by (ii) a

fraction, the numerator of which is the balance in the participant's Supplemental Pension Account as of the end of the prior calendar year and the denominator of which is the balance (or the amount which would have been the balance) in the participant's Grantor Trust as of that same date;

(b) NEXT, credit an amount equal to the Interest Accrual for that year pursuant to subsection 10-6; and

(c) FINALLY, credit an amount equal to the amount that is paid for that year to the participant (including the amount paid to the participant's Grantor Trust) pursuant to subsections 10-1 and 10-2.

10-6. As of the end of each calendar year, a participant's Supplemental Pension Account shall be credited with interest calculated at a reasonable rate of interest specified for this purpose by Abbott and consistently applied. Any amount so credited shall be referred to as a participant's "Interest Accrual."

10-7. In addition to any payment made to a participant for any calendar year pursuant to subsection 10-1 or 10-2, Abbott shall also make a payment to a participant's Grantor Trust (a "Guaranteed Rate Payment"), for any year in which the net income of such trust does not equal or exceed the participant's Net Interest Accrual for that year. A participant's "Net Interest Accrual" for a year is an amount equal to: (a) the Interest Accrual credited to the participant's Supplemental Pension Account for that year; less (b)

the product of (i) the amount of such Interest Accrual, multiplied by (ii) the aggregate of the federal, state and local individual income tax rates (determined in accordance with subsection 12-2). The Guaranteed Rate Payment shall equal the difference between the participant's Net Interest Accrual and the net income of the participant's Grantor Trust for the year, and shall be paid within 180 days of the end of that year. No payments shall be made under this subsection 10-7 for any year following the year of the participant's death.

10-8. If at any time after a participant's retirement or other termination of employment with Abbott, there is no longer a balance in his or her Grantor Trust, then such participant (or his or her surviving spouse if such spouse is entitled to periodic payments from the Grantor Trust) shall be entitled to a "Continuation Payment" under this subsection 10-8. The amount of the Continuation Payment shall be equal to the amount of the supplemental pension that would have been payable to the participant (or surviving spouse) had no payments been made to or for the participant under subsections 10-1 and 10-2. Continuation Payments shall be made monthly, beginning with the month following the month in which there is no longer a balance in the participant's Grantor Trust and ending with the month of the participant's (or

surviving spouse's) death. Payments under this subsection 10-8 shall be made by the employers (in such proportions as Abbott shall designate) directly from their general corporate assets. Appropriate adjustments to the Continuation Payments shall be made in the event distributions have been made from a participant's Grantor Trust for reasons other than benefit payments to the participant or surviving spouse.

SECTION 11
PAYMENT OF SUPPLEMENTAL CONTRIBUTIONS

Notwithstanding any other provisions of the plan, the amount credited to a participant under Section 8 shall be paid in cash directly to the participant on or before December 31, 1990.

SECTION 12
TAX GROSS UP PAYMENTS

12-1. In addition to the payments provided under subsections 10-1 and 10-2, each participant shall also be entitled to a Tax Gross Up payment for each year there is a balance in his or her Supplemental Pension Account. The "Tax Gross Up" shall approximate: (a) the product of (i) the participant's Net Interest Accrual for the year (calculated using the greater of the rate of return of the Grantor Trusts or the rate specified in subsection 10-6), multiplied by (ii) the aggregate of the federal, state and local tax rates (determined in accordance with subsection 12-2);

less (b) the excess, if any, of (i) the participant's Net Interest Accrual for the year calculated using the rate of return of the Grantor Trusts; over (ii) such Net Interest Accrual calculated using the rate specified in subsection 10-6; plus (c) an amount equal to the product of (i) any payment made pursuant to this subsection 12-1, multiplied by (ii) the aggregate tax rate determined under subparagraph 12-1(a)(ii) above. Payment of the Tax Gross Up shall be made by the employers (in such proportions as Abbott shall designate) directly from their general corporate assets. The Tax Gross Up for a year shall be paid to the participant as soon as practicable after the amount of the Tax Gross Up can be ascertained by Abbott, but in no event later than the last day of the calendar year following the calendar year to which the Tax Gross Up relates. No payments shall be made under this subsection 12-1 for any year following the year of the participant's death.

12-2. For purposes of Sections 10 and 12, a participant's federal income tax rate shall be deemed to be the highest marginal rate of federal individual income tax in effect in the calendar year in which a calculation under those Sections is to be made, and state and local tax rates shall be deemed to be the highest marginal rates of individual income tax in effect in the state and locality

of the participant's residence in the calendar year for which such a calculation is to be made, net of any federal tax benefits.

EXHIBIT A

SUPPLEMENTAL BENEFIT
GRANTOR TRUST

THIS AGREEMENT, made this _____ day of _____, 199_, by and between _____, _____ (the "grantor"), and The Northern Trust Company, located at Chicago, Illinois, as trustee (the "trustee"),

WITNESSETH THAT:

WHEREAS, the grantor desires to establish and maintain a trust to hold certain benefits received by the grantor under the Abbott Laboratories Supplemental Pension Plan, as it may be amended from time to time;

NOW, THEREFORE, IT IS AGREED as follows:

ARTICLE I
INTRODUCTION

I-1. NAME. This agreement and the trust hereby evidenced (the "trust") may be referred to as the "_____ Supplemental Benefit Grantor Trust."

I-2. THE TRUST FUND. The "trust fund" as at any date means all property then held by the trustee under this agreement.

I-3. STATUS OF THE TRUST. The trust shall be irrevocable. The trust is intended to constitute a grantor trust under Sections 671-678 of the Internal Revenue Code, as amended, and shall be construed accordingly.

I-4. THE ADMINISTRATOR. Abbott Laboratories ("Abbott") shall act as the "administrator" of the trust, and as such shall have certain powers, rights and duties under this agreement as described below. Abbott will certify to the trustee from time to time the

person or persons authorized to act on behalf of Abbott as the administrator. The trustee may rely on the latest certificate received without further inquiry or verification.

I-5. ACCEPTANCE. The trustee accepts the duties and obligations of the "trustee" hereunder, agrees to accept funds delivered to it by the grantor or the administrator, and agrees to hold such funds (and any proceeds from the investment of such funds) in trust in accordance with this agreement.

ARTICLE II
DISTRIBUTION OF THE TRUST FUND

II-1. SEPARATE ACCOUNTS. The administrator shall maintain two separate accounts under the trust, a "supplemental pension account" and a "supplemental contribution account." Funds delivered to the trustee shall be allocated between the accounts as directed by the administrator. As of the end of each calendar year, the administrator shall charge each account with all distributions made from such account during that year; and credit each account with its share of trust income and realized gains and charge each account with its share of trust expenses and realized losses for the year. The trustee shall not be required to make any separate investment of the trust fund for the accounts, and may administer and invest all funds delivered to it under the trust as one trust fund.

II-2. DISTRIBUTIONS PRIOR TO THE GRANTOR'S DEATH. Principal and accumulated income shall not be distributed from the trust prior to the grantor's retirement or other termination of employment with Abbott or a subsidiary of Abbott (the grantor's "settlement date"); provided that, each year the administrator may direct the trustee to distribute to the grantor a portion of the income of the trust fund for that year, with the balance of such income to be accumulated in the trust. The administrator shall inform the trustee of the grantor's settlement date. Thereafter, the trustee shall distribute the amounts from time to time credited to the supplemental pension account to the grantor, if then living, in the same manner, at the same time and over the same period as the pension payable to the grantor under Abbott Laboratories Annuity Retirement Plan; and the trustee shall distribute the amounts from time to time credited to the supplemental contribution account to the grantor, if then living, in the same manner, at the same time and over the same period as the distribution of the grantor's benefits from Abbott Laboratories Stock Retirement Plan.

II-3. DISTRIBUTIONS AFTER THE GRANTOR'S DEATH. On the death of the grantor, the entire principal of the trust fund and all accrued or undistributed income thereof shall be distributed in a lump sum to or for the benefit of such one or more persons designated by the grantor in a beneficiary designation provided by the administrator. If the grantor fails to designate a beneficiary as provided above, then on the grantor's death, the trustee shall

distribute the balance of the trust fund to the executor or administrator of the grantor's estate.

II-4. FACILITY OF PAYMENT. When a person entitled to a distribution hereunder is under legal disability, or, in the trustee's opinion, is in any way incapacitated so as to be unable to manage his or her financial affairs, the trustee may make such distribution to such person's legal representative, or to a relative or friend of such person for such person's benefit. Any distribution made in accordance with the preceding sentence shall be a full and complete discharge of any liability for such distribution hereunder.

II-5. PERPETUITIES. Notwithstanding any other provisions of this agreement, on the day next preceding the end of 21 years after the death of the last to die of the grantor and the grantor's descendants living on the date of this instrument, the trustee shall immediately distribute any remaining balance in the trust to the beneficiaries then entitled to distributions hereunder.

ARTICLE III
MANAGEMENT OF THE TRUST FUND

III-1. GENERAL POWERS. The trustee shall, with respect to the trust fund, have the following powers, rights and duties in addition to those provided elsewhere in this agreement or by law:

(a) Subject to the limitations of subparagraph (b) next below, to sell, contract to sell, purchase, grant or exercise options to purchase, and otherwise deal with all assets of the trust fund, in such way, for such considerations, and on such terms and conditions as the trustee decides.

(b) To retain in cash such amounts as the trustee considers advisable; and to invest and reinvest the balance of the trust fund, without distinction between principal and income, in an annuity contract or contracts issued by a legal reserve life insurance company or in obligations of the United States Government and its agencies or which are backed by the full faith and credit of the United States Government; and any such investment made or retained by the trustee in good faith shall be proper

despite any resulting risk or lack of diversification or marketability.

(c) To deposit cash in any depositary (including the banking department of the bank acting as trustee) without liability for interest, and to invest cash in savings accounts or time certificates of deposit bearing a reasonable rate of interest in any such depositary.

(d) To invest, subject to the limitations of subparagraph (b) above, in any common or commingled trust fund or funds maintained or administered by the trustee solely for the investment of trust funds.

(e) To borrow from anyone, with the administrator's approval, such sum or sums from time to time as the trustee considers desirable to carry out this trust, and to mortgage or pledge all or part of the trust fund as security.

(f) To retain any funds or property subject to any dispute without liability for interest and to decline to make payment or delivery thereof until final adjudication by a court of competent jurisdiction or until an appropriate release is obtained.

(g) To begin, maintain or defend any litigation necessary in connection with the administration of this trust, except that the trustee shall not be obliged or required to do so unless indemnified to the trustee's satisfaction.

(h) To compromise, contest, settle or abandon claims or demands.

(i) To give proxies to vote stocks and other voting securities, to join in or oppose (alone or jointly with others) voting trusts, mergers, consolidations, foreclosures, reorganizations, liquidations, or other changes in the financial structure of any corporation, and to exercise or sell stock subscription or conversion rights.

(j) To hold securities or other property in the name of a nominee, in a depositary, or in any other way, with or without disclosing the trust relationship.

(k) To divide or distribute the trust fund in undivided interests or wholly or partly in kind.

(l) To pay any tax imposed on or with respect to the trust; to defer making payment of any such tax if it is indemnified to its satisfaction in the premises; and to require before making any payment such release or other document from any lawful taxing authority and such indemnity from the intended payee as the trustee considers necessary for its protection.

(m) To deal without restriction with the legal representative of the grantor's estate or the trustee or other legal representative of any trust created by the grantor or a trust or estate in which a beneficiary has an interest, even though the trustee, individually, shall be acting in such other capacity, without liability for any loss that may result.

(n) To appoint or remove by written instrument any bank or corporation qualified to act as successor trustee, wherever located, as special trustee as to part or all of the trust fund, including property as to which the trustee does not act, and such special trustee, except as specifically limited or provided by this or the appointing instrument, shall have all of the rights, titles, powers, duties, discretions and immunities of the trustee, without liability for any action taken or omitted to be taken under this or the appointing instrument.

(o) To appoint or remove by written instrument any bank, wherever located, as custodian of part or all of the trust fund, and each such custodian shall have such rights, powers, duties and discretions as are delegated to it by the trustee.

(p) To employ agents, attorneys, accountants or other persons, and to delegate to them such powers as the trustee considers desirable, and the trustee shall be

protected in acting or refraining from acting on the advise of persons so employed without court action.

(q) To perform any and all other acts which in the trustee's judgment are appropriate for the proper management, investment and distribution of the trust fund.

III-2. PRINCIPAL AND INCOME. Any income earned on the trust fund which is not distributed as provided in Article II shall be accumulated and from time to time added to the principal of the trust. The grantor's interest in the trust shall include all assets or other property held by the trustee hereunder, including principal and accumulated income.

III-3. ANNUAL STATEMENTS. Periodically, but at least within a reasonable time after the close of each calendar year, the trustee shall prepare and deliver to the administrator and to the grantor, if then living, otherwise to each beneficiary then entitled to distributions under this agreement, a statement (or series of statements) setting forth (or which taken together set forth) all investments, receipts, disbursements and other transactions effected by the trustee during the calendar year; and showing the trust fund and the value thereof at the end of the year.

III-4. COMPENSATION AND EXPENSES. All reasonable costs, charges and expenses incurred in the administration of this trust, including compensation to the trustee, any compensation to agents, attorneys, accountants and other persons employed by the trustee, and expenses incurred in connection with the sale, investment and reinvestment of the trust fund shall be paid from the trust fund.

ARTICLE IV
GENERAL PROVISIONS

IV-1. INTERESTS NOT TRANSFERABLE. The interests of the grantor or other persons entitled to distributions hereunder are not subject to their debts or other obligations and may not be voluntarily or involuntarily sold, transferred, alienated, assigned or encumbered.

IV-2. DISAGREEMENT AS TO ACTS. If there is a disagreement between the trustee and anyone as to any act or transaction reported in any accounting, the trustee shall have the right to a settlement of its account by any proper court.

IV-3. TRUSTEE'S OBLIGATIONS. No power, duty or responsibility is imposed on the trustee except as set forth in this agreement. The trustee is not obliged to determine whether funds delivered to or distributions from the trust are proper under the trust, or whether any tax is due or payable as a result of any such delivery or distribution. The trustee shall be protected in making any distribution from the trust as directed pursuant to Article II without inquiring as to whether the distributee is entitled thereto; the trustee shall not be liable for any distribution made in good faith without written notice or knowledge that the distribution is not proper under the terms of this agreement; and the trustee shall not be liable for any action taken because of the specific direction of the administrator.

IV-4. GOOD FAITH ACTIONS. The trustee's exercise or non-exercise of its powers and discretions in good faith shall be conclusive on all persons. No one shall be obliged to see to the application of any money paid or property delivered to the trustee. The certificate of the trustee that it is acting according to this agreement will fully protect all persons dealing with the trustee.

IV-5. WAIVER OF NOTICE. Any notice required under this agreement may be waived by the person entitled to such notice.

IV-6. CONTROLLING LAW. The laws of the State of Illinois shall govern the interpretation and validity of the provisions of this agreement and all questions relating to the management, administration, investment and distribution of the trust hereby created.

IV-7. SUCCESSORS. This agreement shall be binding on all persons entitled to distributions hereunder and their respective heirs and legal representatives, and on the trustee and its successors.

ARTICLE V
CHANGES IN TRUSTEE

V-1. RESIGNATION OR REMOVAL OF TRUSTEE. The trustee may resign at any time by giving thirty days' advance written notice to the administrator and the grantor. The administrator may remove a trustee by written notice to the trustee and the grantor.

V-2. APPOINTMENT OF SUCCESSOR TRUSTEE. The administrator shall fill any vacancy in the office of trustee as soon as practicable by written notice to the successor trustee; and shall give prompt written notice thereof to the grantor, if then living, otherwise to each beneficiary then entitled to payments or distributions under this agreement. A successor trustee shall be a bank (as defined in Section 581 of the Internal Revenue Code, as amended).

V-3. DUTIES OF RESIGNING OR REMOVED TRUSTEE AND OF SUCCESSOR TRUSTEE. A trustee that resigns or is removed shall furnish promptly to the administrator and the successor trustee an account of its administration of the trust from the date of its last account. Each successor trustee shall succeed to the title to the trust fund vested in its predecessor without the signing or filing of any instrument, but each predecessor trustee shall execute all documents and do all acts necessary to vest such title of record in the successor trustee. Each successor trustee shall have all the powers conferred by this agreement as if originally named trustee. No successor trustee shall be personally liable for any act or failure to act of a predecessor trustee. With the approval of the administrator, a successor trustee may accept the account furnished and the property delivered by a predecessor trustee without incurring any liability for so doing, and such acceptance will be complete discharge to the predecessor trustee.

ARTICLE VI
AMENDMENT AND TERMINATION

VI-1. AMENDMENT. With the consent of the administrator, this trust may be amended from time to time by the grantor, if then living, otherwise by a majority of the beneficiaries then entitled to payments or distributions hereunder, except as follows:

(a) The duties and liabilities of the trustee cannot be changed substantially without its consent.

(b) This trust may not be amended so as to make the trust revocable.

VI-2. TERMINATION. This trust shall not terminate, and all rights, titles, powers, duties, discretions and immunities imposed on or reserved to the trustee, the administrator, the grantor and the beneficiaries shall continue in effect, until all assets of the trust have been distributed by the trustee as provided in Article II.

IN WITNESS WHEREOF, the grantor and the trustee have executed this agreement as of the day and year first above written.

_____
Grantor

_____, as Trustee

By _____

Its _____

EXHIBIT 11

ABBOTT LABORATORIES AND SUBSIDIARIES

CALCULATION OF FULLY DILUTED EARNINGS PER SHARE

(Dollars and Shares in Millions Except Per Share Amounts)

		Year Ended December 31		
		1995	1994	1993
1.	Net earnings	$ 1,688.7	$ 1,516.7	$ 1,399.1
2.	Average number of shares outstanding during the year	795.4	812.2	829.0
3.	Earnings per share based upon average outstanding shares (1 divided by 2)	$ 2.12	$ 1.87	$ 1.69
4.	Fully diluted earnings per share:			
	a. Stock options granted and outstanding for which the market price at quarter-end exceeds the option price	29.4	17.4	18.7
	b. Aggregate proceeds to the Company from the exercise of options in 4.a.	$ 816.9	$ 317.4	$ 297.0
	c. Market price of the Company's common stock at quarter-end	$ 41.625	$ 32.625	$ 29.625
	d. Shares which could be repurchased under the treasury stock method (4.b. divided by 4.c.)	19.6	9.7	10.0
	e. Addition to average outstanding shares (4.a. - 4.d.)	9.8	7.7	8.7
	f. Shares for fully diluted earnings per share calculation (2. + 4.e.)	805.2	819.9	837.7
	g. Fully diluted earnings per share (1. divided by 4.f.)	$ 2.10	$ 1.85	$ 1.67

EXHIBIT 12

ABBOTT LABORATORIES

CALCULATION OF RATIO OF EARNINGS TO FIXED CHARGES

(Unaudited)

(Millions of Dollars Except Ratios)

	Year Ended December 31				
	1995	1994	1993	1992	1991
Net Earnings	$1,689	$1,517	$1,399	$1,239	$1,089
Add (deduct):					
Income Taxes	706	650	544	500	456
Capitalized interest cost, net of amortization	(7)	(7)	(6)	(14)	(10)
Equity in earnings of 20%-49% owned companies, less dividends received	2	...	(1)	...	(9)
Minority interest	18	12	13	7	3
Net earnings as adjusted	$2,408	$2,172	$1,949	$1,732	$1,529
Fixed Charges:					
Interest on long-term and short-term debt	$ 70	$ 50	$ 54	$ 53	$ 64
Capitalized interest cost	19	18	16	24	18
Rental expense representative of an interest factor	26	26	26	25	20
Total Fixed Charges	115	94	96	102	102
Total adjusted earnings available for payment of fixed charges	$2,523	$2,266	$2,045	$1,834	$1,631
Ratio of earnings to fixed charges	21.9	24.1	21.3	18.0	16.0

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.

Exhibit 13

The portions of the Abbott Laboratories Annual Report for the year ended December 31, 1995 captioned Financial Review, Consolidated Balance Sheet, Consolidated Statement of Earnings, Consolidated Statement of Cash Flows, Consolidated Statement of Shareholders' Investment, Notes to Consolidated Financial Statements, Report of Independent Public Accountants, and the applicable portions of the section captioned Summary of Financial Data for the Years 1991 through 1995.

Abbott Laboratories and Subsidiaries

CONSOLIDATED BALANCE SHEET
(Dollars in Thousands)

ASSETS

	December 31		
	1995	1994	1993
Current Assets:			
Cash and cash equivalents	$ 281,197	$ 290,272	$ 300,676
Investment securities	34,500	25,056	78,149
Trade receivables, less allowances of - 1995: $157,990; 1994: $128,929; 1993: $116,925	1,563,038	1,468,519	1,336,222
Inventories -			
Finished products	560,637	514,715	476,548
Work in process	238,943	218,643	216,493
Materials	311,361	284,833	247,492
Total inventories	1,110,941	1,018,191	940,533
Prepaid income taxes	651,436	549,091	458,026
Other prepaid expenses and receivables	585,599	525,199	471,929
Total Current Assets	4,226,711	3,876,328	3,585,535
Investment Securities Maturing after One Year	422,547	316,195	221,815
Property and Equipment, at Cost:			
Land	152,401	145,634	137,636
Buildings	1,531,202	1,349,668	1,261,620
Equipment	5,518,210	4,764,296	4,169,279
Construction in progress	560,629	794,006	652,611
	7,762,442	7,053,604	6,221,146
Less: accumulated depreciation and amortization	3,512,904	3,132,754	2,710,155
Net Property and Equipment	4,249,538	3,920,850	3,510,991
Deferred Charges and Other Assets	513,784	410,351	370,228
	$9,412,580	$8,523,724	$7,688,569

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

Abbott Laboratories and Subsidiaries

CONSOLIDATED BALANCE SHEET

(Dollars in Thousands)

LIABILITIES AND SHAREHOLDERS' INVESTMENT

	December 31		
	1995	1994	1993
Current Liabilities:			
Short-term borrowings and current portion of long-term debt	$ 1,049,863	$ 772,503	$ 843,594
Trade accounts payable	755,921	671,100	638,509
Salaries, wages and commissions	286,186	270,539	215,432
Other accrued liabilities	1,217,016	1,140,154	933,049
Dividends payable	165,354	152,515	139,600
Income taxes payable	315,974	469,055	324,749
Total Current Liabilities	3,790,314	3,475,866	3,094,933
Long-Term Debt	435,198	287,091	306,840
Other Liabilities and Deferrals:			
Deferred income taxes	67,993	55,597	51,383
Other	722,228	655,770	560,484
Total Other Liabilities and Deferrals	790,221	711,367	611,867
Shareholders' Investment:			
Preferred shares, one dollar 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: 1995: 797,021,211; 1994: 813,046,602; 1993: 830,941,614	581,562	505,170	469,828
Earnings employed in the business	3,926,917	3,652,434	3,364,952
Cumulative translation adjustments	(55,646)	(51,124)	(100,716)
	4,452,833	4,106,480	3,734,064
Less:			
Common shares held in treasury, at cost - Shares: 1995: 9,714,379; 1994: 9,766,880; 1993: 9,811,930	51,268	51,545	51,783
Unearned compensation - restricted stock awards	4,718	5,535	7,352
Total Shareholders' Investment	4,396,847	4,049,400	3,674,929
	$9,412,580	$8,523,724	$7,688,569

Abbott Laboratories and Subsidiaries

CONSOLIDATED STATEMENT OF EARNINGS

(Dollars in Thousands Except Per Share Data)

	Year Ended December 31		
	1995	1994	1993
Net Sales	$10,012,194	$ 9,156,009	$ 8,407,843
Cost of products sold	4,325,805	3,993,831	3,684,727
Research and development	1,072,745	963,516	880,974
Selling, general and administrative	2,230,740	2,054,455	1,988,176
Provision for product withdrawal	---	---	(70,000)
Total Operating Cost and Expenses	7,629,290	7,011,802	6,483,877
Operating Earnings	2,382,904	2,144,207	1,923,966
Interest expense	69,532	49,722	54,283
Interest income	(51,783)	(36,907)	(37,821)
Other (income) expense, net	(30,164)	(35,298)	(35,726)
Earnings Before Taxes	2,395,319	2,166,690	1,943,230
Taxes on earnings	706,619	650,007	544,104
Net Earnings	$ 1,688,700	$ 1,516,683	$ 1,399,126
Earnings Per Common Share	$2.12	$1.87	$1.69
Average Number of Common Shares Outstanding	795,362,000	812,236,000	828,988,000

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

Abbott Laboratories and Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

(Dollars in Thousands)

	Year Ended December 31		
	1995	1994	1993
Cash Flow From (Used in) Operating Activities:			
Net earnings	$1,688,700	$1,516,683	$1,399,126
Adjustments to reconcile net earnings to net cash from operating activities -			
Depreciation and amortization.	566,423	510,504	484,081
Exchange (gains) losses, net	5,035	8,600	41,795
Investing and financing (gains) losses, net.	43,020	21,834	(6,038)
Trade receivables.	(91,349)	(109,623)	(192,451)
Inventories.	(93,184)	(52,293)	(91,490)
Prepaid expenses and other assets.	(255,764)	(183,705)	(93,759)
Trade accounts payable and other liabilities	256,549	360,216	96,095
Income taxes payable	(153,849)	139,921	279,550
Provision for product withdrawal	---	---	(70,000)
Net Cash From Operating Activities.	1,965,581	2,212,137	1,846,909
Cash Flow From (Used in) Investing Activities:			
Acquisitions of property, equipment and businesses	(947,021)	(929,488)	(952,732)
Purchases of investment securities	(183,443)	(226,728)	(335,915)
Proceeds from sales of investment securities	67,130	185,268	447,983
Other.	25,611	26,863	46,826
Net Cash Used in Investing Activities.	(1,037,723)	(944,085)	(793,838)
Cash Flow From (Used in) Financing Activities:			
Proceeds from borrowings with original maturities of more than three months	353,317	107,868	289,429
Repayments of borrowings with original maturities of more than three months	(221,506)	(89,977)	(197,090)
Proceeds from (repayments of) other borrowings	282,754	(115,725)	30,124
Purchases of common shares	(771,411)	(615,946)	(465,822)
Proceeds from stock options exercised.	76,540	36,214	27,536
Dividends paid	(653,567)	(602,356)	(548,044)
Net Cash Used in Financing Activities.	(933,873)	(1,279,922)	(863,867)

Abbott Laboratories and Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(Dollars in Thousands)

	Year Ended December 31		
	1995	1994	1993
Effect of exchange rate changes on cash and cash equivalents	(3,060)	1,466	(5,104)
Net Increase (Decrease) in Cash and Cash Equivalents	(9,075)	(10,404)	184,100
Cash and Cash Equivalents, Beginning of Year	290,272	300,676	116,576
Cash and Cash Equivalents, End of Year	$ 281,197	$ 290,272	$ 300,676
Supplemental Cash Flow Information:			
Income taxes paid	$ 954,861	$ 571,215	$ 332,834
Interest paid	67,917	50,157	52,477

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

Abbott Laboratories and Subsidiaries

CONSOLIDATED STATEMENT OF SHAREHOLDERS' INVESTMENT

(Dollars in Thousands Except Per Share Data)

	Year Ended December 31		
	1995	1994	1993
Common Shares:			
Issued at Beginning of Year			
Shares: 1995: 813,046,602; 1994: 830,941,614; 1993: 846,017,815.	$ 505,170	$ 469,828	$ 442,390
Issued under incentive stock programs			
Shares: 1995: 4,332,070; 1994: 3,247,207; 1993: 2,602,920.	70,842	38,638	29,619
Tax benefit from sale of option shares and vesting of restricted stock awards (no share effect).	19,303	9,800	8,300
Retired - Shares: 1995: 20,357,461; 1994: 21,142,219; 1993: 17,679,121	(13,753)	(13,096)	(10,481)
Issued at End of Year			
Shares: 1995: 797,021,211; 1994: 813,046,602; 1993: 830,941,614.	$ 581,562	$ 505,170	$ 469,828
Earnings Employed in the Business:			
Balance at Beginning of Year	$3,652,434	$3,364,952	$2,990,689
Net earnings	1,688,700	1,516,683	1,399,126
Unrealized gain on marketable equity securities, net of income taxes	21,600	-	-
Cash dividends declared on common shares (per share-1995: $.84; 1994: $.76; 1993: $.68)	(666,406)	(615,271)	(562,344)
Cost of common shares retired in excess of stated capital amount	(771,263)	(615,074)	(465,724)
Cost of treasury shares issued below market value of restricted stock awards	1,852	1,144	3,205
Balance at End of Year	$3,926,917	$3,652,434	$3,364,952
Cumulative Translation Adjustments:			
Balance at Beginning of Year	$ (51,124)	$ (100,716)	$ (23,131)
Translation adjustments.	(4,522)	49,592	(77,585)
Balance at End of Year	$ (55,646)	$ (51,124)	$ (100,716)

Abbott Laboratories and Subsidiaries

CONSOLIDATED STATEMENT OF SHAREHOLDERS' INVESTMENT (CONTINUED)

(Dollars in Thousands Except Per Share Data)

	Year Ended December 31		
	1995	1994	1993
Common Shares Held in Treasury:			
Balance at Beginning of Year			
Shares: 1995: 9,766,880; 1994: 9,811,930; 1993: 9,965,386	$ 51,545	$ 51,783	$ 52,593
Issued under incentive stock programs			
Shares: 1995: 52,501; 1994: 45,050; 1993: 153,456	(277)	(238)	(810)
Balance at End of Year			
Shares: 1995: 9,714,379; 1994: 9,766,880; 1993: 9,811,930	$ 51,268	$ 51,545	$ 51,783
Unearned Compensation - Restricted Stock Awards:			
Balance at Beginning of Year	$ 5,535	$ 7,352	$ 9,714
Issued at market value - Shares: 1995: 45,000; 1994: 35,000; 1993: 144,000	1,829	1,094	3,771
Lapses - Shares: 1995: 4,800; 1994: 21,600; 1993: 42,800	(137)	(575)	(887)
Amortization	(2,509)	(2,336)	(5,246)
Balance at End of Year	$ 4,718	$ 5,535	$ 7,352

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

Abbott Laboratories and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the parent company and subsidiaries, after elimination of intercompany transactions. The accounts of foreign subsidiaries are consolidated as of November 30.

USE OF ESTIMATES

The financial statements have been prepared in accordance with generally accepted accounting principles and necessarily include amounts based on estimates and assumptions by management. Actual results could differ from those amounts.

CASH AND CASH EQUIVALENTS

Cash equivalents consist of time deposits and certificates of deposit with original maturities of three months or less.

INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out basis) or market. Cost includes material and conversion costs.

PROPERTY AND EQUIPMENT

Depreciation and amortization are provided on the straight-line method over the estimated useful lives of the assets.

PRODUCT LIABILITY

Provisions are made for the portions of probable losses that are not covered by product liability insurance.

TRANSLATION ADJUSTMENTS

For foreign operations in highly inflationary economies, translation gains and losses are included in other (income) expense, net. For remaining foreign operations, translation adjustments are included as a component of shareholders' investment.

EARNINGS PER COMMON SHARE

Earnings per common share amounts are computed using the weighted average number of common shares outstanding.

REVENUE RECOGNITION

The Company recognizes revenue from product sales upon shipment to customers. Provisions for discounts and rebates to customers, and returns and other adjustments are provided for in the same period the related sales are recorded.

Note 2 - Taxes on Earnings
(dollars in thousands)

Deferred income taxes reflect the tax consequences on future years of temporary differences between the tax bases of assets and liabilities and their financial reporting amounts. U.S. income taxes are provided on those earnings of foreign subsidiaries and subsidiaries operating in Puerto Rico under tax incentive grants, which are intended to be remitted to the parent company. Undistributed earnings reinvested indefinitely in foreign subsidiaries as working capital and plant and equipment aggregated $1,053,000 at December 31, 1995. Deferred income taxes not provided on these earnings would be approximately $167,000.

Earnings before taxes, and the related provisions for taxes on earnings, are as follows:

Earnings Before Taxes	1995	1994	1993
Domestic	$1,711,188	$1,595,279	$1,480,163
Foreign	684,131	571,411	463,067
Total	$2,395,319	$2,166,690	$1,943,230

Taxes on Earnings	1995	1994	1993
Current:			
U.S. Federal and Possessions	$495,692	$487,977	$355,813
State	47,656	56,548	49,222
Foreign	251,339	192,509	175,455
Total current	794,687	737,034	580,490
Deferred:			
Domestic	(81,264)	(96,679)	(29,461)
Foreign	(6,332)	9,801	2,066
Enacted tax rate changes	(472)	(149)	(8,991)
Total deferred	(88,068)	(87,027)	(36,386)
Total	$706,619	$650,007	$544,104

Differences between the effective income tax rate and the U.S. statutory tax rate were as follows:

	1995	1994	1993
Statutory tax rate	35.0%	35.0%	35.0%
Benefit of tax exemptions in Puerto Rico, the Dominican Republic, Italy, Ireland, and The Netherlands	(5.7)	(5.1)	(6.7)
State taxes, net of federal benefit	1.3	1.7	1.7
All other, net	(1.1)	(1.6)	(2.0)
Effective tax rate	29.5%	30.0%	28.0%

As of December 31, 1995, 1994, and 1993, total deferred tax assets were $858,045, $767,857, and $632,112, respectively, and total deferred tax liabilities were $265,388, $263,734, and $211,839, respectively. Valuation allowances for deferred tax assets are not significant. The temporary differences that give rise to deferred tax assets and liabilities are as follows:

	1995	1994	1993
Compensation and employee benefits	$ 161,547	$ 157,374	$ 113,927
Trade receivable reserves	126,209	107,320	81,293
Inventory reserves	101,835	77,787	81,201
Deferred intercompany profit	97,555	78,317	72,129
State income taxes	25,602	37,394	30,715
Depreciation	(178,025)	(167,773)	(145,767)
Other, primarily other accruals and reserves not currently deductible	248,720	203,075	173,145
Total	$ 583,443	$ 493,494	$ 406,643

Note 3 - Financial Instruments

The Company enters into foreign currency forward exchange contracts to hedge intercompany loans and trade accounts payable where the functional currency of the lending and borrowing entities are not the same. Such contracts are also used to hedge foreign currency denominated third party trade payables and receivables. For intercompany loans, the contracts require the Company to sell foreign currencies, primarily Japanese yen and European currencies, in exchange for primarily U.S. dollars. For intercompany and trade payables and receivables, the currencies hedged are primarily the U.S. dollar, Japanese yen and European currencies. At December 31, 1995, 1994, and 1993, the Company held $723 million, $717 million, and $477 million, respectively, of foreign currency forward exchange contracts. The contracts outstanding at December 31, 1995 mature in 1996. These contracts are marked to market each month. The resulting gains or losses are reflected in income and are generally offset by losses or gains on the exposures being hedged.

The Company purchases U.S. dollar call options as a hedge of anticipated intercompany purchases by foreign subsidiaries whose functional currency is not the U.S. dollar. These contracts give the Company the right, but not the requirement, to purchase U.S. dollars in exchange for foreign currencies, primarily Japanese yen and European currencies, at predetermined exchange rates. At December 31, 1995, 1994, and 1993, the Company held $330 million, $370 million, and $59 million, respectively, of U.S. dollar call option contracts. The contracts outstanding at December 31, 1995 mature in 1996. Realized and unrealized gains and losses on contracts that qualify as hedges of anticipated purchases by foreign subsidiaries are recognized in the same period that the foreign currency exposure is recognized. Contracts that do not qualify for hedge accounting are marked to market each month, and the resulting gains or losses are reflected in income.

The Company purchases foreign currency put options as a hedge against the effect of exchange rate fluctuations on income. These contracts give the Company the right, but not the requirement, to sell foreign currencies, primarily Japanese yen and European currencies, in exchange for U.S. dollars at predetermined exchange rates. These contracts are marked to market each month. The resulting gains or losses are reflected in income and are generally offset by losses or gains on the exposures being hedged. There were no such contracts outstanding at December 31, 1995, 1994, and 1993.

The Company manages its exposure to short-term interest rate changes by entering into interest rate swap contracts which effectively convert the floating interest rate on commercial paper borrowings to fixed rates. There were no such contracts outstanding at December 31, 1995. At December 31, 1994 and 1993, the Company held a $200 million contract, which matured in 1995. For 1995, the average floating rate received was 6.0% and the fixed rate paid was 4.7%. Gains or losses are recognized in income in the same period that the interest rate exposure is recognized.

The gross unrealized holding gains/(losses) on current investment securities and those maturing after one year totalled $5.6 million and $(4.3) million at December 31, 1995, respectively, and $2.5 million and $(9.2) million at December 31, 1994, respectively.

The carrying values and fair values of certain of the Company's financial instruments as of December 31 are shown in the table below. The carrying values of all other financial instruments approximate their estimated fair values. Fair value is the quoted market price of the instrument held or the quoted market price of a similar instrument. The counterparties to financial instruments consist of select major international financial institutions. The Company does not expect any losses from nonperformance by these counterparties.

(dollars in thousands)

	1995		1994		1993	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Current Investment Securities	$ 34,500	$ 34,596	$ 25,056	$ 25,160	$ 78,149	$ 78,319
Investment Securities Maturing after One Year	422,547	423,745	316,195	309,362	221,815	231,879
Long-Term Debt, Including Current Maturities	(436,635)	(441,791)	(308,750)	(276,134)	(308,920)	(304,038)
Foreign Currency Forward Exchange Contracts:						
In a (payable) position	(2,615)	(2,615)	(1,564)	(1,564)	-	-
In a receivable position	5,220	5,220	6,528	6,528	-	-
In a net receivable position	-	-	-	-	7,830	7,830
Foreign Currency Option Contracts	10,623	7,831	14,660	744	2,014	0
Interest Rate Swap Contract: In a receivable (payable) position	-	-	0	3,150	0	(2,280)

Note 4 - Retirement Plans
(dollars in thousands)

Retirement plans consist of defined benefit, defined contribution, and medical and dental plans.

Pension benefits for the Company's defined benefit plans generally are based on an employee's years of service and compensation near retirement. Certain plan benefits would vest and certain restrictions on the use of plan assets would take effect upon a change in control of the Company.

Net pension cost for the Company's significant defined benefit plans includes the following components:

	1995	1994	1993
Service cost - benefits earned during the year	$ 59,636	$ 67,768	$ 59,381
Interest cost on projected benefit obligations	94,101	85,414	84,864
Return on assets	(274,844)	915	(128,221)
Net amortization and deferral	139,491	(125,186)	(729)
Net pension cost	$ 18,384	$ 28,911	$ 15,295

The plans' funded status at December 31 was as follows:

	1995	1994	1993
Actuarial present value of benefit obligations -			
Vested benefits	$1,036,937	$799,425	$791,435
Nonvested benefits	140,232	104,120	97,985
Accumulated benefit obligations	$1,177,169	$903,545	$889,420
Plans' assets at fair value, principally listed securities	$1,600,368	$1,321,051	$1,342,541
Actuarial present value of projected benefit obligations	1,494,348	1,147,024	1,198,768
Projected benefit obligations less than plans' assets	106,020	174,027	143,773
Unrecognized net transitional asset	(52,915)	(63,866)	(74,710)
Unrecognized prior service cost	12,532	15,274	30,951
Unrecognized net gain	(11,315)	(101,139)	(57,724)
Net prepaid pension cost	$ 54,322	$ 24,296	$ 42,290

Assumptions used for the Company's major defined benefit plan as of December 31 include:

	1995	1994	1993
Discount rate for determining obligations and interest cost.	7 1/4%	8 1/2%	7 1/4%
Expected aggregate average long-term change in compensation.	4%	4%	4%
Expected long-term rate of return on assets.	9%	9%	9%

The Stock Retirement Plan is the principal defined contribution plan. Company contributions to this plan were $48,845 in 1995, $45,124 in 1994, and $41,225 in 1993, equal to 7.33 percent of dividends declared, as provided under the plan.

The Company provides certain medical and dental benefits to qualifying domestic retirees. Net post-retirement health care cost includes the following components:

	1995	1994	1993
Service cost - benefits earned during the year	$21,328	$27,605	$16,823
Interest cost on accumulated post-retirement benefit obligations.	36,412	35,578	29,266
Return on assets	(16,798)	810	(9,239)
Net amortization and deferral.	11,980	(1,561)	2,393
Net post-retirement health care cost	$52,922	$62,432	$39,243

The plans' funded status at December 31 was as follows:

	1995	1994	1993
Actuarial present value of benefit obligations -			
Retirees	$ 174,782	$ 164,153	$ 171,231
Fully eligible active participants	131,669	113,128	117,158
Other active participants.	250,518	186,778	162,219
Accumulated post-retirement benefit obligations.	556,969	464,059	450,608
Plans' assets at fair value, principally listed securities.	95,530	94,297	100,920
Accumulated post-retirement benefit obligations in excess of plans' assets	(461,439)	(369,762)	(349,688)
Unrecognized net loss.	168,307	129,477	161,692
Accrued post-retirement health care cost	$(293,132)	$(240,285)	$(187,996)

The discount rate and expected long-term rate of return on assets assumptions are identical to those used for the Company's major defined benefit plan. A 6 percent annual rate of increase in the per capita cost of covered health care benefits was assumed for 1996. This rate is assumed to decrease to 5 percent in 1998 and remain at that level thereafter. A one-percentage-point increase in the assumed health care cost trend rates would increase the accumulated post-retirement benefit obligations as of December 31, 1995 by approximately $91,800 and the total of the service and interest cost components of net post-retirement health care cost for the year then ended by approximately $12,900.

The Company provides certain other post-employment benefits, primarily salary continuation plans, to qualifying domestic employees, and accrues for the related cost over the service lives of the employees.

Note 5 - Investment Securities
(dollars in thousands)

The following is a summary of investment securities at December 31:

	1995	1994	1993
Current Investment Securities			
Time deposits and certificates of deposit	$ 10,000	$ 8,050	$ 32,350
Corporate debt obligations	-	-	40,155
Debt obligations issued or guaranteed by various governments or government agencies	24,500	17,006	5,644
Total	$ 34,500	$ 25,056	$ 78,149

	1995	1994	1993
Investment Securities Maturing after One Year			
Time deposits and certificates of deposit, maturing through 2000	$ 161,500	$ 66,500	$ 34,500
Corporate debt obligations, maturing through 2008	86,728	104,696	44,703
Debt obligations issued or guaranteed by various governments or government agencies, maturing through 2023	174,319	144,999	142,612
Total	$422,547	$316,195	$221,815

The Company generally holds investment securities until maturity. All investment securities classified as current as of December 31, 1995 mature before January 1, 1997.

Of the investment securities listed above, $452,445, $334,128, and $293,888, were held at December 31, 1995, 1994, and 1993, respectively, by subsidiaries operating in Puerto Rico under tax incentive grants expiring from 2002 through 2007. In addition, these subsidiaries held cash equivalents of $197,600, $164,700, and $197,200 at December 31, 1995, 1994, and 1993, respectively.

Note 6 - Incentive Stock Program

The 1991 Incentive Stock Program authorizes the granting of stock options, stock appreciation rights, limited stock appreciation rights, restricted stock awards, performance units, and foreign qualified benefits. Stock options, limited stock appreciation rights, restricted stock awards, and foreign qualified benefits have been granted and are currently outstanding under this program and prior programs. The purchase price of the shares under option must be at least 100 percent of the fair market value of the common stock on the date of grant.

Limited stock appreciation rights have been granted to certain holders of stock options and can be exercised, by surrendering related stock options, only upon a change in control of the Company. At December 31, 1995, 5,238,078 options, with purchase prices from $10.62 to $41.44 per share, were subject to limited stock appreciation rights. Upon a change in control of the Company, all outstanding stock options become fully exercisable, and all terms and conditions of all restricted stock awards are deemed satisfied.

At December 31, 1995, 6,524,432 shares were reserved for future grants under the 1991 Program.

Data with respect to stock options under the 1991 Program and prior programs are as follows:

	Options Outstanding	
	Shares	Price per Share
January 1, 1995	28,288,158	$ 6.31 to $33.82
Granted	5,827,269	31.50 to 42.70
Exercised	(4,332,070)	6.31 to 33.47
Lapsed	(282,570)	23.64 to 42.70
December 31, 1995	29,500,787	$ 8.10 to $42.70
Exercisable at December 31, 1995	18,654,652	$ 8.10 to $33.82

In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123 "Accounting for Stock-Based Compensation." The Company will continue to measure compensation cost using the intrinsic value-based method of accounting prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees."

Note 7 - Debt and Lines of Credit
(dollars in thousands)

The following is a summary of long-term debt at December 31:

	1995	1994	1993
5.6% debentures, due 2003.	$200,000	$200,000	$200,000
6.8% debentures, due 2005.	150,000	-	-
Industrial revenue bonds at various rates of interest, averaging 5.2% at December 31, 1995, and due at various dates through 2023	81,600	82,600	82,600
Other.	3,598	4,491	24,240
Total, net of current maturities . . .	$435,198	$287,091	$306,840

Payments required on long-term debt outstanding at December 31, 1995 are: $1,437 in 1996, $3,269 in 1997, $2,519 in 1998, $800 in 1999, and none in 2000.

At December 31, 1995, the Company had $400,000 of unused domestic lines of credit which support domestic commercial paper borrowing arrangements. Related compensating balances, which are subject to withdrawal by the Company at its option, and commitment fees are not material.

The Company's weighted average interest rate on short-term borrowings was 5.8%, 6.1%, and 4.1% at December 31, 1995, 1994, and 1993, respectively.

The Company may issue up to $150,000 of senior debt securities in the future under a registration statement filed with the Securities and Exchange Commission in 1993.

Note 8 - Quarterly Results (Unaudited)

(dollars in millions except per share data)

	1995	1994	1993
FIRST QUARTER			
Net Sales.	$2,524.4	$2,215.2	$2,045.6
Gross Profit	1,435.5	1,251.0	1,112.4
Net Earnings	417.3	366.2	345.5
Earnings Per Common Share.	.52	.45	.41
SECOND QUARTER			
Net Sales.	$2,500.3	$2,204.1	$2,073.8
Gross Profit	1,414.3	1,257.2	1,186.8
Net Earnings	424.0	376.6	346.1
Earnings Per Common Share.	.53	.46	.42
THIRD QUARTER			
Net Sales.	$2,390.8	$2,254.8	$2,060.4
Gross Profit	1,320.5	1,239.0	1,143.4
Net Earnings	382.0	351.3	316.2
Earnings Per Common Share.	.48	.43	.38
FOURTH QUARTER			
Net Sales.	$2,596.7	$2,481.9	$2,228.0
Gross Profit	1,516.1	1,415.0	1,280.5
Net Earnings	465.4	422.6	391.3
Earnings Per Common Share.	.59	.53	.48

Note 9 - 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.

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, 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.

Note 10 - Other Significant Events

In the first quarter 1993, the Company sold its peritoneal dialysis product line. The gain on the sale is reported in other (income) expense, net. In the second quarter 1993, the Company resolved various contingencies related to a 1992 product withdrawal and recorded a credit of $70 million for these items.

The Company currently owns 70% of the capital stock of a Japanese subsidiary. Subsequent to year-end, the Company entered into an agreement with the minority interest shareholder to purchase their 30% ownership over a ten-year period.

Note 11 - Industry Segment and Geographic Area Information
(dollars in millions)

The Company's principal business is the discovery, development, manufacture, and sale of a broad and diversified line of health care products and services. The Company's products are generally sold directly to retailers, wholesalers, hospitals, health care facilities, laboratories, physicians' offices and government agencies throughout the world. These products have been classified into the following industry segments:

PHARMACEUTICAL AND NUTRITIONAL PRODUCTS - Included are 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.

HOSPITAL AND LABORATORY PRODUCTS - Included are 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.

In the following tables, net sales by industry segment and geographic area include both sales to customers, as reported in the Consolidated Statement of Earnings, and inter-area sales (for geographic areas) at sales prices which approximate market. Operating profit excludes corporate expenses.

Industry Segments (a)	1995	1994	1993
Net Sales			
Pharmaceutical and nutritional	$5,629	$4,951	$4,389
Hospital and laboratory	4,383	4,205	4,019
Total	$10,012	$9,156	$8,408
Operating Profit			
Pharmaceutical and nutritional (b)	$1,586	$1,385	$1,211
Hospital and laboratory (c)	853	818	794
Operating Profit	2,439	2,203	2,005
Corporate expenses, net (d)	26	23	46
Interest (income) expense, net	18	13	16
Earnings Before Taxes	$2,395	$2,167	$1,943
Identifiable Assets			
Pharmaceutical and nutritional	$3,866	$3,415	$3,046
Hospital and laboratory	3,782	3,596	3,296
General corporate (e)	1,765	1,513	1,347
Total	$9,413	$8,524	$7,689
Capital Expenditures			
Pharmaceutical and nutritional	$ 459	$ 478	$ 475
Hospital and laboratory	483	447	474
General corporate	5	4	4
Total	$ 947	$ 929	$ 953
Depreciation and Amortization			
Pharmaceutical and nutritional	$ 252	$ 213	$ 189
Hospital and laboratory	311	295	292
General corporate	3	3	3
Total	$ 566	$ 511	$ 484

Geographic Areas (a)	1995	1994	1993
Net Sales			
United States:			
Domestic and export customers	$6,121	$5,758	$5,347
Inter-area	1,371	1,143	932
Total United States	7,492	6,901	6,279
Latin America	540	490	413
Europe, Mideast and Africa	1,918	1,662	1,554
Pacific, Far East and Canada	1,433	1,246	1,094
Eliminations	(1,371)	(1,143)	(932)
Total	$10,012	$9,156	$8,408
Operating Profit (b) and (c)			
United States	$1,653	$1,558	$1,390
Latin America	177	131	106
Europe, Mideast and Africa	385	352	301
Pacific, Far East and Canada	234	182	189
Eliminations	(10)	(20)	19
Total	$2,439	$2,203	$2,005
Identifiable Assets, Excluding General Corporate Assets (e)			
United States	$5,081	$4,809	$4,492
Latin America	330	274	228
Europe, Mideast and Africa	1,517	1,298	1,096
Pacific, Far East and Canada	927	827	703
Eliminations	(207)	(197)	(177)
Total	$7,648	$7,011	$6,342

(a) The 1995 net sales and operating profit were favorably affected by the relatively weaker U.S. dollar, while 1993 was unfavorably affected by the relatively stronger U.S. dollar. In 1994, net sales and operating profit were not significantly impacted by the fluctuations in the U.S. dollar.

(b) The 1993 operating profit was favorably impacted by a $70 pretax credit resulting from resolution of various contingencies related to a 1992 product withdrawal. The operating profit for 1993 was unfavorably impacted by the $104 pretax charge reflecting the settlement of certain claims and legal proceedings in connection with the sale and marketing of infant formula products. In 1994, a similar pretax amount was charged against earnings for other pending and settled litigation, while a significantly lower amount was charged against earnings in 1995.

(c) The 1993 operating profit was favorably impacted by the gain on the sale of the peritoneal dialysis product line.

(d) Corporate expenses not allocated to segments include results from joint ventures, net foreign exchange losses, minority interest expense and other general corporate income and expense. Net foreign exchange losses were $25.2 in 1995, $30.8 in 1994, and $41.3 in 1993.

(e) General corporate assets are principally prepaid income taxes, cash and cash equivalents, investment securities, and investments in joint ventures.

Abbott Laboratories and Subsidiaries

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of Abbott Laboratories:

We have audited the accompanying consolidated balance sheet of Abbott Laboratories (an Illinois corporation) and Subsidiaries as of December 31, 1995, 1994, and 1993, and the related consolidated statements of earnings, shareholders' investment, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Abbott Laboratories and Subsidiaries as of December 31, 1995, 1994, and 1993, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

Chicago, Illinois,
January 15, 1996

Arthur Andersen LLP

AUDIT COMMITTEE CHAIRMAN'S REPORT

The Audit Committee of the Board of Directors is composed of six non-employee directors. The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. The Committee held two meetings during 1995. In fulfilling its responsibility, the Committee recommended to the Board of Directors, subject to shareholder approval, the selection of the Company's independent public accountants. The Audit Committee discussed with the internal auditors and the independent public accountants the overall scope and specific plans for their respective audits. The Committee also discussed the Company's consolidated financial statements and the adequacy of the Company's internal controls. During the Audit Committee meetings the Committee met with the internal auditors and independent public accountants, without management present, to discuss the results of their audits, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting. The meetings also were designed to facilitate any private communication with the Committee desired by the internal auditors or independent public accountants.

John R. Walter
Chairman, Audit Committee

Abbott Laboratories and Subsidiaries

MANAGEMENT REPORT ON FINANCIAL STATEMENTS

Management has prepared, and is responsible for, the Company's consolidated financial statements and related notes. They have been prepared in accordance with generally accepted accounting principles and necessarily include amounts based on judgments and estimates by management. All financial information in this annual report is consistent with the consolidated financial statements.

The Company maintains internal accounting control systems and related policies and procedures designed to provide reasonable assurance that assets are safeguarded, that transactions are executed in accordance with management's authorization and properly recorded, and that accounting records may be relied upon for the preparation of consolidated financial statements and other financial information. The design, monitoring, and revision of internal accounting control systems involve, among other things, management's judgment with respect to the relative cost and expected benefits of specific control measures. The Company also maintains an internal auditing function which evaluates and formally reports on the adequacy and effectiveness of internal accounting controls, policies, and procedures.

The Company's consolidated financial statements have been audited by independent public accountants who have expressed their opinion with respect to the fairness of these statements.

Duane L. Burnham
Chairman and Chief Executive Officer

Gary P. Coughlan
Senior Vice President, Finance and Chief Financial Officer

Theodore A. Olson
Vice President and Controller

RESULTS OF OPERATIONS

SALES

The following table details the components of sales growth by industry segment and geographic area for the last three years:

Worldwide Sales	Total % Change	Components of Change %		
		Price	Volume	Exchange
Total Worldwide				
1995 vs. 1994	9.4	(0.1)	8.0	1.5
1994 vs. 1993	8.9	0.8	8.0	0.1
1993 vs. 1992	7.1	0.9	8.6	(2.4)
Domestic				
1995 vs. 1994	6.2	(0.8)	7.0	-
1994 vs. 1993	7.6	1.0	6.6	-
1993 vs. 1992	8.7	0.6	8.1	-
International				
1995 vs. 1994	14.5	1.1	9.5	3.9
1994 vs. 1993	11.1	0.5	10.4	0.2
1993 vs. 1992	4.5	1.4	9.5	(6.4)
Pharmaceutical and Nutritional Products				
Total Worldwide				
1995 vs. 1994	13.7	1.0	12.1	0.6
1994 vs. 1993	12.8	1.8	11.1	(0.1)
1993 vs. 1992	9.0	1.7	9.2	(1.9)
Domestic				
1995 vs. 1994	9.0	0.1	8.9	-
1994 vs. 1993	10.8	1.8	9.0	-
1993 vs. 1992	10.2	1.0	9.2	-
International				
1995 vs. 1994	23.6	2.9	18.8	1.9
1994 vs. 1993	17.2	1.9	15.6	(0.3)
1993 vs. 1992	6.5	3.4	9.2	(6.1)

Hospital and Laboratory Products				
Total Worldwide				
1995 vs. 1994	4.2	(1.3)	3.0	2.5
1994 vs. 1993	4.6	(0.4)	4.7	0.3
1993 vs. 1992	5.0	--	8.0	(3.0)
Domestic				
1995 vs. 1994	2.1	(2.1)	4.2	-
1994 vs. 1993	3.1	(0.2)	3.3	-
1993 vs. 1992	6.6	0.1	6.5	-
International				
1995 vs. 1994	6.9	(0.5)	1.9	5.5
1994 vs. 1993	6.5	(0.6)	6.5	0.6
1993 vs. 1992	3.0	(0.1)	9.8	(6.7)

Sales of new products in the pharmaceutical and nutritional segment and the hospital and laboratory segment in 1995 are estimated to be $225 million and $525 million, respectively. Sales in international markets represented 40 percent of worldwide sales in 1995 and approximately 38 percent in 1994 and 1993.

The classes of products which contributed at least 10 percent to consolidated net sales in at least one of the last three years were:

(dollars in millions)	1995	1994	1993
Anti-Infectives	$1,291	$ 994	$ 784
Medical Nutritionals	1,172	1,011	864
Infant Formula	1,109	1,180	1,147

Increases in anti-infectives and medical nutritionals were primarily due to unit increases. Worldwide sales of infant formula decreased in 1995 primarily due to unit decreases, and increased in 1994 primarily due to net price increases.

OPERATING EARNINGS

Gross profit margins (sales less cost of products sold, including freight and distribution expenses) were 56.8 percent of sales in 1995, 56.4 percent in 1994, and 56.2 percent in 1993. The increase in 1995 was due to favorable product mix, especially higher sales of pharmaceuticals, and productivity improvements, partially offset by higher project expenses for new products, higher manufacturing capacity costs for anticipated unit growth, and the effects of inflation and competitive pricing pressures in some product lines. The increases in 1994 and 1993 are the result of favorable product mix, especially higher sales of pharmaceuticals, productivity improvements, and net price increases in some product lines, partially offset by the impacts of inflation and competitive pricing pressures in some product lines. Gross profit margins were favorably affected by the relatively weaker U.S. dollar in 1995, while fluctuations in the U.S. dollar had an insignificant impact on gross profit margins in 1994. Gross profit margins in 1993 were unfavorably impacted by the relatively stronger U.S. dollar. In the U.S., states receive price rebates from manufacturers of infant formula under the federally subsidized Special Supplemental Food Program for Women, Infants, and Children (WIC). The WIC rebate programs continue to have a negative effect on the gross profit margins of this portion of the infant formula business.

Research and development expense increased to $1.073 billion in 1995, and represented 10.7 percent of net sales, compared to 10.5 percent of net sales in both 1994 and 1993. Research and development expenditures continue to be concentrated on pharmaceutical and diagnostic products.

Selling, general and administrative expenses increased 8.6 percent in 1995, including the effects of the relatively weaker dollar of 1.8 percent, compared to increases of 3.3 percent in 1994, and 8.5 percent in 1993. The 1995 increase reflects a higher level of selling and marketing to support new product launches in the pharmaceutical and nutritional segment, and contributions to the Company's charitable foundation. The 1994 increase reflects additional selling and marketing to support new product launches in the pharmaceutical and nutritional segment. The 1993 increase reflects a pretax charge to earnings of approximately $104 million for the settlement of certain claims and legal proceedings in connection with the sale and marketing of infant formula products. A similar amount was charged against earnings in 1994 for other pending and settled litigation, while a significantly lower amount was charged against earnings in 1995.

In 1993, the Company resolved various contingencies related to a 1992 product withdrawal and recorded a pretax credit to earnings of $70 million for these items.

OTHER (INCOME) EXPENSE, NET

Other (income) expense, net, includes net foreign exchange losses of $25.2 million in 1995, $30.8 million in 1994, and $41.3 million in 1993, including net exchange (gains) losses on foreign currency contracts. These contracts were purchased to manage the Company's exposure to foreign currency rate changes. Other (income) expense, net, also includes the Company's share of the income from joint ventures, primarily TAP Holdings Inc., minority interest expense, and, in 1993, the gain on the sale of the Company's peritoneal dialysis product line.

TAXES ON EARNINGS

The Company's effective income tax rate for 1995 was 29.5 percent, compared to 30.0 percent for 1994 and 28.0 percent for 1993. The 1994 and 1995 tax rates were unfavorably impacted by the reduction in tax incentive grants for Puerto Rico operations.

FINANCIAL CONDITION

CASH FLOW

The Company expects positive cash flow from operating activities to continue to approximate or exceed the Company's capital expenditures and cash dividends.

DEBT AND CAPITAL

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 December 31, 1995. These lines of credit support domestic commercial paper borrowing arrangements.

In 1993, the Company filed a registration statement with the Securities and Exchange Commission for the issuance of $500 million of senior debt securities and issued $200 million of 5.6% notes due 2003. In 1995, the Company issued $150 million of 6.8% notes due 2005. 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.

During the last three years, the Company purchased 58,030,000 of its common shares at a cost of $1.853 billion, including 6,630,000 shares of the 20,000,000 shares authorized for purchase by the Board of Directors in September 1995.

CAPITAL EXPENDITURES

Capital expenditures of $947 million in 1995, $929 million in 1994, and $953 million in 1993, were principally for upgrading and expanding manufacturing and research and development facilities in both segments, for laboratory instruments and hospital equipment leased to customers, and for administrative support facilities. This level of capital expenditures is expected to continue over the next few years, with a relatively equal proportion dedicated to each segment.

BUSINESS ACQUISITION

In December 1994, a United Kingdom subsidiary of the Company purchased the operating assets of the nutritional business of Puleva Union Industrial y Agroganadera, S.A. for $106 million. Had this acquisition taken place on January 1, 1994, consolidated sales and income would not have been significantly different from reported amounts.

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 state level 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.

Exhibit 13

Abbott Laboratories and Subsidiaries

SUMMARY OF SELECTED FINANCIAL DATA

Year Ended December 31

(Dollars in Millions Except Per Share Data)

		1995	1994	1993	1992	1991
Summary of Operations:						
Net sales	$	10,012.2	9,156.0	8,407.8	7,851.9	6,876.6
Cost of products sold	$	4,325.8	3,993.8	3,684.7	3,505.3	3,140.0
Research and development	$	1,072.7	963.5	881.0	772.4	666.3
Selling, general and administrative	$	2,230.7	2,054.5	1,988.2	1,833.2	1,513.3
Operating earnings (1)	$	2,382.9	2,144.2	1,924.0	1,526.0	1,557.0
Interest expense	$	69.5	49.7	54.3	53.0	63.8
Interest income	$	(51.8)	(36.9)	(37.8)	(42.3)	(45.1)
Other (income) expense, net	$	(30.2)	(35.3)	(35.7)	48.5	(5.9)
Earnings before taxes (2)	$	2,395.3	2,166.7	1,943.2	1,738.8	1,544.2
Taxes on earnings	$	706.6	650.0	544.1	499.7	455.5
Earnings before extraordinary gain and accounting change (3)	$	1,688.7	1,516.7	1,399.1	1,239.1	1,088.7
Earnings per common share before extra-ordinary gain and accounting change (3)	$	2.12	1.87	1.69	1.47	1.27
Financial Position:						
Working capital	$	436.4	400.5	490.6	449.2	661.7
Investment securities maturing after one year	$	422.5	316.2	221.8	270.6	340.2
Net property and equipment	$	4,249.5	3,920.9	3,511.0	3,099.2	2,662.1
Total assets	$	9,412.6	8,523.7	7,688.6	6,941.2	6,255.3
Long-term debt	$	435.2	287.1	306.8	110.0	125.1
Shareholders' investment	$	4,396.8	4,049.4	3,674.9	3,347.6	3,203.0
Return on shareholders' investment	%	40.0	39.3	39.8	37.8	36.1
Book value per share	$	5.58	5.04	4.48	4.00	3.77
Other Statistics:						
Gross profit margin	%	56.8	56.4	56.2	55.4	54.3
Research and development to net sales	%	10.7	10.5	10.5	9.8	9.7
Capital expenditures	$	947.0	929.5	952.7	1,007.2	732.8
Cash dividends declared per common share	$	.84	.76	.68	.60	.50
Common shares outstanding (in thousands)		787,307	803,280	821,130	836,052	850,530
Number of common shareholders		89,831	86,324	82,947	75,703	56,541
Number of employees		50,241	49,464	49,659	48,118	45,694
Sales per employee (in dollars)	$	199,283	185,105	169,312	163,180	150,492
Market price per share-high	$	44 3/4	34	30 7/8	34 1/8	34 3/4
Market price per share-low	$	30 5/8	25 3/8	22 5/8	26 1/8	19 5/8
Market price per share-close	$	41 5/8	32 5/8	29 5/8	30 3/8	34 3/8

Abbott Laboratories and Subsidiaries

SUMMARY OF SELECTED FINANCIAL DATA (CONTINUED)

Year Ended December 31

(Dollars in Millions Except Per Share Data)

(1) In 1992, the Company recorded a pretax charge of $215 for costs associated with the voluntary withdrawal of temafloxacin from the worldwide market. In 1993, the Company resolved various contingencies related to the withdrawal and recorded a pretax credit of $70.

(2) In 1992, the Company recorded a pretax gain of $272 on the sale of its investment in Boston Scientific Corporation.

(3) In 1991, the Company realized an after-tax gain of $128, or $.15 per share, on the sale of an investment. The Company also adopted Statement of Financial Accounting Standards No. 106, which resulted in an after-tax transition expense of $128, or $.15 per share.

EXHIBIT

SUBSIDIARIES OF ABBOTT LABORATORIES

The following is a list of subsidiaries of the Company. Abbott Laboratories is not a subsidiary of any other corporation.

Domestic Subsidiaries	State of Incorporation
Abbott Chemicals, Inc.	Delaware
Abbott Chemicals Plant, Inc.	Puerto Rico
Abbott Health Products, Inc.	Delaware
Abbott Home Infusion Services of New York, Inc.	New York
Abbott International Ltd.	Delaware
Abbott International Ltd. of Puerto Rico	Puerto Rico
Abbott Laboratories International Co.	Illinois
Abbott Laboratories Pacific Ltd.	Illinois
Abbott Laboratories (Puerto Rico) Incorporated	Puerto Rico
Abbott Laboratories Residential Development Fund, Inc.	Illinois
Abbott Laboratories Services Corp.	Illinois
Abbott Manufacturing, Inc.	Delaware
Abbott Trading Company, Inc.	Virgin Islands
Abbott Universal Ltd.	Delaware

CMM Transportation, Inc.	Delaware
Corporate Alliance, Inc.	Delaware
Fuller Research Corporation	Delaware
Laser Surgery Partnership	Illinois
Medlase Holding Corporation	Delaware
North Shore Properties, Inc.	Delaware
Oximetrix de Puerto Rico, Inc.	Delaware
Oximetrix, Inc.	Delaware
Sequoia Turner Corporation	California
Sequoia Turner Export Corporation	California
Solartek Products, Inc.	Delaware
Sorenson Research Co., Inc.	Utah
Swan-Myers, Incorporated	Indiana
TAP Holdings Inc.	Delaware
TAP Pharmaceuticals Inc.	Delaware
Tobal Products Incorporated	Illinois

Foreign Subsidiaries	Country in Which Organized
Abbott Laboratories Argentina, S.A.	Argentina
Abbott Australian Holdings Pty. Limited	Australia
Abbott Australasia Pty. Limited	Australia
Abbott Laboratories Executive Superannuation Pty. Limited	Australia
Abbott Laboratories Superannuation Pty. Limited	Australia
Abbott Gesellschaft m.b.H.	Austria
Abbott Hospitals Limited	Bahamas
Abbott Laboratories (Bangladesh) Ltd.	Bangladesh
Abbott, S.A.	Belgium
Abbott Ireland (formerly Abbott Ireland Limited)	Bermuda
Abbott Laboratorios do Brasil Ltda.	Brazil
Abbott Laboratories Limited	Canada
Abbott Laboratories de Chile Limitada	Chile
Ningbo Asia-Pacific Biotechnology Ltd.	China, People's Republic of
Abbott Laboratories de Colombia, S.A.	Colombia
Abbott Laboratories A/S	Denmark
Abbott Laboratorios del Ecuador, S.A.	Ecuador

Abbott, S.A. de C.V.	El Salvador
Abbott Investments Limited	England
Abbott Laboratories Limited	England
Abbott Laboratories Trustee Company Limited	England
Abbott France S.A.	France
Abbott G.m.b.H.	Germany
Abbott Diagnostics G.m.b.H.	Germany
Abbott Laboratories (Hellas) S.A.	Greece
FAMAR Panos A. Marinopoulos S.A.	Greece
FAMAR Anonymous Industrial Co. of Pharmaceuticals and Cosmetics	Greece
Abbott Grenada Limited	Grenada
Abbott Laboratorios, S.A.	Guatemala
Abbott Laboratories Limited	Hong Kong
Abbott Laboratories (India) Limited	India
Abind Healthcare Private Limited	India
P. T. Abbott Indonesia	Indonesia
Abbott Laboratories, Ireland, Limited	Ireland
Abbott Ireland Ltd.	Ireland

Abbott S.p.A.	Italy
Laboratori Abbott S.p.A.	Italy
Abbott West Indies Limited	Jamaica
Consolidated Laboratories Limited	Jamaica
Abbott Japan K.K.	Japan
Dainabot K.K.	Japan
Abbott Korea Limited	Korea
Abbott Middle East S.A.R.L.	Lebanon
Abbott Laboratories (Malaysia) Sdn. Bhd.	Malaysia
Abbott Laboratories de Mexico, S.A. de C.V.	Mexico
Abbott Laboratories (Mozambique) Limitada	Mozambique
Abbott B.V.	The Netherlands
Abbott Finance B.V.	The Netherlands
Abbott Holdings B.V.	The Netherlands
Abbott Laboratories B.V. (formerly M & R Laboratoria B.V.)	The Netherlands
Edisco B.V.	The Netherlands
Abbott Laboratories (N.Z.) Limited	New Zealand
Abbott Laboratories Nigeria Limited	Nigeria
Abbott Laboratories (Pakistan) Limited	Pakistan
Abbott Laboratories, C.A.	Panama

Abbott Overseas, S.A.	Panama
Abbott Laboratorios S.A.	Peru
Abbott Laboratories	Philippines
l02 E. de los Santos Realty Co., Inc.	Philippines
Union-Madison Realty Company, Inc.	Philippines
Abbott Laboratorios, Limitada	Portugal
Abbott Laboratories (Singapore) Private Limited	Singapore
Abbott Laboratories South Africa (Pty.) Limited	South Africa
Abbott Laboratories, S.A.	Spain
Abbott Cientifica, S.A.	Spain
Abbott Scandinavia A.B.	Sweden
Abbott A.G.	Switzerland
Abbott Laboratories S.A.	Switzerland
Abbott Finance Company S.A. (formerly Abbott Finance Company S.a r.l.)	Switzerland
Abbott Laboratories Taiwan Limited	Taiwan
Abbott Laboratories Limited	Thailand
Abbott Laboratuarlari Ithalat Ihracat Ve Tecaret Anonim Sirketi	Turkey
Abbott Laboratories Uruguay Limitada	Uruguay

Abbott Laboratories, C.A.	Venezuela
Medicamentos M & R, S.A.	Venezuela

Date: as of January 31, 1996

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of the following into the Company's previously filed S-8 Registration Statements 33-4368 for the Abbott Laboratories 1986 Incentive Stock Program, 33-39798 for the Abbott Laboratories 1991 Incentive Stock Program, and 33-26685, 33-51585, 33-56897, and 33-65127 for the Abbott Laboratories Stock Retirement Plan and Trust and into the Company's previously filed S-3 Registration Statement Number 33-50253:

1. Our supplemental report dated January 15, 1996 included in this Annual Report on Form 10-K for the year ended December 31, 1995; and

2. Our report dated January 15, 1996 incorporated by reference in this Annual Report on Form 10-K for the year ended December 31, 1995.

ARTHUR ANDERSEN LLP

Chicago, Illinois,
March 6, 1996

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THIS SCHEDULE CONTAINS TWELVE MONTH YEAR-TO-DATE SUMMARY FINANCIAL INFORMATION EXTRACTED FROM ABBOTT LABORATORIES 1995 FORM 10-K AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FORM 10-K FILING

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JAN-01-1995	
DEC-31-1995	
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	2.10

30) OTHER EXPENSES CONSIST OF RESEARCH AND DEVELOPMENT EXPENSES