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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-K

(MARK ONE)

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

OR

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

For the fiscal year ended December 31, 2009 **Commission file number 1-2189**

Abbott Laboratories

An Illinois Corporation
100 Abbott Park Road
Abbott Park, Illinois 60064-6400

36-0698440
(I.R.S. employer identification number)
(847) 937-6100
(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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Yes o No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer o Non-accelerated Filer o Smaller Reporting Company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes o No ☒

The aggregate market value of the 1,492,249,135 shares of voting stock held by nonaffiliates of the registrant, computed by reference to the closing price as reported on the New York Stock Exchange, as of the last business day of Abbott Laboratories' most recently completed second fiscal quarter (June 30, 2009), was $70,195,399,310. Abbott has no non-voting common equity.

Number of common shares outstanding as of January 31, 2010: 1,552,643,385

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the 2010 Abbott Laboratories Proxy Statement are incorporated by reference into Part III. The Proxy Statement will be filed on or about March 15, 2010.

PART I

ITEM 1. BUSINESS

GENERAL DEVELOPMENT OF BUSINESS

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

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

Incorporated herein by reference is Note 7 entitled "Segment and Geographic Area Information" of the Notes to Consolidated Financial Statements included under Item 8, "Financial Statements and Supplementary Data" and the sales information related to Humira® included in "Financial Review."

NARRATIVE DESCRIPTION OF BUSINESS

Abbott has four reportable revenue segments: Pharmaceutical Products, Diagnostic Products, Nutritional Products, and Vascular Products.

On February 15, 2010, Abbott completed its acquisition of the Solvay Group's pharmaceuticals business for EUR 4.5 billion (approximately $6.2 billion), in cash, plus additional payments of up to EUR 300 million if certain sales milestones are met. This acquisition will provide Abbott with a large and complementary portfolio of pharmaceutical products and a significant presence in key global emerging markets and will add approximately $500 million to Abbott's research and development spending.

In February 2009, Abbott acquired the outstanding shares of Advanced Medical Optics, Inc. (AMO) for approximately $1.4 billion in cash, net of cash held by AMO.

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

Pharmaceutical Products

These products include a broad line of adult and pediatric pharmaceuticals manufactured, marketed, and sold worldwide and are generally sold directly to wholesalers, distributors, government agencies, health care facilities, specialty pharmacies, and independent retailers from Abbott-owned distribution centers and public warehouses. Outside the United States, sales are made either directly to customers or through distributors, depending on the market served. Certain products are co-marketed or co-promoted with other companies.

The principal products included in the Pharmaceutical Products segment are:

- Humira®, for the treatment of rheumatoid arthritis, psoriatic arthritis, ankylosing spondylitis, psoriasis, and Crohn's disease;
- TriCor®, Trilipix®, Simcor®, and Niaspan®, for the treatment of dyslipidemia;
- Kaletra®, Aluvia™, and Norvir®, protease inhibitors for the treatment of HIV infection;
- Synthroid®, for the treatment of hypothyroidism;
- Lupron®, also marketed as Lucrin®, and Lupron Depot®, used for the palliative treatment of advanced prostate cancer, treatment of endometriosis and central precocious puberty, and for the preoperative treatment of patients with anemia caused by uterine fibroids;
- Depakote®, an agent for the treatment of epilepsy and bipolar disorder and the prevention of migraines;
- the anesthesia products sevoflurane (sold in the United States under the trademark Ultane® and outside of the United States primarily under the trademark Sevorane® and in a few other markets as Ultane®), isoflurane, and enflurane;
- the anti-infective clarithromycin (sold under the trademarks Biaxin®, Klacid®, and Klaricid®), and various forms of the antibiotic erythromycin, sold primarily as PCE® or polymercoated erythromycin, Erythrocin®, and E.E.S.®;
- Zemplar®, for the prevention and treatment of secondary hyperparathyroidism associated with chronic kidney disease and Stage 5 treatment; and
- Ogastro (lansoprazole), a proton pump inhibitor that is marketed outside of the United States and used principally for the short-term treatment of gastroesophageal reflux disease, duodenal ulcers, gastric ulcers, and erosive esophagitis.

The Pharmaceutical Products segment directs its primary marketing efforts toward securing the prescription, or recommendation, of Abbott's brand of products by physicians. Managed care providers (for example, health maintenance organizations and pharmacy benefit managers) and state and federal governments and agencies (for example, the United States Department of Veterans Affairs and the United States Department of Defense) are also important customers.

Competition in the Pharmaceutical Products segment is generally from other health care and pharmaceutical companies. The search for technological innovations in pharmaceutical products is a significant aspect of competition in this segment. The introduction of new products by competitors and changes in medical practices and procedures can result in product obsolescence in the Pharmaceutical Products segment. Price can also be a factor. In addition, the substitution of generic drugs for the brand prescribed has increased competitive pressures on pharmaceutical products that are off-patent.

Diagnostic Products

These products include a broad line of diagnostic systems and tests manufactured, marketed, and sold worldwide to blood banks, hospitals, commercial laboratories, clinics, physicians' offices, alternate-care testing sites, and plasma protein therapeutic companies. The segment's products are generally marketed and sold directly from Abbott-owned distribution centers and public warehouses and third-party distributors. Outside the United States, sales are made either directly to customers or through distributors, depending on the market served. In January 2009, Abbott acquired Ibis Biosciences, Inc. for $175 million, in cash, to expand Abbott's position in molecular diagnostics for infectious disease. Including a $40 million investment in Ibis in 2008, Abbott has acquired 100 percent of the outstanding shares of Ibis.

The principal products included in the Diagnostic Products segment are:

- immunoassay systems, including ARCHITECT®, AxSYM®, IMx®, Commander®, Abbott PRISM®, TDx®, and TDxFlx®;
- chemistry systems such as ARCHITECT® c4000™, c8000®, and c16000®;
- assays used for screening and/or diagnosis for drugs of abuse, cancer, therapeutic drug monitoring, fertility, physiological diseases, and infectious diseases such as hepatitis and HIV;
- the m2000™, an instrument that automates the extraction, purification, and preparation of DNA and RNA from patient samples and detects and measures infectious agents including HIV, HBV, HCV, HPV, and CT/NG;
- the Vysis® product line of genomic-based tests, including the PathVysion® HER-2 DNA probe kit and the UroVysion® bladder cancer recurrence kit;
- a full line of hematology systems and reagents known as the Cell-Dyn® series; and
- the i-STAT® point-of-care diagnostic systems and tests for blood analysis.

In addition, under a distribution agreement with Celera Group, the Diagnostic Products segment exclusively distributes certain Celera molecular diagnostic products, including the Viroseq™ HIV genotyping system and products used for the detection of mutations in the CFTR gene, which causes cystic fibrosis.

The Diagnostic Products segment's products are 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. Some products in this segment can be subject to rapid product obsolescence or regulatory changes. Although Abbott has benefited from technological advantages of certain of its current products, these advantages may be reduced or eliminated as competitors introduce new products.

Nutritional Products

These products include a broad line of pediatric and adult nutritional products manufactured, marketed, and sold worldwide. These products are generally marketed and sold to institutions, wholesalers, retailers, health care facilities, government agencies, and third-party distributors from Abbott-owned distribution centers or third-party distributors. Outside the United States, sales are made either directly to customers or through distributors, depending on the market served.

Principal products in the Nutritional Products segment include:

- various forms of prepared infant formula and follow-on formula, including Similac®Advance®, SimilacAdvance EarlyShield®, Similac®, Similac® with Iron, Similac Sensitive®, Similac Sensitive® RS, Similac Go&Grow®, Similac® NeoSure®, Similac® Organic, Similac® Special Care®, Isomil® Advance®, Isomil®, Isomil Go&Grow™, Alimentum®, Gain™, and Grow™;

- adult and other pediatric nutritional products, including Ensure®, Ensure Plus®, Ensure® High Protein, Glucerna®, ProSure™, PediaSure®, PediaSure® NutriPals®, EleCare®, Juven®, Abound®, and Pedialyte®;

- nutritional products used in enteral feeding in health care institutions, including Jevity®, Glucerna® 1.2 Cal, Glucerna® 1.5 Cal, Osmolite®, Oxepa®, and Nepro®; and

- ZonePerfect® bars and the EAS family of nutritional brands, including Myoplex® and AdvantEdge®.

Primary marketing efforts for nutritional products are directed toward securing the recommendation of Abbott's brand of products by physicians or other health care professionals. In addition, certain nutritional products sold as Gain™, Grow™, PediaSure®, PediaSure® NutriPals®, Pedialyte®, Ensure®, ZonePerfect®, EAS®/Myoplex®, and Glucerna® are also promoted directly to the public by consumer marketing efforts in select markets.

Competition for nutritional products in the segment is generally from other diversified consumer and health care manufacturers. Competitive factors include consumer advertising, formulation, packaging, scientific innovation, intellectual property, price, and availability of product forms. A significant aspect of competition is the search for ingredient innovations. The introduction of new products by competitors, changes in medical practices and procedures, and regulatory changes can result in product obsolescence. In addition, private label and local manufacturers' products may increase competitive pressure.

Vascular Products

These products include a broad line of coronary, endovascular, and vessel closure devices for the treatment of vascular disease manufactured, marketed and sold worldwide. The segment's products are generally marketed and sold directly to hospitals from Abbott-owned distribution centers and public warehouses. Outside the United States, sales are made either directly to customers or through distributors, depending on the market served. On October 30, 2009, Abbott acquired Evalve, Inc. for $320 million, in cash, plus an additional payment of $90 million to be made upon completion of certain regulatory milestones. Abbott acquired Evalve to obtain a presence in the growing area of percutaneous treatment for structural heart disease. Including a previous investment in Evalve, Abbott has acquired 100 percent of the outstanding shares of Evalve.

The principal products included in the Vascular Products segment are:

- Xience Prime™ and Xience V®, drug-eluting stent systems developed on the Multi-Link Vision® platform;

- Multi-Link 8™, Multi-Link Vision® and Multi-Link Mini Vision®, coronary metallic stents;

- Voyager® balloon dilatation products;

- Hi-Torque Balance Middleweight™ and Asahi coronary guidewires;

- StarClose® and Perclose® vessel closure devices;

- Acculink®/Accunet® and Xact®/Emboshield NAV^{6}™, carotid stent systems; and

- MitraClip™, a percutaneous valve repair system.

The Vascular Products segment's products are subject to competition in technological innovation, price, convenience of use, service, product performance, long-term supply contracts, and product potential for overall cost-effectiveness and productivity gains. Some products in this segment can be subject to rapid product obsolescence or regulatory changes. Although Abbott has benefited from technological advantages of certain of its current products, these advantages may be reduced or eliminated as competitors introduce new products.

Other Products

The principal products in Abbott's other businesses include blood glucose monitoring meters, test strips, data management software and accessories for people with diabetes, including the FreeStyle® product line, and medical devices for the eye, including cataract surgery, lasik surgery, contact lens, and dry eye products. These products are mostly marketed worldwide and generally sold directly to wholesalers, government agencies, health care facilities, mail order pharmacies, and independent retailers from Abbott-owned distribution centers and public warehouses. Some of these products are marketed and distributed through distributors. Blood glucose monitoring meters, contact lens care products, and dry eye products are also marketed and sold over-the-counter to consumers. These products are subject to competition in technological innovation, price, convenience of use, service, and product performance, and these products can be subject to rapid product obsolescence or regulatory changes. In October 2009, Abbott acquired 100 percent of Visiogen, Inc. for $400 million in cash, providing Abbott with a next-generation accommodating intraocular lens (IOL) technology to address presbyopia for cataract patients.

INFORMATION WITH RESPECT TO ABBOTT'S BUSINESS IN GENERAL

Sources and Availability of Raw Materials

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

Patents, Trademarks, and Licenses

Abbott is aware of the desirability for patent and trademark protection for its products. Accordingly, where possible, patents and trademarks are sought and obtained for Abbott's products in the United States and all countries of major marketing interest to Abbott. Abbott owns and is licensed under a substantial number of patents and patent applications. Principal trademarks and the products they cover are discussed in the Narrative Description of Business on pages 1 through 5. These, and various patents which expire during the period 2010 to 2029, in the aggregate are believed to be of material importance in the operation of Abbott's business. Abbott believes that no single patent, license, trademark (or related group of patents, licenses, or trademarks), except for those related to adalimumab (which is sold under the trademark Humira®), are material in relation to Abbott's business as a whole. The United States composition of matter (that is, compound) patents covering adalimumab will expire in December 2016. In addition, the following patents, licenses, and trademarks are significant for Abbott's Pharmaceutical Products segment: those related to lopinavir/ritonavir (which is sold under the trademarks Kaletra® and Aluvia™), those related to fenofibrate (which is sold under the trademarks TriCor® and Trilipix®), and those related to niacin (which is sold under the trademarks Niaspan® and Simcor®). The United States composition of matter patent covering lopinavir will expire in 2016. The United States non-composition of matter patent covering lopinavir/ritonavir will expire in 2016. The principal United States non-composition of matter patents covering the fenofibrate products will expire in 2011, 2018, 2020, 2023, and 2025. The principal United States non-composition of matter patents covering the niacin products will expire in 2013, 2014, 2017, and 2018. Litigation related to the products listed above is discussed in Legal Proceedings on pages 15 through 18.

Although the expiration of a composition of matter patent may lead to increased competition, in most cases Abbott owns or has a license to other patents that expire after the composition of matter patent related to particular formulations, uses, or processes for manufacturing the pharmaceutical. These non-composition of matter patents and Abbott's other intellectual property, along with such other factors as a competitor's need to obtain regulatory approvals prior to marketing a competitive product and the nature of the market, may allow Abbott to continue to have commercial advantages after the expiration of the composition of matter patent, including in some instances exclusivity.

Seasonal Aspects, Customers, Backlog, and Renegotiation

There are no significant seasonal aspects to Abbott's business. Abbott has no single customer that, if the customer were lost, would have a material adverse effect on Abbott. Orders for Abbott's products are generally filled on a current basis, and order backlog is not material to Abbott's business. No material portion of Abbott's business is subject to renegotiation of profits or termination of contracts at the election of the government.

Research and Development

Abbott spent $2,743,733,000 in 2009, $2,688,811,000 in 2008, and $2,505,649,000 in 2007 on research to discover and develop new products and processes and to improve existing products and processes. The majority of research and development expenditures is concentrated on pharmaceutical products.

Environmental Matters

Abbott 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. Abbott's capital and operating expenditures for pollution control in 2009 were approximately $16 million and $58 million, respectively. Capital and operating expenditures for pollution control in 2010 are estimated to be $8 million and $63 million, respectively.

Abbott has been identified as one of many potentially responsible parties in investigations and/or remediations at several locations in the United States, including Puerto Rico, under the Comprehensive Environmental Response, Compensation, and Liability Act, commonly known as Superfund. Abbott is also engaged in remediation at several other sites, some of which are owned by Abbott, in cooperation with the Environmental Protection Agency (EPA) or similar agencies. While it is not feasible to predict with certainty the final costs related to those investigations and remediation activities, Abbott 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 Abbott's financial position, cash flows, or results of operations.

Employees

Abbott employed approximately 73,000 persons as of December 31, 2009.

Regulation

The development, manufacture, sale, and distribution of Abbott's products are subject to comprehensive government regulation. Government regulation by various federal, state, and local agencies, both domestic and international, which includes detailed inspection of, and controls over, research and laboratory procedures, clinical investigations, product approvals and manufacturing, marketing and promotion, sampling, distribution, record keeping, storage, and disposal practices, and achieving compliance with these regulations, 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 delay in the release of products, seizure or recall of products, suspension or revocation of the authority necessary for their production and sale, and other civil or criminal sanctions, including fines and penalties. In addition, governmental regulatory agencies require prescription drug and medical device manufacturers to pay fees, such as application, product, and establishment fees.

Abbott is a party to a consent decree entered in 1999 that requires Abbott to ensure its diagnostics manufacturing processes in Lake County, Illinois conform to the U.S. Food and Drug Administration's (FDA) Quality System Regulation and restricts the sale in the United States of certain products in the

Diagnostic Products segment. In 2003, the FDA concluded that those operations were in substantial conformity with the Quality System Regulation.

International operations are also subject to a significant degree of government regulation and country-specific rules and regulations. Many countries, directly or indirectly, through reimbursement or pricing limitations, control the selling price of most health care products. Furthermore, many countries limit the importation of raw materials and finished products.

Continuing studies of the utilization, safety, efficacy, and outcomes 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 may give rise to claims for damages from persons who believe they have been injured as a result of their use.

Access to and 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 generic substitution legislation requiring or permitting a dispensing pharmacist to substitute a different manufacturer's version of a pharmaceutical product for the one prescribed. In addition, the federal government follows a diagnosis-related group (DRG) payment system for certain institutional services provided under Medicare or Medicaid and has implemented a prospective payment system (PPS) for services delivered in hospital outpatient, nursing home, and home health settings. DRG and PPS entitle a health care facility to a fixed reimbursement based on the diagnosis and/or procedure 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. Medicare enters into contracts with private plans to negotiate prices for medicine delivered under Part D and must develop a competitive bid system for durable medical equipment, enteral nutrition products, and supplies. Under federal law, manufacturers must pay certain statutorily-prescribed rebates to state Medicaid programs on prescription drugs reimbursed under state Medicaid plans. In addition, a majority of states are seeking additional rebates. 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, Public Health Service entities and institutions, as well as certain other covered entities.

In the United States, governmental cost containment efforts have extended to the federally funded Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). All states are mandated to have in place a cost containment program for infant formula. As a result, states obtain rebates from manufacturers of infant formula whose products are used in the program through competitive bidding.

Abbott expects debate to continue during 2010 at all government levels over marketing, availability, method of delivery, and payment for health care products and services. Abbott believes that if legislation is enacted, it could change access to health care products and services, increase rebates, reduce prices or the rate of price increases for health care products and services, create new fees for the pharmaceutical and medical device industries, or require additional reporting and disclosure.

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 Abbott or the health care industry in general might be affected by the matters discussed above.

INTERNATIONAL OPERATIONS

Abbott markets products worldwide 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.

INTERNET INFORMATION

Copies of Abbott's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge through Abbott's investor relations website (*www.abbottinvestor.com*) as soon as reasonably practicable after Abbott electronically files the material with, or furnishes it to, the Securities and Exchange Commission.

Abbott's corporate governance guidelines, outline of directorship qualifications, code of business conduct and the charters of Abbott's audit committee, compensation committee, nominations and governance committee, and public policy committee are all available on Abbott's investor relations website (*www.abbottinvestor.com*).

ITEM 1A. RISK FACTORS

In addition to the other information in this report, the following risk factors should be considered before deciding to invest in any of Abbott's securities. Additional risks and uncertainties not presently known to Abbott, or risks Abbott currently considers immaterial, could also affect Abbott's actual results. Abbott's business, financial condition, results of operations, or prospects could be materially adversely affected by any of these risks.

Abbott may acquire other businesses, license rights to technologies or products, form alliances, or dispose of or spin-off businesses, which could cause it to incur significant expenses and could negatively affect profitability.

Abbott may pursue acquisitions, technology licensing arrangements, and strategic alliances, or dispose of or spin-off some of its businesses, as part of its business strategy. Abbott may not complete these transactions in a timely manner, on a cost-effective basis, or at all, and may not realize the expected benefits. If Abbott is successful in making an acquisition, the products and technologies that are acquired may not be successful or may require significantly greater resources and investments than originally anticipated. Abbott may not be able to integrate acquisitions successfully into its existing business and could incur or assume significant debt and unknown or contingent liabilities. Abbott could also experience negative effects on its reported results of operations from acquisition or disposition-related charges, amortization of expenses related to intangibles and charges for impairment of long-term assets. These effects could cause a deterioration of Abbott's credit rating and result in increased borrowing costs and interest expense.

The expiration or loss of patent protection and licenses may affect Abbott's future revenues and operating income.

Many of Abbott's businesses rely on patent and trademark and other intellectual property protection. Although most of the challenges to Abbott's intellectual property have come from other businesses, governments may also challenge intellectual property protections. To the extent Abbott's intellectual property is successfully challenged, invalidated, or circumvented or to the extent it does not allow Abbott to compete effectively, Abbott's business will suffer. To the extent that countries do not enforce Abbott's intellectual property rights or to the extent that countries require compulsory licensing of its intellectual property, Abbott's future revenues and operating income will be reduced. Abbott's principal patents and trademarks are described in greater detail in the sections captioned, "Patents, Trademarks, and Licenses" and "Financial Review," and litigation regarding these patents is described in the section captioned "Legal Proceedings."

Abbott faces increasing competition from lower-cost generic products. The expiration or loss of patent protection for a product typically is followed promptly by generic substitutes that may significantly reduce Abbott's sales for that product in a short amount of time. If Abbott's competitive position is compromised because of generics or otherwise, it could have a material adverse effect on its revenues, margins, business, and results of operations.

Competitors' intellectual property may prevent Abbott from selling its products or have a material adverse effect on Abbott's future profitability and financial condition.

Competitors may claim that an Abbott product infringes upon their intellectual property. Resolving an intellectual property infringement claim can be costly and time consuming and may require Abbott to enter into license agreements. Abbott cannot guarantee that it would be able to obtain license agreements on commercially reasonable terms. A successful claim of patent or other intellectual property infringement could subject Abbott to significant damages or an injunction preventing the manufacture, sale or use of affected Abbott products. Any of these events could have a material adverse effect on Abbott's profitability and financial condition.

Abbott is subject to cost-containment efforts that could cause a reduction in future revenues and operating income.

In the United States and other countries, Abbott's businesses have experienced downward pressure on product pricing. Cost-containment efforts by governments and private organizations are described in greater detail in the section captioned "Regulation." To the extent these cost containment efforts are not offset by greater patient access to healthcare or other factors, Abbott's future revenues and operating income will be reduced.

Abbott is subject to numerous governmental regulations and it can be costly to comply with these regulations and to develop compliant products and processes.

Abbott's products are subject to rigorous regulation by the U.S. Food and Drug Administration, and numerous international, supranational, federal, and state authorities. The process of obtaining regulatory approvals to market a drug or medical device can be costly and time-consuming, and approvals might not be granted for future products, or additional indications or uses of existing products, on a timely basis, if at all. Delays in the receipt of, or failure to obtain approvals for, future products, or new indications and uses, could result in delayed realization of product revenues, reduction in revenues, and in substantial additional costs.

In addition, no assurance can be given that Abbott will remain in compliance with applicable FDA and other regulatory requirements once clearance or approval has been obtained for a product. These requirements include, among other things, regulations regarding manufacturing practices, product labeling, and advertising and postmarketing reporting, including adverse event reports and field alerts due to manufacturing quality concerns. Many of Abbott's facilities and procedures and those of Abbott's suppliers are subject to ongoing regulation, including periodic inspection by the FDA and other regulatory authorities. Abbott must incur expense and spend time and effort to ensure compliance with these complex regulations. Possible regulatory actions could include warning letters, fines, damages, injunctions, civil penalties, recalls, seizures of Abbott's products, and criminal prosecution. These actions could result in, among other things, substantial modifications to Abbott's business practices and operations; refunds, recalls, or seizures of Abbott's products; a total or partial shutdown of production in one or more of Abbott's facilities while Abbott or Abbott's suppliers remedy the alleged violation; the inability to obtain future pre-market clearances or approvals; and withdrawals or suspensions of current products from the market. Any of these events could disrupt Abbott's business and have a material adverse effect on Abbott's revenues, profitability and financial condition.

Laws and regulations affecting government benefit programs could impose new obligations on Abbott, require Abbott to change its business practices, and restrict its operations in the future.

Abbott's industry is also subject to various federal, state, and international laws and regulations pertaining to government benefit program reimbursement, price reporting and regulation, and health care fraud and abuse, including anti-kickback and false claims laws, the Medicaid Rebate Statute, the Veterans Health Care Act, and individual state laws relating to pricing and sales and marketing practices. Violations of these laws may be punishable by criminal and/or civil sanctions, including, in some instances, substantial fines, imprisonment, and exclusion from participation in federal and state health care programs, including Medicare, Medicaid, and Veterans Administration health programs. These laws and regulations are broad in scope and they are subject to evolving interpretations, which could require Abbott to incur substantial costs associated with compliance or to alter one or more of its sales or marketing practices. In addition, violations of these laws, or allegations of such violations, could disrupt Abbott's business and result in a material adverse effect on Abbott's revenues, profitability, and financial condition.

Abbott's research and development efforts may not succeed in developing commercially successful products and technologies, which may cause Abbott's revenue and profitability to decline.

To remain competitive, Abbott must continue to launch new products and technologies. To accomplish this, Abbott commits substantial efforts, funds, and other resources to research and development. A high rate of failure is inherent in the research and development of new products and technologies. Abbott must make ongoing substantial expenditures without any assurance that its efforts will be commercially successful. Failure can occur at any point in the process, including after significant funds have been invested.

Promising new product candidates may fail to reach the market or may only have limited commercial success because of efficacy or safety concerns, failure to achieve positive clinical outcomes, inability to obtain necessary regulatory approvals, limited scope of approved uses, excessive costs to manufacture, the failure to establish or maintain intellectual property rights, or infringement of the intellectual property rights of others. Even if Abbott successfully develops new products or enhancements or new generations of Abbott's existing products, they may be quickly rendered obsolete by changing customer preferences, changing industry standards, or competitors' innovations. Innovations may not be accepted quickly in the marketplace because of, among other things, entrenched patterns of clinical practice or uncertainty over third-party reimbursement. Abbott cannot state with certainty when or whether any of its products under development will be launched, whether it will be able to develop, license, or otherwise acquire compounds or products, or whether any products will be commercially successful. Failure to launch successful new products or new indications for existing products may cause Abbott's products to become obsolete, causing Abbott's revenues and operating results to suffer.

New products and technological advances by Abbott's competitors may negatively affect Abbott's results of operations.

Abbott's products face intense competition from its competitors' products. Competitors' products may be safer, more effective, more effectively marketed or sold, or have lower prices or superior performance features than Abbott's products. Abbott cannot predict with certainty the timing or impact of the introduction of competitors' products.

The manufacture of many of Abbott's products is a highly exacting and complex process, and if Abbott or one of its suppliers encounters problems manufacturing products, Abbott's business could suffer.

The manufacture of many of Abbott's products is a highly exacting and complex process, due in part to strict regulatory requirements. Problems may arise during manufacturing for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, problems with raw materials, natural disasters, and environmental factors. In addition, single suppliers are currently used for certain products and materials. If problems arise during the production of a batch of product, that batch of product may have to be discarded. This could, among other things, lead to increased costs, lost revenue, damage to customer relations, time and expense spent investigating the cause and, depending on the cause, similar losses with respect to other batches or products. If problems are not discovered before the product is released to the market, recall and product liability costs may also be incurred. To the extent Abbott or one of its suppliers experiences significant manufacturing problems, this could have a material adverse effect on Abbott's revenues and profitability.

Significant safety issues could arise for Abbott's products, which could have a material adverse effect on Abbott's revenues and financial condition.

All health care products receive regulatory approval based on data obtained in controlled clinical trials of limited duration. Following regulatory approval, these products will be used over longer periods of time in many patients. Investigators may also conduct additional, and perhaps more extensive, studies. If new safety issues are reported, Abbott may be required to amend the conditions of use for a product. For

example, Abbott may be required to provide additional warnings on a product's label or narrow its approved indication, either of which could reduce the product's market acceptance. If serious safety issues with an Abbott product arise, sales of the product could be halted by Abbott or by regulatory authorities. Safety issues affecting suppliers' or competitors' products also may reduce the market acceptance of Abbott's products.

In addition, in the ordinary course of business, Abbott is the subject of product liability claims and lawsuits alleging that its products or the products of other companies that Abbott promotes have resulted or could result in an unsafe condition for or injury to patients. Product liability claims and lawsuits and safety alerts or product recalls, regardless of their ultimate outcome, may have a material adverse effect on Abbott's business and reputation and on Abbott's ability to attract and retain customers. Product liability losses are self-insured. Product liability claims could have a material adverse effect on Abbott's profitability and financial condition.

The international nature of Abbott's business subjects it to additional business risks that may cause its revenue and profitability to decline.

Abbott's business is subject to risks associated with doing business internationally. Sales outside of the United States make up approximately 50% of Abbott's net sales. The risks associated with Abbott's operations outside the United States include:

- changes in foreign medical reimbursement policies and programs;
- multiple foreign regulatory requirements that are subject to change and that could restrict Abbott's ability to manufacture, market, and sell its products;
- differing local product preferences and product requirements;
- trade protection measures and import or export licensing requirements;
- difficulty in establishing, staffing, and managing foreign operations;
- differing labor regulations;
- potentially negative consequences from changes in or interpretations of tax laws;
- political and economic instability;
- price and currency exchange controls, limitations on foreign participation in local enterprises, expropriation, nationalization, and other governmental action;
- inflation, recession and fluctuations in foreign currency exchange and interest rates; and
- compulsory licensing or diminished protection of intellectual property.

These risks may, individually or in the aggregate, have a material adverse effect on Abbott's revenues and profitability.

Other factors can have a material adverse effect on Abbott's future profitability and financial condition.

Many other factors can affect Abbott's profitability and its financial condition, including:

- Differences between the fair value measurement of assets and liabilities and their actual value, particularly for pensions, retiree health care, stock compensation, intangibles, and goodwill; and for contingent liabilities such as litigation, the absence of a recorded amount, or an amount recorded at the minimum, compared to the actual amount.
- Changes in or interpretations of laws and regulations including changes in accounting standards, taxation requirements, product marketing application standards, and environmental laws in domestic or foreign jurisdictions.

- Changes in the rate of inflation (including the cost of raw materials, commodities, and supplies), interest rates, market value of Abbott's equity investments, and the performance of investments held by Abbott or Abbott's employee benefit trusts.

- Changes in the creditworthiness of counterparties that transact business with or provide services to Abbott or Abbott's employee benefit trusts.

- Changes in business, economic, and political conditions, including: war, political instability, terrorist attacks in the U.S. and other parts of the world, the threat of future terrorist activity in the U.S. and other parts of the world and related military action; natural disasters; the cost and availability of insurance due to any of the foregoing events; labor disputes, strikes, slow-downs, or other forms of labor or union activity; and pressure from third-party interest groups.

- Changes in Abbott's business units and investments and changes in the relative and absolute contribution of each to earnings and cash flow resulting from evolving business strategies, changing product mix, changes in tax rates both in the U.S. and abroad and opportunities existing now or in the future.

- Changes in the buying patterns of a major distributor, retailer, or wholesale customer resulting from buyer purchasing decisions, pricing, seasonality, or other factors, or other problems with licensors, suppliers, distributors, and business partners.

- Difficulties related to Abbott's information technology systems, any of which could adversely affect business operations, including any significant breakdown, invasion, destruction, or interruption of these systems.

- Changes in credit markets impacting Abbott's ability to obtain financing for its business operations.

- In connection with Abbott's acquisition of the vascular intervention and endovascular solutions businesses of Guidant Corporation, Abbott loaned BSC International Holding, Limited (a wholly-owned subsidiary of Boston Scientific) $900 million on a subordinated basis. As long as the loan is outstanding, Abbott will be a creditor of Boston Scientific with respect to the $900 million loan and, as such, is subject to credit risk.

- Legal difficulties, any of which could preclude or delay commercialization of products or adversely affect profitability, including claims asserting statutory or regulatory violations, adverse litigation decisions, and issues regarding compliance with any governmental consent decree.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Form 10-K contains forward-looking statements that are based on management's current expectations, estimates, and projections. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "forecasts," variations of these words, and similar expressions are intended to identify these forward-looking statements. Certain factors, including but not limited to those identified under "Item 1A. Risk Factors" of this Form 10-K, may cause actual results to differ materially from current expectations, estimates, projections, forecasts, and from past results. No assurance can be made that any expectation, estimate, or projection contained in a forward-looking statement will be achieved or will not be affected by the factors cited above or other future events. Abbott undertakes no obligation to release publicly any revisions to forward-looking statements as the result of subsequent events or developments.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Abbott's corporate offices are located at 100 Abbott Park Road, Abbott Park, Illinois 60064-6400. The locations of Abbott's principal plants, as of December 31, 2009, are listed below.

Location	Segments of Products Produced
Abbott Park, Illinois	Pharmaceutical and Diagnostic Products
Alameda, California*	Non-Reportable
Altavista, Virginia	Nutritional Products
Anasco, Puerto Rico*	Medical Devices
Barceloneta, Puerto Rico	Pharmaceutical and Diagnostic Products
Brockville, Canada	Nutritional Products
Buenos Aires, Argentina	Pharmaceutical Products
Campoverde di Aprilia, Italy	Pharmaceutical Products
Casa Grande, Arizona	Nutritional Products
Clonmel, Ireland	Vascular Products
Columbus, Ohio	Nutritional Products
Cootehill, Ireland	Nutritional Products
Dartford, England*	Diagnostic Products
Des Plaines, Illinois	Diagnostic Products
Fairfield, California*	Nutritional Products
Granada, Spain	Nutritional Products
Irving, Texas	Diagnostic Products
Jayuya, Puerto Rico	Pharmaceutical Products
Karachi, Pakistan	Pharmaceutical Products
Katsuyama, Japan	Pharmaceutical Products
Longford, Ireland	Diagnostic Products
Ludwigshafen, Germany	Pharmaceutical Products
Milpitas, California*	Medical Devices
North Chicago, Illinois	Pharmaceutical Products
Ottawa, Ontario, Canada*	Diagnostic Products
Redwood City, California*	Vascular Products
Rio de Janeiro, Brazil	Pharmaceutical Products
Santa Clara, California	Diagnostic Products
Singapore	Nutritional Products
Sligo, Ireland	Nutritional and Diagnostic Products
Sturgis, Michigan	Nutritional Products
Temecula, California	Vascular Products
Tlalpan, Mexico	Pharmaceutical Products
Wiesbaden, Delkenheim, Germany	Diagnostic Products
Witney, Oxon, England	Non-Reportable
Worcester, Massachusetts	Pharmaceutical Products
Zwolle, the Netherlands	Nutritional Products

* Leased property

In addition to the above, Abbott has manufacturing facilities in nine other locations in the United States, including Puerto Rico, and in five other countries outside the United States. Abbott's facilities are deemed suitable and provide adequate productive capacity.

In the United States, including Puerto Rico, Abbott owns nine distribution centers. Outside the United States, Abbott owns six distribution centers. Abbott also has twenty United States research and

development facilities located at: Abbott Park, Illinois; Alameda, California; Albuquerque, New Mexico; Carlsbad, California; Columbus, Ohio (two locations); Des Plaines, Illinois; Fairfield, California; Irving, Texas; Long Grove, Illinois; Milpitas, California; Mountain View, California; North Chicago, Illinois; Princeton, New Jersey; Redwood City, California; Santa Ana, California; Santa Clara, California; South Irvine, California; Temecula, California; and Worcester, Massachusetts. Outside the United States, Abbott has research and development facilities in Canada, China, Germany, Ireland, Japan, the Netherlands, Singapore, South Africa, Spain, Sweden, Switzerland, and the United Kingdom.

Except as noted, the corporate offices, and those principal plants in the United States listed above, are owned by Abbott or subsidiaries of Abbott. The remaining manufacturing plants and all other facilities are owned or leased by Abbott or subsidiaries of Abbott. There are no material encumbrances on the properties.

ITEM 3. LEGAL PROCEEDINGS

Abbott is involved in various claims, legal proceedings and investigations, including (as of January 31, 2010) those described below. 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 resolution should not have a material adverse effect on Abbott's financial position, cash flows, or results of operations, except where noted below.

A case is pending against Abbott in which New York University (NYU) and Centocor, Inc. assert that adalimumab (a drug Abbott sells under the trademark Humira®) infringes a patent co-owned by NYU and Centocor and exclusively licensed to Centocor. In June 2009, a jury found that Abbott had willfully infringed the patent and awarded NYU and Centocor approximately $1.67 billion in past compensatory damages. In October 2009, the United States District Court for the Eastern District of Texas overturned the jury's finding that Abbott's infringement was willful, but denied Abbott's request to overturn the jury's verdict on validity, infringement, and damages. In December 2009, the district court issued a final judgment and awarded the plaintiffs an additional $175 million in prejudgment interest. In December 2009, Centocor filed a separate action seeking enhanced damages and interest for the continuing sale of Humira® after the jury verdict. In December 2009, Abbott filed a notice of appeal with the United States Court of Appeals for the Federal Circuit. Abbott is confident in the merits of its case and believes that it will prevail on appeal. While it is not feasible to predict with certainty the outcome of this litigation, its ultimate resolution could be material to cash flows or results of operations.

As previously reported, a case brought by the University of Iowa in June 2009 was pending against Abbott in the United States District Court for the Southern District of Iowa alleging that Humira® infringed two University of Iowa patents. In November 2009, the parties settled the case and it was dismissed with prejudice.

In response to a patent infringement action filed in December 2008 by Bayer HealthCare LLC (Bayer) in the United States District Court for the Eastern District of Texas, in January 2009 Abbott filed an action against Bayer in the United States District Court for the District of Massachusetts seeking a declaration that Humira® does not infringe Bayer's patent and that Bayer's patent is invalid and unenforceable. The Massachusetts court consolidated the Texas case with the Massachusetts proceeding. Bayer seeks damages, including treble damages, but does not seek injunctive relief. In November 2009, Bayer filed infringement actions in the Court of the Hague in the Netherlands and in the District Court in Dusseldorf, Germany, asserting that Humira® infringes Bayer's patent and seeking damages, but not an injunction.

In December 2009, Abbott, Fournier Industrie et Sante, and Laboratories Fournier, S.A. (Fournier) settled the case brought by twenty-six State Attorneys General, *State of Florida, et al.* (filed in March 2008). Twenty-four of the twenty-six State Attorneys General are parties to the settlement and two State Attorneys General voluntarily dismissed their claims against the defendants.

Several cases, brought as purported class actions or representative actions on behalf of individuals or entities, are pending against Abbott that allege generally that Abbott and numerous other pharmaceutical companies reported false pricing information in connection with certain drugs that are reimbursable under Medicare and Medicaid and by private payors. These cases, brought by private plaintiffs, the United States Department of Justice, state Attorneys General, and other state government entities, generally seek monetary damages and/or injunctive relief and attorneys' fees. The federal court cases have been consolidated for pre-trial purposes in the United States District Court for the District of Massachusetts under the Multi District Litigation Rules as *In re: Pharmaceutical Industry Average Wholesale Price Litigation, MDL 1456*. MDL 1456 includes: (a) a civil whistle-blower suit brought by the United States Department of Justice, filed in the United States District Court for the Southern District of Florida in May 2006; (b) a civil whistle-blower suit brought by Ven-A-Care of the Florida Keys, Inc., unsealed against Abbott in August 2007 and in which the United States declined to intervene; (c) two state Attorneys General suits, filed in August 2006 (*State of South Carolina)* and July 2009 (*State of Mississippi* on behalf of its state health plan); and (d) a purported class action case in which the plaintiffs seek to certify nationwide classes of Medicare Part B consumers and third party payors and other consumers, filed in June 2003. Eighteen named defendants, including Abbott, collectively settled this case, subject to final approval of the district court. In addition, several cases are pending against Abbott in state courts: *Commonwealth of Kentucky*, filed in September 2003 in the Circuit Court of Franklin County, Kentucky; *State of Wisconsin*, filed in June 2004 in the Circuit Court of Dane County, Wisconsin; *State of Illinois*, filed in February 2005 in the Circuit Court of Cook County, Illinois; *County of Erie*, filed in March 2005 in the Supreme Court of Erie County, New York; *State of Mississippi*, filed in October 2005 in the Circuit Court of Rankin County, Mississippi; *State of Hawaii*, filed in April 2006 in the First Circuit Court of Hawaii; *County of Oswego*, filed in August 2006 in the Supreme Court of Oswego County, New York; *County of Schenectady*, filed in August 2006 in the Supreme Court of Schenectady County, New York; *State of South Carolina* (on behalf of its state health plan), filed in August 2006 in the Court of Common Pleas, Fifth Judicial Circuit of Richland County, South Carolina; *State of Alaska*, filed in October 2006 in the Superior Court for the Third Judicial District in Anchorage, Alaska; *State of Idaho*, filed in January 2007 in the District Court of the Fourth Judicial District in Ada County, Idaho; *State of Utah*, filed in November 2007 in the Third Judicial District in Salt Lake County, Utah; and *State of Kansas*, filed in October 2008 in the District Court of Wyandotte County, Kansas. In 2009, Abbott settled *State of West Virginia*, filed in October 2001 in the Circuit Court of Kanawha County, West Virginia, and *State of Alabama*, filed in January 2005 in the Circuit Court of Montgomery County, Alabama. While it is not feasible to predict with certainty the outcome of the proceedings and investigations related to pricing information for drugs reimbursable under Medicare and Medicaid, their ultimate resolution could be material to cash flows or results of operations for a quarter.

Four cases are pending against Abbott in the United States District Court for the Northern District of California that allege antitrust violations in connection with the 2003 Norvir re-pricing: (a) a consolidated class action filed on behalf of all direct purchasers by three individual plaintiffs, *Meijer, Inc.*, filed in November 2007, *Louisiana Wholesale Drug Company, Inc.*, filed in December 2007, and *Rochester Drug Co-Operative, Inc.*, filed in November 2007; (b) two cases filed on behalf of director purchaser class opt-outs, *Rite Aid, Inc.*, filed in December 2007 and *Safeway, Inc.*, filed in October 2007; and (c) one case filed by a competitor, *GlaxoSmithKline*, filed in November 2007. All of the cases have been consolidated for discovery and trial. The plaintiffs seek damages, injunctive relief, and costs.

A class action case is pending against Abbott in the United States District Court for the Northern District of Illinois under the name *Myla Nauman, Jane Roller and Michael Loughery v. Abbott Laboratories and Hospira, Inc*. The plaintiffs are former Abbott employees who allege that their transfer to Hospira, Inc., as part of the spin-off of Hospira, adversely affected their employee benefits in violation of the Employee Retirement Income Security Act, and that in their transfer, Abbott breached a fiduciary duty to plaintiffs involving employee benefits. The plaintiffs generally seek reinstatement as Abbott employees, or reinstatement as participants in Abbott's employee benefit plans, or an award for the employee benefits they have allegedly lost. Abbott filed a response denying all substantive allegations.

The Office of the Inspector General of the United States Department of Health and Human Services in conjunction with the United States Department of Justice, through the United States Attorneys for the Eastern District of Wisconsin, the Western District of Louisiana, and the Middle District of Louisiana are investigating the sales and marketing practices of Kos Pharmaceuticals, Inc. In addition, the United States Attorney for Louisiana is investigating Kos' calculation and reporting of Medicaid rebates. The government is seeking to determine whether any of these practices resulted in any violations of civil and/or criminal laws, including the Federal False Claims Act, the Anti-Kickback Statute, and the Medicaid Rebate Statute in connection with the Medicare and/or Medicaid reimbursement paid to third parties. Abbott acquired Kos in December 2006, and these investigations relate to conduct that occurred prior to Abbott's acquisition.

The United States Department of Justice, through the United States Attorney for Maryland, is investigating the sales and marketing practices of Abbott for Micardis®, a drug co-promoted for (until March 31, 2006) and manufactured by Boehringer Ingelheim. The government is seeking to determine whether any of these practices resulted in any violations of civil and/or criminal laws, including the Federal False Claims Act and the Anti-Kickback Statute, in connection with the Medicare and/or Medicaid reimbursement paid to third parties.

The United States Department of Justice, through the Unites States Attorney for the Western District of Virginia, is investigating Abbott's sales and marketing activities for Depakote. The government is seeking to determine whether any of these activities violated civil and/or criminal laws, including the Federal False Claims Act, the Food and Drug Cosmetic Act, and the Anti-Kickback Statute in connection with Medicare and/or Medicaid reimbursement to third parties.

The United States Department of Justice, through the United States Attorney for the District of Massachusetts, is investigating the sales and marketing activities of Abbott's and other companies' biliary stent products. The government is seeking to determine whether any of these activities violated civil and/or criminal laws, including the Federal False Claims Act, the Food and Drug Cosmetic Act, and the Anti-Kickback Statute in connection with Medicare and/or Medicaid reimbursement paid to third parties.

In 2007, Johnson & Johnson, Inc. and Cordis Corporation, a wholly-owned subsidiary of Johnson & Johnson (collectively Johnson & Johnson), filed suits against Abbott in the United States District Court for the District of New Jersey asserting infringement of four Johnson & Johnson patents by Abbott's Xience V stent and seeking an injunction, an award of damages, and a determination of willful infringement. In January 2010, the court issued an Order of Judgment finding that Johnson & Johnson's four patents are invalid and dismissing the suits against Abbott. In January 2008, Cordis Corporation and Wyeth filed suit against Abbott in the United States District Court for the District of New Jersey alleging the Xience V stent infringes three additional patents and seeking an injunction, an award of damages, and a determination of willful infringement. In September 2009, Wyeth, Cordis Corporation and Cordis LLC filed suit against Abbott in the United States District Court for the District of New Jersey alleging the Xience V stent infringes an additional patent and seeking an injunction and an award of damages. Abbott denies all substantive allegations in each remaining case.

A case is pending against Abbott in the United States District Court for the Eastern District of Texas brought in July 2008 by Wall Cardiovascular Technologies, LLC in which it asserts that Abbott's Xience V stent infringes a patent. Wall seeks an injunction, damages, and enhanced damages for alleged willful infringement. Abbott asserts that the patent is not infringed, invalid, and unenforceable.

In December 2008, Medinol Limited sued Abbott in the High Court of Ireland, the District Court in The Hague, Netherlands, and the Regional Court in Dusseldorf, Germany asserting that Abbott's Vision and Xience V stents infringe one of its European stent design patents and seeking damages and injunctions. Medinol has since accused Abbott's Multi-Link 8 and Xience Prime stents of infringement. In Ireland, Abbott asserts that Medinol's patent is invalid and not infringed. In December 2009, the Dutch court found that Abbott's Vision and Xience V stents do not infringe Medinol's patent. In Germany,

Medinol further asserts that Abbott's Vision, Xience V, Penta, Xience Prime, Multi-Link 8, and Zeta stents infringe two Medinol German stent design patents and one Medinol German stent design utility model. Abbott initiated an action in the German patent court asserting that its stents do not infringe Medinol's patents and seeking a declaration that Medinol's patents are invalid. Abbott also initiated an action in the High Court of Justice in the United Kingdom asserting that Abbott's stents do not infringe Medinol's patent and seeking a declaration that Medinol's patent is invalid. Abbott denies all substantive allegations in each remaining case.

Abbott is seeking to enforce its patent rights relating to fenofibrate tablets (a drug Abbott sells under the trademark Tricor®). In a case filed in the United States District Court for the Northern District of Illinois in February 2008, Abbott and the patent owner, Laboratories Fournier, S.A. (Fournier), allege infringement of three patents and seek injunctive relief against Teva Pharmaceuticals USA Inc. In November 2009, the parties reached a settlement and this case was dismissed. In a second case filed in the Northern District of Illinois in November 2008, Abbott and Fournier allege infringement of the three patents and seek injunctive relief against Biovail Laboratories International SRL. This case has been transferred to the United States District Court for the District of New Jersey. In a third case filed in the United States District Court for the District of New Jersey in March 2009, Abbott and Fournier allege that Lupin Pharmaceuticals and Lupin Limited's proposed generic products infringe the three patents and seek declaratory and injunctive relief. In a fourth case filed in the United States District Court for the District of New Jersey in October 2009, Abbott and Fournier allege infringement of the three patents and seek injunctive relief against Impax Laboratories.

Abbott is seeking to enforce its patents rights relating to ritonavir/lopinavir tablets (a drug Abbott sells under the trademark Kaletra®). In cases filed in the United States District Courts for the Northern District of Illinois and for the District of Delaware in March 2009, Abbott alleges that Matrix Laboratories, Inc., Matrix Laboratories, Ltd., and Mylan, Inc.'s proposed generic products infringe Abbott's patents and seeks declaratory and injunctive relief. Upon Matrix's motion, the court granted a five-year stay of the litigation unless good cause to lift the stay is shown.

Abbott is seeking to enforce its patent rights relating to niacin extended release tablets (a drug Abbott sells under the trademark Niaspan®). In a case pending in the United States District Courts for the District of Delaware in March 2009, Abbott alleges that Lupin Pharmaceuticals and Lupin Limited's proposed generic products infringe Abbott's patents and seeks declaratory and injunctive relief.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

EXECUTIVE OFFICERS OF THE REGISTRANT

Executive officers of Abbott are elected annually by the board of directors. All other officers are elected by the board or appointed by the chairman of the board. All officers are either elected at the first meeting of the board of directors held after the annual shareholder meeting or appointed by the chairman after that board meeting. Each officer holds office until a successor has been duly elected or appointed and qualified or until the officer's death, resignation, or removal. Vacancies may be filled at any time by the board. Any officer may be removed by the board of directors when, in its judgment, removal would serve the best interests of Abbott. Any officer appointed by the chairman of the board may be removed by the chairman whenever, in the chairman's judgment, removal would serve the best interests of Abbott. A vacancy in any office appointed by the chairman of the board may be filled by the chairman.

Abbott's executive officers, their ages as of February 19, 2010, and the dates of their first election as officers of Abbott are listed below. The executive officers' principal occupations and employment for the past five years and the year of appointment to the earliest reported office are also shown. Unless otherwise stated, employment was by Abbott. There are no family relationships between any corporate officers or directors.

Miles D. White, 54

1999 to present — Chairman of the Board and Chief Executive Officer, and Director.

Elected Corporate Officer — 1993.

Richard W. Ashley, 66

2004 to present — Executive Vice President, Corporate Development.

Elected Corporate Officer — 2004.

Olivier Bohuon, 51

2009 to present — Executive Vice President, Pharmaceutical Products.

2008 to 2009 — Senior Vice President, International Pharmaceuticals.

2006 to 2008 — Senior Vice President, International Operations.

2003 to 2006 — Vice President, European Operations.

Elected Corporate Officer — 2003.

John M. Capek, 48

2007 to present — Executive Vice President, Medical Devices.

2006 to 2007 — Senior Vice President, Abbott Vascular.

2006 — Vice President and President, Cardiac Therapies.

2005 to 2006 — President, Guidant Vascular Intervention.

2003 to 2005 — Vice President and General Manager, Bioabsorbable Vascular Solutions (a subsidiary of Guidant Corporation).

Elected Corporate Officer — 2006.

Thomas C. Freyman, 55

2004 to present — Executive Vice President, Finance and Chief Financial Officer.

Elected Corporate Officer — 1991.

Holger A. Liepmann, 58

2008 to present — Executive Vice President, Nutritional Products.

2006 to 2008 — Executive Vice President, Global Nutrition.

2006 — Executive Vice President, Pharmaceutical Products Group.

2004 to 2006 — Senior Vice President, International Operations.

Elected Corporate Officer — 2001.

Edward L. Michael, 53

2008 to present — Executive Vice President, Diagnostic Products.

2007 to 2008 — Executive Vice President, Diagnostics.

2007 — Senior Vice President, Medical Products.

2003 to 2007 — Vice President and President, Molecular Diagnostics.

Elected Corporate Officer — 1997.

Laura J. Schumacher, 46

2007 to present — Executive Vice President, General Counsel and Secretary.

2005 to 2007 — Senior Vice President, Secretary and General Counsel.

Elected Corporate Officer — 2003.

Carlos Alban, 47

2009 to present — Senior Vice President, International Pharmaceuticals.

2008 to 2009 — Vice President, Pharmaceuticals, Western Europe and Canada.

2007 to 2008 — Vice President, Western Europe and Canada.

2006 to 2007 — Vice President, Pharmaceutical European Operations.

2004 to 2006 — Regional Director, North Europe.

Elected Corporate Officer — 2006.

Thomas F. Chen, 60

2008 to present — Senior Vice President, International Nutrition.

2006 to 2008 — Senior Vice President, Nutrition International Operations.

2005 to 2006 — Vice President, Nutrition International, Asia and Latin America.

2005 — Vice President, Nutrition International, Asia, Canada, Latin America.

1998 to 2005 — Vice President, Abbott International, Pacific/Asia/Africa Operations.

Elected Corporate Officer — 1998.

Stephen R. Fussell, 52

2005 to present — Senior Vice President, Human Resources.

1999 to 2005 — Vice President, Compensation and Development.

Elected Corporate Officer — 1999.

Robert B. Hance, 50

2008 to present — Senior Vice President, Vascular.

2006 to 2008 — Senior Vice President, Diabetes Care Operations.

2006 — Vice President and President, Vascular Solutions.

2003 to 2006 — Vice President and President, Abbott Vascular Devices.

Elected Corporate Officer — 1999.

John C. Landgraf, 57

2008 to present — Senior Vice President, Pharmaceuticals, Manufacturing and Supply.

2004 to 2008 — Senior Vice President, Global Pharmaceutical Manufacturing and Supply.

Elected Corporate Officer — 2000.

Heather L. Mason, 49

2008 to present — Senior Vice President, Diabetes Care.

2007 to 2008 — Vice President, Latin America Pharmaceuticals.

2005 to 2007 — Vice President, International Marketing.

2001 to 2005 — Vice President, Specialty Operations.

Elected Corporate Officer — 2001.

James V. Mazzo, 52

2009 to present — Senior Vice President, Abbott Medical Optics.

2006 to 2009 —	Chairman of the Board of Directors, Advanced Medical Optics, Inc. (a global leader in the development, manufacture, and marketing of medical devices for the eye).

2004 to 2009 — Chief Executive Officer, Advanced Medical Optics, Inc.

2004 to 2007 — President, Advanced Medical Optics, Inc.

Elected Corporate Officer — 2009.

Donald V. Patton Jr., 57

2010 to present — Senior Vice President, U.S. Pharmaceuticals.

2007 to 2009 — Senior Vice President, U.S. Nutrition.

2007 — Senior Vice President, Abbott Nutrition Products Division.

2006 to 2007 — Vice President, Diagnostic Global Commercial Operations.

2005 to 2006 — Vice President, Commercial Operations.

2004 to 2005 — Vice President, International Marketing.

Elected Corporate Officer — 2004.

Mary T. Szela, 46

2010 to present — Senior Vice President, Global Strategic Marketing and Services, Pharmaceutical Products Group.

2008 to 2009 — Senior Vice President, U.S. Pharmaceuticals.

2007 to 2008 — Senior Vice President, Pharmaceutical Operations.

2006 — Vice President, Commercial Pharmaceutical Operations.

2001 to 2006 — Vice President, Pharmaceutical Products, Primary Care Operations.

Elected Corporate Officer — 2001.

Michael J. Warmuth, 47

2008 to present — Senior Vice President, Diagnostics.

2008 — Vice President, Hematology Diagnostics.

2007 to 2008 — Vice President, Global Engineering Services.

2006 to 2007 — Divisional Vice President, Global Engineering Services.

2004 to 2006 — Divisional Vice President of Quality, Global Pharmaceutical Operations.

Elected Corporate Officer — 2007.

J. Scott White, 41

2010 to present — Senior Vice President, U.S. Nutrition.

2007 to 2009 — Division Vice President and Regional Director for Latin America, Abbott Nutrition International.

2005 to 2007 — Division Vice President and General Manager for Pediatric Nutrition, Abbott Nutrition International.

Elected Corporate Officer — 2009.

Greg W. Linder, 53

2001 to present — Vice President and Controller.

Elected Corporate Officer — 1999.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Principal Market

The principal market for Abbott's common shares is the New York Stock Exchange. Shares are also listed on the Chicago Stock Exchange and traded on various regional and electronic exchanges. Outside the United States, Abbott's shares are listed on the London Stock Exchange and the Swiss Stock Exchange.

	Market Price Per Share			
	2009		2008	
	high	low	high	low
First Quarter	$ 57.39	$ 44.10	$ 61.09	$ 50.09
Second Quarter	48.37	41.27	57.04	50.09
Third Quarter	49.69	43.45	60.78	52.63
Fourth Quarter	54.97	48.41	59.93	45.75

Shareholders

There were 67,461 shareholders of record of Abbott common shares as of December 31, 2009.

Dividends

Quarterly dividends of $.40 and $.36 per share were declared on common shares in 2009 and 2008, respectively.

Abbott Laboratories is an Illinois High Impact Business (HIB) and is located in a federal Foreign Trade Sub-Zone (Sub-Zone 22F). Dividends may be eligible for a subtraction from base income for Illinois income tax purposes. If you have questions, please contact your tax advisor.

Issuer Purchases of Equity Securities

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
October 1, 2009 — October 31, 2009	214,337[1]	$ 51.598	0	$ 4,192,197,703[2]
November 1, 2009 — November 30, 2009	104,504[1]	$ 53.213	0	$ 4,192,197,703[2]
December 1, 2009 — December 31, 2009	316,083[1]	$ 54.076	0	$ 4,192,197,703[2]
Total	634,924[1]	$ 53.098	0	$ 4,192,197,703[2]

1. These shares represent:

   (i) the shares deemed surrendered to Abbott to pay the exercise price in connection with the exercise of employee stock options — 199,837 in October; 90,004 in November; and 301,583 in December; and

   (ii) the shares purchased on the open market for the benefit of participants in the Abbott Laboratories, Limited Employee Stock Purchase Plan — 14,500 in October; 14,500 in November; and 14,500 in December.

   These shares do not include the shares surrendered to Abbott to satisfy tax withholding obligations in connection with the vesting of restricted stock or restricted stock units.

2. On October 13, 2008, Abbott announced that its board of directors approved the purchase of up to $5 billion of its common shares, from time to time.

ITEM 6. SELECTED FINANCIAL DATA

	Year ended December 31				
	2009	2008	2007	2006	2005
	(dollars in millions, except per share data)				
Net sales	$ 30,764.7	$ 29,527.6	$ 25,914.2	$ 22,476.3	$ 22,337.8
Earnings from continuing operations	5,745.8	4,734.2	3,606.3	1,716.8[1]	3,372.1
Net earnings	5,745.8	4,880.7	3,606.3	1,716.8[1]	3,372.1
Basic earnings per common share from continuing operations	3.71	3.06	2.34	1.12[1]	2.17
Basic earnings per common share	3.71	3.16	2.34	1.12[1]	2.17
Diluted earnings per common share from continuing operations	3.69	3.03	2.31	1.12[1]	2.16
Diluted earnings per common share	3.69	3.12	2.31	1.12[1]	2.16
Total assets	52,416.6	42,419.2	39,713.9	36,178.2	29,141.2
Long-term debt	11,266.3	8,713.3	9,487.8	7,009.7	4,571.5
Cash dividends declared per common share	1.60	1.44	1.30	1.18	1.10

1. In 2006, Abbott recorded pre-tax charges of $2,014 for acquired in-process and collaborations research and development primarily related to the acquisition of Guidant's vascular intervention and endovascular solutions businesses and Kos Pharmaceuticals Inc.

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

Financial Review

Abbott's revenues are derived primarily from the sale of a broad line of health care products under short-term receivable arrangements. Patent protection and licenses, technological and performance features, and inclusion of Abbott's products under a contract or by a pharmacy benefit manager most impact which products are sold; price controls, competition and rebates most impact the net selling prices of products; and foreign currency translation impacts the measurement of net sales and costs. Abbott's primary products are prescription pharmaceuticals, nutritional products, diagnostic testing products and vascular products. Sales in international markets are approximately 50 percent of consolidated net sales.

The worldwide launch of additional indications for *HUMIRA*, the conclusion of the TAP Pharmaceutical Products Inc. joint venture, the acquisitions of Advanced Medical Optics, Inc., Kos Pharmaceuticals Inc. and Guidant's vascular intervention and endovascular solutions businesses, followed by the launch of the *Xience V* drug eluting stent, the loss of patent protection for some pharmaceutical products, the amendment ending the U.S. *Synagis* co-promotion agreement, and realized gains and unrealized losses on the Boston Scientific common stock have impacted Abbott's sales, costs and financial position over the last three years.

Pharmaceutical research and development is focused on therapeutic areas that include immunology, oncology, neuroscience, pain management and infectious diseases. In 2003, Abbott began the worldwide launch of *HUMIRA* for rheumatoid arthritis, followed by launches for five additional indications, which increased *HUMIRA's* worldwide sales to $5.5 billion in 2009 compared to $4.5 billion in 2008, and $3.0 billion in 2007. Abbott forecasts worldwide *HUMIRA* sales to increase by approximately 20 percent in 2010. Abbott is studying additional indications for *HUMIRA*. Substantial research and development and selling support has been and continues to be dedicated to maximizing the worldwide potential of *HUMIRA*. In December 2006, Abbott acquired Kos Pharmaceuticals Inc. which complemented Abbott's existing franchise in the dyslipidemia market and strengthened the pharmaceutical pipeline for cholesterol management. Abbott's *Trilipix*, a next-generation product for management of triglycerides and the first product approved for use in combination with a statin was launched in 2008. Increased generic competition has resulted in worldwide *Depakote* sales declining from $1.6 billion in 2007 to $426 million in 2009, U.S. sales of *Omnicef* declining from $235 million in 2007 to $3 million in 2009 and worldwide sales of clarithromycin declining from $724 million in 2007 to $599 million in 2009.

In 2007, Abbott's nutritional products businesses were reorganized into a worldwide business to better leverage the opportunities available for strong nutritional brands. Significant efforts have been focused on capturing those opportunities, particularly in developing markets where growth has been strong.

In 2008, Abbott received FDA approval to market the *Xience V* drug eluting stent in the U.S. and in 2006 received European Union approval. *Xience V* became the market-leading drug eluting stent in the U.S. in the fourth quarter of 2008. In June 2009, *Xience PRIME*, Abbott's next generation drug eluting stent, received CE Mark approval and was launched in Europe in August 2009. Abbott received approval to market *Xience V* in Japan in January 2010.

In April 2006, Abbott acquired 64.6 million shares of Boston Scientific in connection with Abbott's acquisition of the vascular intervention and endovascular solutions businesses of Guidant. In 2007, the net loss charged to expense for the investment was $153 million. At December 31, 2007, Abbott held 26.4 million shares of Boston Scientific common stock. In 2008, all of these shares were sold resulting in a small gain.

Abbott's short- and long-term debt totaled $16.5 billion at December 31, 2009, largely incurred to finance recent acquisitions. Operating cash flows in excess of capital expenditures and cash dividends have partially funded acquisitions over the last three years. At December 31, 2009, Abbott's long-term debt

rating was AA by Standard and Poor's Corporation and A1 by Moody's Investors Service. Abbott's access to short-term financing was not affected by the credit market conditions in 2008 and early 2009.

In April 2008, Abbott and Takeda concluded their TAP Pharmaceutical Products Inc. (TAP) joint venture, evenly splitting the value and assets of the joint venture in a tax-free exchange. Abbott received TAP's *Lupron* business in exchange for Abbott's 50 percent ownership in TAP. *Lupron's* U.S. results are included in the Pharmaceutical Products segment beginning in May 2008. Abbott also receives payments based on specified development, approval and commercial events being achieved with respect to products retained by Takeda and payments from Takeda based on sales of products retained by Takeda.

In 2010, Abbott will focus on several key initiatives. In the pharmaceutical business, Abbott will continue to build its global presence, expand its presence in emerging markets and diversify its sources of growth with its previously announced acquisition of Solvay's pharmaceuticals business, which closed on February 15, 2010. Abbott will also continue maximizing the market potential for *HUMIRA* and continue to leverage the product and pipeline opportunities of its lipid franchise, including Certriad, which is expected to receive approval in the first half of 2010. Pharmaceutical research and development efforts will continue to focus on the therapeutic areas noted above with a significant portion of the development expenditures allocated to compounds in early and mid-stage development for oncology, immunology, Hepatitis C, neuroscience, and pain management. Such compounds include two oncology compounds in advanced clinical trials, ABT-874 (a biologic for psoriasis), three HCV compounds in human studies, and two compounds in Phase II clinical trials for Alzheimer's disease. In the vascular business, Abbott launched the *Xience V* drug-eluting stent in Japan after receiving approval in January 2010, and will also focus on marketing *Xience PRIME* in Europe and other markets as well as development of *Xience PRIME* in the U.S. and its bioabsorbable stent. In the other business segments, Abbott will focus on developing or acquiring differentiated technologies in higher growth segments of those markets.

Critical Accounting Policies

Sales Rebates — Approximately 50 percent of Abbott's consolidated gross revenues are subject to various forms of rebates and allowances that Abbott records as reductions of revenues at the time of sale. Most of these rebates and allowances are in the Pharmaceutical Products segment and the Nutritional Products segment. Abbott provides rebates to pharmacy benefit management companies, state agencies that administer the federal Medicaid program, insurance companies that administer Medicare drug plans, state agencies that administer the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), wholesalers, group purchasing organizations, and other government agencies and private entities. Rebate amounts are usually based upon the volume of purchases using contractual or statutory prices for a product. Factors used in the rebate calculations include the identification of which products have been sold subject to a rebate, which customer or government agency price terms apply, and the estimated lag time between sale and payment of a rebate. Using historical trends, adjusted for current changes, Abbott estimates the amount of the rebate that will be paid, and records the liability as a reduction of gross sales when Abbott records its sale of the product. Settlement of the rebate generally occurs from two to 24 months after sale. Abbott regularly analyzes the historical rebate trends and makes adjustments to reserves for changes in trends and terms of rebate programs. Rebates and chargebacks charged against gross sales in 2009, 2008 and 2007 amounted to approximately $4.4 billion, $3.8 billion and $3.2 billion, respectively, or 23.8 percent, 22.8 percent and 21.5 percent, respectively, based on gross sales of approximately $18.4 billion, $16.8 billion and $15.0 billion, respectively, subject to rebate. A one-percentage point increase in the percentage of rebates to related gross sales would decrease net sales by approximately $184 million in 2009. Abbott considers a one-percentage point increase to be a reasonably likely increase in the percentage of rebates to related gross sales. Other allowances charged against gross sales were approximately $414 million, $362 million and $325 million for cash discounts in 2009, 2008 and 2007, respectively, and $456 million, $439 million and $269 million for returns in 2009, 2008 and 2007, respectively. Cash discounts are known within 15 to 30 days of sale, and therefore can be reliably

estimated. Returns can be reliably estimated because Abbott's historical returns are low, and because sales returns terms and other sales terms have remained relatively unchanged for several periods.

Management analyzes the adequacy of ending rebate accrual balances each quarter. In the domestic nutritional business, management uses both internal and external data available to estimate the level of inventory in the distribution channel. Management has access to several large customers' inventory management data, and for other customers, utilizes data from a third party that measures time on the retail shelf. These sources allow management to make reliable estimates of inventory in the distribution channel. Except for a transition period before or after a change in the supplier for the WIC business in a state, inventory in the distribution channel does not vary substantially. Management also estimates the states' processing lag time based on claims data. In addition, internal processing time is a factor in estimating the accrual. In the WIC business, the state where the sale is made, which is the determining factor for the applicable price, is reliably determinable. Estimates are required for the amount of WIC sales within each state where Abbott has the WIC business. External data sources utilized for that estimate are participant data from the U.S. Department of Agriculture (USDA), which administers the WIC program, participant data from some of the states, and internally administered market research. The USDA has been making its data available for many years. Internal data includes historical redemption rates and pricing data. At December 31, 2009, Abbott had the exclusive WIC business in 24 states.

In the domestic pharmaceutical business, the most significant charges against gross sales are for Medicaid and Medicare Rebates, Pharmacy Benefit Manager Rebates and Wholesaler Chargebacks. In order to evaluate the adequacy of the ending accrual balances, management uses both internal and external data to estimate the level of inventory in the distribution channel and the rebate claims processing lag time. External data sources used to estimate the inventory in the distribution channel include inventory levels periodically reported by wholesalers and third party market data purchased by Abbott. Management estimates the processing lag time based on periodic sampling of claims data. To estimate the price rebate percentage, systems and calculations are used to track sales by product by customer and to estimate the contractual or statutory price. Abbott's systems and calculations have developed over time as rebates have become more significant, and Abbott believes they are reliable.

The following table is an analysis of the four largest rebate accruals, which comprise approximately 67 percent of the consolidated rebate provisions charged against revenues in 2009. Remaining rebate provisions charged against gross sales are not significant in the determination of operating earnings. (*dollars in millions*)

		Domestic Pharmaceutical Products		
	Domestic Nutritionals WIC Rebates	Medicaid and Medicare Rebates	Pharmacy Benefit Manager Rebates	Wholesaler Chargebacks
Balance at January 1, 2007	$ 136	$ 485	$ 220	$ 87
Provisions	754	438	412	786
Payments	(691)	(503)	(395)	(781)
Balance at December 31, 2007	199	420	237	92
Provisions	808	556	397	1,034
Payments	(845)	(681)	(406)	(980)
Balance at December 31, 2008	162	295	228	146
Provisions	747	563	505	1,134
Payments	(756)	(506)	(494)	(1,120)
Balance at December 31, 2009	$ 153	$ 352	$ 239	$ 160

Historically, adjustments to prior years' rebate accruals have not been material to net income. In 2007, adjustments were made to prior years' rebate accruals. The Medicaid and Medicare rebate accrual was

reduced by approximately $69 million and the WIC rebate accrual was increased by approximately $19 million. Abbott employs various techniques to verify the accuracy of claims submitted to it, and where possible, works with the organizations submitting claims to gain insight into changes that might affect the rebate amounts. For Medicaid, Medicare and other government agency programs, the calculation of a rebate involves interpretations of relevant regulations, which are subject to challenge or change in interpretation.

Income Taxes — Abbott operates in numerous countries where its income tax returns are subject to audits and adjustments. Because Abbott operates globally, the nature of the audit items are often very complex, and the objectives of the government auditors can result in a tax on the same income in more than one country. Abbott employs internal and external tax professionals to minimize audit adjustment amounts where possible. In accordance with the accounting rules relating to the measurement of tax contingencies, in order to recognize an uncertain tax benefit, the taxpayer must be more likely than not of sustaining the position, and the measurement of the benefit is calculated as the largest amount that is more than 50 percent likely to be realized upon resolution of the benefit. Application of these rules requires a significant amount of judgment. In the U.S., Abbott's federal income tax returns through 2005 are settled, and the income tax returns for years after 2005 are open. Abbott does not record deferred income taxes on earnings reinvested indefinitely in foreign subsidiaries.

Pension and Post-Employment Benefits — Abbott offers pension benefits and post-employment health care to many of its employees. Abbott engages outside actuaries to assist in the determination of the obligations and costs under these programs. Abbott must develop long-term assumptions, the most significant of which are the health care cost trend rates, discount rates and the expected return on plan assets. The discount rates used to measure liabilities were determined based on high-quality fixed income securities that match the duration of the expected retiree benefits. The health care cost trend rates represent Abbott's expected annual rates of change in the cost of health care benefits and is a forward projection of health care costs as of the measurement date. A difference between the assumed rates and the actual rates, which will not be known for decades, can be significant in relation to the obligations and the annual cost recorded for these programs. Negative asset returns in 2008 due to poor market conditions and low interest rates have significantly increased actuarial losses for these plans. At December 31, 2009, pretax net actuarial losses and prior service costs and (credits) recognized in Accumulated other comprehensive income (loss) for Abbott's defined benefit plans and medical and dental plans were losses of $2.7 billion and $501 million, respectively. Actuarial losses and gains are amortized over the remaining service attribution periods of the employees under the corridor method, in accordance with the rules for accounting for post-employment benefits. Differences between the expected long-term return on plan assets and the actual annual return are amortized over a five-year period. Note 5 to the consolidated financial statements describes the impact of a one-percentage point change in the health care cost trend rate; however, there can be no certainty that a change would be limited to only one percentage point.

Valuation of Intangible Assets — Abbott has acquired and continues to acquire significant intangible assets that Abbott records at fair value. Transactions involving the purchase or sale of intangible assets occur with some frequency between companies in the health care field and valuations are usually based on a discounted cash flow analysis. The discounted cash flow model requires assumptions about the timing and amount of future net cash flows, risk, the cost of capital, terminal values and market participants. Each of these factors can significantly affect the value of the intangible asset. Abbott engages independent valuation experts who review Abbott's critical assumptions and calculations for acquisitions of significant intangibles. Abbott reviews definite-lived intangible assets for impairment each quarter using an undiscounted net cash flows approach. If the undiscounted cash flows of an intangible asset are less than the carrying value of an intangible asset, the intangible asset is written down to its fair value, which is usually the discounted cash flow amount. Where cash flows cannot be identified for an individual asset, the review is applied at the lowest group level for which cash flows are identifiable. Goodwill and indefinite-lived intangible assets, which relate to in-process research and development acquired in a business

combination, are reviewed for impairment annually or when an event that could result in an impairment occurs. At December 31, 2009, goodwill and intangibles amounted to $13.2 billion and $6.3 billion, respectively, and amortization expense for intangible assets amounted to $879 million in 2009. There were no impairments of goodwill in 2009, 2008 or 2007.

Litigation — Abbott accounts for litigation losses in accordance with FASB Accounting Standards Codification No. 450, "Contingencies." Under ASC No. 450, loss contingency provisions are recorded for probable losses at management's best estimate of a loss, or when a best estimate cannot be made, a minimum loss contingency amount is recorded. These estimates are often initially developed substantially earlier than the ultimate loss is known, and the estimates are refined each accounting period as additional information becomes known. Accordingly, Abbott is often initially unable to develop a best estimate of loss, and therefore the minimum amount, which could be zero, is recorded. As information becomes known, either the minimum loss amount is increased, resulting in additional loss provisions, or a best estimate can be made, also resulting in additional loss provisions. Occasionally, a best estimate amount is changed to a lower amount when events result in an expectation of a more favorable outcome than previously expected. Except for the cases discussed in Note 8 for which Abbott is unable to estimate a loss, if any, Abbott estimates the range of possible loss to be from approximately $170 million to $310 million for its legal proceedings and environmental exposures. Reserves of approximately $215 million have been recorded at December 31, 2009 for these proceedings and exposures. These reserves represent management's best estimate of probable loss, as defined by FASB ASC No. 450, "Contingencies."

Stock Compensation — Abbott records the fair value of stock options in its results of operations. Since there is no market for trading employee stock options, management must use a fair value method. There is no certainty that the results of a fair value method would be the value at which employee stock options would be traded for cash. Fair value methods require management to make several assumptions, the most significant of which are the selection of a fair value model, stock price volatility and the average life of an option. Abbott has readily available grant-by-grant historical activity for several years in its option administration system that it uses in developing some of its assumptions. Abbott uses the Black-Scholes method to value stock options. Abbott uses both historical volatility of its stock price and the implied volatility of traded options to develop the volatility assumptions. Abbott uses the historical grant activity, combined with expectations about future exercise activity, to develop the average life assumptions. Abbott has also used the historical grant data to evaluate whether certain holders of stock options exercised their options differently than other holders and has not found any differentiating pattern among holders.

Results of Operations

Sales

The following table details the components of sales growth by reportable segment for the last three years:

	Total % Change	Components of Change %		
		Price	Volume	Exchange
Total Net Sales				
2009 vs. 2008	4.2	(0.1)	8.3	(4.0)
2008 vs. 2007	13.9	1.4	9.3	3.2
2007 vs. 2006	15.3	1.2	10.9	3.2
Total U.S.				
2009 vs. 2008	0.4	(0.3)	0.7	—
2008 vs. 2007	10.1	3.4	6.7	—
2007 vs. 2006	12.0	4.0	8.0	—
Total International				
2009 vs. 2008	7.7	0.2	15.1	(7.6)
2008 vs. 2007	17.8	(0.5)	12.0	6.3
2007 vs. 2006	18.8	(1.7)	14.0	6.5
Pharmaceutical Products Segment				
2009 vs. 2008	(1.3)	(0.1)	3.0	(4.2)
2008 vs. 2007	14.2	1.9	9.1	3.2
2007 vs. 2006	18.0	2.4	12.3	3.3
Nutritional Products Segment				
2009 vs. 2008	7.3	1.5	8.6	(2.8)
2008 vs. 2007	12.2	3.4	6.9	1.9
2007 vs. 2006	1.7	1.4	(1.4)	1.7
Diagnostic Products Segment				
2009 vs. 2008	0.1	1.4	3.7	(5.0)
2008 vs. 2007	13.2	1.3	6.8	5.1
2007 vs. 2006	11.1	(0.6)	7.0	4.7
Vascular Products Segment				
2009 vs. 2008	20.1	(2.9)	26.0	(3.0)
2008 vs. 2007	34.7	(4.6)	35.8	3.5
2007 vs. 2006	53.8	(4.7)	55.4	3.1

Worldwide sales growth in 2009 reflects unit growth and the acquisition of Advanced Medical Optics, Inc. on February 25, 2009, partially offset by the negative effect of the relatively stronger U.S. dollar. Worldwide, U.S. and Pharmaceutical Products segment sales also reflect decreased sales of *Depakote* due to generic competition. Excluding U.S. *Depakote* sales in 2009 and 2008, worldwide sales increased 7.7 percent, U.S. sales increased 7.6 percent and Pharmaceutical Products segment sales increased 4.3 percent. Worldwide 2008 sales growth reflects unit growth and the positive effect of the relatively weaker U.S. dollar. Worldwide 2007 sales growth reflects the acquisitions of Guidant's vascular intervention and endovascular solutions businesses on April 21, 2006 and Kos Pharmaceuticals Inc. in the fourth quarter of 2006. Sales growth in 2007 for the Nutritional Products segment reflects the completion

of the U.S. co-promotion of *Synagis* in 2006. Excluding sales of *Synagis* in 2006, Nutritional Products segment sales increased 11.3 percent in 2007.

A comparison of significant product group sales is as follows. Percent changes are versus the prior year and are based on unrounded numbers.

	2009	Percent Change	2008	Percent Change	2007	Percent Change
	(dollars in millions)					
Pharmaceuticals —						
U.S. Specialty	$ 4,676	(10)	$ 5,211	20	$ 4,349	24
U.S. Primary Care	3,043	(2)	3,102	(1)	3,139	23
International Pharmaceuticals	7,861	6	7,399	23	6,002	16
Nutritionals —						
U.S. Pediatric Nutritionals	1,306	3	1,268	3	1,233	9
International Pediatric Nutritionals	1,543	12	1,374	26	1,093	22
U.S. Adult Nutritionals	1,269	9	1,162	8	1,077	2
International Adult Nutritionals	1,106	3	1,070	13	947	15
Diagnostics —						
Immunochemistry	2,798	(2)	2,843	13	2,517	11

Decreased sales of *Depakote* due to generic competition impacted U.S. Specialty product sales in 2009 and 2008. This was partially offset by increased sales of *HUMIRA* and by the addition of *Lupron* sales from the conclusion of the TAP joint venture in April 2008. Increased sales of *HUMIRA* and *Depakote* impacted U.S. Specialty product sales in 2007. U.S. sales of *HUMIRA* were $2.5 billion, $2.2 billion and $1.6 billion in 2009, 2008 and 2007, respectively, and U.S. sales of *Depakote* were $331 million, $1.3 billion and $1.5 billion in 2009, 2008 and 2007, respectively. U.S. Primary Care sales in all three years were impacted by decreased sales of *Omnicef, Synthroid and Biaxin* due to generic competition. This was partially offset in 2009 and 2008 by increased sales of *Niaspan* and in 2008 by higher *TriCor/Trilipix* franchise sales. U.S. Primary Care sales in 2007 were favorably impacted by sales of *TriCor* and *Niaspan*, a new product from the acquisition of Kos Pharmaceuticals Inc. in the fourth quarter of 2006. Increased sales volume of *HUMIRA* in all three years favorably impacted International Pharmaceuticals sales, partially offset by decreased sales of clarithromycin in 2009 and 2008 due to generic competition. International sales of *HUMIRA* were $3.0 billion, $2.3 billion and $1.4 billion in 2009, 2008 and 2007, respectively. The relatively stronger U.S. dollar decreased International Pharmaceutical sales in 2009 by 8.6 percent and the relatively weaker U.S. dollar increased International Pharmaceutical sales in 2008 and 2007 by 7.3 percent and 7.1 percent, respectively. International Pediatric Nutritionals sales increases were due primarily to volume growth in developing countries. International Adult Nutritionals sales and Immunochemistry sales in 2009 were negatively impacted by the effect of the relatively stronger U.S. dollar. Abbott has periodically sold product rights to non-strategic products and has recorded the related gains in net sales in accordance with Abbott's revenue recognition policies as discussed in Note 1 to the consolidated financial statements. Related net sales were $120 million, $111 million and $184 million in 2009, 2008 and 2007, respectively.

The expiration of licenses, patent protection and generic competition can affect the future revenues and operating income of Abbott. There are currently no significant patent or license expirations in the next three years.

Operating Earnings

Gross profit margins were 57.1 percent of net sales in 2009, 57.3 percent in 2008 and 55.9 percent in 2007. The decrease in the gross profit margin in 2009 was due, in part, to the negative impact from lower sales of *Depakote* and the unfavorable effect of exchange on the gross profit margin ratio; partially offset by

improved margins in the vascular and diagnostics businesses. The increase in the gross profit margin in 2008 was due, in part, to favorable product mix and the favorable impact of foreign exchange. The decrease in the gross profit margin in 2007 was due, in part, to the unfavorable impact in 2007 of the completion of the U.S. co-promotion of *Synagis* in 2006 as well as generic competition for *Omnicef* and *Biaxin* sales in 2007.

In the U.S., states receive price rebates from manufacturers of infant formula under the federally subsidized Special Supplemental Nutrition Program for Women, Infants, and Children. There are also rebate programs for pharmaceutical products. These rebate programs continue to have a negative effect on the gross profit margins of the Nutritional and Pharmaceutical Products segments.

Research and development expense was $2.744 billion in 2009, $2.689 billion in 2008 and $2.506 billion in 2007 and represented increases of 2.0 percent in 2009, 7.3 percent in 2008 and 11.1 percent in 2007. The increase in 2009 reflects the favorable effect of exchange rates which reduced research and development expense in 2009. Excluding the effect of exchange, research and development expenses increased 3.4 percent in 2009. The increase in 2007 was affected by the acquisitions of Guidant's vascular intervention and endovascular solutions businesses in April 2006 and Kos Pharmaceuticals Inc. in the fourth quarter of 2006. These increases, excluding the effects of exchange, also reflect continued pipeline spending, including programs in vascular devices, immunology, neuroscience, oncology, Hepatitis C and pain management. The majority of research and development expenditures are concentrated on pharmaceutical products.

Selling, general and administrative expenses decreased 0.4 percent in 2009 compared to increases of 13.9 percent in 2008 and 16.7 percent in 2007. The 2009 decrease reflects the favorable effect of exchange rates which was offset by expenses relating to the acquisition of Advanced Medical Optics, Inc. and the settlement of litigation. Excluding the effects of the charges and exchange, selling, general and administrative expenses increased 0.9 percent in 2009. The 2008 increase reflects the settlement of litigation relating to *TriCor*, which increased selling, general and administration expenses by 3.1 percentage points. The 2007 increase reflects the acquisitions of Guidant's vascular intervention and endovascular solutions businesses and Kos Pharmaceuticals Inc. The remaining increases in selling, general and administrative expenses were due primarily to increased selling and marketing support for new and existing products, including continued spending for *HUMIRA* and *Xience V*, and inflation.

Conclusion of TAP Pharmaceutical Products Inc. Joint Venture and Sale of Abbott's Spine Business

On April 30, 2008, Abbott and Takeda concluded their TAP Pharmaceutical Products Inc. (TAP) joint venture, evenly splitting the value and assets of the joint venture. Abbott exchanged its 50 percent equity interest in TAP for the assets, liabilities and employees related to TAP's *Lupron* business. Subsequent to the conclusion of the joint venture, TAP was merged into two Takeda entities. The exchange of Abbott's investment in TAP for TAP's *Lupron* business resulted in a gain at closing of approximately $94 million. The Internal Revenue Service has issued a private letter ruling that the transaction qualifies as tax-free for U.S. income tax purposes.

Beginning on May 1, 2008, Abbott began recording U.S. *Lupron* net sales and costs in its operating results and no longer records income from the TAP joint venture. TAP's sales of *Lupron* were $182 million for the four months ended April 30, 2008 and $645 million in 2007. Abbott also receives payments based on specified development, approval and commercial events being achieved with respect to products retained by Takeda and payments from Takeda based on sales of products retained by Takeda, which are recorded by Abbott as Other (income) expense, net as earned.

The exchange transaction was accounted for as a sale of Abbott's equity interest in TAP and as an acquisition of TAP's *Lupron* business. The sale of Abbott's equity interest in TAP resulted in the recording of net assets related to the *Lupron* business, primarily cash, receivables, inventory and other assets, net of accounts payable and other accrued liabilities, offset by a credit to Abbott's investment in TAP in the amount of approximately $280 million.

For the acquired *Lupron* business, Abbott recorded intangible assets, primarily *Lupron* product rights, of approximately $700 million, goodwill of approximately $350 million and deferred tax liabilities related primarily to the intangible assets of approximately $260 million. The intangible assets are being amortized over 15 years. Abbott has also agreed to remit cash to Takeda if certain research and development events are not achieved on the development assets retained by Takeda. These amounts were recorded as a liability at closing in the amount of approximately $1.1 billion. Related deferred tax assets of approximately $410 million were also recorded. Of the $1.1 billion, Abbott made tax-deductible payments of $83 million and $200 million in 2009 and 2008, respectively, and Abbott will make a tax-deductible payment of approximately $36 million in 2010. In 2009, events occurred resulting in the remaining payments not being required and the remaining liability in the amount of $797 million was derecognized and recorded as income in Other (income) expense, net.

The 50 percent-owned joint venture was accounted for under the equity method of accounting. Summarized financial information for TAP follows below. The results for 2008 include results through April 30. (*dollars in millions*)

	Year Ended December 31	
	2008	2007
Net sales	$ 853	$ 3,002
Cost of sales	229	720
Income before taxes	356	1,564
Net income	238	996

In the fourth quarter of 2008, Abbott sold its spine business for approximately $360 million in cash, resulting in an after-tax gain of approximately $147 million which is presented as Gain on sale of discontinued operations, net of taxes, in the accompanying statement of income. The operations and financial position of the spine business are not presented as discontinued operations because the effects would not be significant.

Restructurings

In 2008, Abbott management approved a plan to streamline global manufacturing operations, reduce overall costs, and improve efficiencies in Abbott's core diagnostic business. In 2008, Abbott recorded a charge to Cost of products sold of approximately $129 million under the plan. Additional charges of approximately $54 million and $16 million were recorded in 2009 and 2008, respectively, relating to this restructuring, primarily for accelerated depreciation and product transfer costs. Additional charges will be incurred through 2011 as a result of product re-registration timelines required under manufacturing regulations in a number of countries and product transition timelines. The following summarizes the activity for this restructuring: (*dollars in millions*)

2008 restructuring charge	$ 129
Payments and other adjustments	(19)
Accrued balance at December 31, 2008	110
Payments and other adjustments	(12)
Accrued balance at December 31, 2009	$ 98

In 2009 and prior years, Abbott management approved plans to realign its worldwide pharmaceutical and vascular manufacturing operations and selected domestic and international commercial and research and development operations in order to reduce costs. In 2009, 2008 and 2007, Abbott recorded charges of approximately $114 million, $36 million and $107 million, respectively, reflecting the impairment of manufacturing facilities and other assets, employee severance and other related charges. Approximately $94 million in 2007 is classified as cost of products sold, $3 million in 2007 as research and development

and $114 million, $36 million and $10 million in 2009, 2008 and 2007, respectively, as selling, general and administrative. Fair value for the determination of the amount of asset impairments was determined primarily based on a discounted cash flow method. An additional $47 million, $81 million and $90 million were subsequently recorded in 2009, 2008 and 2007, respectively, relating to these restructurings, primarily for accelerated depreciation. In addition, Abbott implemented facilities restructuring plans in 2007 related to the acquired operations of Kos Pharmaceuticals Inc. which resulted in an increase to goodwill of approximately $52 million. The following summarizes the activity for these restructurings: (*dollars in millions*)

Accrued balance at January 1, 2007	$ 193
2007 restructuring charges	159
Payments, impairments and other adjustments	(158)
Accrued balance at December 31, 2007	194
2008 restructuring charges	36
Payments, impairments and other adjustments	(125)
Accrued balance at December 31, 2008	105
2009 restructuring charges	114
Payments and other adjustments	(74)
Accrued balance at December 31, 2009	$ 145

Interest expense and Interest (income)

In 2009 and 2008, interest expense decreased primarily as a result of lower interest rates, partially offset by increased debt levels in 2009 related to the acquisition of Advanced Medical Optics, Inc. Interest expense increased in 2007 due primarily to higher borrowings as a result of the acquisitions of Guidant's vascular intervention and endovascular solutions businesses and Kos Pharmaceuticals Inc. and Abbott's investment in the Boston Scientific common stock and note receivable. Interest income decreased in 2009 due to lower interest rates and increased in 2008 and 2007 due to higher investment balances.

Other (income) expense, net

Other (income) expense, net, for 2009 includes the derecognition of a contingent liability of $797 million associated with the conclusion of the TAP Pharmaceutical Products Inc. joint venture as discussed above, a $287 million gain from the settlement reached between Abbott and Medtronic, Inc. resolving all outstanding intellectual property litigation between the two parties and income from the recording of certain investments at fair value in connection with business acquisitions. Other (income) expense, net, for 2009 and 2008 also includes ongoing contractual payments from Takeda associated with the conclusion of the TAP joint venture and a gain in 2008 on the sale of an equity investment accounted for as an available-for-sale investment. In addition, Abbott recorded a gain of approximately $94 million in connection with the dissolution of the TAP joint venture in 2008. Other (income) expense, net for 2007 includes a $190 million fair market value loss adjustment to Abbott's investment in Boston Scientific common stock and a realized gain of $37 million on the sales of Boston Scientific common stock.

Taxes on Earnings

The income tax rates on earnings from continuing operations were 20.1 percent in 2009, 19.2 percent in 2008 and 19.3 percent in 2007. The tax rate in 2009 was effected by a higher tax rate applied to the derecognition of a contingent liability associated with the conclusion of the TAP Pharmaceutical Products Inc. joint venture and the Medtronic intellectual property litigation settlement. Abbott expects to apply an annual effective rate of between 16 percent and 16.5 percent in 2010.

Business Combinations, Technology Acquisitions and Related Transactions

On January 1, 2009, Abbott adopted the provisions of SFAS No. 141 (revised 2007), "Business Combinations," as codified in FASB ASC No. 805, "Business Combinations." Under ASC No. 805, acquired in-process research and development is accounted for as an indefinite-lived intangible asset until approval or discontinuation rather than as expense, acquisition costs in connection with an acquisition are expensed rather than added to the cost of an acquisition and the fair value of contingent consideration at the date of an acquisition is added to the cost of the acquisition.

In February 2009, Abbott acquired the outstanding shares of Advanced Medical Optics, Inc. (AMO) for approximately $1.4 billion in cash, net of cash held by AMO. Prior to the acquisition, Abbott held a small investment in AMO. Abbott acquired AMO to take advantage of increasing demand for vision care technologies due to population growth and demographic shifts and AMO's premier position in its field. Abbott acquired control of this business on February 25, 2009 and the financial results of the acquired operations are included in these financial statements beginning on that date. The acquisition was financed with long-term debt. The allocation of the fair value of the acquisition is shown in the table below: (*dollars in billions*)

Goodwill, non-deductible	$ 1.7
Acquired intangible assets, non-deductible	0.9
Acquired in-process research and development, non-deductible	0.2
Acquired net tangible assets	0.4
Acquired debt	(1.5)
Deferred income taxes recorded at acquisition	(0.3)
Total allocation of fair value	$ 1.4

Acquired intangible assets consist of established customer relationships, developed technology and trade names and will be amortized over 2 to 30 years (average of 15 years). Acquired in-process research and development will be accounted for as an indefinite-lived intangible asset until regulatory approval or discontinuation. The net tangible assets acquired consist primarily of trade accounts receivable, inventory, property and equipment and other assets, net of assumed liabilities, primarily trade accounts payable, accrued compensation and other liabilities. Abbott incurred approximately $89 million of acquisition-related expenses in 2009 which are classified as Selling, general and administrative expense. In addition, subsequent to the acquisition, Abbott repaid substantially all of the acquired debt of AMO.

In October 2009, Abbott acquired 100 percent of Visiogen, Inc. for $400 million, in cash, providing Abbott with a next-generation accommodating intraocular lens (IOL) technology to address presbyopia for cataract patients. The preliminary allocation of the fair value of the acquisition resulted in non-deductible acquired in-process research and development of approximately $195 million which will be accounted for as an indefinite-lived intangible asset until regulatory approval or discontinuation, non-deductible definite-lived intangible assets of approximately $33 million, goodwill of approximately $260 million and deferred income taxes of approximately $89 million. Acquired intangible assets consist of developed technology and will be amortized over 12 years. The allocation of the fair value of the acquisition will be finalized when the valuation is completed.

In October 2009, Abbott acquired Evalve, Inc. for $320 million, in cash, plus an additional payment of $90 million to be made upon completion of certain regulatory milestones. Abbott acquired Evalve to obtain a presence in the growing area of percutaneous treatment for structural heart disease. Including a previous investment in Evalve, Abbott has acquired 100 percent of the outstanding shares of Evalve. In connection with the acquisition, the carrying amount of this investment was revalued to fair value resulting in recording $28 million of income, which is reported as Other (income) expense, net. The preliminary allocation of the fair value of the acquisition resulted in non-deductible definite-lived intangible assets of approximately $145 million, non-deductible acquired in-process research and development of

approximately $228 million which will be accounted for as an indefinite-lived intangible asset until regulatory approval or discontinuation, goodwill of approximately $158 million and deferred income taxes of approximately $136 million. Acquired intangible assets consist of developed technology and will be amortized over 12 years. The allocation of the fair value of the acquisition will be finalized when the valuation is completed.

In January 2009, Abbott acquired Ibis Biosciences, Inc. (Ibis) for $175 million, in cash, to expand Abbott's position in molecular diagnostics for infectious disease. Including a $40 million investment in Ibis in 2008, Abbott has acquired 100 percent of the outstanding shares of Ibis. A substantial portion of the fair value of the acquisition has been allocated to goodwill and amortizable intangible assets, and acquired in-process research and development that will be accounted for as an indefinite-lived intangible asset until regulatory approval or discontinuation. The investment in Ibis in 2008 resulted in a charge to acquired in-process research and development. In connection with the acquisition, the carrying amount of this investment was revalued to fair value resulting in recording $33 million of income, which is reported as Other (income) expense, net.

Had the above acquisitions taken place on January 1 of the previous year, consolidated net sales and income would not have been significantly different from reported amounts.

In December 2009, Abbott acquired the global rights to a novel biologic for the treatment of chronic pain for $170 million, in cash, resulting in a charge to acquired in-process research and development.

In September 2009, Abbott announced an agreement to acquire Solvay's pharmaceuticals business for EUR 4.5 billion (approximately $6.2 billion), in cash, plus additional payments of up to EUR 300 million if certain sales milestones are met. This acquisition will provide Abbott with a large and complementary portfolio of pharmaceutical products and a significant presence in key global emerging markets and will add approximately $500 million to Abbott's research and development spending. The transaction closed on February 15, 2010. Sales for the acquired business are forecast to be approximately $2.9 billion in 2010. The allocation of the fair value of the acquisition will be finalized when the valuation is completed.

Financial Condition

Cash Flow

Net cash from operating activities of continuing operations amounted to $7.3 billion, $7.0 billion and $5.2 billion in 2009, 2008 and 2007, respectively. Cash from operating activities of continuing operations in 2008 compared to 2007 is higher due to higher operating earnings, decreased prepaid expenses and other assets, and increased trade accounts payable and other liabilities. Abbott funds its domestic pension plans according to IRS funding limitations. Abbott funded $700 million in 2009, and $200 million annually in 2008 and 2007 to the main domestic pension plan. Abbott expects pension funding for its main domestic pension plan of $200 million annually. Abbott expects annual cash flow from operating activities to continue to exceed Abbott's capital expenditures and cash dividends.

Debt and Capital

At December 31, 2009, Abbott's long-term debt rating was AA by Standard & Poor's Corporation and A1 by Moody's Investors Service. Abbott has readily available financial resources, including unused lines of credit of $6.3 billion that support commercial paper borrowing arrangements of which a $3.3 billion facility expires in October 2010 and a $3.0 billion facility expires in 2012. Related compensating balances, which are subject to withdrawal by Abbott at its option, and commitment fees are not material. Abbott's access to short-term financing was not affected by the credit market conditions in 2008 and early 2009.

In October 2008, the board of directors authorized the purchase of up to $5 billion of Abbott's common shares from time to time. Under this authorization, 14.5 million shares were purchased in 2009 at a cost of approximately $800 million and 146,400 shares were purchased in 2008 at a cost of approximately

$8 million. In 2008 and 2007, Abbott purchased approximately 19.0 million of its common shares in each period at a cost of approximately $1.1 billion and $1.0 billion, respectively, under a prior authorization.

Under a registration statement filed with the Securities and Exchange Commission in February 2009, Abbott issued $3.0 billion of long-term debt in the first quarter of 2009 that matures in 2019 and 2039 with interest rates of 5.125 percent and 6.0 percent, respectively. Proceeds from this debt were used to fund the acquisition of Advanced Medical Optics, Inc. and to repay debt of Advanced Medical Optics, Inc. In addition, Abbott repaid $1 billion of long-term notes that were due in 2009 using short-term borrowings. Under a registration statement filed with the Securities and Exchange Commission in February 2006, Abbott issued $3.5 billion of long-term debt in 2007 that matures in 2012 through 2037 with interest rates ranging from 5.15 percent to 6.15 percent. Proceeds from this debt were used to pay down short-term borrowings that were incurred to partially fund the acquisition of Kos Pharmaceuticals Inc.

The acquisition of Solvay's pharmaceuticals business on February 15, 2010 was funded with current cash and short-term investments.

The judgment entered by the U.S. District Court for the Eastern District of Texas against Abbott in its litigation with New York University and Centocor, Inc. requires Abbott to secure the judgment in the event that its appeal to the Federal Circuit court is unsuccessful in overturning the district court's decision. Abbott expects to deposit approximately $1.8 billion with an escrow agent during the first quarter of 2010 and will consider these assets to be restricted.

Working Capital

Working capital was $10.3 billion at December 31, 2009, $5.5 billion at December 31, 2008 and $4.9 billion at December 31, 2007. The increase in working capital in 2009 was due, primarily, to increased levels of cash and investments and the derecognition of a contingent liability associated with the conclusion of the TAP joint venture; partially offset by increased debt levels.

Capital Expenditures

Capital expenditures of $1.1 billion in 2009, $1.3 billion in 2008 and $1.7 billion in 2007 were principally for upgrading and expanding manufacturing, research and development, investments in information technology and administrative support facilities in all segments, and for laboratory instruments placed with customers.

Contractual Obligations

The following table summarizes Abbott's estimated contractual obligations as of December 31, 2009: (*dollars in millions*)

	Payment Due By Period				
	Total	2010	2011–2012	2013–2014	2015 and Thereafter
Long-term debt, including current maturities and future interest payments	$ 18,008	$ 816	$ 4,162	$ 1,743	$ 11,287
Operating lease obligations	484	99	152	101	132
Capitalized auto lease obligations	84	28	56	—	—
Purchase commitments (a)	3,307	3,118	159	23	7
Other long-term liabilities reflected on the consolidated balance sheet —					
Benefit plan obligations	2,981	—	479	420	2,082
Other	2,165	—	1,417	229	519
Total	$ 27,029	$ 4,061	$ 6,425	$ 2,516	$ 14,027

(a) Purchase commitments are for purchases made in the normal course of business to meet operational and capital expenditure requirements.

Contingent Obligations

Abbott has periodically entered into agreements in the ordinary course of business, such as assignment of product rights, with other companies which has resulted in Abbott becoming secondarily liable for obligations that Abbott was previously primarily liable. Since Abbott no longer maintains a business relationship with the other parties, Abbott is unable to develop an estimate of the maximum potential amount of future payments, if any, under these obligations. Based upon past experience, the likelihood of payments under these agreements is remote. In addition, Abbott periodically acquires a business or product rights in which Abbott agrees to pay contingent consideration based on attaining certain thresholds or based on the occurrence of certain events. In connection with the acquisition of Guidant's vascular intervention and endovascular solutions businesses, Abbott paid $250 million to Boston Scientific in January 2010 upon government approval to market the *Xience V* drug-eluting stent in Japan. In addition, Abbott has retained liabilities for taxes on income prior to the spin-off of Hospira and certain potential liabilities, if any, related to alleged improper pricing practices in connection with federal, state and private reimbursement for certain drugs.

Recently Issued Accounting Standards

In 2009, the FASB issued SFAS No. 167, "Amendments to FASB Interpretation No. 46(R)," as codified in FASB ASC No. 810, "Consolidation." FASB ASC No. 810 provides consolidation guidance relating to variable interest entities. These provisions are effective for fiscal years beginning after November 15, 2009. Adoption of these provisions is not expected to have a material effect on the results of operations or financial position of Abbott.

Legislative Issues

Abbott's primary markets are highly competitive and subject to substantial government regulation throughout the world. Abbott expects debate to continue over the availability, method of delivery, and payment for health care products and services. Abbott believes that if legislation is enacted, it could change access to health care products and services, increase rebates, reduce prices or the rate of price increases for health care products and services, create new fees for the pharmaceutical and medical device industries or require additional reporting and disclosure. It is not possible to predict the extent to which Abbott 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, and Item 1A, Risk Factors, to the Annual Report on Form 10-K.

Private Securities Litigation Reform Act of 1995 — A Caution Concerning Forward-Looking Statements

Under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Abbott cautions investors that any forward-looking statements or projections made by Abbott, including those made in this document, are subject to risks and uncertainties that may cause actual results to differ materially from those projected. Economic, competitive, governmental, technological and other factors that may affect Abbott's operations are discussed in Item 1A, Risk Factors, to the Annual Report on Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Financial Instruments and Risk Management

Investment in Boston Scientific Note Receivable

At December 31, 2009 and 2008, Abbott has a $900 million loan to a wholly-owned subsidiary of Boston Scientific which is payable to Abbott in April 2011 and, as such, is subject to credit risk.

Other Market Price Sensitive Investments

Abbott holds available-for-sale equity securities from strategic technology acquisitions. The market value of these investments was approximately $75 million and $105 million, respectively, as of December 31, 2009 and 2008. Abbott monitors these investments for other than temporary declines in market value, and charges impairment losses to income when an other than temporary decline in value occurs. A hypothetical 20 percent decrease in the share prices of these investments would decrease their fair value at December 31, 2009 by approximately $15 million. (A 20 percent decrease is believed to be a reasonably possible near-term change in share prices.)

Non-Publicly Traded Equity Securities

Abbott holds equity securities from strategic technology acquisitions that are not traded on public stock exchanges. The carrying value of these investments was approximately $78 million and $42 million as of December 31, 2009 and 2008, respectively. No individual investment is in excess of $18 million. Abbott monitors these investments for other than temporary declines in market value, and charges impairment losses to income when an other than temporary decline in estimated value occurs.

Interest Rate Sensitive Financial Instruments

At December 31, 2009 and 2008, Abbott had interest rate hedge contracts totaling $5.5 billion and $2.5 billion, respectively, to manage its exposure to changes in the fair value of debt due in 2011 through 2019. The effect of these hedges is to change the fixed interest rate to a variable rate. Abbott does not use derivative financial instruments, such as interest rate swaps, to manage its exposure to changes in interest rates for its investment securities. At December 31, 2009, Abbott had $2.9 billion of domestic commercial paper outstanding with an average annual interest rate of 0.1% with an average remaining life of 22 days. The fair value of long-term debt at December 31, 2009 and 2008 amounted to $12.3 billion and $10.5 billion, respectively (average interest rates of 5.3% and 5.2%, respectively) with maturities through 2039. At December 31, 2009 and 2008, the fair value of current and long-term investment securities amounted to $2.1 billion and $1.8 billion, respectively. A hypothetical 100-basis point change in the interest rates would not have a material effect on cash flows, income or market values. (A 100-basis point change is believed to be a reasonably possible near-term change in rates.)

Foreign Currency Sensitive Financial Instruments

Abbott enters into foreign currency forward exchange contracts to manage its exposure to foreign currency denominated intercompany loans and trade payables and third-party trade payables and receivables. The contracts are marked-to-market, and resulting gains or losses are reflected in income and are generally offset by losses or gains on the foreign currency exposure being managed. At December 31, 2009 and 2008, Abbott held $7.5 billion and $8.3 billion, respectively, of such contracts, which mature in the next twelve months.

In addition, certain Abbott foreign subsidiaries enter into foreign currency forward exchange contracts to manage exposures to changes in foreign exchange rates for anticipated intercompany purchases by those subsidiaries whose functional currencies are not the U.S. dollar. These contracts are designated as cash flow hedges of the variability of the cash flows due to changes in foreign currency

exchange rates and are marked-to-market with the resulting gains or losses reflected in Accumulated other comprehensive income (loss). Gains or losses will be included in Cost of products sold at the time the products are sold, generally within the next twelve months. At December 31, 2009 and 2008, Abbott held $2.0 billion and $129 million, respectively, of such contracts, which all mature in the following calendar year.

Abbott has designated foreign denominated short-term debt of approximately $575 million and approximately $585 million as of December 31, 2009 and 2008, respectively, as a hedge of the net investment in certain foreign subsidiaries. Accordingly, changes in the fair value of this debt due to changes in exchange rates are recorded in Accumulated other comprehensive income (loss), net of tax.

The following table reflects the total foreign currency forward contracts outstanding at December 31, 2009 and 2008: (*dollars in millions*)

	2009			2008		
	Contract Amount	Average Exchange Rate	Fair and Carrying Value Receivable/ (Payable)	Contract Amount	Average Exchange Rate	Fair and Carrying Value Receivable/ (Payable)
Receive primarily U.S. Dollars in exchange for the following currencies:						
Euro	$ 4,045	1.482	$ (20)	$ 3,963	1.286	$ 3
British Pound	1,246	1.658	(2)	1,208	1.553	(31)
Japanese Yen	2,057	89.8	(46)	1,788	99.6	54
Canadian Dollar	448	1.064	(4)	163	1.240	3
All other currencies	1,714	N/A	(11)	1,254	N/A	19
Total	$ 9,510		$ (83)	$ 8,376		$ 48

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Abbott Laboratories and Subsidiaries

Consolidated Statement of Earnings
(dollars and shares in thousands except per share data)

	Year Ended December 31		
	2009	2008	2007
Net Sales	$ 30,764,707	$ 29,527,552	$ 25,914,238
Cost of products sold	13,209,329	12,612,022	11,422,046
Research and development	2,743,733	2,688,811	2,505,649
Acquired in-process research and development	170,000	97,256	—
Selling, general and administrative	8,405,904	8,435,624	7,407,998
Total Operating Cost and Expenses	24,528,966	23,833,713	21,335,693
Operating Earnings	6,235,741	5,693,839	4,578,545
Interest expense	519,656	528,474	593,142
Interest (income)	(137,779)	(201,229)	(136,752)
(Income) from the TAP Pharmaceutical Products Inc. joint venture	—	(118,997)	(498,016)
Net foreign exchange (gain) loss	35,584	84,244	14,997
Other (income) expense, net	(1,375,494)	(454,939)	135,526
Earnings from Continuing Operations Before Taxes	7,193,774	5,856,286	4,469,648
Taxes on Earnings from Continuing Operations	1,447,936	1,122,070	863,334
Earnings from Continuing Operations	5,745,838	4,734,216	3,606,314
Gain on Sale of Discontinued Operations, net of taxes	—	146,503	—
Net Earnings	$ 5,745,838	$ 4,880,719	$ 3,606,314
Basic Earnings Per Common Share —			
Continuing Operations	$ 3.71	$ 3.06	$ 2.34
Gain on Sale of Discontinued Operations, net of taxes	—	0.10	—
Net Earnings	$ 3.71	$ 3.16	$ 2.34
Diluted Earnings Per Common Share —			
Continuing Operations	$ 3.69	$ 3.03	$ 2.31
Gain on Sale of Discontinued Operations, net of taxes	—	0.09	—
Net Earnings	$ 3.69	$ 3.12	$ 2.31
Average Number of Common Shares Outstanding Used for Basic Earnings Per Common Share	1,546,983	1,545,355	1,543,082
Dilutive Common Stock Options and Awards	8,143	15,398	16,975
Average Number of Common Shares Outstanding Plus Dilutive Common Stock Options and Awards	1,555,126	1,560,753	1,560,057
Outstanding Common Stock Options Having No Dilutive Effect	66,189	30,579	6,406

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		
	2009	2008	2007
Cash Flow From (Used in) Operating Activities of Continuing Operations:			
Net earnings	$ 5,745,838	$ 4,880,719	$ 3,606,314
Less: Gain on sale of discontinued operations	—	146,503	—
Earnings from continuing operations	5,745,838	4,734,216	3,606,314
Adjustments to reconcile earnings from continuing operations to net cash from operating activities of continuing operations —			
Depreciation	1,210,977	1,051,728	1,072,855
Amortization of intangible assets	878,533	787,101	782,031
Derecognition of a contingent liability associated with the conclusion of the TAP Pharmaceutical Products Inc. joint venture	(797,130)	—	—
Share-based compensation	366,357	347,015	429,677
Gain on dissolution of the TAP Pharmaceutical Products Inc. joint venture	—	(94,248)	—
Acquired in-process research and development	170,000	97,256	—
Investing and financing (gains) losses, net	41,967	111,238	356,331
Trade receivables	(387,749)	(948,314)	(431,846)
Inventories	230,555	(257,476)	131,324
Prepaid expenses and other assets	(386,889)	436,218	(418,344)
Trade accounts payable and other liabilities	(374,715)	569,056	(82,960)
Income taxes	577,416	160,830	(261,539)
Net Cash From Operating Activities of Continuing Operations	7,275,160	6,994,620	5,183,843
Cash Flow From (Used in) Investing Activities of Continuing Operations:			
Acquisitions of businesses and technologies, net of cash acquired	(2,370,630)	(250,000)	—
Acquisitions of property and equipment	(1,089,048)	(1,287,724)	(1,656,207)
Sales of Boston Scientific common stock	—	318,645	568,437
Purchases of investment securities	(248,970)	(923,937)	(32,852)
Proceeds from sales of investment securities	16,306	130,586	17,830
Other	(6,368)	(75,061)	(33,485)
Net Cash (Used in) Investing Activities of Continuing Operations	(3,698,710)	(2,087,491)	(1,136,277)
Cash Flow From (Used in) Financing Activities of Continuing Operations:			
Proceeds from issuance of (repayments of) short-term debt and other	3,217,331	(324,739)	(3,603,481)
Proceeds from issuance of long-term debt	3,000,000	—	3,500,000
Repayments of long-term debt	(2,483,176)	(913,948)	(441,012)
Purchases of common shares	(826,345)	(1,081,806)	(1,058,793)
Proceeds from stock options exercised, including income tax benefit	508,669	1,008,843	1,249,804
Dividends paid	(2,414,460)	(2,174,252)	(1,959,150)
Net Cash From (Used in) Financing Activities of Continuing Operations	1,002,019	(3,485,902)	(2,312,632)
Effect of exchange rate changes on cash and cash equivalents	118,848	(115,160)	200,258
Net cash provided from the sale of discontinued operations	—	349,571	—
Net Increase in Cash and Cash Equivalents	4,697,317	1,655,638	1,935,192
Cash and Cash Equivalents, Beginning of Year	4,112,022	2,456,384	521,192
Cash and Cash Equivalents, End of Year	$ 8,809,339	$ 4,112,022	$ 2,456,384

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

Abbott Laboratories and Subsidiaries

Consolidated Balance Sheet
(dollars in thousands)

	December 31		
	2009	2008	2007
Assets			
Current Assets:			
Cash and cash equivalents	$ 8,809,339	$ 4,112,022	$ 2,456,384
Investments, including $307,500 of investments measured at fair value at December 31, 2007	1,122,709	967,603	364,443
Trade receivables, less allowances of — 2009: $311,546; 2008: $263,632; 2007: $258,288	6,541,941	5,465,660	4,946,876
Inventories:			
Finished products	2,289,280	1,545,950	1,677,083
Work in process	448,487	698,140	681,634
Materials	527,110	531,759	592,725
Total inventories	3,264,877	2,775,849	2,951,442
Deferred income taxes	2,364,142	2,462,871	2,109,872
Other prepaid expenses and receivables	1,210,883	1,258,554	1,213,716
Total Current Assets	23,313,891	17,042,559	14,042,733
Investments	1,132,866	1,073,736	1,125,262
Property and Equipment, at Cost:			
Land	546,204	509,606	494,021
Buildings	4,010,439	3,698,861	3,589,050
Equipment	11,325,450	10,366,267	10,393,402
Construction in progress	604,813	613,939	1,121,328
	16,486,906	15,188,673	15,597,801
Less: accumulated depreciation and amortization	8,867,417	7,969,507	8,079,652
Net Property and Equipment	7,619,489	7,219,166	7,518,149
Intangible Assets, net of amortization	6,291,989	5,151,106	5,720,478
Goodwill	13,200,174	9,987,361	10,128,841
Deferred Income Taxes and Other Assets	858,214	1,945,276	1,178,461
	$ 52,416,623	$ 42,419,204	$ 39,713,924

Abbott Laboratories and Subsidiaries

Consolidated Balance Sheet
(dollars in thousands)

	December 31		
	2009	2008	2007
Liabilities and Shareholders' Investment			
Current Liabilities:			
Short-term borrowings	$ 4,978,438	$ 1,691,069	$ 1,827,361
Trade accounts payable	1,280,542	1,351,436	1,219,529
Salaries, wages and commissions	1,117,410	1,011,312	859,784
Other accrued liabilities	4,363,032	4,216,742	3,713,104
Dividends payable	620,640	559,064	504,540
Income taxes payable	442,140	805,397	80,406
Obligation in connection with conclusion of the TAP Pharmaceutical Products Inc. joint venture	36,105	915,982	—
Current portion of long-term debt	211,182	1,040,906	898,554
Total Current Liabilities	13,049,489	11,591,908	9,103,278
Long-term Debt	11,266,294	8,713,327	9,487,789
Post-employment Obligations and Other Long-term Liabilities	5,202,111	4,595,278	3,298,912
Commitments and Contingencies			
Shareholders' Investment:			
Preferred shares, one dollar par value Authorized — 1,000,000 shares, none issued	—	—	—
Common shares, without par value Authorized — 2,400,000,000 shares Issued at stated capital amount — Shares: 2009: 1,612,683,987; 2008: 1,601,580,899; 2007: 1,580,854,677	8,257,873	7,444,411	6,104,102
Common shares held in treasury, at cost — Shares: 2009: 61,516,398; 2008: 49,147,968; 2007: 30,944,537	(3,310,347)	(2,626,404)	(1,213,134)
Earnings employed in the business	17,054,027	13,825,383	10,805,809
Accumulated other comprehensive income (loss)	854,074	(1,163,839)	2,081,763
Total Abbott Shareholders' Investment	22,855,627	17,479,551	17,778,540
Noncontrolling Interests in Subsidiaries	43,102	39,140	45,405
Total Shareholders' Investment	22,898,729	17,518,691	17,823,945
	$ 52,416,623	$ 42,419,204	$ 39,713,924

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		
	2009	2008	2007
Common Shares:			
Beginning of Year Shares: 2009: 1,601,580,899; 2008: 1,580,854,677; 2007: 1,550,590,438	$ 7,444,411	$ 6,104,102	$ 4,290,929
Issued under incentive stock programs Shares: 2009: 11,103,088; 2008: 20,726,222; 2007: 30,264,239	530,373	1,001,507	1,316,294
Tax benefit from option shares and vesting of restricted stock awards (no share effect)	15,351	64,714	163,808
Share-based compensation	366,128	342,315	433,319
Issuance of restricted stock awards	(98,390)	(68,227)	(100,248)
End of Year Shares 2009: 1,612,683,987; 2008: 1,601,580,899; 2007: 1,580,854,677	$ 8,257,873	$ 7,444,411	$ 6,104,102
Common Shares Held in Treasury:			
Beginning of Year Shares: 2009: 49,147,968; 2008: 30,944,537; 2007: 13,347,272	$ (2,626,404)	$ (1,213,134)	$ (195,237)
Private transaction Shares purchased: 15,176,500; Shares issued: 14,870,195	—	(378,931)	—
Issued under incentive stock programs Shares: 2009: 2,477,853; 2008: 1,607,326; 2007: 2,063,123	133,042	40,946	37,080
Purchased Shares: 2009: 14,846,283; 2008: 19,504,452; 2007: 19,660,388	(816,985)	(1,075,285)	(1,054,977)
End of Year Shares: 2009: 61,516,398; 2008: 49,147,968; 2007: 30,944,537	$ (3,310,347)	$ (2,626,404)	$ (1,213,134)
Earnings Employed in the Business:			
Beginning of Year	$ 13,825,383	$ 10,805,809	$ 9,568,728
Net earnings	5,745,838	4,880,719	3,606,314
Cash dividends declared on common shares (per share — 2009: $1.60; 2008: $1.44; 2007: $1.30)	(2,476,036)	(2,228,776)	(2,009,696)
Reclassification resulting from the application of the fair value option to Boston Scientific common stock, net of tax	—	—	(188,534)
Cost of common shares retired in excess of stated capital amount	(25,040)	(70,590)	(237,958)
Cost of treasury shares issued (above) below market value	(16,118)	438,221	66,955
End of Year	$ 17,054,027	$ 13,825,383	$ 10,805,809
Accumulated Other Comprehensive Income (Loss):			
Beginning of Year	$ (1,163,839)	$ 2,081,763	$ 389,766
Reclassification resulting from the application of the fair value option to Boston Scientific common stock, net of tax	—	—	181,834
Other comprehensive income (loss)	2,017,913	(3,245,602)	1,510,163
End of Year	$ 854,074	$ (1,163,839)	$ 2,081,763
Comprehensive Income	$ 7,763,751	$ 1,635,117	$ 5,116,477
Noncontrolling Interests in Subsidiaries:			
Beginning of Year	$ 39,140	$ 45,405	$ 43,945
Noncontrolling Interests' share of income, net of distributions and share repurchases	3,962	(6,265)	1,460
End of Year	$ 43,102	$ 39,140	$ 45,405

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

Note 1 — Summary of Significant Accounting Policies

NATURE OF BUSINESS — Abbott's principal business is the discovery, development, manufacture and sale of a broad line of health care products.

CONCENTRATION OF RISK AND GUARANTEES — Due to the nature of its operations, Abbott is not subject to significant concentration risks relating to customers, products or geographic locations, except that three U.S. wholesalers accounted for 23 percent, 27 percent and 25 percent of trade receivables as of December 31, 2009, 2008 and 2007, respectively. Product warranties are not significant.

Abbott has no material exposures to off-balance sheet arrangements; no special purpose entities; nor activities that include non-exchange-traded contracts accounted for at fair value. Abbott has periodically entered into agreements in the ordinary course of business, such as assignment of product rights, with other companies which has resulted in Abbott becoming secondarily liable for obligations that Abbott was previously primarily liable. Since Abbott no longer maintains a business relationship with the other parties, Abbott is unable to develop an estimate of the maximum potential amount of future payments, if any, under these obligations. Based upon past experience, the likelihood of payments under these agreements is remote. Abbott periodically acquires a business or product rights in which Abbott agrees to pay contingent consideration based on attaining certain thresholds or based on the occurrence of certain events. In connection with the spin-off of Hospira, Inc., Abbott has retained liabilities for taxes on income prior to the spin-off and certain potential liabilities, if any, related to alleged improper pricing practices in connection with federal, state and private reimbursement for certain drugs.

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, due to the time needed to consolidate these subsidiaries. In December 2009, a foreign subsidiary acquired certain technology that was accounted for as acquired in-process research and development. This transaction was recorded in 2009 due to the significance of the amount. No other events occurred related to these foreign subsidiaries in December 2009, 2008 and 2007 that materially affected the financial position, results of operations or cash flows.

Events that occurred after December 31, 2009 through the date that these financial statements have been filed with the Securities and Exchange Commission were considered in the preparation of these financial statements.

Effective January 1, 2009, Abbott adopted SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51," as codified in FASB ASC No. 810, "Consolidation" and accordingly, noncontrolling interests in subsidiaries are presented as a component of total equity as of December 31, 2009, 2008 and 2007.

USE OF ESTIMATES — The financial statements have been prepared in accordance with generally accepted accounting principles in the United States and necessarily include amounts based on estimates and assumptions by management. Actual results could differ from those amounts. Significant estimates include amounts for sales rebates, income taxes, pension and other post-employment benefits, valuation of intangible assets, litigation, share-based compensation, derivative financial instruments, and inventory and accounts receivable exposures.

REVENUE RECOGNITION — Revenue from product sales is recognized upon passage of title and risk of loss to customers. Provisions for discounts, rebates and sales incentives to customers, and returns and other adjustments are provided for in the period the related sales are recorded. Sales incentives to customers are not material. Historical data is readily available and reliable, and is used for estimating the

amount of the reduction in gross sales. Revenue from the launch of a new product, from an improved version of an existing product, or for shipments in excess of a customer's normal requirements are recorded when the conditions noted above are met. In those situations, management records a returns reserve for such revenue, if necessary. Sales of product rights for marketable products are recorded as revenue upon disposition of the rights. Revenue from license of product rights, or for performance of research or selling activities, is recorded over the periods earned.

INCOME TAXES — Deferred income taxes are provided for the tax effect of differences between the tax bases of assets and liabilities and their reported amounts in the financial statements at the enacted statutory rate to be in effect when the taxes are paid. U.S. income taxes are provided on those earnings of foreign subsidiaries which are intended to be remitted to the parent company. Deferred income taxes are not provided on undistributed earnings reinvested indefinitely in foreign subsidiaries as working capital and plant and equipment. Interest and penalties on income tax obligations are included in taxes on income.

EARNINGS PER SHARE — Effective January 1, 2009, Abbott adopted FSP EITF 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities," as codified in FASB ASC No. 260, "Earnings Per Share," which requires that unvested restricted stock units that contain non-forfeitable rights to dividends be treated as participating securities and be included in the computation of earnings per share under the two-class method. Under the two-class method, net earnings are allocated between common shares and participating securities. Net earnings allocated to common shares for 2009 were $5.733 billion. Net earnings allocated to common shares in 2008 and 2007 were not significantly different than net earnings.

PENSION AND POST-EMPLOYMENT BENEFITS — Abbott accrues for the actuarially determined cost of pension and post-employment benefits over the service attribution periods of the employees. Abbott must develop long-term assumptions, the most significant of which are the health care cost trend rates, discount rates and the expected return on plan assets. Differences between the expected long-term return on plan assets and the actual return are amortized over a five-year period. Actuarial losses and gains are amortized over the remaining service attribution periods of the employees under the corridor method.

FAIR VALUE MEASUREMENTS — For assets and liabilities that are measured using quoted prices in active markets, total fair value is the published market price per unit multiplied by the number of units held without consideration of transaction costs. Assets and liabilities that are measured using significant other observable inputs are valued by reference to similar assets or liabilities, adjusted for contract restrictions and other terms specific to that asset or liability. For these items, a significant portion of fair value is derived by reference to quoted prices of similar assets or liabilities in active markets. For all remaining assets and liabilities, fair value is derived using a fair value model, such as a discounted cash flow model or Black-Scholes model. Purchased intangible assets are recorded at fair value. The fair value of significant purchased intangible assets is based on independent appraisals. Abbott uses a discounted cash flow model to value intangible assets. The discounted cash flow model requires assumptions about the timing and amount of future net cash flows, risk, the cost of capital, terminal values and market participants. Intangible assets, and goodwill and indefinite-lived intangible assets are reviewed for impairment at least on a quarterly and annual basis, respectively.

SHARE-BASED COMPENSATION — The value of stock options and restricted stock awards and units are amortized over their service period, which could be shorter than the vesting period if an employee is retirement eligible, with a charge to compensation expense.

LITIGATION — Abbott accounts for litigation losses in accordance with FASB ASC No. 450, "Contingencies." Under ASC No. 450, loss contingency provisions are recorded for probable losses at

management's best estimate of a loss, or when a best estimate cannot be made, a minimum loss contingency amount is recorded.

CASH, CASH EQUIVALENTS AND INVESTMENTS — Cash equivalents consist of time deposits and certificates of deposit with original maturities of three months or less. Except for Abbott's investment in the common stock of Boston Scientific, investments in marketable equity securities are classified as available-for-sale and are recorded at fair value with any unrealized holding gains or losses, net of tax, included in Accumulated other comprehensive income (loss). Beginning on January 1, 2007, the investment in the common stock of Boston Scientific was accounted for as a trading security with changes in fair value recorded in income. Investments in equity securities that are not traded on public stock exchanges are recorded at cost. Investments in debt securities are classified as held-to-maturity, as management has both the intent and ability to hold these securities to maturity, and are reported at cost, net of any unamortized premium or discount. Income relating to these securities is reported as interest income.

Abbott reviews the carrying value of investments each quarter to determine whether an other than temporary decline in market value exists. Abbott considers factors affecting the investee, factors affecting the industry the investee operates in and general equity market trends. Abbott considers the length of time an investment's market value has been below carrying value and the near-term prospects for recovery to carrying value. When Abbott determines that an other than temporary decline has occurred, the investment is written down with a charge to Other (income) expense, net.

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 a straight-line basis over the estimated useful lives of the assets. The following table shows estimated useful lives of property and equipment:

Classification	Estimated Useful Lives
Buildings	10 to 50 years (average 27 years)
Equipment	3 to 20 years (average 11 years)

PRODUCT LIABILITY — Abbott accrues for product liability claims, on an undiscounted basis, when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated based on existing information. The liabilities are adjusted quarterly as additional information becomes available. Receivables for insurance recoveries for product liability claims are recorded as assets, on an undiscounted basis, when it is probable that a recovery will be realized. Prior to 2009, Abbott carried third-party insurance coverage in amounts that reflect historical loss experience, which did not include coverage for sizable losses. Beginning in 2009, product liability losses are self-insured.

RESEARCH AND DEVELOPMENT COSTS — Internal research and development costs are expensed as incurred. Clinical trial costs incurred by third parties are expensed as the contracted work is performed. Where contingent milestone payments are due to third parties under research and development arrangements, the milestone payment obligations are expensed when the milestone results are achieved.

Note 2 — Supplemental Financial Information

	2009	2008	2007
	(dollars in millions)		
Current Investments:			
Time deposits and certificates of deposit	$ 1,123	$ 968	$ 56
Boston Scientific common stock	—	—	308
Total	$ 1,123	$ 968	$ 364

	2009	2008	2007
	(dollars in millions)		
Long-term Investments:			
Equity securities	$ 153	$ 147	$ 229
Note receivable from Boston Scientific, 4% interest, due in 2011	880	865	851
Other	100	62	45
Total	$ 1,133	$ 1,074	$ 1,125

The fair value option for the investment in Boston Scientific common stock was applied effective January 1, 2007. Under the fair value option, any cumulative unrealized gains or losses on an equity investment previously accounted for as an available-for-sale security is recorded as a cumulative effect adjustment to retained earnings as of the date of the election to apply the fair value option. The pretax and after tax adjustment to Earnings employed in the business upon election to apply the fair value option was $297 million and $189 million, respectively, and the fair value and carrying amount of the investment before and after the election was approximately $1.0 billion. The pretax and after tax adjustment to Accumulated other comprehensive income (loss) was $303 million and $182 million, respectively. The effect on deferred income taxes of applying the fair value option was not significant.

Other (income) expense, net, for 2009 includes the derecognition of a contingent liability of $797 million associated with the conclusion of the TAP Pharmaceutical Products Inc. joint venture as discussed in Note 3, a $287 million gain from the settlement reached between Abbott and Medtronic, Inc. resolving all outstanding intellectual property litigation between the two parties and income from the recording of certain investments at fair value in connection with business acquisitions. Other (income) expense, net, for 2009 and 2008 also includes ongoing contractual payments from Takeda associated with the conclusion of the TAP joint venture and a gain in 2008 on the sale of an equity investment accounted for as an available-for-sale investment. In addition, Abbott recorded a gain of approximately $94 million in connection with the dissolution of the TAP joint venture in 2008. Other (income) expense, net for 2007 includes a $190 million fair market value loss adjustment to Abbott's investment in Boston Scientific common stock and a realized gain of $37 million on the sales of Boston Scientific common stock.

	2009	2008	2007
	(dollars in millions)		
Other Accrued Liabilities:			
Accrued rebates payable to government agencies	$ 641	$ 577	$ 662
Accrued other rebates (a)	668	455	444
All other	3,054	3,185	2,607
Total	$ 4,363	$ 4,217	$ 3,713

(a) Accrued wholesaler chargeback rebates of $217, $210 and $157 at December 31, 2009, 2008 and 2007, respectively, are netted in trade receivables because Abbott's customers are invoiced at a higher catalog price but only remit to Abbott their contract price for the products.

	2009	2008	2007
	(dollars in millions)		
Post-employment Obligations and Other Long-term Liabilities:			
Defined benefit pension plans and post-employment medical and dental plans for significant plans	$ 2,394	$ 2,713	$ 1,872
All other	2,808	1,882	1,427
Total	$ 5,202	$ 4,595	$ 3,299

	2009	2008	2007
	(dollars in millions)		
Comprehensive Income, net of tax:			
Foreign currency gain (loss) translation adjustments	$ 2,295	$ (2,208)	$ 1,153
Net actuarial (losses) and prior service cost and credits and amortization of net actuarial losses and prior service cost and credits, net of taxes of $8 in 2009, $638 in 2008 and $(226) in 2007	(260)	(987)	343
Unrealized gains (losses) on marketable equity securities, net of taxes of $(4) in 2009, $28 in 2008 and $(31) in 2007	7	(49)	54
Net adjustments for derivative instruments designated as cash flow hedges	(24)	(2)	(40)
Other comprehensive income (loss)	2,018	(3,246)	1,510
Net Earnings	5,746	4,881	3,606
Comprehensive Income	$ 7,764	$ 1,635	$ 5,116

	2009	2008	2007
	(dollars in millions)		
Supplemental Accumulated Other Comprehensive Income Information, net of tax:			
Cumulative foreign currency translation (gain) adjustments	$ (3,035)	$ (740)	$ (2,948)
Net actuarial losses and prior service cost and credits	2,161	1,901	914
Cumulative unrealized (gains) on marketable equity securities	(24)	(17)	(66)
Cumulative losses on derivative instruments designated as cash flow hedges	44	20	18

	2009	2008	2007
	(dollars in millions)		
Supplemental Cash Flow Information:			
Income taxes paid	$ 635	$ 772	$ 952
Interest paid	514	561	564

For the acquired *Lupron* business in 2008, as discussed in Note 3, Abbott recorded intangible assets, primarily *Lupron* product rights, of approximately $700 million, goodwill of approximately $350 million and deferred tax liabilities related to the intangible assets of approximately $260 million. Abbott also recorded a liability of approximately $1.1 billion relating to an agreement to remit cash to Takeda if certain research and development events are not achieved on the development assets retained by Takeda. Related deferred tax assets of approximately $410 million were also recorded. The sale of Abbott's equity interest

in TAP resulted in the recording of net assets related to the *Lupron* business, primarily cash, receivables, inventory and other assets, net of accounts payable and other accrued liabilities, offset by a credit to Abbott's investment in TAP in the amount of approximately $280 million.

Note 3 — Conclusion of TAP Pharmaceutical Products Inc. Joint Venture and Sale of Abbott's Spine Business

On April 30, 2008, Abbott and Takeda concluded their TAP Pharmaceutical Products Inc. (TAP) joint venture, evenly splitting the value and assets of the joint venture. Abbott exchanged its 50 percent equity interest in TAP for the assets, liabilities and employees related to TAP's *Lupron* business. Subsequent to the conclusion of the joint venture, TAP was merged into two Takeda entities. The exchange of Abbott's investment in TAP for TAP's *Lupron* business resulted in a gain at closing of approximately $94 million. The Internal Revenue Service has issued a private letter ruling that the transaction qualifies as tax-free for U.S. income tax purposes.

Beginning on May 1, 2008, Abbott began recording U.S. *Lupron* net sales and costs in its operating results and no longer records income from the TAP joint venture. TAP's sales of *Lupron* were $182 million for the four months ended April 30, 2008 and $645 million in 2007. Abbott also receives payments based on specified development, approval and commercial events being achieved with respect to products retained by Takeda and payments from Takeda based on sales of products retained by Takeda, which are recorded by Abbott as Other (income) expense, net as earned.

The exchange transaction was accounted for as a sale of Abbott's equity interest in TAP and as an acquisition of TAP's *Lupron* business. The sale of Abbott's equity interest in TAP resulted in the recording of net assets related to the *Lupron* business, primarily cash, receivables, inventory and other assets, net of accounts payable and other accrued liabilities, offset by a credit to Abbott's investment in TAP in the amount of approximately $280 million.

For the acquired *Lupron* business, Abbott recorded intangible assets, primarily *Lupron* product rights, of approximately $700 million, goodwill of approximately $350 million and deferred tax liabilities related primarily to the intangible assets of approximately $260 million. The intangible assets are being amortized over 15 years. Abbott has also agreed to remit cash to Takeda if certain research and development events are not achieved on the development assets retained by Takeda. These amounts were recorded as a liability at closing in the amount of approximately $1.1 billion. Related deferred tax assets of approximately $410 million were also recorded. Of the $1.1 billion, Abbott made tax-deductible payments of $83 million and $200 million in 2009 and 2008, respectively, and Abbott will make a tax-deductible payment of approximately $36 million in 2010. In 2009, events occurred resulting in the remaining payments not being required and the remaining liability in the amount of $797 million was derecognized and recorded as income in Other (income) expense, net.

The 50 percent-owned joint venture was accounted for under the equity method of accounting. Summarized financial information for TAP follows below. The results for 2008 include results through April 30. (*dollars in millions*)

	Year Ended December 31	
	2008	2007
Net sales	$ 853	$ 3,002
Cost of sales	229	720
Income before taxes	356	1,564
Net income	238	996

Note 3 — Conclusion of TAP Pharmaceutical Products Inc. Joint Venture and Sale of Abbott's Spine Business (Continued)

In the fourth quarter of 2008, Abbott sold its spine business for approximately $360 million in cash, resulting in an after-tax gain of approximately $147 million which is presented as Gain on sale of discontinued operations, net of taxes, in the accompanying statement of income. The operations and financial position of the spine business are not presented as discontinued operations because the effects would not be significant.

Note 4 — Financial Instruments, Derivatives and Fair Value Measures

Certain Abbott foreign subsidiaries enter into foreign currency forward exchange contracts to manage exposures to changes in foreign exchange rates for anticipated intercompany purchases by those subsidiaries whose functional currencies are not the U.S. dollar. These contracts, totaling $2.0 billion, $129 million and $281 million at December 31, 2009, 2008 and 2007, respectively, are designated as cash flow hedges of the variability of the cash flows due to changes in foreign exchange rates and are recorded at fair value. Accumulated gains and losses as of December 31, 2009 will be included in Cost of products sold at the time the products are sold, generally through the next twelve months.

Abbott enters into foreign currency forward exchange contracts to manage currency exposures for foreign currency denominated third-party trade payables and receivables, and for intercompany loans and trade accounts payable where the receivable or payable is denominated in a currency other than the functional currency of the entity. For intercompany loans, the contracts require Abbott to sell or buy foreign currencies, primarily European currencies and Japanese yen, in exchange for primarily U.S. dollars and other European currencies. For intercompany and trade payables and receivables, the currency exposures are primarily the U.S. dollar, European currencies and Japanese yen. At December 31, 2009, 2008 and 2007, Abbott held $7.5 billion, $8.3 billion and $5.5 billion, respectively, of such foreign currency forward exchange contracts.

Abbott has designated foreign denominated short-term debt as a hedge of the net investment in certain foreign subsidiaries of approximately $575 million, $585 million and $1.7 billion as of December 31, 2009, 2008 and 2007, respectively. Accordingly, changes in the fair value of this debt due to changes in exchange rates are recorded in Accumulated other comprehensive income (loss), net of tax.

Abbott is a party to interest rate hedge contracts totaling $5.5 billion, $2.5 billion and $1.5 billion at December 31, 2009, 2008 and 2007, respectively, to manage its exposure to changes in the fair value of fixed-rate debt due 2011 through 2019. These contracts are designated as fair value hedges of the variability of the fair value of fixed-rate debt due to changes in the long-term benchmark interest rates. The effect of the hedge is to change a fixed-rate interest obligation to a variable rate for that portion of the debt. Abbott records the contracts at fair value and adjusts the carrying amount of the fixed-rate debt by an offsetting amount. No hedge ineffectiveness was recorded in income in 2009, 2008 and 2007 for these hedges.

Gross unrealized holding gains (losses) on available-for-sale equity securities totaled $42 million and $(3) million, respectively, at December 31, 2009; $55 million and $(23) million, respectively, at December 31, 2008 and $108 million and $(3) million, respectively, at December 31, 2007.

Note 4 — Financial Instruments, Derivatives and Fair Value Measures (Continued)

The following table summarizes the amounts and location of certain derivative financial instruments as of December 31:

	Fair Value — Assets				Fair Value — Liabilities			
	2009	2008	2007	Balance Sheet Caption	2009	2008	2007	Balance Sheet Caption
	(dollars in millions)							
Interest rate swaps designated as fair value hedges	$ 80	$ 170	$ —	Deferred income taxes and other assets	$ 218	$ —	$ 25	Post-employment obligations and other long-term liabilities
Foreign currency forward exchange contracts —								
Hedging instruments	—	—	—	Other prepaid	27	7	2	Other accrued
Others not designated as hedges	31	148	24	expenses and receivables	87	93	43	liabilities
Debt designated as a hedge of net investment in certain foreign subsidiaries	—	—	—	n/a	575	585	1,658	Short-term borrowings
	$ 111	$ 318	$ 24		$ 907	$ 685	$ 1,728	

The following table summarizes the activity for foreign currency forward exchange contracts designated as cash flow hedges, debt designated as a hedge of net investment in certain foreign subsidiaries and the amounts and location of income (expense) and gain (loss) reclassified into income and for certain other derivative financial instruments. The amount of hedge ineffectiveness was not significant in 2009, 2008 and 2007 for these hedges.

	Gain (loss) Recognized in Other Comprehensive Income (loss)			Income (expense) and Gain (loss) Reclassified into Income			
	2009	2008	2007	2009	2008	2007	Income Statement Caption
	(dollars in millions)						
Foreign currency forward exchange contracts designated as cash flow hedges	$ (65)	$ (7)	$ (5)	$ (64)	$ (8)	$ —	Cost of products sold
Debt designated as a hedge of net investment in certain foreign subsidiaries	15	(212)	(114)	—	—	—	n/a
Interest rate swaps designated as fair value hedges	n/a	n/a	n/a	(309)	195	60	Interest expense
Foreign currency forward exchange contracts not designated as hedges	n/a	n/a	n/a	(106)	292	48	Net foreign exchange (gain) loss

The interest rate swaps are designated as fair value hedges of the variability of the fair value of fixed-rate debt due to changes in the long-term benchmark interest rates. The hedged debt is marked to market, offsetting the effect of marking the interest rate swaps to market.

The carrying values and fair values of certain 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. The counterparties to financial instruments consist of select major international financial institutions. Abbott does not expect any losses from nonperformance by these counterparties.

	2009		2008		2007	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
	(dollars in millions)					
Long-term Investments:						
Available-for-sale equity securities	$ 153	$ 153	$ 147	$ 147	$ 229	$ 229
Note receivable	880	925	865	824	851	809
Other	100	79	62	56	45	40
Total Long-term Debt	(11,477)	(12,304)	(9,754)	(10,458)	(10,386)	(10,593)
Foreign Currency Forward Exchange Contracts:						
Receivable position	31	31	148	148	24	24
(Payable) position	(114)	(114)	(100)	(100)	(45)	(45)
Interest Rate Hedge Contracts:						
Receivable position	80	80	170	170	—	—
(Payable) position	(218)	(218)	—	—	(25)	(25)

The following table summarizes the bases used to measure certain assets and liabilities at fair value on a recurring basis in the balance sheet:

		Basis of Fair Value Measurement		
	Outstanding Balances	Quoted Prices in Active Markets	Significant Other Observable Inputs	Significant Unobservable Inputs
		(dollars in millions)		
December 31, 2009:				
Equity and other securities	$ 104	$ 75	$ —	$ 29
Interest rate swap financial instruments	80	—	80	—
Foreign currency forward exchange contracts	31	—	31	—
Total Assets	$ 215	$ 75	$ 111	$ 29
Fair value of hedged long-term debt	$ 5,362	$ —	$ 5,362	$ —
Interest rate swap financial instruments	218	—	218	—
Foreign currency forward exchange contracts	114	—	114	—
Total Liabilities	$ 5,694	$ —	$ 5,694	$ —
December 31, 2008:				
Equity and other securities	$ 144	$ 105	$ 10	$ 29
Interest rate swap financial instruments	170	—	170	—
Foreign currency forward exchange contracts	148	—	148	—
Total Assets	$ 462	$ 105	$ 328	$ 29
Fair value of hedged long-term debt	$ 2,670	$ —	$ 2,670	$ —
Foreign currency forward exchange contracts	100	—	100	—
Total Liabilities	$ 2,770	$ —	$ 2,770	$ —
December 31, 2007:				
Trading securities	$ 308	$ 308	$ —	$ —
Marketable available-for-sale securities	193	193	—	—
Foreign currency forward exchange contracts	24	—	24	—
Total Assets	$ 525	$ 501	$ 24	$ —
Fair value of hedged long-term debt	$ 1,475	$ —	$ 1,475	$ —
Interest rate swap financial instruments	25	—	25	—
Foreign currency forward exchange contracts	45	—	45	—
Total Liabilities	$ 1,545	$ —	$ 1,545	$ —

In connection with the conclusion of the TAP Pharmaceutical Products Inc. joint venture, Abbott received investments in 2008 that are valued using significant unobservable inputs. The recorded value of these investments has not changed significantly.

Note 5 — Post-Employment Benefits

Retirement plans consist of defined benefit, defined contribution and medical and dental plans. Information for Abbott's major defined benefit plans and post-employment medical and dental benefit plans is as follows: (*dollars in millions*)

	Defined Benefit Plans			Medical and Dental Plans		
	2009	2008	2007	2009	2008	2007
Projected benefit obligations, January 1	$ 5,541	$ 5,783	$ 5,614	$ 1,443	$ 1,514	$ 1,520
Service cost — benefits earned during the year	221	233	249	45	43	58
Interest cost on projected benefit obligations	368	353	316	94	92	97
Losses (gains), primarily changes in discount rates, plan design changes, law changes and differences between actual and estimated health care costs	747	(278)	(309)	175	(158)	(100)
Benefits paid	(251)	(241)	(228)	(58)	(68)	(61)
Other, primarily foreign currency translation	226	(309)	141	6	20	—
Projected benefit obligations, December 31	$ 6,852	$ 5,541	$ 5,783	$ 1,705	$ 1,443	$ 1,514
Plans' assets at fair value, January 1	$ 3,997	$ 5,667	$ 5,086	$ 266	$ 307	$ 212
Actual return on plans' assets	1,096	(1,568)	442	62	(106)	20
Company contributions	862	285	283	71	133	136
Benefits paid	(251)	(241)	(228)	(58)	(68)	(61)
Other, primarily foreign currency translation	108	(146)	84	—	—	—
Plans' assets at fair value, December 31	$ 5,812	$ 3,997	$ 5,667	$ 341	$ 266	$ 307
Projected benefit obligations greater than plans' assets, December 31	$ (1,040)	$ (1,544)	$ (116)	$ (1,364)	$ (1,177)	$ (1,207)
Long-term assets	$ 21	$ 16	$ 576	$ —	$ —	$ —
Short-term liabilities	(31)	(24)	(27)	—	—	—
Long-term liabilities	(1,030)	(1,536)	(665)	(1,364)	(1,177)	(1,207)
Net liability	$ (1,040)	$ (1,544)	$ (116)	$ (1,364)	$ (1,177)	$ (1,207)
Amounts Recognized in Accumulated Other Comprehensive Income (loss):						
Actuarial losses, net	$ 2,699	$ 2,554	$ 920	$ 685	$ 587	$ 635
Prior service cost (credits)	34	38	40	(184)	(206)	(227)
Total	$ 2,733	$ 2,592	$ 960	$ 501	$ 381	$ 408

The projected benefit obligations for non-U.S. defined benefit plans was $2.0 billion, $1.3 billion and $1.8 billion at December 31, 2009, 2008 and 2007, respectively. The accumulated benefit obligations for all defined benefit plans was $5.8 billion, $4.7 billion and $4.9 billion at December 31, 2009, 2008 and 2007, respectively. For plans where the accumulated benefit obligations exceeded plan assets at December 31, 2009, 2008 and 2007, the aggregate accumulated benefit obligations were $1.5 billion, $4.2 billion and

$697 million, respectively; the projected benefit obligations were $1.8 billion, $4.8 billion and $770 million, respectively; and the aggregate plan assets were $780 million, $3.3 billion and $84 million, respectively.

	Defined Benefit Plans			Medical and Dental Plans		
	2009	2008	2007	2009	2008	2007
	(dollars in millions)					
Service cost — benefits earned during the year	$ 221	$ 233	$ 249	$ 45	$ 43	$ 58
Interest cost on projected benefit obligations	368	353	316	94	92	97
Expected return on plans' assets	(506)	(487)	(426)	(24)	(33)	(24)
Amortization of actuarial losses	52	34	81	30	29	55
Amortization of prior service cost (credits)	4	4	4	(22)	(21)	(22)
Total cost	$ 139	$ 137	$ 224	$ 123	$ 110	$ 164

Other comprehensive income (loss) for 2009 includes amortization of actuarial losses and prior service cost of $52 million and $4 million, respectively, and net actuarial losses of $197 million for defined benefit plans and amortization of actuarial losses and prior service credits of $30 million and $22 million, respectively, and net actuarial losses of $128 million for medical and dental plans. Other comprehensive income (loss) for 2008 includes amortization of actuarial losses and prior service cost of $34 million and $4 million, respectively, and net actuarial losses of $1.6 billion for defined benefit plans and amortization of actuarial losses and prior service credits of $29 million and $21 million, respectively, and net actuarial gains of $19 million for medical and dental plans. Other comprehensive income (loss) for 2007 includes amortization of actuarial losses and prior service cost of $81 million and $4 million, respectively, and net actuarial gains of $341 million for defined benefit plans and amortization of actuarial losses and prior service credits of $55 million and $22 million, respectively, and net actuarial gains of $96 million for medical and dental plans. The pretax amount of actuarial losses and prior service cost (credits) included in Accumulated other comprehensive income (loss) at December 31, 2009 that is expected to be recognized in the net periodic benefit cost in 2010 is $117 million and $4 million, respectively, for defined benefit pension plans and $39 million and $(22) million, respectively, for medical and dental plans.

The weighted average assumptions used to determine benefit obligations for defined benefit plans and medical and dental plans are as follows:

	2009	2008	2007
Discount rate	5.8%	6.7%	6.2%
Expected aggregate average long-term change in compensation	5.2%	4.3%	4.2%

The weighted average assumptions used to determine the net cost for defined benefit plans and medical and dental plans are as follows:

	2009	2008	2007
Discount rate	6.7%	6.2%	5.7%
Expected return on plan assets	8.2%	8.4%	8.3%
Expected aggregate average long-term change in compensation	4.3%	4.2%	4.2%

The assumed health care cost trend rates for medical and dental plans at December 31 were as follows:

	2009	2008	2007
Health care cost trend rate assumed for the next year	7%	7%	7%
Rate that the cost trend rate gradually declines to	5%	5%	5%
Year that rate reaches the assumed ultimate rate	2016	2012	2012

The discount rates used to measure liabilities were determined based on high-quality fixed income securities that match the duration of the expected retiree benefits. The health care cost trend rates represent Abbott's expected annual rates of change in the cost of health care benefits and is a forward projection of health care costs as of the measurement date. A one-percentage point increase/(decrease) in the assumed health care cost trend rate would increase/(decrease) the accumulated post-employment benefit obligations as of December 31, 2009, by $232 million/$(189) million, and the total of the service and interest cost components of net post-employment health care cost for the year then ended by approximately $23 million/$(18) million.

The following table summarizes the bases used to measure defined benefit plans' assets at fair value at December 31, 2009:

		Basis of Fair Value Measurement		
	Outstanding Balances	Quoted Prices in Active Markets	Significant Other Observable Inputs	Significant Unobservable Inputs
	(dollars in millions)			
Equities:				
U.S. large cap (a)	$ 1,267	$ 1,247	$ 20	$ —
U.S. mid cap (b)	339	105	234	—
International (c)	1,186	455	731	—
Fixed income securities:				
U.S. government securities (d)	753	321	430	2
Corporate debt instruments (e)	478	203	272	3
Non-U.S. government securities (f)	346	163	183	—
Other (g)	46	21	23	2
Absolute return funds (h)	1,296	237	536	523
Other (i)	101	74	27	—
	$ 5,812	$ 2,826	$ 2,456	$ 530

(a) A mix of low-cost index funds not actively managed that track the S&P 500 (40 percent) and separate actively managed equity accounts that track the Russell 1000 (60 percent).

(b) A mix of low-cost index funds not actively managed (75 percent) and separate actively managed equity accounts (25 percent) that track the S&P 400 midcap index.

(c) Primarily separate actively managed pooled investment accounts that track the MSCI and MSCI emerging market indices.

(d) Low-cost index funds not actively managed (75 percent) and separate actively managed accounts (25 percent).

(e) Low-cost index funds not actively managed (75 percent) and separate actively managed accounts (25 percent).

(f) Primarily United Kingdom and Irish government-issued bonds.

(g) Primarily mortgage backed securities.

(h) Primarily funds invested by managers that have a global mandate with the flexibility to allocate capital broadly across a wide range of asset classes and strategies including, but not limited to equities, fixed income, commodities, interest rate futures, currencies and other securities to outperform an agreed upon benchmark with specific return and volatility targets.

(i) Primarily cash and cash equivalents.

Equities that are valued using quoted prices are valued at the published market prices. Equities in a common collective trust or a registered investment company that are valued using significant other observable inputs are valued at the net asset value (NAV) provided by the fund administrator. The NAV is based on the value of the underlying assets owned by the fund minus its liabilities. Fixed income securities that are valued using significant other observable inputs are valued at prices obtained from independent financial service industry-recognized vendors. Absolute return funds are valued at the NAV provided by the fund administrator.

The following table summarizes the change in the value of assets that are measured using significant unobservable inputs: (*dollars in millions*)

January 1, 2009	$ 303
Transfers in from other categories	3
Actual return on plan assets:	
Assets on hand at year end	99
Assets sold during the year	(5)
Purchases, sales and settlements, net	130
December 31, 2009	$ 530

The investment mix of equity securities, fixed income and other asset allocation strategies is based upon achieving a desired return, balancing higher return, more volatile equity securities, and lower return, less volatile fixed income securities. Investment allocations are made across a range of markets, industry sectors, capitalization sizes, and in the case of fixed income securities, maturities and credit quality. The plans do not directly hold any securities of Abbott. There are no known significant concentrations of risk in the plans' assets.

The plans' expected return on assets, as shown above, is based on management's expectations of long-term average rates of return to be achieved by the underlying investment portfolios. In establishing this assumption, management considers historical and expected returns for the asset classes in which the plans are invested, as well as current economic and capital market conditions.

Approximately 70 percent of Abbott's medical and dental plans' assets are invested in equity securities and 30 percent in fixed income securities and are measured using quoted prices in active markets or significant other observable inputs.

Abbott funds its domestic pension plans according to IRS funding limitations. In 2009, $700 million was funded to the main domestic pension plan and $200 million was funded annually to the main domestic

pension plan in 2008 and in 2007. International pension plans are funded according to similar regulations. Abbott expects pension funding for its main domestic pension plan of $200 million annually.

Total benefit payments expected to be paid to participants, which includes payments funded from company assets as well as paid from the plans, are as follows: (*dollars in millions*)

	Defined Benefit Plans	Medical and Dental Plans
2010	$ 252	$ 79
2011	261	84
2012	271	89
2013	282	94
2014	294	100
2015 to 2019	1,723	602

The Abbott Stock Retirement Plan is the principal defined contribution plan. Abbott's contributions to this plan were $137 million in 2009, $129 million in 2008 and $119 million in 2007.

Abbott 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 6 — Taxes on Earnings

Taxes on earnings from continuing operations reflect the annual effective rates, including charges for interest and penalties. Deferred income taxes reflect the tax consequences on future years of 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 which are intended to be remitted to the parent company. Abbott does not record deferred income taxes on earnings reinvested indefinitely in foreign subsidiaries. Undistributed earnings reinvested indefinitely in foreign subsidiaries as working capital and plant and equipment aggregated $20.6 billion at December 31, 2009. It is not practicable to determine the amount of deferred income taxes not provided on these earnings. In the U.S., Abbott's federal income tax returns through 2005 are settled, and the income tax returns for years after 2005 are open. There are numerous other income tax jurisdictions for which tax returns are not yet settled, none of which are individually significant. Reserves for interest and penalties are not significant.

Note 6 — Taxes on Earnings (Continued)

Earnings from continuing operations before taxes, and the related provisions for taxes on earnings from continuing operations, were as follows: (*dollars in millions*)

	2009	2008	2007
Earnings From Continuing Operations Before Taxes:			
Domestic	$ 1,502	$ (81)	$ 670
Foreign	5,692	5,937	3,800
Total	$ 7,194	$ 5,856	$ 4,470

	2009	2008	2007
Taxes on Earnings From Continuing Operations:			
Current:			
U.S. Federal, State and Possessions	$ 194	$ 1,188	$ 564
Foreign	521	782	675
Total current	715	1,970	1,239
Deferred:			
Domestic	905	(845)	(304)
Foreign	(172)	(3)	(72)
Total deferred	733	(848)	(376)
Total	$ 1,448	$ 1,122	$ 863

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

	2009	2008	2007
Statutory tax rate on earnings from continuing operations	35.0%	35.0%	35.0%
Benefit of lower foreign tax rates and tax exemptions	(16.4)	(16.7)	(12.6)
State taxes, net of federal benefit	1.0	0.2	0.4
Adjustments primarily related to resolution of prior years' accrual requirements	—	(0.5)	—
Domestic dividend exclusion	—	(0.6)	(3.1)
All other, net	0.5	1.8	(0.4)
Effective tax rate on earnings from continuing operations	20.1%	19.2%	19.3%

As of December 31, 2009, 2008 and 2007, total deferred tax assets were $4.4 billion, $5.4 billion and $3.6 billion, respectively, and total deferred tax liabilities were $1.8 billion, $1.4 billion and $1.4 billion, respectively. Abbott has incurred losses in a foreign jurisdiction where realization of the future economic benefit is so remote that the benefit is not reflected as a deferred tax asset. Valuation allowances for

recorded deferred tax assets were not significant. The tax effect of the differences that give rise to deferred tax assets and liabilities were as follows: (*dollars in millions*)

	2009	2008	2007
Compensation and employee benefits	$ 1,332	$ 1,496	$ 862
Trade receivable reserves	369	434	337
Inventory reserves	251	261	220
Deferred intercompany profit	232	248	262
State income taxes	187	137	84
Depreciation	(93)	(64)	(105)
Acquired in-process research and development and other accruals and reserves not currently deductible	1,889	2,771	1,751
Other, primarily the excess of book basis over tax basis of intangible assets	(1,593)	(1,293)	(1,197)
Total	$ 2,574	$ 3,990	$ 2,214

The following table summarizes the gross amounts of unrecognized tax benefits without regard to reduction in tax liabilities or additions to deferred tax assets and liabilities if such unrecognized tax benefits were settled. (*dollars in millions*)

	2009	2008	2007
January 1	$ 1,523	$ 1,126	$ 713
Increase due to current year tax positions	544	385	339
Increase due to prior year tax positions	234	418	147
Decrease due to current year tax positions	—	(25)	—
Decrease due to prior year tax positions	(90)	(240)	(11)
Settlements	(39)	(121)	(62)
Lapse of statute	—	(20)	—
December 31	$ 2,172	$ 1,523	$ 1,126

The total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate is approximately $2.0 billion. Abbott believes that it is reasonably possible that unrecognized tax benefits will be settled within the next twelve months as a result of concluding various tax matters. Abbott expects the range of the decrease in the recorded amounts of unrecognized tax benefits, primarily as a result of cash adjustments, to range from zero to $680 million, arising from the conclusion of these tax matters.

Note 7 — Segment and Geographic Area Information

Abbott's principal business is the discovery, development, manufacture and sale of a broad line of health care products. Abbott's products are generally sold directly to retailers, wholesalers, hospitals, health care facilities, laboratories, physicians' offices and government agencies throughout the world. Abbott's reportable segments are as follows:

Pharmaceutical Products — Worldwide sales of a broad line of pharmaceuticals. For segment reporting purposes, two pharmaceutical divisions are aggregated and reported as the Pharmaceutical Products segment.

Nutritional Products — Worldwide sales of a broad line of adult and pediatric nutritional products.

Note 7 — Segment and Geographic Area Information (Continued)

Diagnostic Products — Worldwide sales of diagnostic systems and tests for blood banks, hospitals, commercial laboratories and alternate-care testing sites. For segment reporting purposes, three diagnostic divisions are aggregated and reported as the Diagnostic Products segment.

Vascular Products — Worldwide sales of coronary, endovascular and vessel closure products.

Abbott's underlying accounting records are maintained on a legal entity basis for government and public reporting requirements. Segment disclosures are on a performance basis consistent with internal management reporting. Intersegment transfers of inventory are recorded at standard cost and are not a measure of segment operating earnings. The cost of some corporate functions and the cost of certain employee benefits are charged to segments at predetermined rates that approximate cost. Remaining costs, if any, are not allocated to segments. For acquisitions prior to 2006, substantially all intangible assets and related amortization are not allocated to segments. The following segment information has been prepared in accordance with the internal accounting policies of Abbott, as described above, and are not presented in accordance with generally accepted accounting principles applied to the consolidated financial statements. (*dollars in millions*)

	Net Sales to External Customers (a)			Operating Earnings (Loss) (a)			Depreciation and Amortization			Additions to Long-term Assets			Total Assets		
	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007
Pharmaceuticals (b)	$ 16,486	$ 16,708	$ 14,632	$ 6,443	$ 6,331	$ 5,509	$ 384	$ 323	$ 330	$ 239	$ 831	$ 407	$ 11,215	$ 10,356	$ 9,197
Nutritionals	5,284	4,924	4,388	910	859	855	157	135	115	173	281	388	3,368	3,220	3,261
Diagnostics	3,578	3,575	3,158	406	375	252	282	312	286	453	270	374	3,688	3,218	3,792
Vascular (b)	2,692	2,241	1,663	557	205	(188)	238	240	234	611	489	312	5,403	4,822	4,706
Total Reportable Segments	28,040	27,448	23,841	$ 8,316	$ 7,770	$ 6,428	$ 1,061	$ 1,010	$ 965	$ 1,476	$ 1,871	$ 1,481	$ 23,674	$ 21,616	$ 20,956
Other	2,725	2,080	2,073												
Net Sales	$ 30,765	$ 29,528	$ 25,914												

(a) Net sales and operating earnings for 2009 were unfavorably affected by the relatively stronger U.S. dollar and were favorably affected by the relatively weaker U.S. dollar in 2008 and 2007.

(b) Additions to long-term assets in 2009 for the Vascular Products segment include goodwill of $158 and intangibles of $373. Additions to long-term assets in 2008 for the Pharmaceutical Products segment includes acquired intangible assets of $700 and for the Vascular Products segment includes goodwill of $321.

	2009	2008	2007
	(dollars in millions)		
Total Reportable Segment Operating Earnings	$ 8,316	$ 7,770	$ 6,428
Corporate functions and benefit plans costs	(354)	(377)	(421)
Non-reportable segments	209	133	298
Net interest expense	(382)	(327)	(456)
Acquired in-process research and development	(170)	(97)	—
Income from the TAP Pharmaceutical Products Inc. joint venture	—	119	498
Share-based compensation	(366)	(347)	(430)
Other, net (c)	(59)	(1,018)	(1,447)
Consolidated Earnings from Continuing Operations Before Taxes	$ 7,194	$ 5,856	$ 4,470

(c) Other, net, for 2009, includes the derecognition of a contingent liability of $797 established in connection with the conclusion of the TAP joint venture and a $287 gain from a patent litigation settlement.

	2009	2008	2007
	(dollars in millions)		
Total Reportable Segment Assets	$ 23,674	$ 21,616	$ 20,956
Cash and investments	11,065	6,153	3,946
Current deferred income taxes	2,364	2,463	2,110
Non-reportable segments	5,371	1,094	1,575
All other, net, primarily goodwill and intangible assets not allocated to reportable segments	9,943	11,093	11,127
Total Assets	$ 52,417	$ 42,419	$ 39,714

	Net Sales to External Customers (d)			Long-term Assets		
	2009	2008	2007	2009	2008	2007
	(dollars in millions)					
United States	$ 14,453	$ 14,495	$ 13,252	$ 14,886	$ 14,271	$ 12,870
Japan	1,590	1,249	1,111	1,161	1,046	987
Germany	1,481	1,381	1,235	6,914	5,833	6,822
The Netherlands	1,801	1,753	1,271	365	175	211
Italy	1,172	1,089	974	274	248	288
Canada	902	924	832	166	131	156
France	959	977	854	106	114	142
Spain	970	909	731	342	284	336
United Kingdom	779	725	627	1,095	1,008	1,371
All Other Countries	6,658	6,026	5,027	3,794	2,267	2,488
Consolidated	$ 30,765	$ 29,528	$ 25,914	$ 29,103	$ 25,377	$ 25,671

(d) Sales by country are based on the country that sold the product.

Note 8 — Litigation and Environmental Matters

Abbott has been identified as a potentially responsible party for investigation and cleanup costs at a number of locations in the United States and Puerto Rico under federal and state remediation laws and is investigating potential contamination at a number of company-owned locations. Abbott has recorded an estimated cleanup cost for each site for which management believes Abbott has a probable loss exposure. No individual site cleanup exposure is expected to exceed $3 million, and the aggregate cleanup exposure is not expected to exceed $15 million.

There are a number of patent disputes with third parties who claim Abbott's products infringe their patents. In April 2007, New York University (NYU) and Centocor, Inc. filed a lawsuit in the Eastern District of Texas asserting that *HUMIRA* infringes a patent co-owned by NYU and Centocor and exclusively licensed to Centocor. In June 2009, a jury found that Abbott had willfully infringed the patent and awarded NYU and Centocor approximately $1.67 billion in past compensatory damages. In October 2009, the district court overturned the jury's finding that Abbott's infringement was willful, but denied Abbott's request to overturn the jury's verdict on validity, infringement, and damages. In December 2009, the district court issued a final judgment and awarded the plaintiffs an additional $175 million in

prejudgment interest. Abbott has appealed the jury's verdict. Abbott is confident in the merits of its case and believes that it will prevail on appeal. As a result, no reserves have been recorded in this case. Abbott's acquisition of Kos Pharmaceuticals Inc. resulted in the assumption of various cases and investigations and Abbott has recorded a reserve.

There are several civil actions pending brought by individuals or entities that allege generally that Abbott and numerous pharmaceutical companies reported false or misleading pricing information relating to the average wholesale price of certain pharmaceutical products in connection with federal, state and private reimbursement. Civil actions have also been brought against Abbott, and in some cases other members of the pharmaceutical industry, by state attorneys general seeking to recover alleged damages on behalf of state Medicaid programs. In May 2006, Abbott was notified that the U.S. Department of Justice intervened in a civil whistle-blower lawsuit alleging that Abbott inflated prices for Medicaid and Medicare reimbursable drugs. Abbott has settled a few of the cases and recorded reserves for its estimated losses in a few other cases, however, Abbott is unable to estimate the range or amount of possible loss for the remaining cases, and no loss reserves have been recorded for them. Many of the products involved in these cases are Hospira products. Hospira, Abbott's former hospital products business, was spun off to Abbott's shareholders in 2004. Abbott retained liability for losses that result from these cases and investigations to the extent any such losses both relate to the sale of Hospira's products prior to the spin-off of Hospira and relate to allegations that were made in such pending and future cases and investigations that were the same as allegations existing at the date of the spin-off.

Within the next year, legal proceedings may occur that may result in a change in the estimated reserves recorded by Abbott. For its legal proceedings and environmental exposures, except as noted above, Abbott estimates the range of possible loss to be from approximately $170 million to $310 million. The recorded reserve balance at December 31, 2009 for these proceedings and exposures was approximately $215 million. These reserves represent management's best estimate of probable loss, as defined by FASB ASC No. 450, "Contingencies."

While it is not feasible to predict the outcome of all such proceedings and exposures with certainty, management believes that their ultimate disposition should not have a material adverse effect on Abbott's financial position, cash flows, or results of operations, except for the cases and investigations discussed in the third paragraph and the patent case discussed in the second paragraph of this footnote, the resolution of which could be material to cash flows or results of operations.

In 2009, Abbott and Medtronic, Inc. reached a settlement resolving all outstanding intellectual property litigation between the two parties. Under the terms of the settlement, Medtronic paid Abbott $400 million. The settlement also includes a mutual agreement not to pursue additional litigation on current and future vascular products, subject to specific conditions and time limits. In connection with the settlement, Abbott recognized a gain of $287 million which is included in Other (income) expense, net. The remaining amounts are being recognized as royalty income as earned.

Note 9 — Incentive Stock Program

The 2009 Incentive Stock Program authorizes the granting of nonqualified stock options, replacement stock options, restricted stock awards, restricted stock units, performance awards, foreign benefits and other share-based awards. Stock options, replacement stock options and restricted stock awards and units comprise the majority of benefits that have been granted and are currently outstanding under this program and a prior program. In 2009, Abbott granted 1,783,300 stock options, 1,449,301 replacement stock options, 1,278,467 restricted stock awards and 5,677,322 restricted stock units under this program. In addition, 2,899,411 options were issued in connection with the conversion of Advanced Medical Optics, Inc. options to Abbott options. The purchase price of shares under option must be at least equal to the fair

market value of the common stock on the date of grant, and the maximum term of an option is 10 years. Options vest equally over three years except for replacement options, which vest in six months. Options granted before January 1, 2005 included a replacement feature. Except for options outstanding that have a replacement feature, options granted after December 31, 2004 do not include a replacement feature. When an employee tenders mature shares to Abbott upon exercise of a stock option, a replacement stock option may be granted equal to the amount of shares tendered. Replacement options are granted at the then current market price for a term that expires on the date of the underlying option grant. Upon a change in control of Abbott, all outstanding stock options become fully exercisable, and all terms and conditions of all restricted stock awards and units are deemed satisfied. Restricted stock awards generally vest between 3 and 5 years and for restricted stock awards that vest over 5 years, no more than one-third of the award vests in any one year upon Abbott reaching a minimum return on equity target. Restricted stock units vest over three years and upon vesting, the recipient receives one share of Abbott stock for each vested restricted stock unit. The aggregate fair market value of restricted stock awards and units is recognized as expense over the service period. Restricted stock awards and settlement of vested restricted stock units are issued out of treasury shares. Abbott generally issues new shares for exercises of stock options. Abbott does not have a policy of purchasing its shares relating to its share-based programs. At December 31, 2009, approximately 220 million shares were reserved for future grants, including 175 million shares authorized by Abbott's shareholders in April 2009. Subsequent to year-end, the reserve was reduced by approximately 23 million shares for stock options and restricted stock awards and units granted by the Board of Directors.

The number of restricted stock awards and units outstanding and the weighted-average grant-date fair value at December 31, 2008 and December 31, 2009 was 3,574,445 and $52.21 and 8,703,247 and $53.64, respectively. The number of restricted stock awards and units, and the weighted-average grant-date fair value, that were granted, vested and lapsed during 2009 were 6,955,789 and $53.54, 1,556,472 and $49.98 and 270,515 and $53.39, respectively. The fair market value of restricted stock awards and units vested in 2009, 2008 and 2007 was $81 million, $76 million and $114 million, respectively.

	Options Outstanding			Exercisable Options		
	Shares	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)	Shares	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
December 31, 2008	128,827,135	$ 49.16	6.4	87,770,715	$ 47.39	5.4
Granted	6,132,012	58.50				
Exercised	(13,281,445)	43.91				
Lapsed	(2,817,581)	54.94				
December 31, 2009	118,860,121	$ 50.09	5.7	98,251,406	$ 49.16	5.2

The aggregate intrinsic value of options outstanding and exercisable at December 31, 2009 was $574 million and $565 million, respectively. The total intrinsic value of options exercised in 2009, 2008 and 2007 was $129 million, $314 million and $613 million, respectively. The total unrecognized compensation cost related to all share-based compensation plans at December 31, 2009 amounted to approximately $230 million which is expected to be recognized over the next three years.

Total non-cash compensation expense charged against income in 2009, 2008 and 2007 for share-based plans totaled approximately $365 million, $350 million and $430 million, respectively, and the tax benefit recognized was approximately $118 million, $117 million and $142 million, respectively. Compensation cost capitalized as part of inventory is not significant.

Note 9 — Incentive Stock Program (Continued)

The fair value of an option granted in 2009, 2008 and 2007 was $9.28, $11.42 and $12.88, respectively. The fair value of an option grant was estimated using the Black-Scholes option-pricing model with the following assumptions:

	2009	2008	2007
Risk-free interest rate	2.7%	3.0%	4.5%
Average life of options (years)	6.0	6.0	5.9
Volatility	22.0%	24.0%	25.0%
Dividend yield	3.0%	2.6%	2.5%

The risk-free interest rate is based on the rates available at the time of the grant for zero-coupon U.S. government issues with a remaining term equal to the option's expected life. The average life of an option is based on both historical and projected exercise and lapsing data. Expected volatility is based on implied volatilities from traded options on Abbott's stock and historical volatility of Abbott's stock over the expected life of the option. Dividend yield is based on the option's exercise price and annual dividend rate at the time of grant.

Note 10 — Debt and Lines of Credit

The following is a summary of long-term debt at December 31: (*dollars in millions*)

	2009	2008	2007
Various notes, due 2009	$ —	$ —	$ 1,000
1.51% Yen notes, due 2010	—	157	135
3.75% Notes, due 2011	500	500	500
5.6% Notes, due 2011	1,500	1,500	1,500
5.15% Notes, due 2012	1,000	1,000	1,000
4.35% Notes, due 2014	500	500	500
5.875% Notes, due 2016	2,000	2,000	2,000
5.6% Notes, due 2017	1,500	1,500	1,500
5.125% Notes, due 2019	2,000	—	—
6.15% Notes, due 2037	1,000	1,000	1,000
6.0% Notes, due 2039	1,000	—	—
Other, including fair value adjustments relating to interest rate hedge contracts designated as fair value hedges	266	556	353
Total, net of current maturities	11,266	8,713	9,488
Current maturities of long-term debt	211	1,041	898
Total carrying amount	$ 11,477	$ 9,754	$ 10,386

Principal payments required on long-term debt outstanding at December 31, 2009, are $211 million in 2010, $2.0 billion in 2011, $1.0 billion in 2012, $291 million in 2013, $502 million in 2014 and $7.6 billion thereafter.

At December 31, 2009, Abbott's long-term debt rating was AA by Standard & Poor's Corporation and A1 by Moody's Investors Service. Abbott has readily available financial resources, including unused lines of credit of $6.3 billion that support commercial paper borrowing arrangements of which a $3.3 billion facility expires in October 2010 and a $3.0 billion facility expires in 2012. Related compensating balances, which are subject to withdrawal by Abbott at its option, and commitment fees are not material. Abbott's weighted-average interest rate on short-term borrowings was 0.2% at December 31, 2009, 0.5% at December 31, 2008 and 3.7% at December 31, 2007.

Note 11 — Business Combinations, Technology Acquisitions and Related Transactions

On January 1, 2009, Abbott adopted the provisions of SFAS No. 141 (revised 2007), "Business Combinations," as codified in FASB ASC No. 805, "Business Combinations." Under ASC No. 805, acquired in-process research and development is accounted for as an indefinite-lived intangible asset until approval or discontinuation rather than as expense, acquisition costs in connection with an acquisition are expensed rather than added to the cost of an acquisition and the fair value of contingent consideration at the date of an acquisition is added to the cost of the acquisition.

In February 2009, Abbott acquired the outstanding shares of Advanced Medical Optics, Inc. (AMO) for approximately $1.4 billion in cash, net of cash held by AMO. Prior to the acquisition, Abbott held a small investment in AMO. Abbott acquired AMO to take advantage of increasing demand for vision care technologies due to population growth and demographic shifts and AMO's premier position in its field. Abbott acquired control of this business on February 25, 2009 and the financial results of the acquired operations are included in these financial statements beginning on that date. The acquisition was financed with long-term debt. The allocation of the fair value of the acquisition is shown in the table below: (*dollars in billions*)

Goodwill, non-deductible	$ 1.7
Acquired intangible assets, non-deductible	0.9
Acquired in-process research and development, non-deductible	0.2
Acquired net tangible assets	0.4
Acquired debt	(1.5)
Deferred income taxes recorded at acquisition	(0.3)
Total allocation of fair value	$ 1.4

Acquired intangible assets consist of established customer relationships, developed technology and trade names and will be amortized over 2 to 30 years (average of 15 years). Acquired in-process research and development will be accounted for as an indefinite-lived intangible asset until regulatory approval or discontinuation. The net tangible assets acquired consist primarily of trade accounts receivable, inventory, property and equipment and other assets, net of assumed liabilities, primarily trade accounts payable, accrued compensation and other liabilities. Abbott incurred approximately $89 million of acquisition-related expenses in 2009 which are classified as Selling, general and administrative expense. In addition, subsequent to the acquisition, Abbott repaid substantially all of the acquired debt of AMO.

In October 2009, Abbott acquired 100 percent of Visiogen, Inc. for $400 million, in cash, providing Abbott with a next-generation accommodating intraocular lens (IOL) technology to address presbyopia for cataract patients. The preliminary allocation of the fair value of the acquisition resulted in non-deductible acquired in-process research and development of approximately $195 million which will be accounted for as an indefinite-lived intangible asset until regulatory approval or discontinuation, non-deductible definite-lived intangible assets of approximately $33 million, goodwill of approximately $260 million and deferred income taxes of approximately $89 million. Acquired intangible assets consist of developed technology and will be amortized over 12 years. The allocation of the fair value of the acquisition will be finalized when the valuation is completed.

In October 2009, Abbott acquired Evalve, Inc. for $320 million, in cash, plus an additional payment of $90 million to be made upon completion of certain regulatory milestones. Abbott acquired Evalve to obtain a presence in the growing area of non-surgical treatment for structural heart disease. Including a previous investment in Evalve, Abbott has acquired 100 percent of the outstanding shares of Evalve. In connection with the acquisition, the carrying amount of this investment was revalued to fair value resulting in recording $28 million of income, which is reported as Other (income) expense, net. The preliminary

allocation of the fair value of the acquisition resulted in non-deductible definite-lived intangible assets of approximately $145 million, non-deductible acquired in-process research and development of approximately $228 million which will be accounted for as an indefinite-lived intangible asset until regulatory approval or discontinuation, goodwill of approximately $158 million and deferred income taxes of approximately $136 million. Acquired intangible assets consist of developed technology and will be amortized over 12 years. The allocation of the fair value of the acquisition will be finalized when the valuation is completed.

In January 2009, Abbott acquired Ibis Biosciences, Inc. (Ibis) for $175 million, in cash, to expand Abbott's position in molecular diagnostics for infectious disease. Including a $40 million investment in Ibis in 2008, Abbott has acquired 100 percent of the outstanding shares of Ibis. A substantial portion of the fair value of the acquisition has been allocated to goodwill and amortizable intangible assets, and acquired in-process research and development that will be accounted for as an indefinite-lived intangible asset until regulatory approval or discontinuation. The investment in Ibis in 2008 resulted in a charge to acquired in-process research and development. In connection with the acquisition, the carrying amount of this investment was revalued to fair value resulting in recording $33 million of income, which is reported as Other (income) expense, net.

Had the above acquisitions taken place on January 1 of the previous year, consolidated net sales and income would not have been significantly different from reported amounts.

In December 2009, Abbott acquired the global rights to a novel biologic for the treatment of chronic pain for $170 million, in cash, resulting in a charge to acquired in-process research and development.

In September 2009, Abbott announced an agreement to acquire Solvay's pharmaceuticals business for EUR 4.5 billion (approximately $6.2 billion), in cash, plus additional payments of up to EUR 300 million if certain sales milestones are met. This acquisition will provide Abbott with a large and complementary portfolio of pharmaceutical products and a significant presence in key global emerging markets and will add approximately $500 million to Abbott's research and development spending. The transaction closed on February 15, 2010. Sales for the acquired business are forecast to be approximately $2.9 billion in 2010. The allocation of the fair value of the acquisition will be finalized when the valuation is completed.

Note 12 — Goodwill and Intangible Assets

Abbott recorded goodwill of approximately $2.2 billion in 2009 related to the acquisitions of Advanced Medical Optics, Inc., Ibis Biosciences, Inc., Visiogen, Inc. and Evalve, Inc. Goodwill of approximately $120 million related to the Ibis acquisition was allocated to the Diagnostic Products segment and goodwill of approximately $160 million related to the Evalve acquisition was allocated to the Vascular Products segment. In connection with the dissolution of the TAP Pharmaceutical Products Inc. (TAP) joint venture in 2008, Abbott recorded approximately $350 million of goodwill related to the Pharmaceutical Products segment. In 2008, Abbott paid $250 million to Boston Scientific as a result of the FDA's approval to market the *Xience V* drug-eluting stent in the U.S., resulting in an increase in goodwill in the Vascular Products segment. Abbott recorded goodwill of $53 million in 2007 related to acquisitions. Goodwill adjustments recorded in 2007 allocated to the Pharmaceutical Products segment amounted to $194 million and adjustments allocated to the Vascular Products segment amounted to $(141) million. Foreign currency translation and other adjustments increased (decreased) goodwill in 2009, 2008 and 2007 by $997 million, $(677) million and $627 million, respectively. The amount of goodwill related to reportable segments at December 31, 2009 was $6.7 billion for the Pharmaceutical Products segment, $206 million for the Nutritional Products segment, $385 million for the Diagnostic Products segment, and $2.7 billion for the Vascular Products segment. Goodwill was reduced by approximately $64 million in

connection with the sale of Abbott's spine business in 2008. There were no other reductions of goodwill relating to impairments or disposal of all or a portion of a business.

The gross amount of amortizable intangible assets, primarily product rights and technology was $10.8 billion, $9.4 billion and $9.0 billion as of December 31, 2009, 2008 and 2007, respectively, and accumulated amortization was $5.1 billion, $4.2 billion and $3.3 billion as of December 31, 2009, 2008 and 2007, respectively. Indefinite-lived intangible assets, which relate to in-process research and development acquired in a business combination, were approximately $610 million at December 31, 2009. The estimated annual amortization expense for intangible assets recorded at December 31, 2009 is approximately $899 million in 2010, $884 million in 2011, $865 million in 2012, $739 million in 2013 and $656 million in 2014. Amortizable intangible assets are amortized over 2 to 30 years (average 11 years).

Note 13 — Restructuring Plans

In 2008, Abbott management approved a plan to streamline global manufacturing operations, reduce overall costs, and improve efficiencies in Abbott's core diagnostic business. In 2008, Abbott recorded a charge to Cost of products sold of approximately $129 million under the plan. Additional charges of approximately $54 million and $16 million were recorded in 2009 and 2008, respectively, relating to this restructuring, primarily for accelerated depreciation and product transfer costs. Additional charges will be incurred through 2011 as a result of product re-registration timelines required under manufacturing regulations in a number of countries and product transition timelines. The following summarizes the activity for this restructuring: (*dollars in millions*)

2008 restructuring charge	$ 129
Payments and other adjustments	(19)
Accrued balance at December 31, 2008	110
Payments and other adjustments	(12)
Accrued balance at December 31, 2009	$ 98

In 2009 and prior years, Abbott management approved plans to realign its worldwide pharmaceutical and vascular manufacturing operations and selected domestic and international commercial and research and development operations in order to reduce costs. In 2009, 2008 and 2007, Abbott recorded charges of approximately $114 million, $36 million and $107 million, respectively, reflecting the impairment of manufacturing facilities and other assets, employee severance and other related charges. Approximately $94 million in 2007 is classified as cost of products sold, $3 million in 2007 as research and development and $114 million, $36 million and $10 million in 2009, 2008 and 2007, respectively, as selling, general and administrative. Fair value for the determination of the amount of asset impairments was determined primarily based on a discounted cash flow method. An additional $47 million, $81 million and $90 million were subsequently recorded in 2009, 2008 and 2007, respectively, relating to these restructurings, primarily for accelerated depreciation. In addition, Abbott implemented facilities restructuring plans in 2007 related to the acquired operations of Kos Pharmaceuticals Inc. which resulted in an increase to goodwill of

approximately $52 million. The following summarizes the activity for these restructurings: (*dollars in millions*)

Accrued balance at January 1, 2007	$ 193
2007 restructuring charges	159
Payments, impairments and other adjustments	(158)
Accrued balance at December 31, 2007	194
2008 restructuring charges	36
Payments, impairments and other adjustments	(125)
Accrued balance at December 31, 2008	105
2009 restructuring charges	114
Payments and other adjustments	(74)
Accrued balance at December 31, 2009	$ 145

Note 14 — Subsequent Events

As of the beginning of 2010, Venezuela has been designated as a highly inflationary economy under U.S. GAAP. As a result, beginning in 2010, the U.S. dollar will be the functional currency for Abbott's operations in Venezuela. In January 2010, the Venezuelan government announced a devaluation of its bolivar currency relative to the U.S. dollar. Excluding the one-time balance sheet devaluation and local tax liability impact of approximately $110 million, Abbott does not expect the bolivar devaluation to have a significant impact on consolidated results of operations, financial position or cash flows.

In January 2010, Abbott suspended its sales of sibutramine in the European Union (EU) following the recommendation by the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA). Abbott reflected the 2009 impact of the suspension, primarily related to inventory exposures, in its 2009 results. Abbott does not expect the suspension of EU sibutramine sales to have a significant impact on consolidated results of operations, financial position or cash flows.

The judgment entered by the U.S. District Court for the Eastern District of Texas against Abbott in its litigation with New York University and Centocor, Inc. requires Abbott to secure the judgment in the event that its appeal to the Federal Circuit court is unsuccessful in overturning the district court's decision. Abbott expects to deposit approximately $1.8 billion with an escrow agent during the first quarter of 2010 and will consider these assets to be restricted.

Note 15 — Quarterly Results (Unaudited)

(dollars in millions except per share data)

	2009	2008	2007
First Quarter			
Net Sales	$ 6,718.4	$ 6,765.6	$ 5,945.5
Gross Profit	3,782.4	3,804.5	3,353.5
Net Earnings	1,438.6	937.9	697.6
Basic Earnings Per Common Share (a)	.93	.61	.45
Diluted Earnings Per Common Share (a)	.92	.60	.45
Market Price Per Share – High	57.39	61.09	57.26
Market Price Per Share – Low	44.10	50.09	48.75
Second Quarter			
Net Sales	$ 7,494.9	$ 7,314.0	$ 6,370.6
Gross Profit	4,365.9	4,194.4	3,566.3
Net Earnings	1,288.1	1,322.0	988.7
Basic Earnings Per Common Share (a)	.83	.86	.64
Diluted Earnings Per Common Share (a)	.83	.85	.63
Market Price Per Share – High	48.37	57.04	59.50
Market Price Per Share – Low	41.27	50.09	52.80
Third Quarter			
Net Sales	$ 7,761.3	$ 7,497.7	$ 6,376.7
Gross Profit	4,401.2	4,144.8	3,512.7
Net Earnings	1,480.4	1,084.6	717.0
Basic Earnings Per Common Share (a)	.95	.70	.46
Diluted Earnings Per Common Share (a)	.95	.69	.46
Market Price Per Share – High	49.69	60.78	56.91
Market Price Per Share – Low	43.45	52.63	49.58
Fourth Quarter			
Net Sales	$ 8,790.1	$ 7,950.3	$ 7,221.4
Gross Profit	5,005.9	4,771.9	4,059.7
Net Earnings	1,538.7	1,536.2	1,203.0
Basic Earnings Per Common Share (a)	.99	.99	.78
Diluted Earnings Per Common Share (a)	.98	.98	.77
Market Price Per Share – High	54.97	59.93	59.48
Market Price Per Share – Low	48.41	45.75	50.51

(a) The sum of the quarters' basic earnings per share for 2009 and 2007 and the sum of the quarters' diluted earnings per share for 2009 do not add to the full year earnings per share amounts due to rounding.

Management Report on Internal Control Over Financial Reporting

The management of Abbott Laboratories is responsible for establishing and maintaining adequate internal control over financial reporting. Abbott's internal control system was designed to provide reasonable assurance to the company's management and board of directors regarding the preparation and fair presentation of published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Abbott's management assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2009. In making this assessment, it used the criteria set forth in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As allowed by SEC guidance, management excluded from its assessment Abbott Medical Optics which was acquired in 2009 and accounted for approximately 7 percent of consolidated total assets and 3 percent of consolidated net sales as of and for the year ended December 31, 2009. Based on our assessment, we believe that, as of December 31, 2009, the company's internal control over financial reporting was effective based on those criteria.

Abbott's independent registered public accounting firm has issued an audit report on their assessment of the effectiveness of the company's internal control over financial reporting. This report appears on page 77.

Miles D. White
CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Thomas C. Freyman
EXECUTIVE VICE PRESIDENT, FINANCE AND CHIEF FINANCIAL OFFICER

Greg W. Linder
VICE PRESIDENT AND CONTROLLER

February 19, 2010

Reports of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Abbott Laboratories:

We have audited the accompanying consolidated balance sheets of Abbott Laboratories and subsidiaries (the "Company") as of December 31, 2009, 2008, and 2007, 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 the standards of the Public Company Accounting Oversight Board (United States). 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, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2009, 2008, and 2007, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 11 to the consolidated financial statements, the Company adopted the provisions of a new accounting standard relating to business combinations in 2009.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2009, based on the criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 19, 2010 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois
February 19, 2010

To the Board of Directors and Shareholders of Abbott Laboratories:

We have audited the internal control over financial reporting of Abbott Laboratories and subsidiaries (the "Company") as of December 31, 2009, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management Report on Internal Control Over Financial Reporting, management excluded from its assessment Abbott Medical Optics which was acquired in 2009 and accounted for approximately 7% of consolidated total assets and approximately 3% of consolidated net sales as of and for the year ended December 31, 2009. Accordingly, our audit did not include the internal control over financial reporting at Abbott Medical Optics. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of the Company as of and for the year ended December 31, 2009 and our report dated February 19, 2010 expresses an unqualified opinion on those financial statements and includes an explanatory paragraph regarding the Company's adoption of a new accounting standard in 2009.

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois
February 19, 2010

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Evaluation of disclosure controls and procedures. The Chief Executive Officer, Miles D. White, and the Chief Financial Officer, Thomas C. Freyman, evaluated the effectiveness of Abbott Laboratories' disclosure controls and procedures as of the end of the period covered by this report, and concluded that Abbott Laboratories' disclosure controls and procedures were effective to ensure that information Abbott is required to disclose in the reports that it files or submits with the Securities and Exchange Commission under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and to ensure that information required to be disclosed by Abbott in the reports that it files or submits under the Exchange Act is accumulated and communicated to Abbott's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

Management's annual report on internal control over financial reporting. Management's report on Abbott's internal control over financial reporting is included on page 75 hereof. The report of Abbott's independent registered public accounting firm related to their assessment of the effectiveness of internal control over financial reporting is included on page 77 hereof.

Changes in internal control over financial reporting. During the quarter ended December 31, 2009, there were no changes in Abbott's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, Abbott's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Incorporated herein by reference are "Information Concerning Nominees for Directors," "Committees of the Board of Directors," "Section 16(a) Beneficial Ownership Reporting Compliance," and "Procedure for Recommendation and Nomination of Directors and Transaction of Business at Annual Meeting" to be included in the 2010 Abbott Laboratories Proxy Statement. The 2010 Proxy Statement will be filed on or about March 15, 2010. Also incorporated herein by reference is the text found under the caption, "Executive Officers of the Registrant" on pages 19 through 22 hereof.

Abbott has adopted a code of ethics that applies to its principal executive officer, principal financial officer, and principal accounting officer and controller. That code is part of Abbott's code of business conduct which is available free of charge through Abbott's investor relations website (www.abbottinvestor.com). Abbott intends to include on its website (www.abbott.com) any amendment to, or waiver from, a provision of its code of ethics that applies to Abbott's principal executive officer, principal financial officer, and principal accounting officer and controller that relates to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K.

ITEM 11. EXECUTIVE COMPENSATION

The material to be included in the 2010 Proxy Statement under the headings "Director Compensation," "Executive Compensation," and "Compensation Committee Report" is incorporated herein by reference. The 2010 Proxy Statement will be filed on or about March 15, 2010.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

(a) Equity Compensation Plan Information.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders[1]	118,860,121	$ 50.09	231,795,260
Equity compensation plans not approved by security holders	0	$ 0.00	0
Total[1]	118,860,121	$ 50.09	231,795,260

1. (i) *Abbott Laboratories 1996 Incentive Stock Program*. Benefits under the 1996 Program include stock options intended to qualify for special tax treatment under Section 422 of the Internal Revenue Code ("incentive stock options"), stock options that do not qualify for that special tax treatment ("non-qualified stock options"), restricted stock, restricted stock units, stock appreciation rights, performance awards, and foreign qualified benefits. The shares that remain available for issuance under the 1996 Program may be issued in connection with any one of these benefits and may be either authorized but unissued shares or treasury shares (except that restricted stock awards may be satisfied only from treasury shares).

   If there is a lapse, expiration, termination, forfeiture or cancellation of any benefit granted under the 1996 Program without the issuance of shares or payment of cash thereunder, the shares subject to or reserved for that benefit, or so reacquired, may again be used for new stock options, rights, or awards of any type authorized under the 1996 Program. If shares are issued under any benefit under the 1996

Program and thereafter are reacquired by Abbott pursuant to rights reserved upon their issuance, or pursuant to the payment of the purchase price of shares under stock options by delivery of other common shares of Abbott, the shares subject to or reserved for that benefit, or so reacquired, may not again be used for new stock options, rights, or awards of any type authorized under the 1996 Program.

In April 2009, the 1996 Program was replaced by the Abbott Laboratories 2009 Incentive Stock Program. No further awards will be granted under the 1996 Program.

(ii) *Abbott Laboratories 2009 Incentive Stock Program.* Benefits under the 2009 Program include stock options that do not qualify for special tax treatment under Section 422 of the Internal Revenue Code ("non-qualified stock options"), restricted stock, restricted stock units, performance awards, other share-based awards (including stock appreciation rights, dividend equivalents and recognition awards), awards to non-employee directors, and foreign benefits. The shares that remain available for issuance under the 2009 Program may be issued in connection with any one of these benefits and may be either authorized but unissued shares or treasury shares (except that restricted stock awards may be satisfied only from treasury shares).

If there is a lapse, expiration, termination, forfeiture or cancellation of any benefit granted under the 2009 Program without the issuance of shares or payment of cash thereunder, the shares subject to or reserved for that benefit, or so reacquired, may again be used for new stock options, rights, or awards of any type authorized under the 2009 Program. If shares are issued under any benefit under the 2009 Program and thereafter are reacquired by Abbott pursuant to rights reserved upon their issuance, or pursuant to the payment of the purchase price of shares under stock options by delivery of other common shares of Abbott, the shares subject to or reserved for that benefit, or so reacquired, may not again be used for new stock options, rights, or awards of any type authorized under the 2009 Program.

(iii) *Abbott Laboratories 2009 Employee Stock Purchase Plan for Non-U.S. Employees.* Eligible employees of participating non-U.S. affiliates of Abbott may participate in this plan. An eligible employee may authorize payroll deductions at the rate of 1% to 10% of eligible compensation (in multiples of one percent) subject to a limit of US $12,500 during any purchase cycle.

Purchase cycles are generally six months long and usually begin on August 1 and February 1. On the last day of each purchase cycle, Abbott uses participant contributions to acquire Abbott common shares. The shares acquired come from treasury shares. The purchase price is 85% of the lower of the fair market value of the shares on that date or on the first day of that purchase cycle.

(iv) *Advanced Medical Optics, Inc. Plans.* In 2009, in connection with its acquisition of Advanced Medical Optics, Inc., Abbott assumed options outstanding under the Amended and Restated Advanced Medical Optics, Inc. 2002 Incentive Compensation Plan, as amended; AMO's 2004 Stock Incentive Plan, as amended and restated; the Advanced Medical Optics, Inc. 2005 Incentive Compensation Plan; the VISX, Incorporated 1995 Director Option and Stock Deferral Plan, as amended and restated; the VISX, Incorporated 1995 Stock Plan, as amended; the VISX, Incorporated 2000 Stock Plan; and the VISX, Incorporated 2001 Nonstatutory Stock Option Plan. As of December 31, 2009, 2,684,617 options remained outstanding under the plans. These options have a weighted average purchase price of $65.65. No further awards will be granted under the plans.

For additional information concerning the Abbott Laboratories 1996 Incentive Stock Program, the Abbott Laboratories 2009 Incentive Stock Program, and the Abbott Laboratories 2009 Employee Stock Purchase Plan for Non-U.S. Employees, see the discussion in Note 9 entitled "Incentive Stock Program" of the Notes to Consolidated Financial Statements included under Item 8, "Financial Statements and Supplementary Data."

(b) *Information Concerning Security Ownership*. Incorporated herein by reference is the material under the heading "Security Ownership of Executive Officers and Directors" in the 2010 Proxy Statement. The 2010 Proxy Statement will be filed on or about March 15, 2010.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The material to be included in the 2010 Proxy Statement under the headings "The Board of Directors," "Committees of the Board of Directors," "Corporate Governance Materials," and "Approval Process for Related Person Transactions" is incorporated herein by reference. The 2010 Proxy Statement will be filed on or about March 15, 2010.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The material to be included in the 2010 Proxy Statement under the headings "Audit Fees and Non-Audit Fees" and "Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of the Independent Auditor" is incorporated herein by reference. The 2010 Proxy Statement will be filed on or about March 15, 2010.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) *Documents filed as part of this Form 10-K.*

(1) *Financial Statements:* See Item 8, "Financial Statements and Supplementary Data," on page 43 hereof, for a list of financial statements.

(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 of Abbott Laboratories:

(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 87 through 95 of this Form 10-K.

(b) *Exhibits filed (see Exhibit Index on pages 87 through 95).*

(c) *Financial Statement Schedule filed (page 85).*

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/ MILES D. WHITE

Miles D. White
Chairman of the Board and
Chief Executive Officer

Date: February 19, 2010

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 19, 2010 in the capacities indicated below.

/s/ MILES D. WHITE

Miles D. White
Chairman of the Board, Chief Executive Officer and Director of Abbott Laboratories (principal executive officer)

/s/ THOMAS C. FREYMAN

Thomas C. Freyman
Executive Vice President, Finance and Chief Financial Officer (principal financial officer)

/s/ GREG W. LINDER

Greg W. Linder
Vice President and Controller
(principal accounting officer)

/s/ ROBERT J. ALPERN, M.D.

Robert J. Alpern, M.D.
Director of Abbott Laboratories

/s/ ROXANNE S. AUSTIN

Roxanne S. Austin
Director of Abbott Laboratories

/s/ WILLIAM M. DALEY

William M. Daley
Director of Abbott Laboratories

/s/ W. JAMES FARRELL

W. James Farrell
Director of Abbott Laboratories

/s/ H. LAURANCE FULLER

H. Laurance Fuller
Director of Abbott Laboratories

/s/ WILLIAM A. OSBORN

William A. Osborn
Director of Abbott Laboratories

/s/ DAVID A. L. OWEN

David A. L. Owen
Director of Abbott Laboratories

/s/ W. ANN REYNOLDS, PH.D.

W. Ann Reynolds, Ph.D.
Director of Abbott Laboratories

/s/ ROY S. ROBERTS

Roy S. Roberts
Director of Abbott Laboratories

/s/ SAMUEL C. SCOTT III

Samuel C. Scott III
Director of Abbott Laboratories

/s/ WILLIAM D. SMITHBURG

William D. Smithburg
Director of Abbott Laboratories

/s/ GLENN F. TILTON

Glenn F. Tilton
Director of Abbott Laboratories

ABBOTT LABORATORIES AND SUBSIDIARIES
SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2009, 2008, AND 2007
(in thousands of dollars)

Allowances for Doubtful Accounts	Balance at Beginning of Year	Provisions/ Charges to Income	Amounts Charged Off Net of Recoveries	Balance at End of Year
2009	$ 263,632	$ 75,703	$ (27,789)	$ 311,546
2008	$ 258,288	$ 20,057	$ (14,713)	$ 263,632
2007	215,443	70,893	(28,048)	258,288

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Abbott Laboratories:

We have audited the consolidated financial statements of Abbott Laboratories and subsidiaries (the "Company") as of and for the years ended December 31, 2009, 2008, and 2007, and the Company's internal control over financial reporting as of December 31, 2009, and have issued our reports thereon dated February 19, 2010, which report relating to the consolidated financial statements expresses an unqualified opinion and includes an explanatory paragraph regarding the Company's adoption of a new accounting standard in 2009; such reports are included elsewhere in this Form 10-K. Our audits also included the consolidated financial statement schedule of the Company listed in Item 15. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois
February 19, 2010

EXHIBIT INDEX
ABBOTT LABORATORIES
ANNUAL REPORT
FORM 10-K
2009

Exhibits 32.1 and 32.2 are furnished herewith and should not be deemed to be "filed under the Securities Exchange Act of 1934."

10-K Exhibit Table Item No.	
2.1	*Stock and Asset Purchase Agreement among Solvay SA and the other Sellers (as defined in the Agreement) and Abbott Laboratories and the other Buyers (as defined in the Agreement), dated as of September 26, 2009, filed as Exhibit 2.1 to the Abbott Laboratories Quarterly Report on Form 10-Q for the quarter ended September 30, 2009.
2.2	*Amendment No. 1, dated February 15, 2010, to Stock and Asset Purchase Agreement among Solvay SA and the other Sellers (as defined in the Agreement) and Abbott Laboratories and the other Buyers (as defined in the Agreement), dated as of September 26, 2009, filed as Exhibit 2.2 to the Abbott Laboratories Current Report on Form 8-K dated February 15, 2010.
2.3	*Agreement and Plan of Merger, dated as of January 11, 2009, by and among Abbott Laboratories, Rainforest Acquisition Inc. and Advanced Medical Optics, Inc., filed as Exhibit 2.1 to the Abbott Laboratories Current Report on Form 8-K dated January 11, 2009.
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, 1998.
3.2	*Corporate By-Laws of Abbott Laboratories, as amended and restated effective as of February 20, 2009, filed as Exhibit 3.2 to the Abbott Laboratories Current Report on Form 8-K dated February 20, 2009.
3.3	*Corporate By-Laws of Abbott Laboratories, as amended and restated effective as of April 24, 2009, filed as Exhibit 3.1 to the Abbott Laboratories Current Report on Form 8-K dated February 20, 2009.
4.1	*Indenture dated as of February 9, 2001, between Abbott Laboratories and The Bank of New York Mellon Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association, successor to Bank One Trust Company, N.A.) (including form of Security), filed as Exhibit 4.1 to the Abbott Laboratories Registration Statement on Form S-3 dated February 12, 2001.
4.2	*Supplemental Indenture dated as of February 27, 2006, between Abbott Laboratories and The Bank of New York Mellon Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association), filed as Exhibit 4.2 to the Abbott Laboratories Registration Statement on Form S-3 dated February 28, 2006.
4.3	*Form of 3.5% Note, filed as Exhibit 4.29 to the 2003 Abbott Laboratories Annual Report on Form 10-K.
4.4	*Actions of Authorized Officers with Respect to Abbott's 3.5% Notes, filed as Exhibit 4.30 to the 2003 Abbott Laboratories Annual Report on Form 10-K.

10-K Exhibit Table Item No.	
4.5	*Officers' Certificate and Company Order with respect to Abbott's 3.5% Notes, filed as Exhibit 4.31 to the 2003 Abbott Laboratories Annual Report on Form 10-K.
4.6	*Form of 3.75% Note, filed as Exhibit 4.28 to the 2004 Abbott Laboratories Annual Report on Form 10-K.
4.7	*Form of 4.35% Note, filed as Exhibit 4.29 to the 2004 Abbott Laboratories Annual Report on Form 10-K.
4.8	*Actions of Authorized Officers with respect to Abbott's 3.75% Notes and 4.35% Notes, filed as Exhibit 4.30 to the 2004 Abbott Laboratories Annual Report on Form 10-K.
4.9	*Officers' Certificate and Company Order with respect to Abbott's 3.75% Notes and 4.35% Notes, filed as Exhibit 4.31 to the 2004 Abbott Laboratories Annual Report on Form 10-K.
4.10	*Form of 5.375% Note, filed as Exhibit 99.3 to the Abbott Laboratories Current Report on Form 8-K dated May 9, 2006.
4.11	*Form of 5.600% Note, filed as Exhibit 99.3 to the Abbott Laboratories Current Report on Form 8-K dated May 9, 2006.
4.12	*Form of 5.875% Note, filed as Exhibit 99.3 to the Abbott Laboratories Current Report on Form 8-K dated May 9, 2006.
4.13	*Actions of the Authorized Officers with respect to Abbott's 5.375% Notes, 5.600% Notes and 5.875% Notes, filed as Exhibit 99.3 to the Abbott Laboratories Current Report on Form 8-K dated May 9, 2006.
4.14	*Officers' Certificate and Company Order with respect to Abbott's 5.375% Notes, 5.600% Notes and 5.875% Notes, filed as Exhibit 4.25 to the 2006 Abbott Laboratories Report on Form 10-K.
4.15	*Form of $1,000,000,000 5.150% Note due 2012, filed as Exhibit 99.4 to the Abbott Laboratories Current Report on Form 8-K dated November 6, 2007.
4.16	*Form of $1,500,000,000 5.600% Note due 2017, filed as Exhibit 99.5 to the Abbott Laboratories Current Report on Form 8-K dated November 6, 2007.
4.17	*Form of $1,000,000,000 6.150% Note due 2037, filed as Exhibit 99.6 to the Abbott Laboratories Current Report on Form 8-K dated November 6, 2007.
4.18	*Actions of the Authorized Officers with respect to Abbott's 5.150% Notes due 2012, 5.600% Notes due 2017 and 6.150% Notes due 2037, filed as Exhibit 99.3 to the Abbott Laboratories Current Report on Form 8-K dated November 6, 2007.
4.19	*Form of $2,000,000,000 5.125% Note due 2019, filed as Exhibit 99.4 to the Abbott Laboratories Current Report on Form 8-K dated February 26, 2009.
4.20	*Form of $1,000,000,000 6.000% Note due 2039, filed as Exhibit 99.5 to the Abbott Laboratories Current Report on Form 8-K dated February 26, 2009.
4.21	*Actions of the Authorized Officers with respect to Abbott's 5.125% Note due 2019 and 6.000% Note due 2039, filed as Exhibit 99.3 to the Abbott Laboratories Current Report on Form 8-K dated February 26, 2009.

10-K Exhibit Table Item No.	
4.22	*Indenture, dated as of June 22, 2004, between AMO and U.S. Bank National Association, as trustee (relating to the 2.50% Notes), filed as Exhibit 4.1 to the Abbott Laboratories Current Report on Form 8-K dated February 25, 2009.
4.23	*Supplemental Indenture, dated as of February 26, 2009, between AMO and U.S. Bank National Association, as trustee (relating to the 2.50% Notes), filed as Exhibit 4.2 to the Abbott Laboratories Current Report on Form 8-K dated February 25, 2009.
4.24	*Indenture, dated as of July 18, 2005, between AMO and U.S. Bank National Association, as trustee (relating to the 1.375% Notes), filed as Exhibit 4.3 to the Abbott Laboratories Current Report on Form 8-K dated February 25, 2009.
4.25	*Supplemental Indenture, dated as of February 26, 2009, between AMO and U.S. Bank National Association, as trustee (relating to the 1.375% Notes), filed as Exhibit 4.4 to the Abbott Laboratories Current Report on Form 8-K dated February 25, 2009.
4.26	*Indenture, dated as of June 13, 2006, between AMO and U.S. Bank National Association, as trustee (relating to the 3.25% Notes), filed as Exhibit 4.5 to the Abbott Laboratories Current Report on Form 8-K dated February 25, 2009.
4.27	*Supplemental Indenture, dated as of August 15, 2006, between AMO and U.S. Bank National Association, as trustee (relating to the 3.25% Notes), filed as Exhibit 4.6 to the Abbott Laboratories Current Report on Form 8-K dated February 25, 2009.
4.28	*Second Supplemental Indenture, dated as of February 26, 2009, between AMO and U.S. Bank National Association, as trustee (relating to the 3.25% Notes), filed as Exhibit 4.7 to the Abbott Laboratories Current Report on Form 8-K dated February 25, 2009.
	Other debt instruments are omitted in accordance with Item 601(b)(4)(iii)(A) of Regulation S-K. Copies of such agreements will be furnished to the Securities and Exchange Commission upon request.
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	*Abbott Laboratories Deferred Compensation Plan, as amended effective January 1, 2008, filed as Exhibit 4.1 to the 2008 Abbott Laboratories Annual Report on Form 10-K.**
10.3	Abbott Laboratories 401(k) Supplemental Plan, as amended and restated.**
10.4	Abbott Laboratories Supplemental Pension Plan, as amended and restated.**
10.5	The 1986 Abbott Laboratories Management Incentive Plan, as amended and restated.**
10.6	*1998 Abbott Laboratories Performance Incentive Plan, as amended effective January 1, 2008, filed as Exhibit 10.7 to the 2008 Abbott Laboratories Annual Report on Form 10-K.**
10.7	Rules for the 1998 Abbott Laboratories Performance Incentive Plan, as amended and restated.**
10.8	*The Abbott Laboratories 1996 Incentive Stock Program, as amended and restated through the 6th Amendment February 20, 2009, filed as Exhibit 10.11 to the Abbott Laboratories Quarterly Report on Form 10-Q for the quarter ended March 31, 2009.**
10.9	*Abbott Laboratories 2009 Incentive Stock Program, filed as Exhibit B to the Abbott Laboratories Definitive Proxy Statement on Schedule 14A dated March 13, 2009.**

10-K Exhibit Table Item No.	
10.10	Abbott Laboratories Non-Employee Directors' Fee Plan, as amended and restated.**
10.11	*Form of Non-Employee Director Stock Option Agreement under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 18, 2005, filed as Exhibit 10.7 to the Abbott Laboratories Current Report on Form 8-K dated February 18, 2005.**
10.12	*Form of Employee Stock Option Agreement for a Non-Qualified Stock Option granted with an Incentive Stock Option under the Abbott Laboratories 1996 Incentive Stock Program, filed as Exhibit 10.1 to the Abbott Laboratories Current Report on Form 8-K dated August 20, 2004.**
10.13	*Form of Employee Stock Option Agreement for a Non-Qualified Stock Option under the Abbott Laboratories 1996 Incentive Stock Program, filed as Exhibit 10.2 to the Abbott Laboratories Current Report on Form 8-K dated August 20, 2004.**
10.14	*Form of Employee Stock Option Agreement for an Incentive Stock Option granted with a Non-Qualified Stock Option under the Abbott Laboratories 1996 Incentive Stock Program, filed as Exhibit 10.3 to the Abbott Laboratories Current Report on Form 8-K dated August 20, 2004.**
10.15	*Form of Employee Stock Option Agreement for an Incentive Stock Option under the Abbott Laboratories 1996 Incentive Stock Program, filed as Exhibit 10.4 to the Abbott Laboratories Current Report on Form 8-K dated August 20, 2004.**
10.16	*Form of Employee Stock Option Agreement for a Replacement Stock Option under the Abbott Laboratories 1996 Incentive Stock Program, filed as Exhibit 10.5 to the Abbott Laboratories Current Report on Form 8-K dated August 20, 2004.**
10.17	*Form of Employee Restricted Stock Agreement under the Abbott Laboratories 1996 Incentive Stock Program, filed as Exhibit 10.6 to the Abbott Laboratories Current Report on Form 8-K dated August 20, 2004.**
10.18	*Form of Employee Restricted Stock Unit Agreement under the Abbott Laboratories 1996 Incentive Stock Program, filed as Exhibit 10.7 to the Abbott Laboratories Current Report on Form 8-K dated August 20, 2004.**
10.19	*Form of Non-Employee Director Stock Option Agreement under the Abbott Laboratories 1996 Incentive Stock Program, filed as Exhibit 10.8 to the Abbott Laboratories Current Report on Form 8-K dated August 20, 2004.**
10.20	*Form of Non-Employee Director Restricted Stock Unit Agreement under Abbott Laboratories 1996 Incentive Stock Program, filed as Exhibit 10.2 to the Abbott Laboratories Current Report on Form 8-K dated December 10, 2004.**
10.21	*Form of Employee Stock Option Agreement for a Non-Qualified Stock Option granted with an Incentive Stock Option under the Abbott Laboratories 1996 Incentive Stock Program on or after February 18, 2005, filed as Exhibit 10.1 to the Abbott Laboratories Current Report on Form 8-K dated February 18, 2005.**
10.22	*Form of Employee Stock Option Agreement for a new Non-Qualified Stock Option under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 18, 2005, filed as Exhibit 10.2 to the Abbott Laboratories Current Report on Form 8-K dated February 18, 2005.**

10-K Exhibit Table Item No.	
10.23	*Form of Employee Stock Option Agreement for an Incentive Stock Option granted with a Non-Qualified Stock Option under the Abbott Laboratories 1996 Incentive Stock Program on or after February 18, 2005, filed as Exhibit 10.3 to the Abbott Laboratories Current Report on Form 8-K dated February 18, 2005.**
10.24	*Form of Employee Stock Option Agreement for an Incentive Stock Option under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 18, 2005, filed as Exhibit 10.4 to the Abbott Laboratories Current Report on Form 8-K dated February 18, 2005.**
10.25	*Form of Employee Restricted Stock Agreement under the Abbott Laboratories 1996 Incentive Stock Program, filed as Exhibit 10.5 to the Abbott Laboratories Current Report on Form 8-K dated February 18, 2005.**
10.26	*Form of Employee Restricted Stock Unit Agreement under the Abbott Laboratories 1996 Incentive Stock Program, filed as Exhibit 10.6 to the Abbott Laboratories Current Report on Form 8-K dated February 18, 2005.**
10.27	*Form of Performance Restricted Stock Agreement for an award of performance restricted stock under Section 10 of the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 17, 2006, filed as Exhibit 10.1 to the Abbott Laboratories Current Report on Form 8-K dated February 16, 2006.**
10.28	*Form of Performance Restricted Stock Agreement for an award of performance restricted stock under Section 11 of the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 17, 2006, filed as Exhibit 10.2 to the Abbott Laboratories Current Report on Form 8-K dated February 16, 2006.**
10.29	*Form of Performance Restricted Stock Unit Agreement for an award of performance restricted stock units under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 17, 2006, filed as Exhibit 10.3 to the Abbott Laboratories Current Report on Form 8-K dated February 16, 2006.**
10.30	*Form of Non-Qualified Stock Option Agreement for an award of non-qualified stock options under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 17, 2006, filed as Exhibit 10.4 to the Abbott Laboratories Current Report on Form 8-K dated February 16, 2006.**
10.31	*Form of Restricted Stock Unit Agreement for an award of restricted stock units under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 17, 2006, filed as Exhibit 10.5 to the Abbott Laboratories Current Report on Form 8-K dated February 16, 2006.**
10.32	*Form of Performance Restricted Stock Agreement for an award of performance restricted stock under Section 10 of the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 16, 2007, filed as Exhibit 10.49 to the 2006 Abbott Laboratories Report on Form 10-K.**
10.33	*Form of Performance Restricted Stock Agreement for an award of performance restricted stock under Section 11 of the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 16, 2007, filed as Exhibit 10.50 to the 2006 Abbott Laboratories Report on Form 10-K.**

10-K Exhibit Table Item No.	
10.34	*Form of Performance Restricted Stock Unit Agreement for an award of performance restricted stock units under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 16, 2007, filed as Exhibit 10.51 to the 2006 Abbott Laboratories Report on Form 10-K.**
10.35	*Form of Restricted Stock Unit Agreement for an award of restricted stock units under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 16, 2007, filed as Exhibit 10.52 to the 2006 Abbott Laboratories Report on Form 10-K.**
10.36	*Form of Performance Restricted Stock Agreement for an award of performance restricted stock under Section 10 of the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 20, 2009, filed as Exhibit 10.1 to the Abbott Laboratories Current Report on 8-K dated February 20, 2009. **
10.37	*Form of Performance Restricted Stock Agreement for an award of performance restricted stock under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 20, 2009, filed as Exhibit 10.2 to the Abbott Laboratories Current Report on 8-K dated February 20, 2009. **
10.38	*Form of Non-Qualified Stock Option Agreement for an award of non-qualified stock options under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 20, 2009, filed as Exhibit 10.3 to the Abbott Laboratories Current Report on 8-K dated February 20, 2009.**
10.39	*Form of Non-Qualified Replacement Stock Option Agreement for an award of non-qualified replacement stock options under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 20, 2009, filed as Exhibit 10.4 to the Abbott Laboratories Current Report on 8-K dated February 20, 2009. **
10.40	*Form of Restricted Stock Agreement for an award of restricted stock under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 20, 2009 (ratable vesting), filed as Exhibit 10.5 to the Abbott Laboratories Current Report on 8-K dated February 20, 2009. **
10.41	*Form of Restricted Stock Agreement for an award of restricted stock under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 20, 2009 (cliff vesting), filed as Exhibit 10.6 to the Abbott Laboratories Current Report on 8-K dated February 20, 2009. **
10.42	*Form of Restricted Stock Unit Agreement for an award of restricted stock units under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 20, 2009, filed as Exhibit 10.7 to the Abbott Laboratories Current Report on 8-K dated February 20, 2009. **
10.43	*Form of Non-Employee Director Non-Qualified Replacement Stock Option Agreement for an award of non-qualified replacement stock options under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 20, 2009, filed as Exhibit 10.8 to the Abbott Laboratories Current Report on 8-K dated February 20, 2009. **
10.44	*Form of Non-Employee Director Non-Qualified Stock Option Agreement, filed as Exhibit 10.2 to the Abbott Laboratories Current Report on Form 8-K dated April 24, 2009.**

10-K Exhibit Table Item No.	
10.45	*Form of Non-Employee Director Restricted Stock Unit Agreement, filed as Exhibit 10.3 to the Abbott Laboratories Current Report on Form 8-K dated April 24, 2009.**
10.46	*Form of Non-Employee Director Non-Qualified Replacement Stock Option Agreement, filed as Exhibit 10.4 to the Abbott Laboratories Current Report on Form 8-K dated April 24, 2009.**
10.47	*Form of Non-Qualified Stock Option Agreement (ratably vested), filed as Exhibit 10.5 to the Abbott Laboratories Current Report on Form 8-K dated April 24, 2009.**
10.48	*Form of Non-Qualified Replacement Stock Option Agreement, filed as Exhibit 10.6 to the Abbott Laboratories Current Report on Form 8-K dated April 24, 2009.**
10.49	*Form of Performance Restricted Stock Agreement, filed as Exhibit 10.7 to the Abbott Laboratories Current Report on Form 8-K dated April 24, 2009.**
10.50	*Form of Restricted Stock Agreement (ratably vested), filed as Exhibit 10.8 to the Abbott Laboratories Current Report on Form 8-K dated April 24, 2009.**
10.51	*Form of Restricted Stock Agreement (cliff vested), filed as Exhibit 10.9 to the Abbott Laboratories Current Report on Form 8-K dated April 24, 2009.**
10.52	*Form of Performance Restricted Stock Agreement (annual performance based), filed as Exhibit 10.10 to the Abbott Laboratories Current Report on Form 8-K dated April 24, 2009.**
10.53	*Form of Performance Restricted Stock Agreement (interim performance based), filed as Exhibit 10.11 to the Abbott Laboratories Current Report on Form 8-K dated April 24, 2009.**
10.54	*Form of Restricted Stock Unit Agreement (cliff vested), filed as Exhibit 10.12 to the Abbott Laboratories Current Report on Form 8-K dated April 24, 2009.**
10.55	*Form of Restricted Stock Unit Agreement (ratably vested), filed as Exhibit 10.13 to the Abbott Laboratories Current Report on Form 8-K dated April 24, 2009.**
10.56	*Form of Agreement Regarding Change in Control by and between Abbott Laboratories and its named executive officers (other than Messrs. White and Freyman), filed as Exhibit 10.34 to the 2008 Abbott Laboratories Annual Report on Form 10-K.**
10.57	Base Salary of Named Executive Officers.**
10.58	*Transaction Agreement between Boston Scientific Corporation and Abbott Laboratories, dated as of January 8, 2006, filed as Exhibit 10.28 to the 2005 Abbott Laboratories Annual Report on Form 10-K.
10.59	*Amendment No. 1 to Transaction Agreement, dated as of January 16, 2006, between Boston Scientific Corporation and Abbott Laboratories, filed as Exhibit 10.29 to the 2005 Abbott Laboratories Annual Report on Form 10-K.
10.60	*Amendment No. 2 to Transaction Agreement, dated as of January 16, 2006, between Boston Scientific Corporation and Abbott Laboratories, filed as Exhibit 10.30 to the 2005 Abbott Laboratories Annual Report on Form 10-K.

10-K Exhibit Table Item No.	
10.61	*Amendment No. 3 to Transaction Agreement, dated as of February 22, 2006, between Boston Scientific Corporation and Abbott Laboratories, filed as Exhibit 10.1 to the Abbott Laboratories Quarterly Report on Form 10-Q for the quarter ended March 31, 2006.
10.62	*Amendment No. 4 to Transaction Agreement, dated as of April 5, 2006, between Boston Scientific Corporation and Abbott Laboratories, filed as Exhibit 10.2 to the Abbott Laboratories Quarterly Report on Form 10-Q for the quarter ended March 31, 2006.
10.63	*Purchase Agreement, dated as of April 21, 2006, between Guidant Corporation and Abbott Laboratories, filed as Exhibit 10.1 to the Abbott Laboratories Quarterly Report on Form 10-Q for the quarter ended June 30, 2006.
10.64	*Amendment to Purchase Agreement, dated as of April 21, 2006, between Guidant Corporation and Abbott Laboratories, filed as Exhibit 10.2 to the Abbott Laboratories Quarterly Report on Form 10-Q for the quarter ended June 30, 2006.
10.65	*Promissory Note, dated April 21, 2006, from BSC International Holding Ltd., filed as Exhibit 10.3 to the Abbott Laboratories Quarterly Report on Form 10-Q for the quarter ended June 30, 2006.
10.66	*Subscription and Stockholder Agreement, dated as of April 21, 2006, between Boston Scientific Corporation and Abbott Laboratories, filed as Exhibit 10.4 to the Abbott Laboratories Quarterly Report on Form 10-Q for the quarter ended June 30, 2006.
10.67	*Amendment to Subscription and Stockholder Agreement, dated as of April 21, 2006, between Boston Scientific Corporation and Abbott Laboratories, filed as Exhibit 10.5 to the Abbott Laboratories Quarterly Report on Form 10-Q for the quarter ended June 30, 2006.
10.68	*Form of Time Sharing Agreement between Abbott Laboratories, Inc. and M.D. White and T.C. Freyman, filed as Exhibit 10.6 to the Abbott Laboratories Quarterly Report on Form 10-Q for the quarter ended June 30, 2006.**
10.69	*Support Agreement, dated as of January 11, 2009, by and among ValueAct, Abbott and the Purchaser, filed as Exhibit 99.1 to the Abbott Laboratories Current Report on Form 8-K dated January 11, 2009.
10.70	*Support Agreement, dated as of January 11, 2009, by and among James V. Mazzo, Abbott and the Purchaser, filed as Exhibit 99.2 to the Abbott Laboratories Current Report on Form 8-K dated January 11, 2009.
10.71	*Amended and Restated Advanced Medical Optics, Inc. 2002 Incentive Compensation Plan, as amended, filed as Exhibit 4.3 to the Abbott Laboratories Registration Statement on Form S-8 dated March 20, 2009.**
10.72	*First Amendment to Amended and Restated Advanced Medical Optics, Inc. 2002 Incentive Compensation Plan, filed as Exhibit 4.4 to the Abbott Laboratories Registration Statement on Form S-8 dated March 20, 2009.**
10.73	*2004 Stock Incentive Plan, as amended and restated, filed as Exhibit 4.5 to the Abbott Laboratories Registration Statement on Form S-8 dated March 20, 2009.**
10.74	*Advanced Medical Optics, Inc. 2005 Incentive Compensation Plan, filed as Exhibit 4.6 to the Abbott Laboratories Registration Statement on Form S-8 dated March 20, 2009.**

10-K Exhibit Table Item No.	
10.75	*VISX, Incorporated 2001 Nonstatutory Stock Option Plan, filed as Exhibit 4.7 to the Abbott Laboratories Registration Statement on Form S-8 dated March 20, 2009.**
10.76	*VISX, Incorporated 2000 Stock Plan, filed as Exhibit 4.8 to the Abbott Laboratories Registration Statement on Form S-8 dated March 20, 2009.**
10.77	*VISX, Incorporated 1995 Director Option and Stock Deferral Plan, as amended and restated, filed as Exhibit 4.9 to the Abbott Laboratories Registration Statement on Form S-8 dated March 20, 2009.**
10.78	*VISX, Incorporated 1995 Stock Plan, as amended, filed as Exhibit 4.10 to the Abbott Laboratories Registration Statement on Form S-8 dated March 20, 2009.**
12	Computation of Ratio of Earnings to Fixed Charges.
21	Subsidiaries of Abbott Laboratories.
23.1	Consent of Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer Required by Rule 13a-14(a) (17 CFR 240.13a-14(a)).
31.2	Certification of Chief Financial Officer Required by Rule 13a-14(a) (17 CFR 240.13a-14(a)).
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial statements and footnotes from the Abbott Laboratories Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 19, 2010, formatted in XBRL: (i) Consolidated Statement of Earnings; (ii) Consolidated Statement of Cash Flows; (iii) Consolidated Balance Sheet; and (iv) Consolidated Statement of Shareholders' Investment.

The 2010 Abbott Laboratories Proxy Statement will be filed with the Securities and Exchange Commission under separate cover on or about March 15, 2010.

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* Incorporated herein by reference. Commission file number 1-2189.

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

Abbott will furnish copies of any of the above exhibits to a shareholder upon written request to the Secretary, Abbott Laboratories, 100 Abbott Park Road, Abbott Park, Illinois 60064-6400.

QuickLinks

Exhibit 10.3

Amended and Restated effective
January 1, 2008

ABBOTT LABORATORIES 401(K) SUPPLEMENTAL PLAN

SECTION 1
INTRODUCTION

1-1. PURPOSE. This Abbott Laboratories 401(k) Supplemental Plan (the "Plan") is being established by Abbott Laboratories ("Abbott") to provide eligible management employees of Abbott an opportunity to accumulate capital for their retirement or other termination of employment in excess of the contributions allowed under the Abbott Laboratories Stock Retirement Plan ("Stock Plan").

1-2. EFFECTIVE DATE; GRANDFATHERED AMOUNTS. The Plan became effective as of October 1, 1993 and is hereby amended and restated, effective as of January 1, 2008, in accordance with the requirements of Section 409A ("Code Section 409A") of the Internal Revenue Code of 1986, as amended (the "Code"). Notwithstanding anything in the Plan to the contrary, any amounts under the Plan that were earned and vested before January 1, 2005 (as determined in accordance with Code Section 409A) with respect to participants who retired before January 1, 2005 ("Grandfathered Amounts") shall be subject to the terms and conditions of the Plan as administered and as in effect on December 31, 2004, provided that the provisions of the Plan, as amended effective December 9, 2005 in accordance with Code Section 409A, shall also apply to Grandfathered Amounts. Except as expressly provided above or elsewhere herein, amendments made to the Plan pursuant to this amendment and restatement or otherwise shall not affect the Grandfathered Amounts. The terms and conditions applicable to the Grandfathered Amounts are set forth in Exhibit A attached hereto.

1-3. ADMINISTRATION. The Plan shall be administered by the Compensation Committee (the "Committee") appointed by the Board of Directors of Abbott (the "Board of Directors").

SECTION 2
ELIGIBILITY AND PARTICIPATION

2-1. PERSONS ELIGIBLE TO PARTICIPATE. Participation in the Plan shall be limited to employees who are serving as corporate officers of Abbott as of October 1, 1993 or who become corporate officers thereafter. The term "corporate officer" for purposes of the Plan shall mean an individual elected an officer of Abbott by its Board of Directors (or designated as such for purposes of the Plan by the Committee), but shall not include assistant officers. In the event an employee should cease to be a corporate officer of Abbott due to demotion or otherwise while remaining in the employ of Abbott, (a) such employee's elective deferral in effect for such year shall remain irrevocable, (b) Abbott's matching contributions under Section 4 shall immediately cease and (c) such employee shall no longer be eligible to participate in the Plan as of the end of such calendar year. In the event an employee should cease to be a corporate officer of Abbott due to termination of employment, such employee shall cease to be eligible to

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participate in the Plan and any contributions then being made on behalf of such employee shall immediately cease.

2-2. PARTICIPANT. An eligible employee may elect to participate in the Plan by electing to have contributions made on the employee's behalf as provided in Section 5.

SECTION 3
EMPLOYEE CONTRIBUTIONS

3-1. ALLOWABLE CONTRIBUTIONS. An eligible employee may elect to have his employer make "pre-tax contributions" on his behalf in an amount not greater than 18% in total of his compensation in any calendar year for services rendered to his employer. A pre-tax contribution made by an employer on behalf of a participant shall reduce the participant's compensation at the time of payment of such compensation. Each election hereunder shall be in writing, and shall be in multiples of 1% of compensation.

3-2. COMPENSATION. A participant's "compensation" shall have the same meaning as that term is used in subsection 7-2 of the Stock Plan.

3-3. MAXIMUM EMPLOYEE CONTRIBUTIONS. Notwithstanding subsection 3-1, in no event shall the sum of:

(a) the participant's total contributions, pre-tax contributions, supplemental deposits and supplemental pre-tax contributions made under the Stock Plan; plus

(b) the participant's total pre-tax contributions made under the Plan;

for any calendar year, exceed 18% of the employee's compensation for such year. In the event the limitation described in this subsection 3-3 would be exceeded for any participant, the participant's pre-tax contributions made under this Plan shall be reduced until the limit is not exceeded.

3-4. CHANGE IN STOCK PLAN. Notwithstanding anything to the contrary contained in Sections 3-1 and 3-3 above, no action or inaction by an employee under the Stock Plan may result in a change in amounts contributed to the Plan in excess of the limit with respect to elective deferrals under Section 402(g)(1)(A), (B) and (C) of the Code in effect for the year in which the action or inaction occurs.

SECTION 4
EMPLOYER CONTRIBUTIONS

For the calendar year ending December 31, 1993, and for each subsequent calendar year, Abbott shall make a contribution on behalf of each participant in the Plan who makes pre-tax contributions ("basic contributions") under the Plan during such year at the rate of two percent (2%) of compensation in excess of, for calendar year 1993, Two Hundred Thousand Dollars ($200,000), and for calendar years subsequent to 1993, the limit in effect

for such year under Code Section 40l(a)(17). Such employer contribution shall be in an amount equal to the contribution the participant would have received under subsection 8-3 of the Stock Plan with

respect to such basic contributions had such basic contributions been made under subsection 7-1 of the Stock Plan.

To the extent applicable, a contribution made by a participant under subsection 5-4 shall be considered a basic contribution for purposes of this Section 4 to the extent it includes contributions at the rate of two percent (2%) of compensation for 1993 in excess of Two Hundred Thousand Dollars ($200,000).

SECTION 5
ELECTIONS

5-1. ANNUAL ELECTIONS REQUIRED. Except as provided in Section 5-3, a participant shall elect to make pre-tax contributions with respect to compensation earned in any calendar year on or prior to December 31st of the prior calendar year. Each such election shall be in writing, shall be filed with the Committee, shall be effective only for the calendar year for which made and shall be irrevocable. An employee who fails to make a timely election under this subsection 5-1 for a calendar year may not contribute to the Plan during the following year.

5-2. [Section intentionally omitted.]

5-3. NEWLY ELIGIBLE AND NEWLY HIRED EMPLOYEES. A newly hired corporate officer described in Section 2-1 shall become eligible to participate in the Plan on the first day of the month next following the month after the individual's date of hire; provided, that in no event may such individual begin to participate in the Plan later than 90 days following his or her date of hire. An eligible employee described in the preceding sentence (who was not eligible to participate in any other plan that would be aggregated with the Plan under Treasury Regulation §1.409A-1(c)) shall make the election described in Section 5-1 within thirty (30) days of the date on which he first becomes eligible under the Plan. Any such election shall become effective for compensation earned no earlier than the first payroll period commencing after receipt of the election by the Committee and shall be irrevocable for the remainder of the calendar year. Any other newly eligible employee shall make the election described in Section 5-1 no later than December 31st of the year in which such employee first becomes eligible under the Plan. Any such election shall become effective for compensation earned in the calendar year following the year in which the election is made.

5-4. SPECIAL CONTRIBUTION FOR 1993. Employees who are serving as corporate officers of Abbott and who have established "Grantor Trusts" under the 1986 Abbott Laboratories Management Incentive Plan ("MIP") as of October 1, 1993, may elect to make a lump-sum contribution based on compensation earned during the period of January 1, 1993 through September 30, 1993 (the "Make-Up Period") by filing an election with the Administrator and tendering payment in cash to such Grantor Trust of the amount of the contribution, not later than October 31, 1993. Any such contribution shall not exceed the maximum contribution allowed under subsection 3-3 based on the employee's Stock Plan contributions made, and compensation earned, during the Make-Up Period.

5-5. GRANTOR TRUST ELECTION. At the time of the annual elections described in subsection 5-1, each participant may elect to have his pre-tax and employer contributions for the following year deposited in a "Grantor Trust" established by the participant under the

circumstances and on the terms described in subsection 6-1, rather than defer such contributions under subsection 5-1. Any such election shall be irrevocable and shall apply to all pre-tax contributions made during, and employer contributions made for, such calendar year on behalf of such participant. If the participant fails to make an election under this subsection 5-5, the participant's pre-tax contributions made during, and employer contribution made for, such calendar year shall be retained by Abbott and shall not be deposited in a Grantor Trust in the future. In no event shall such contributions be paid to the Grantor Trust later than the last day of the "applicable 2 ½ month period", as such term is defined in Treasury Regulation § 1.409A-1(b)(4)(i)(A).

SECTION 6
FUNDING EMPLOYER AND EMPLOYEE CONTRIBUTIONS

6-1. CONTRIBUTIONS TO BE DEPOSITED IN GRANTOR TRUSTS. Each participant's pre-tax contributions and employer contributions which the participant has filed an election under subsection 5-5 shall be deposited in a "Grantor Trust" established by the participant, as described in subsection 6-3, provided such trust is in a form which the Committee determines is substantially similar to the trust attached to this Plan as Exhibit B.

6-2. CONTRIBUTIONS TO BE RETAINED BY ABBOTT. Each participant's pre-tax contributions and employer contributions for which the participant has not filed an election under subsection 5-5 shall be retained by Abbott and credited to a Deferred Account established under subsection 7-1.

6-3. AFTER ESTABLISHMENT OF GRANTOR TRUST. After a Grantor Trust has been established by a participant under subsection 6-1, all pre-tax contributions and employer contributions made thereafter for which the participant has filed an election under subsection 5-5, shall be deposited in such Grantor Trust (less the aggregate federal, state and local individual income and employment taxes (determined under subsection 8-5) attributable to such contributions). Such deposits shall be made as soon as practicable after the last complete payroll period of the calendar quarter in which the contributions are made. The appropriate aggregate federal, state and local individual income and employment taxes attributable to the contributions shall be paid directly to the participant. In no event shall such contributions be paid to the Grantor Trust or the participant later than the last day of the "applicable 2 ½ month period", as such term is defined in Treasury Regulation § 1.409A-1(b)(4)(i)(A).

6-4. [Section intentionally omitted.]

6-5. ELIMINATION OF GRANTOR TRUST FUNDING THRESHOLD. Notwithstanding anything contained in the Plan to the contrary, effective as of January 1, 2005, the Grantor Trust established by the participant shall be funded in accordance with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended.

6-6. UTILIZATION OF TRANSITION RELIEF UNDER SECTION 409A OF THE CODE. Notwithstanding anything contained in the Plan to the contrary, pursuant to Q&A-20 of Internal Revenue Service Notice 2005-1 (the "Notice"), Abbott shall cause the amount of all pre-tax and employer contributions and all associated earnings, including guaranteed rate payments, for the periods ended on or prior to December 31, 2005 for each participant who has made a

Grantor Trust election under subsection 5-5, to the extent not previously contributed to a Grantor Trust established by the participant, to be deposited in such Grantor Trust on or prior to December 31, 2005. Such contribution is intended to result in a partial termination of participation in the Plan as permitted by the Notice. Each participant who has established a Grantor Trust and who receives such contribution shall include the full amount of such Grantor Trust contribution in the participant's income in 2005.

SECTION 7
ACCOUNTING

7-1. SEPARATE ACCOUNTS. The Committee shall establish accounts for participants who have made elections pursuant to subsection 5-1 or 5-5 as follows:

(a) The Committee shall maintain a "Deferred Account" in the name of each participant who has elected to defer payment of all or a portion of his or her pre-tax contributions under subsection 5-1. The Deferred Account shall be comprised of any pre-tax contributions made on behalf of the participant under subsection 3-1 and any other allocations made on behalf of the participant under Section 4, in each case, for which the participant has not made an election under subsection 5-5, and any adjustments made pursuant to subsection 7-2.

(b) The Committee shall maintain two separate Accounts, a "Pre-Tax Account" and an "After-Tax Account", in the name of each participant who has declined to defer allocations by electing to have a portion of his or her pre-tax and employer contributions deposited in cash to a Grantor Trust according to subsection 5-5. The Pre-Tax Account shall consist of the aggregate of all pre-tax contributions contemplated by subsection 3-1, whether deposited to the participant's Grantor Trust or made in cash to the participant, and any adjustments in accordance with subsection 7-3. The After-Tax Account shall consist of employer contributions deposited to the participant's Grantor Trust in cash according to subsection 5-5 and any adjustments made in accordance with subsection 7-4.

7-2. ADJUSTMENT OF DEFERRED ACCOUNTS. No later than as of the end of each calendar year, each participant's Deferred Account shall be adjusted by the Committee as follows:

(a) FIRST, reduced by an amount equal to any distribution made to the participant during that year pursuant to subsections 7-11 or 7-12;

(b) NEXT, increased by an amount equal to any pre-tax contributions and employer contributions made on behalf of such participant for that year for which the participant has not made an election under subsection 5-5; and

(c) FINALLY, increased by an amount equal to the Interest earned for that year pursuant to subsection 7-5.

7-3. ADJUSTMENT OF PRE-TAX ACCOUNTS. No later than as of the end of each calendar year, each participant's Pre-Tax Account shall be adjusted by the Committee as follows:

(a) FIRST, reduced, in any year in which the participant is entitled to receive a distribution from his or her Grantor Trust, by an amount equal to the distribution that would have been made to the participant if the aggregate amounts allocated according to subsection 5-5 had instead been deferred under subsection 5-1;

(b) NEXT, increased by an amount equal to any pre-tax contributions and employer contributions made on behalf of the participant for that year that are paid to the participant (including any contributions paid to the participant's Grantor Trust) according to subsection 5-5;

(c) FINALLY, increased by an amount equal to the Interest earned for that year pursuant to subsection 7-5.

7-4. ADJUSTMENT OF AFTER-TAX ACCOUNTS. No later than as of the end of each calendar year, each participant's After-Tax Account shall be adjusted by the Committee as follows:

(a) FIRST, reduced, in any year in which the participant is in receipt of a benefit distribution from his or her Grantor Trust, by an amount calculated as provided by subsection 7-16 which represents the distribution for such year;

(b) NEXT, increased by an amount equal to any pre-tax contributions and employer contributions made on behalf of the participant for that year that are deposited in the participant's Grantor Trust according to subsection 5-5;

(c) FINALLY, increased by an amount equal to the After-Tax Interest earned for that year pursuant to subsection 7-5.

7-5. INTEREST ACCRUALS ON ACCOUNTS.

(a) No later than as of the end of each calendar year, a participant's Deferred Account or Pre-Tax Account, as applicable, shall be credited with interest ("Interest") at the following rate:

(i) the average of the "prime rate" of interest published by the Wall Street Journal (Mid-West Edition) or comparable successor quotation service on the first business day of January and the last business day of each month of the calendar year; plus

(ii) two hundred twenty-five (225) basis points.

(b) No later than as of the end of each calendar year, a participant's After-Tax Account shall be credited with the amount of Interest set forth above, multiplied by (one minus the aggregate of the applicable federal, state and local individual income tax rates and employment tax rate, determined in accordance with subsection 8-5 (the "After-Tax Interest")).

(c) The Interest and After-Tax Interest, as applicable, shall be credited on the conditions established by the Committee.

7-6. GUARANTEED RATE PAYMENTS. In addition to any employer contribution made on behalf of a participant for any calendar year pursuant to section 4, Abbott shall also make a payment to a participant's Grantor Trust (a "Guaranteed Rate Payment") for each year in which the Grantor Trust is in effect. The Guaranteed Payment shall equal the excess, if any, of the participant's "Net Interest Accrual" (as defined below) over the net earnings of the participant's Grantor Trust for the year, and shall be paid within the thirty (30) days beginning April 1 of the following calendar year. A participant's Net Interest Accrual for a year is an amount equal to: the After-Tax Interest credited to the participant's After-Tax Account for that year in accordance with subsection 7-5.

7-7. GRANTOR TRUST ASSETS. Each participant's Grantor Trust assets shall be invested solely in the instruments specified by investment guidelines established by the Committee. Such investment guidelines, once established, may be changed by the Committee, provided that any change shall not take effect until the year following the year in which the change is made and provided further that the instruments specified shall be consistent with the provisions of Section 3(b) of the form of Grantor Trust attached hereto as Exhibit B.

7-8. DESIGNATION OF BENEFICIARIES. Subject to the conditions and limitations set forth below, each participant, and after a participant's death, each primary beneficiary designated by a participant in accordance with the provisions of this subsection 7-6, shall have the right from time to time to designate a primary beneficiary or beneficiaries and, successive or contingent beneficiary or beneficiaries to receive unpaid amounts from the participant's Deferred Account under the Plan. Beneficiaries may be a natural person or persons or a fiduciary, such as a trustee of a trust or the legal representative of an estate. Any such designation shall take effect upon the death of the participant or such beneficiary, as the case may be, or in the case of any fiduciary beneficiary, upon the termination of all of its duties (other than the duty to dispose of the right to receive amounts remaining to be paid under the Plan). The conditions and limitations relating to the designation of beneficiaries are as follows:

(a) A nonfiduciary beneficiary shall have the right to designate a further beneficiary or beneficiaries only if the original participant or the next preceding primary beneficiary, as the case may be, shall have expressly so provided in writing; and

(b) A fiduciary beneficiary shall designate as a further beneficiary or beneficiaries only those persons or other fiduciaries who are entitled to receive the amounts payable from the participant's account under the trust or estate of which it is a fiduciary.

Any beneficiary designation or grant of any power to any beneficiary under this subsection may be exercised only by an instrument in writing, executed by the person making the designation or granting such power and filed with the Secretary of Abbott during such person's lifetime or prior to the termination of a fiduciary's duties. If a deceased participant or a deceased nonfiduciary beneficiary who had the right to designate a beneficiary as provided above dies without having designated a further beneficiary, or if no beneficiary designated as provided above is living or qualified and acting, the Committee, in its discretion, may direct distribution of the amount remaining from time to time to either:

(i) any one or more or all of the next of kin (including the surviving spouse) of the participant or the deceased beneficiary, as the case may be, and in such proportions as the Committee determines; or

(ii) the legal representative of the estate of the deceased participant or deceased beneficiary as the case may be.

7-9. NON-ASSIGNABILITY AND FACILITY OF PAYMENT. Amounts payable to participants and their beneficiaries under the Plan are not in any way subject to their debts and other obligations, and may not be voluntarily or involuntarily sold, transferred or assigned; provided that the preceding provisions of this section shall not be construed as restricting in any way a designation right granted to a beneficiary pursuant to the terms of subsection 7-6. When a participant or the beneficiary of a participant is under legal disability, or in the Committee's opinion is in any way incapacitated so as to be unable to manage his or her financial affairs, the Committee may direct that payments shall be made to the participant's or beneficiary's legal representative, or to a relative or friend of the participant or beneficiary for the benefit of the participant or beneficiary, or the Committee may direct the payment or distribution for the benefit of the participant or beneficiary in any manner that the Committee determines.

7-10. PAYER OF AMOUNTS ALLOCATED TO PARTICIPANTS. Any employer contribution made on behalf of a participant in the Plan and any interest credited with respect thereto will be paid by the employer (or such employer's successor) by whom the participant was employed during the calendar year for which any amount was contributed, and for that purpose, if a participant shall have been employed by two or more employers during any calendar year the amount allocated under this Plan for that year shall be an obligation of each of the respective employers in proportion to the respective amounts of compensation paid by each of them in that calendar year.

7-11. MANNER OF PAYMENT OF DEFERRED ACCOUNTS. Subject to subsection 7-12, a participant shall elect to receive payment of his Deferred Account in substantially equal annual installments over a minimum period of ten years, or a longer period, at the time of his election for such calendar year under subsection 5-1. Payment of a participant's Deferred Account shall commence on the first business day of January of the year following the year in which the participant incurs a termination of employment.

7-12. PAYMENT UPON TERMINATION FOLLOWING CHANGE IN CONTROL. Notwithstanding any other provision of the Plan, if a participant incurs a termination of employment with Abbott and its subsidiaries for any reason within two (2) years following the date of a Change in Control, provided that the event constituting a Change in Control is also a "change in control event", as such term is defined in Treasury Regulation § 1.409A-3(i)(5): (a) with respect to a participant whose contributions under the Plan are deferred in accordance with subsection 5-1, the aggregate unpaid balance of the participant's Deferred Account shall be paid to such participant in a lump sum within thirty (30) days following the date of such termination of employment, and (b) with respect to a participant whose contributions under the Plan are made pursuant to subsection 5-5, (i) the aggregate of the participant's unpaid contributions under subsection 5-5 (if any) for the fiscal year in which the termination occurs and (ii) a pro rata portion of the unpaid Guaranteed Rate Payment under subsection 7-6 attributable to the portion of the year elapsed prior to the date of termination, shall be paid to such participant's Grantor

Trust in a lump sum within thirty (30) days following the date of such termination of employment.

7-13. CHANGE IN CONTROL. A "Change in Control" shall be deemed to have occurred on the earliest of the following dates:

(a) the date any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Abbott (not including in the securities beneficially owned by such Person any securities acquired directly from Abbott or its Affiliates) representing 20% or more of the combined voting power of Abbott's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (c) below; or

(b) the date the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Abbott) whose appointment or election by the Board of Directors or nomination for election by Abbott's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or

(c) the date on which there is consummated a merger or consolidation of Abbott or any direct or indirect subsidiary of Abbott with any other corporation or other entity, other than (i) a merger or consolidation (A) immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the Board of Directors of Abbott, the entity surviving such merger or consolidation or, if Abbott or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof and (B) which results in the voting securities of Abbott outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of Abbott or any subsidiary of Abbott, at least 50% of the combined voting power of the securities of Abbott or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of Abbott (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Abbott (not including in the securities Beneficially Owned by such Person any securities acquired directly from Abbott or its Affiliates) representing 20% or more of the combined voting power of Abbott's then outstanding securities; or

(d) the date the shareholders of Abbott approve a plan of complete liquidation or dissolution of Abbott or there is consummated an agreement for the sale or

disposition by Abbott of all or substantially all of Abbott's assets, other than a sale or disposition by Abbott of all or substantially all of Abbott's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by shareholders of Abbott, in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of Abbott or any subsidiary of Abbott, in substantially the same proportions as their ownership of Abbott immediately prior to such sale.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of Abbott immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Abbott immediately following such transaction or series of transactions.

For purposes of this Plan: "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act; "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act; "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time; and "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) Abbott or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of Abbott or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of Abbott in substantially the same proportions as their ownership of stock of Abbott.

7-14. POTENTIAL CHANGE IN CONTROL. A "Potential Change in Control" shall exist during any period in which the circumstances described in paragraphs (a), (b), (c) or (d), below, exist (provided, however, that a Potential Change in Control shall cease to exist not later than the occurrence of a Change in Control):

(a) Abbott enters into an agreement, the consummation of which would result in the occurrence of a Change in Control, provided that a Potential Change in Control described in this paragraph (a) shall cease to exist upon the expiration or other termination of all such agreements.

(b) Any Person (without regard to the exclusions set forth in subsections (i) through (iv) of such definition) publicly announces an intention to take or to consider taking actions the consummation of which would constitute a Change in Control; provided that a Potential Change in Control described in this paragraph (b) shall cease to exist upon the withdrawal of such intention, or upon a determination by the Board of Directors that there is no reasonable chance that such actions would be consummated.

(c) Any Person becomes the Beneficial Owner, directly or indirectly, of securities of Abbott representing 10% or more of either the then outstanding shares of common stock of Abbott or the combined voting power of Abbott's then outstanding securities (not including any securities beneficially owned by such Person which are or were acquired directly from Abbott or its Affiliates).

(d) The Board of Directors adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control exists; provided that a Potential Change in Control described in this paragraph (d) shall cease to exist upon a determination by the Board of Directors that the reasons that gave rise to the resolution providing for the existence of a Potential Change in Control have expired or no longer exist.

7-15. PROHIBITION AGAINST AMENDMENT. The provisions of subsections 7-12, 7-13, 7-14 and this subsection 7-15 may not be amended or deleted, nor superseded by any other provision of this Plan, (i) during the pendency of a Potential Change in Control and (ii) during the period beginning on the date of a Change in Control and ending on the date five (5) years following such Change in Control.

7-16. ADMINISTRATOR'S CALCULATION OF GRANTOR TRUST DISTRIBUTIONS. The Administrator shall calculate the amount to be distributed from a participant's Grantor Trust in any year in which the participant is entitled to a benefit distribution by multiplying (i) the amount of the reduction determined in accordance with subsection 7-3(a), by (ii) a fraction, the numerator of which is the balance in the participant's After-Tax Account as of the end of the prior calendar year and the denominator of which is the balance of the participant's Pre-Tax Account as of that same date.

SECTION 8
MISCELLANEOUS

8-1. RULES. The Committee may establish such rules and regulations as it may consider necessary or desirable for the effective and efficient administration of the Plan.

8-2. TAXES. Any employer shall be entitled, if necessary or desirable, to pay, or withhold the amount of any federal, state or local tax, attributable to any amounts payable by it under the Plan after giving the person entitled to receive such amount notice as far in advance as practicable, and may require payment from the participant in an amount necessary to satisfy such taxes prior to remitting such taxes.

8-3. RIGHTS OF PARTICIPANTS. Employment rights of participants with Abbott and its subsidiaries shall not be enlarged or affected by reason of establishment of or inclusion as a participant in the Plan. Nothing contained in the Plan shall require Abbott or any subsidiary to segregate or earmark any assets, funds or property for the purpose of payment of any amounts which may have been deferred. The Deferred, Pre-Tax and After-Tax Accounts established pursuant to subsection 7-1 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. Participant's rights shall be limited to payment to them at the time or times and in such amounts as are contemplated

by the Plan. Any decision made by the Committee which is within his sole and uncontrolled discretion, shall be conclusive and binding upon all persons whomsoever.

8-4. TAX GROSS UP. In addition to the employer contribution provided under Section 4, each participant who has established a Grantor Trust (or, if the participant is deceased, the beneficiary designated under the participant's Grantor Trust) shall be entitled to a Tax Gross Up payment for each year in which the Grantor Trust is in effect. Payment of the Tax Gross Up (as defined below) shall be made by the employers (in such proportions as Abbott shall designate) directly from their general corporate assets, no later than the end of the calendar year in which the participant remits the related taxes. The "Tax Gross Up" shall equal:

(a) the amount necessary to compensate the participant (or beneficiary) for the net increase in the participant's (or beneficiary's) federal, state and local income taxes as a result of the inclusion in his taxable income of the income of the participant's Grantor Trust and any Guaranteed Rate Payment for that year; plus

(b) an amount necessary to compensate the participant (or beneficiary) for the net increase in the taxes described in (a) above as a result of the inclusion in his taxable income of any payment made pursuant to this subsection 8-4.

8-5. INCOME TAX ASSUMPTIONS. For purposes of Sections 7 and 8, 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 on the date such a calculation is made, net of any federal tax benefits without a benefit for any net capital losses. For purposes of Sections 7 and 8, a participant's employment tax rate shall be deemed to be the highest marginal rate of Federal Insurance Contributions Act tax in effect in the calendar year in which a calculation under those sections is to be made.

8-6. GENDER. For purposes of the Plan, words in the masculine gender shall include the feminine and neuter genders, the singular shall include the plural and the plural shall include the singular.

8-7. MANNER OF ACTION BY COMMITTEE. A majority of the members of the Committee qualified to act on any particular question may act by meeting or by writing signed without meeting, and may execute any instrument or document required or delegate to one of its members authority to sign. The Committee from time to time may delegate the performance of certain ministerial functions in connection with the Plan, such as the keeping of records, to such person or persons as the Committee may select. Except as otherwise expressly provided in the Plan, the costs of administration of the Plan

will be paid by Abbott. Any notice required to be given to, or any document required to be filed with the Committee, will be properly given or filed if mailed or delivered in writing to the Secretary of Abbott.

8-8. RELIANCE UPON ADVICE. The Board of Directors and the Committee may rely upon any information or advice furnished to it by any Officer of Abbott or by Abbott's independent auditors, or other consultants, and shall be fully protected in relying upon such information or advice. No member of the Board of Directors or the Committee shall be liable for any act or failure to act on their part, excepting only any acts done or omitted to be done in bad faith, nor shall they be liable for any act or failure to act of any other member.

8-9. CHANGE OF CONDITIONS RELATING TO PAYMENTS. No change to the time of payment or the time of commencement of payment and any period over which payment shall be made shall be effected except in strict compliance with the subsequent election requirements of Treasury Regulation § 1.409A-2(b), to the extent subject thereto.

8-10. SECTION 409A. To the extent applicable, it is intended that the Plan comply with the provisions of Code Section 409A. The Plan will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Plan to fail to satisfy Code Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Code Section 409A). Notwithstanding anything contained herein to the contrary, for all purposes of the Plan, a participant shall not be deemed to have had a termination of employment until the participant has incurred a separation from service as defined in Treasury Regulation §1.409A-1(h) and, to the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A and applicable guidance issued thereunder, payment of the amounts payable under the Plan that would otherwise be payable during the six-month period after the date of termination shall instead be paid on the first business day after the expiration of such six-month period, plus interest thereon, at a rate equal to the rate of Interest provided in subsection 7-5(a) (to the extent that such interest is not already provided to the participant under subsection 7-6), from the respective dates on which such amounts would otherwise have been paid until the actual date of payment. In addition, for purposes of the Plan, each amount to be paid and each installment payment shall be construed as a separate identified payment for purposes of Code Section 409A.

SECTION 9
AMENDMENT, TERMINATION AND CHANGE OF
CONDITIONS RELATING TO PAYMENTS

The Plan will be effective from its effective date until terminated by the Board of Directors. The Board of Directors reserves the right to amend the Plan from time to time and to terminate the Plan at any time. No such amendment or any termination of the Plan shall reduce any fixed or contingent obligations which shall have arisen under the Plan prior to the date of such amendment or termination.

EXHIBIT A

ABBOTT LABORATORIES 401(k) SUPPLEMENTAL PLAN

[Abbott Laboratories 401(k) Supplemental Plan, as amended, as filed as Exhibit 10.1 to the Abbott Laboratories Current Report on Form 8-K dated December 9, 2005.]

EXHIBIT B

IRREVOCABLE GRANTOR TRUST AGREEMENT

THIS AGREEMENT, made this day of , , by and between of , Illinois (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 40l(k) Supplemental 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 "_____ 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. DEFERRED ACCOUNT. The administrator shall maintain a "deferred account" under the trust. As of the end of each calendar year, the administrator shall charge the deferred account with all distributions made from such account during that year; and credit such account with income and realized gains and charge such account with expenses and realized losses for the year.

II-2. DISTRIBUTIONS FROM THE DEFERRED ACCOUNT PRIOR TO THE GRANTOR'S DEATH. Principal and accumulated income credited to the deferred account 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 deferred account for that year, with the balance of such income to be accumulated in that account. 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 deferred account to the grantor, if then living, either in a lump-sum payable as soon as practicable following the settlement date, or in a series of annual installments, with the amount of each installment computed by one of the following methods:

(a) The amount of each installment shall be equal to the sum of: (i) the amount credited to the deferred account as of the end of the year in which the grantor's settlement date occurs, divided by the number of years over which installments are to be distributed; plus (ii) the net earnings credited to the deferred account for the preceding year (excluding the year in which the grantor's settlement date occurs).

(b) The amount of each installment shall be determined by dividing the amount credited to the deferred account as of the end of the preceding year by the difference between (i) the total number of years over which installments are to be distributed, and (ii) the number of annual installment distributions previously made from the deferred account.

(c) Each installment (after the first installment) shall be approximately equal, with the amount comprised of the sum of: (i) the amount of the first installment, plus interest thereon at the rate determined under the Abbott Laboratories 401(k) Supplemental Plan, compounded annually; and (ii) the net earnings credited to the deferred account for the preceding year.

Notwithstanding the foregoing, the final installment distribution made to the grantor under this paragraph II-3 shall equal the total principal and accumulated income then held in the trust fund. The grantor, by writing filed with the trustee and the administrator on or before the end of the calendar year in which the grantor's settlement date occurs, may select either the lump-sum or an installment payment method and, if an installment method is selected, may select both the period (which may not be less than ten years from the end of the calendar year in which the grantor's settlement date occurred) over which the installment distributions are to be made and the method of computing the amount of each installment. In the absence of such a written direction by the grantor, installment distributions shall be made over a period of ten years, and the amount of each installment shall be computed by using the method described in subparagraph (a) next above. Installment distributions under this Paragraph II-2 shall be made as of January 1 of each year, beginning with the calendar year following the year in which the grantor's settlement date occurs. The administrator shall inform the trustee of the amount of each installment distribution under this paragraph II-2, and the trustee shall be fully protected in relying on such information received from the administrator.

II-3. DISTRIBUTIONS AFTER THE GRANTOR'S DEATH. The grantor, from time to time may name any person or persons (who may be named contingently or successively and who may be natural persons or fiduciaries) to whom the principal of the trust fund and all accrued or undistributed income thereof shall be distributed in a lump sum or, if the beneficiary is the grantor's spouse (or a trust for which the grantor's spouse is the sole income beneficiary), in installments, as directed by the grantor, upon the grantor's death. If the grantor directs an installment method of distribution to the spouse as beneficiary, any amounts remaining at the death of the spouse beneficiary shall be distributed in a lump sum to the executor or administrator of the spouse beneficiary's estate. If the grantor directs an installment method of distribution to a trust for which the grantor's spouse is the sole income beneficiary, any amounts remaining at the death of the spouse shall be distributed in a lump sum to such trust. Despite the foregoing, if (i) the beneficiary is a trust for which the grantor's spouse is the sole income beneficiary, (ii) payments are being made pursuant to this paragraph II-3 other than in a lump sum and (iii) income earned by the trust fund for the year exceeds the amount of the annual installment payment, then such trust may elect to withdraw such excess income by written notice to the trustee. Each designation shall revoke all prior designations, shall be in writing and shall be effective only when filed by the grantor with the administrator during the grantor's lifetime. If the grantor fails to direct a method of distribution, the distribution shall be made in a lump sum. 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 in a lump sum 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 obligations of the United States Government and its agencies or which are backed by the full faith and credit of the United States Government or in any mutual fund, common trust fund or collective investment fund which invests solely in such obligations; 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 advice 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. STATEMENTS. The trustee shall prepare and deliver monthly to the administrator and annually 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 reporting period; and showing the trust fund and the value thereof at the end of such period.

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; and 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.

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

The Northern Trust Company, as Trustee

By _____

Its _____

ABBOTT LABORATORIES SUPPLEMENTAL PENSION PLAN

(As amended and restated effective January 1, 2008)

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. The ABBOTT LABORATORIES SUPPLEMENTAL PENSION PLAN (this "Supplemental Plan") clarified, restated and superseded the prior resolutions and is hereby amended and restated in accordance with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Code Section 409A").

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 (the "Board of Directors") shall have the sole authority to terminate the Supplemental Plan.

1-5. Notwithstanding anything in the Supplemental Plan to the contrary, any amounts under the Supplemental Plan that were earned and vested before January 1, 2005 (as determined in accordance with Code Section 409A) with respect to participants who retired before January 1, 2005 ("Grandfathered Amounts") shall be subject to the terms and conditions of the Supplemental Plan as administered and as in effect on December 31, 2004. Amendments made to the Supplemental Plan pursuant to this amendment and restatement or otherwise shall not affect the Grandfathered Amounts unless expressly provided for in the amendment. The terms and conditions applicable to the Grandfathered Amounts are set forth in Appendix A attached hereto.

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 (calculated as if such pension had been payable based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4), will equal the amount the participant would be entitled to under the Annuity Plan as in effect from time to time, calculated as if such pension had been payable based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4, 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 hypothetical monthly benefit that would have been payable under the Annuity Plan based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4 plus any supplement provided by Section 2; and

ii. the hypothetical monthly benefit that would have been payable under the Annuity Plan, calculated based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4, (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 COMPENSATION PLAN 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 January 1, 2002 and who made a Deferral Election under the Abbott Laboratories Deferred Compensation Plan (the "Deferred Compensation Plan") with respect to any calendar month during the one hundred twenty consecutive calendar months immediately preceding 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 hypothetical monthly benefit that would have been payable under the Annuity Plan based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4 plus any supplement provided by Section 2 and Section 3; and

ii. the hypothetical monthly benefit that would have been payable under the Annuity Plan, calculated based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4, (without regard to the limits imposed by Section 415, Internal Revenue Code) if the participant's "base earnings", as defined in the Annuity Plan, included deferrals made under the Deferred Compensation Plan and any compensation in excess of the limits imposed by Section 401(a)(17), Internal Revenue Code.

Section 5
DEFERRED MIP ANNUITY PLAN 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, 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.

5-2. 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 hypothetical monthly benefit that would have been payable under the Annuity Plan based on the distribution rules established hereunder and the pension form selected by the

participant as permitted by subsections 8-3 and 8-4 plus any supplement provided by Section 2, Section 3, and Section 4; and

ii. the hypothetical monthly benefit that would have been payable under the Annuity Plan, calculated based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4, (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 of the Board of Directors of Abbott ("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 5-2. "Final earnings" for purposes of this subsection 5-2 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 5-2(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 5-2(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.

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 Supplemental Plan 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), 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 date determined in accordance with subsection 8-2 and payable as a life annuity, equal to 6/10 of 1 percent (.006) of the participant's final earnings (as determined under subsection 5-2) 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) of the participant's aggregate percentage of final earnings calculated under subsection 5-1 of the Annuity Plan, excluding 5-1(a)(ii)(B), exceed the maximum aggregate percentage of final earnings allowed under subsection 5-1 (also excluding 5-1(a)(ii)(B)) 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 hypothetical benefits that would be payable to such participant under the Annuity Plan, based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4, and this Supplemental Plan exceeds

(b) the hypothetical maximum benefit that would be payable to the participant under the Annuity Plan, calculated based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4, (without regard to the limits imposed by Section 415, Internal Revenue Code) based on the participant's final earnings (as

determined under subsection 5-2), if the participant had accrued the maximum benefit service recognized by the Annuity Plan.

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 as permitted by subsections 8-3 and 8-4 and the participant's age at commencement of the pension as provided in Section 7.

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 in accordance with the rules 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 hypothetical reduction made in such participant's Annuity Plan pension in accordance with the rules provided in 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, calculated as if the participant had commenced receipt of the participant's Annuity Plan pension on the same date on which the participant commences receipt of the participant's supplemental pension based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4.

Section 8
MISCELLANEOUS

8-1. 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.

8-2. The monthly vested supplemental pension described in Sections 2, 3, 4, 5, 6 and 7 shall commence to be paid to the participant or his or her beneficiary on the last day of the month following the month in which:

(a) For the participant hired before 2004, the later of the date on which such participant attains age 50 and the date such participant's employment is terminated; or

(b) For the participant hired after 2003, the later of the date on which such participant attains age 55 and the date such participant's employment is terminated.

Notwithstanding the foregoing provisions of subsection 8-2, any participant eligible to make an election under Section 9 may make such election with respect to any accruals for services performed in the year following the year such election is made.

Notwithstanding the foregoing provisions of subsection 8-2, in the event that the present value of participant's supplemental pension under Sections 2, 3, 4, 5, 6 and 7 does not exceed in the aggregate $25,000 as of the commencement date of the pension payable to such participant or his or her beneficiary, and payment of such supplemental pension has not been previously made under Section 9, the present value of such supplemental pension shall be paid to such participant in a lump-sum on such commencement date.

8-3. Except as otherwise specifically provided, payment of the monthly vested supplemental pension described in Sections 2, 3, 4, 5, 6, and 7 shall be made to a participant as follows:

(a) Life Annuity. A participant who is not legally married on the date as of which such payments commence shall receive a monthly retirement income or monthly deferred vested benefit in accordance with the plan payable on a life annuity basis, with the last payment to be made for the month in which his or her death occurs.

(b) 50% Joint and Survivor Annuity. A participant who is legally married on the date as of which such payments commence shall receive a 50% joint and survivor annuity which is actuarially equivalent to the amount of monthly retirement income or monthly deferred vested benefit otherwise payable to him or her in accordance with the plan on a life annuity basis. Such joint and survivor annuity shall consist of a reduced monthly retirement income or monthly deferred vested benefit continuing during the participant's lifetime, and if the participant's spouse is living at the date of the participant's death, payment of one-half of such reduced monthly retirement income or monthly deferred vested benefit to such spouse until the spouse's death occurs, with the last payment to be made for the month of the death of the last to die of the participant and his or her spouse. The joint and survivor annuity payable hereunder to or with respect to a participant who retires on a late retirement date shall be computed as if such participant had retired on his or her normal retirement date using for the age of his or her spouse as of his or her late retirement date, that spouse's age as of his or her normal retirement date.

8-4. In lieu of the form and amount of supplemental pension benefit specified in subsection 8-3, a participant may elect, prior to commencement, a supplemental pension benefit, which is actuarially equivalent to the form of payment specified in subsection 8-3(a), in the annuity forms permitted by the Board of Review, provided that the scheduled date for the first annuity payment is not changed as a result of such election. For purposes of this provision, the term "actuarially equivalent" shall have the meaning provided by Treasury Regulation §1.409A-2(b)(2)(ii)(A), applying reasonable actuarial methods and assumptions, which must be the same for each annuity payment option and otherwise comply with the rules provided by Treasury Regulation §1.409A-2(b)(2)(ii)(D).

An election under this subsection 8-4 must be in writing, signed by the participant, and filed with the Board of Review at such time and in such manner as the Board of Review shall determine; and will be effective only if the participant's spouse, if any, consents to the election in writing, and such consent acknowledges the effect of the election and is witnessed by a plan representative or a notary public. In any case where a participant elects an optional form of benefit, the option shall be designed so that more than 50 percent of the actuarial reserve required to provide the participant's monthly vested supplemental pension benefit in the normal form will be applied to provide the participant's benefits under the option during the period of the participant's life expectancy. Payment of an optional form of benefit will commence no later than the date on which the participant's monthly supplemental pension benefit would otherwise commence. An election under this subs 8-4 may not be changed after payment of the participant's supplemental pension benefit has commenced.

8-5. Notwithstanding any other provision of this Supplemental Plan, if a participant terminates employment within two (2) years following the occurrence of a Change in Control, the present value of his or her supplemental pension under Sections 2, 3, 4 and 5, but excluding any amounts with respect to which an election under Section 9 has been made, whether or not then payable or vested) shall be paid to such participant in a lump sum, calculated using reasonable actuarial assumptions and methods, within thirty (30) days following the date of such termination of employment; provided that the event constituting a Change in Control is also a "change in control event", as such term is defined in Treasury Regulation § 1.409A-3(i)(5). The supplemental pension under Section 2 shall be computed using as the applicable limit under Section 415 of the 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 supplemental pension in the form of a straight life annuity with no ancillary benefits. The present values of the supplemental pensions under Sections 2, 3, 4 and 5 shall be computed as of the date of payment 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.

8-6. For purposes of subsection 8-5, a "Change in Control" shall be deemed to have occurred on the earliest of the following dates:

(a) the date any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Abbott (not including in the securities beneficially owned by such Person any securities acquired directly from Abbott or its Affiliates) representing 20% or more of the combined voting power of Abbott's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (c) below; or

(b) the date the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Abbott) whose appointment or election by the Board of Directors or nomination for election by Abbott's shareholders

was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or

(c) the date on which there is consummated a merger or consolidation of Abbott or any direct or indirect subsidiary of Abbott with any other corporation or other entity, other than (i) a merger or consolidation (A) immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the Board of Directors of Abbott, the entity surviving such merger or consolidation or, if Abbott or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof and (B) which results in the voting securities of Abbott outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of Abbott or any subsidiary of Abbott, at least 50% of the combined voting power of the securities of Abbott or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of Abbott (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Abbott (not including in the securities Beneficially Owned by such Person any securities acquired directly from Abbott or its Affiliates) representing 20% or more of the combined voting power of Abbott's then outstanding securities; or

(d) the date the shareholders of Abbott approve a plan of complete liquidation or dissolution of Abbott or there is consummated an agreement for the sale or disposition by Abbott of all or substantially all of Abbott's assets, other than a sale or disposition by Abbott of all or substantially all of Abbott's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by shareholders of Abbott, in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of Abbott or any subsidiary of Abbott, in substantially the same proportions as their ownership of Abbott immediately prior to such sale.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of Abbott immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Abbott immediately following such transaction or series of transactions.

For purposes of this Supplemental Plan: "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act; "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act; "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time; and "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) Abbott or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of Abbott or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of Abbott in substantially the same proportions as their ownership of stock of Abbott.

8-7. POTENTIAL CHANGE IN CONTROL. A "Potential Change in Control" shall exist during any period in which the circumstances described in paragraphs (a), (b), (c) or (d), below, exist (provided, however, that a Potential Change in Control shall cease to exist not later than the occurrence of a Change in Control):

(a) Abbott enters into an agreement, the consummation of which would result in the occurrence of a Change in Control, provided that a Potential Change in Control described in this paragraph (a) shall cease to exist upon the expiration or other termination of all such agreements.

(b) Any Person (without regard to the exclusions set forth in subsections (i) through (iv) of such definition) publicly announces an intention to take or to consider taking actions the consummation of which would constitute a Change in Control; provided that a Potential Change in Control described in this paragraph (b) shall cease to exist upon the withdrawal of such intention, or upon a determination by the Board of Directors that there is no reasonable chance that such actions would be consummated.

(c) Any Person becomes the Beneficial Owner, directly or indirectly, of securities of Abbott representing 10% or more of either the then outstanding shares of common stock of Abbott or the combined voting power of Abbott's then outstanding securities (not including any securities beneficially owned by such Person which are or were acquired directly from Abbott or its Affiliates).

(d) The Board of Directors adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control exists; provided that a Potential Change in Control described in this paragraph (d) shall cease to exist upon a determination by the Board of Directors that the reasons that gave rise to the resolution providing for the existence of a Potential Change in Control have expired or no longer exist.

8-8. The provisions of subsections 8-5, 8-6, 8-7 and this subsection 8-8 may not be amended or deleted, nor superseded by any other provision of this Supplemental Plan, (i) during

the pendency of a Potential Change in Control and (ii) during the period beginning on the date of a Change in Control and ending on the date five (5) years following such Change in Control.

8-9. All benefits due under this Supplemental 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.

8-10. 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 or assigned.

8-11. 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.

8-12. Upon adoption of this Supplemental Plan, the prior resolutions shall be deemed rescinded.

8-13. A participant shall not become vested in the participant's supplemental pension under Sections 2, 3, 4, 5, 6 and 7 until the participant has attained sixty (60) months of vesting service. For purposes of the Supplemental Plan, beginning January 1, 1987, a participant shall be entitled to 1/12th of a year of vesting service for each calendar month (or portion thereof) during which the participant is employed by an employer; provided, however, that a participant employed by an employer on December 31, 1986 shall receive the greater of vesting service calculated in accordance with the terms of the Annuity Plan in effect on December 31, 1986 or vesting service calculated in accordance with the rule immediately above, for service with an employer after 1986. The payments required by Section 8 or Section 9 of the Supplemental Plan shall, in each case, relate only to the vested portion of a participant's supplemental pension.

8-14. To the extent applicable, it is intended that the Supplemental Plan comply with the provisions of Code Section 409A. The Supplemental Plan will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Supplemental Plan to fail to satisfy Code Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Code Section 409A). Notwithstanding anything contained herein to the contrary, a participant shall not be considered to have terminated employment with Abbott or any employer hereunder for purposes of the Supplemental Plan and no payments shall be due under Supplemental Plan which are payable upon the participant's termination of employment unless the participant would be considered to have incurred a "separation from service" from Abbott within the meaning of Section 409A. To the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A and applicable guidance issued thereunder, amounts that would otherwise be payable pursuant to the Supplemental Plan during the six-month period immediately following the participant's termination of employment shall instead be paid on the first business day after the date that is six months following the participant's termination of employment (or upon the participant's death, if earlier), plus interest thereon, at a rate equal to the applicable "Federal short-term rate" (as defined in Section 1274(d) of the Code) for the month in which such termination of employment

occurs (to the extent that such interest is not already provided to the participant under subsection 9.10), from the respective dates on which such amounts would otherwise have been paid until the actual date of payment. With respect to expenses eligible for reimbursement under the terms of the Supplemental Plan, (i) the amount of such expenses eligible for reimbursement in any taxable year shall not affect the expenses eligible for reimbursement in another taxable year and (ii) any reimbursements of such expenses shall be made no later than the end of the calendar year following the calendar year in which the related expenses were incurred, except, in each case, to the extent that the right to reimbursement does not provide for a "deferral of compensation" within the meaning of Code Section 409A.

Section 9
ALTERNATE PAYMENT OF SUPPLEMENTAL PENSIONS

9-1. A participant who is actively employed by Abbott as a corporate officer as of December 31 of his or her first year as a corporate officer shall be entitled to receive payment of the present value of the vested supplemental pension described in Sections 2, 3, 4, 5, 6 and 7 which accrues with respect to the year and shall elect to receive such payment 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 in cash for the participant directly to a Grantor Trust established by the participant, determined to be substantially similar to the form of Grantor Trust attached hereto as Appendix B, and current payment of the balance of such present value in cash directly to the participant, provided that such payment made directly to the participant shall be equal to the aggregate federal, state and local individual income and employment taxes attributable to the amount paid pursuant to this subsection 9-1(b) (as determined in accordance with subsection 9-12). The payment of any amount provided under this subsection 9-1 shall be made to the Grantor Trust established by the participant within the thirty (30) days beginning April 1 of the year following the year in which such present value is accrued.

9-2. If the present value of a participant's vested and accrued supplemental pension has been paid to the participant (including amounts paid to the participant's Grantor Trust) pursuant to subsection 9-1 (either as in effect prior to January 1, 2005 that applied to corporate officers with a present value in excess of $100,000, or as currently in effect for all corporate officers who are participants as of the applicable December 31) then, with respect to each subsequent year of active participation, as of that December 31, a participant shall be entitled to a payment in an amount equal to (i) the present value (as of that December 31) of the participant's vested supplemental pension described in Sections 2, 3, 4, 5, 6 and 7, less (ii) the current value (as of that December 31) of the payments previously made to the participant under subsections 9-1 and 9-2 (if any). Each year a participant who is a corporate officer may elect to receive payment of the amounts described in subparagraphs (i) and (ii) above for the year by either of the following methods: (a) current payment in cash directly to the participant, or (b) current payment of a portion of such amount in cash for the participant directly to a 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 equal the aggregate federal, state and local individual income and employment taxes attributable to the amount paid pursuant to this subsection 9-2(b) (as determined in accordance with subsection 9-12). The payment of any amount provided under this subsection

9-2 shall be made to the Grantor Trust established by the participant within the thirty (30) days beginning April 1 of the year following the year in which such present value is accrued. No payments shall be made under this subsection 9-2 as of any December 31 after the calendar year in which the participant retires or otherwise terminates employment with Abbott.

9-3. Present values for the purposes of subsections 9-1 and 9-2 shall be determined using reasonable actuarial assumptions specified for this purpose by Abbott and consistently applied in accordance with the requirements of Treasury Regulation §1.409A-2(b)(2)(ii)(D). The "current value" of the payments previously made to a participant under subsection 9-2 means the aggregate amount of such payments, with interest thereon (at the rate specified in

subsection 9.9). For purposes of subsections 9-4 and 9-5, "Taxes" with respect to any payment of supplemental pension benefits under subsections 9-1 or 9-2, shall mean the taxes which Abbott calculates will be incurred by the participant on the income earned (i) on the payment (net of taxes) that is made pursuant to subsections 9-1 or 9-2, (ii) on the corresponding payment(s) for Taxes that are made pursuant to subsection 9-4 and, if applicable, 9-5 and (iii) on the accumulated income earned on any of the payments covered by parts (i) and (ii) hereof, during the life of such participant's Grantor Trust. In calculating such Taxes, Abbott shall use the aggregate of the current federal, state and local tax rates specified by subsection 9-12.

9-4. As a result of any payment made to a participant eligible for payments under this Article 9 for any calendar year pursuant to subsection 9-1 or 9-2, Abbott shall also make a corresponding payment to such participant in the amount of the Taxes. The payment for Taxes under this subsection 9-4 shall be made to the participant in the identical manner that the payment under subsection 9-1 or 9-2 was made. For example, (a) if the participant elected to receive the payment under subsection 9-1 directly in cash, then Abbott shall also pay the Taxes on such payment in cash directly to the participant, and (b) if the participant elected to receive the payment under subsection 9-1 into a Grantor Trust established by the participant, then Abbott shall pay the Taxes on such payment as follows: current payment of a portion of such Taxes in cash for such participant directly to a Grantor Trust established by such participant, and current payment of the balance of such Taxes in cash directly to such participant, provided that the payment made directly to such participant shall equal the aggregate federal, state and local individual income taxes attributable to the amount paid pursuant to this subsection 9-4(b) (as determined in accordance with subsection 9-12). Such amount shall be paid by Abbott directly to the participant in cash no later than the end of the calendar year in which the participant remits the related taxes.

9-5.

(a) In the event that Abbott has made any payment for Taxes in a particular year under subsection 9-4 in cash directly to the participant and there is a subsequent increase in the tax rates for such participant in such year, Abbott shall make a further cash payment to such participant in the amount of (a) the Taxes on the payments that were made under subsections 9-1 and 9-2 in cash directly to such participant calculated using the actual tax rates for the year less (b) the amount of such Taxes previously paid. Such amount shall be paid by Abbott directly to the participant in cash no later than the end of the calendar year in which the participant remits the related taxes.

(b) In the event that Abbott has made any payment for Taxes in a particular year under subsection 9-4 to the participant's Grantor Trust, then Abbott shall as of December 31 of the following year, make a further payment to the participant in the amount of (a) the Taxes on the payments that were made under subsections 9-1 and 9-2 into the participant's Grantor Trust and in cash directly to the participant calculated using the actual tax rates for the year less (b) the amount of the Taxes previously paid. Such payment shall be paid by Abbott as follows: the current payment of a portion of such amount in cash directly to the participant's Grantor Trust and the current payment of the balance of such amount in cash directly to such participant; provided, that the payments made directly to such participant shall equal the aggregate federal, state and local individual income taxes attributable to the amount paid pursuant to this subsection 9-5 (as determined in accordance with subsection 9-12). Such amount shall be paid by Abbott directly to the participant in cash no later than the end of the calendar year in which the participant remits the related taxes.

9-6. For each participant whose Grantor Trust has received a payment pursuant to subsections 9-4 or 9-5, Abbott, as the administrator of such Grantor Trust, shall direct the trustee to distribute to the participant from the income of such Grantor Trust, a sum of money sufficient to pay the taxes on trust earnings for such year. The taxes shall be calculated by multiplying the income of the Grantor Trust by the aggregate of the federal, state, and local tax rates (determined in accordance with subsection 9-12).

9-7. Except as provided in subsection 9-11, a participant shall be deemed to have irrevocably waived and shall be foreclosed from any right to receive any supplemental pension benefits on that portion of the supplemental pension that the participant elects to be paid in cash under subsection 9-1 or 9-2. A participant, who has elected to receive a payment under subsection 9-1 or 9-2 to a Grantor Trust, must establish such trust in a form which Abbott determines to be substantially similar to the trust attached to this Supplemental Plan as Appendix B. If a participant fails to make an election under subsection 9-1 or 9-2, or if a participant makes an election under subsection 9-1 or 9-2 to receive payment in a Grantor Trust but fails to establish a Grantor Trust, then payment shall be made in cash directly to the participant.

9-8. Abbott will establish and maintain a separate Supplemental Pension Account in the name of each participant, a separate After-Tax Supplemental Pension Account in the name of each participant, and a separate Tax Payment Account in the name of each participant. The Supplemental Pension Account shall reflect any amounts: (i) paid to a participant (including amounts paid to a participant's Grantor Trust) pursuant to subsections 9-1 and 9-2; (ii) credited to such Account pursuant to subsection 9-9; and (iii) disbursed to a participant for supplemental pension benefits (or which would have been disbursed to a participant if the participant had not elected to receive a cash disbursement pursuant to subsections 9-1 and 9-2). The After-Tax Supplemental Pension Account shall also reflect such amounts but shall be maintained on an after-tax basis. The Tax Payment Account shall reflect any amounts (i) paid to a participant (net of taxes) pursuant to subsections 9-4 and 9-5 and (ii) disbursed to a participant for the payment of taxes pursuant to subsection 9-6. The accounts established pursuant to this subsection 9-8 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.

9-9. As of the end of each calendar year, a participant's Supplemental Pension Account shall be credited with interest calculated at the rate of eight percent (8%) per year. Any amount so credited shall be referred to as a participant's "Interest Accrual". The calculation of the Interest Accrual shall be based on the balance of the payments made pursuant to subsections 9-1 and 9-2 and any Interest Accrual thereon from previous years. As of the end of each calendar year a participant's After-Tax Supplemental Pension Account shall be credited with interest which shall be referred to as the After-Tax Interest Accrual. The "After-Tax Interest Accrual" shall be an amount equal to the product of (a) the Interest Accrual credited to the participant's Supplemental Pension Account for such year multiplied by (b) one minus the aggregate of the federal, state and local individual income tax rates and employment tax rate (determined in accordance with subsection 9-12).

9-10. In addition to any payment made to a participant for a calendar year pursuant to subsections 9-1, 9-2, 9-4 and 9-5, a participant shall also be entitled to a payment to the participant's Grantor Trust (a "Guaranteed Rate Payment") for each year in which the Grantor Trust is in effect. The Guaranteed Rate Payment shall equal the excess of the participant's After-Tax Interest Accrual over the net income of the participant's Grantor Trust for the year and shall be paid by Abbott directly to the participant's Grantor Trust within the thirty (30) days beginning April 1 of the year following the year in which the Guaranteed Rate Payment is earned. No payments shall be made under this subsection 9-10 for any year following the year in which the participant dies, retires or otherwise terminates employment with Abbott.

9-11. In addition and notwithstanding the payments made to a participant's Grantor Trust under subsections 9-1 and 9-2 and subject only to the subsequent election requirements of Treasury Regulation § 1.409A-2(b), Abbott shall make the monthly vested supplemental pension payments that would have been payable to the participant had no payments been made to the participant's Grantor Trust under subsections 9-1 and 9-2 in the form provided by subsection 8-3. The monthly vested supplemental pension payments hereunder shall commence on the first business day of February following the sixth anniversary of the participant's termination of employment and ending with the month of the participant's (or surviving spouse's) death. By way of example, (i) if a participant terminated employment on June 1, 2008, the commencement date would be the first business day in February, 2015 and (ii) if a participant terminated employment on January 15, 2008, the commencement date would be the first business day in February, 2014. For purposes of determining the commencement date under this subsection 9-11, a participant who retired prior to January 1, 2009 but after December 31, 2004 shall be deemed to have terminated employment on March 1, 2008. Payments under this subsection 9-11 shall be made by the employers (in such proportions as Abbott shall designate) directly from their general corporate assets. Payment of the annuity required by this subsection 9.11 may be deferred by Abbott in compliance with the subsequent election requirements of Treasury Regulation § 1.409A-2(b). Any election to defer payment hereunder shall not take effect until at least 12 months after the election is made; shall be made not less than 12 months before the annuity commencement date; and shall require payment to be deferred for a period of no less than five years from such annuity commencement date.

9-12. For purposes of this Supplemental Plan, 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 this Supplemental Plan 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, and a participant's employment tax rate shall be deemed to be the highest marginal rate of Federal Insurance Contributions Act tax in effect in the calendar year for which such a calculation is to be made, net of any federal tax benefits without a benefit for any net capital losses.

9-13. Each participant's Grantor Trust assets shall be invested solely in the instruments specified by investment guidelines established by the Committee. Such investment guidelines, once established, may be changed by the Committee, provided that any change shall not take effect until the year following the year in which the change is made and provided further that the instruments specified shall be consistent with the provisions of Section 3(b) of the form of Grantor Trust attached hereto as Appendix B.

9-14. Notwithstanding anything contained in the Supplemental Plan to the contrary, effective as of January 1, 2005, (a) with respect to each participant who is actively employed by Abbott as a corporate officer, the Grantor Trust funding threshold of $100,000 formerly referenced in subsections 8-2, 9-1 and 9-2 of the Plan shall no longer be applied or have any force or effect and (b) the Grantor Trusts established by the participants under the Supplemental Plan shall be funded in accordance with the requirements of Code Section 409A.

9-15. Notwithstanding anything contained in the Supplemental Plan to the contrary, pursuant to Q&A-20 of Internal Revenue Service Notice 2005-1 (the "Notice"), Abbott shall cause the present value of accrued benefits under the Supplemental Plan for the periods ended on or prior to December 31, 2005 for each participant who has made a Grantor Trust election under Section 9-1, to the extent not previously paid to a Grantor Trust established by the participant, to be deposited in such Grantor Trust on or prior to December 31, 2005. Such payment is intended to result in a partial termination of participation in the Supplemental Plan as permitted by the Notice. Each participant who has established a Grantor Trust and who receives such payment shall include the full amount of such payment to the Grantor Trust in the participant's income in 2005.

9-16. Notwithstanding anything contained in the Supplemental Plan to the contrary, with respect to each participant who (a) has made a Grantor Trust election under Section 9-1 and (b) first became a corporate officer in 2006, 2007 or 2008, Abbott shall cause such participant's Pre-Officer Benefit (as defined below) to be deposited in the Grantor Trust established by the participant in 2009, to the extent not previously subject to an election under Section 9-1 and paid to such Grantor Trust. For purposes of the Supplemental Plan, "Pre-Officer Benefit" means the present value of such participant's accrued supplemental pension benefits which (i) accrued prior to 2007 in the case of a participant who first became a corporate officer in 2006; (ii) accrued prior to 2008 in the case of a participant who first became a corporate officer in 2007; or (iii) accrued prior to 2009 in the case of a participant who first became a corporate officer in 2008. The foregoing amendment is made in accordance with and pursuant to Q&A-19(c) of the Notice and the guidance extending the same for the transition period ending on December 31, 2008 For the avoidance of doubt, the amounts deposited in the participant's Grantor Trusts hereunder shall

no longer be payable pursuant to subsection 8-2, as such amounts will have been distributed to the respective participants pursuant to the transition relief described in the preceding sentence.

APPENDIX A

ABBOTT LABORATORIES SUPPLEMENTAL PENSION PLAN

[Abbott Laboratories Supplemental Pension Plan, as amended, as filed as Exhibit 10.2 to the Abbott Laboratories Current Report on Form 8-K dated December 9, 2005.]

SUPPLEMENTAL BENEFIT
GRANTOR TRUST

THIS AGREEMENT, made this day of , 20 , 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. Supplemental Pension Account. The administrator shall maintain a "supplemental pension account" under the trust. As of the end of each calendar year, the administrator shall charge the account with all distributions made from the account during that year; and credit the account with its share of trust income and realized gains and charge the account with its share of trust expenses and realized losses for the year.

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.

II-3. Distributions After the Grantor's Death. The grantor, from time to time may name any person or persons (who may be named contingently or successively and who may be natural persons or fiduciaries) to whom the principal of the trust fund and all accrued or undistributed income thereof shall be distributed upon the grantor's death. The grantor may direct that such amounts be distributed in a lump sum or, if the beneficiary is the grantor's spouse (or a trust [a "Trust"] for which the grantor's spouse is the sole income beneficiary), in the same manner, at the same time and over the same period as the pension payable to the grantor's surviving spouse under the Abbott Laboratories Annuity Retirement Plan. If the grantor directs the same method of distribution as the pension payable to the surviving spouse under the Abbott Laboratories Annuity Retirement Plan to the spouse as beneficiary, any amounts remaining at the death of the spouse beneficiary shall be distributed in a lump sum to the executor or administrator of the spouse beneficiary's estate. If the grantor directs the same method of distribution as the pension payable to the surviving spouse under the Abbott Laboratories Annuity Retirement Plan to a Trust for which the grantor's spouse is the sole income beneficiary, any amounts remaining at the death of the spouse shall be distributed in a lump sum to such Trust. Despite the foregoing, if (i) the beneficiary is a Trust for which the grantor's spouse is the sole income beneficiary, (ii) payments are being made pursuant to this paragraph II-3 other than in a lump sum and (iii) income earned by the trust fund for the year exceeds the amount of the annual installment payment, then such Trust may elect to withdraw such excess income by written notice to the trustee. Each designation shall revoke all prior designations, shall be in writing and shall be effective only when filed by the grantor with the administrator during the grantor's lifetime. If the grantor fails to direct a method of distribution, the distribution shall be made in a lump sum. 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 in a lump sum 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 invest and reinvest the trust fund, without distinction between principal and income, 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 in any mutual funds, common trust funds or collective investment funds which invest solely in such obligations, provided that to the extent practicable no more than Ten Thousand Dollars ($10,000) shall be invested in such mutual funds, common trust funds or collective investment funds at any time; 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, in amounts not in excess of those reasonably necessary to make distributions from the trust.

(d) 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.

(e) 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.

(f) 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.

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

(h) 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.

(i) 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.

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

(k) 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.

(l) 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.

(m) Upon the prior written consent of the administrator, 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.

(n) 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.

(o) 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 advice of persons so employed without court action.

(p) 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. Statements. The trustee shall prepare and deliver monthly to the administrator and annually 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 reporting period; and showing the trust fund and the value thereof at the end of such period.

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. Disagreements 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 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 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

The Northern Trust Company, as Trustee

By _____

Its _____

1986
ABBOTT LABORATORIES
MANAGEMENT INCENTIVE PLAN
(as amended and restated effective January 1, 2008)

SECTION 1

INTRODUCTION

1.1 BACKGROUND AND PURPOSES. This 1986 ABBOTT LABORATORIES MANAGEMENT INCENTIVE PLAN (the "Plan") is a successor Plan to the 1961, 1971 and 1981 Management Incentive Plans (the "Predecessor Plans"). This Plan is being established by ABBOTT LABORATORIES ("Abbott") for the following purposes:

(a) To provide greater incentive for participants in the Plan to attain and maintain the highest standards of managerial performance by rewarding them for services rendered with compensation, in addition to their base salaries, in proportion to the success of Abbott and to the participants' respective contribution to such success; and

(b) To attract and retain in the employ of Abbott and its subsidiaries persons of outstanding competence.

1.2 EFFECTIVE DATE AND FISCAL YEAR. The Plan became effective as of January 1, 1986 and is hereby amended and restated as of January 1, 2008, in accordance with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Code Section 409A"). The term "fiscal year," as used in this Plan, means the fiscal period from time to time employed by Abbott for the purpose of reporting earnings to shareholders.

1.3 ADMINISTRATION. The Plan will be administered by the Compensation Committee (the "Committee") appointed by the Board of Directors of Abbott (the "Board of Directors").

1.4 GRANDFATHERED AMOUNTS. Notwithstanding anything in the Plan to the contrary, any amounts under the Plan that were earned and vested before January 1, 2005 (as determined in accordance with Code Section 409A) with respect to participants who retired before January 1, 2005 ("Grandfathered Amounts") shall be subject to the terms and conditions of the Plan as administered and as in effect on December 31, 2004. Amendments made to the Plan pursuant to this amendment and restatement or otherwise shall not affect the Grandfathered Amounts unless expressly provided for in the amendment. The terms and conditions applicable to the Grandfathered Amounts are set forth in Exhibit A attached hereto.

SECTION 2

ELIGIBILITY AND PARTICIPATION

2.1 PERSONS ELIGIBLE FOR PARTICIPATION. Participation in the Plan will be limited to those Officers and managerial employees of Abbott and its subsidiaries who, from time to time, shall be selected as participants by the Committee.

2.2 PARTICIPANTS. The term "participant," as used in the Plan, shall include both active participants and inactive participants.

2.3 ACTIVE PARTICIPANTS. For each fiscal year, there shall be a group of active participants which, except as provided below, shall not exceed forty-five persons and shall consist of those persons eligible for participation who shall have been designated as active participants and notified of that fact by the Committee. If, as a result of the growth of Abbott and its subsidiaries or changes in Abbott's organization, the Board of Directors deems it appropriate, the Board of Directors may, in its discretion, from time to time, increase the number of persons who may be designated as active participants for any fiscal year beyond the limit of forty-five persons provided for above. Selection as an active participant for any fiscal year shall not confer upon any person a right to be an active participant in any subsequent fiscal year, nor shall it confer upon him the right to receive any allocation under the Plan, other than amounts allocated to him by the Committee pursuant to the Plan, and all such allocations shall be subject to all of the terms and conditions of the Plan.

2.4 INACTIVE PARTICIPANTS. Inactive participants shall consist of those persons, including beneficiaries of deceased participants, if any, for whom an allocation shall have been made for a prior fiscal year under this Plan or a Predecessor Plan, the payment of which was deferred and remains unpaid. Status as an inactive participant shall not preclude a person from also being an active participant during any fiscal year.

SECTION 3

MANAGEMENT INCENTIVE PLAN FUND

3.1 BASE FOR MANAGEMENT INCENTIVE PLAN FUND. The "base earnings" for determining whether any portion of consolidated net income for any fiscal year may be allocated to the Management Incentive Plan Fund for such year shall be that amount of consolidated net income (as defined in subsection 3.2) which is equal to 15 percent of the Abbott Common Shareholder's Equity for such fiscal year. For this purpose, "Abbott Common Shareholders' Equity" for any fiscal year shall mean the Shareholders' Investment, as reflected in the consolidated balance sheet of Abbott as of the close of the next preceding fiscal year, plus or minus such adjustments thereof as may be determined by the Committee in order to reflect:

(a) The existence, issuance, sale, exchange, conversion or

retirement of any securities, other than common shares, of Abbott (whether involving preferred stock, debt, convertible preferred stock or convertible debt securities); and

(b) The issuance or retirement of any common shares or any changes in accounting methods or period adopted by Abbott since the close of such next preceding fiscal year.

Any adjustments to be made in accordance with (a) and (b) above in determining Abbott Common Shareholders' Equity for any fiscal year shall be determined by the Committee after consultation with Abbott's independent auditors, and any determination made by the Committee after such consultation shall be conclusive upon all persons.

3.2 CONSOLIDATED NET INCOME. For the purposes of this Plan, for any fiscal year or period, the "consolidated net income" shall be the consolidated net income of Abbott and its subsidiaries, prepared in accordance with generally accepted accounting principles, consistently applied, after provision for any interest accrued with respect to such period on account of deferred payments under this Plan or a Predecessor Plan, but before allowances for any amount to be allocated to the Management Incentive Plan Fund, both net of applicable income taxes, and after such adjustments for the following, as may be determined by the Committee after consultation with Abbott's independent auditors (all net of applicable income taxes):

(a) The exclusion of any charges for amortization or goodwill arising out of acquisitions made for securities which, as a result of adjustments made in determining Abbott Common Shareholders' Equity pursuant to subsection 3.1, are treated as common share equivalents; and

(b) The exclusion of any interest on debt securities which are convertible into common shares of Abbott and which shall have been considered as common share equivalents in determining Abbott Common Shareholders' Equity pursuant to subsection 3.1 hereof; and

(c) The deduction of any dividend requirement for preferred shares which has not been considered as common share equivalents in determining Common Shareholders' Equity pursuant to subsection 3.1 hereof.

In the sole discretion of the Committee there shall also be excluded in the calculation of "consolidated net income" unusual gains and losses and the tax effects thereof, changes in generally accepted accounting principles and the tax effects thereof and extraordinary gains and losses.

3.3 DETERMINATION OF MANAGEMENT INCENTIVE PLAN AMOUNT FOR ANY YEAR. For each fiscal year that consolidated net income exceeds base earnings, and as soon as practicable after ascertainment of that fact, the Committee shall determine a tentative amount as the Management Incentive Plan Amount for that year, which tentative amount shall not exceed the lesser of:

(a) an amount which, when treated as an expense currently deductible for income tax purposes in such year, would cause a 5 percent reduction in such year's excess of consolidated net income over the base earnings for such year; and

(b) an amount which, when treated as an expense currently deductible for income tax purposes in such year, would cause a 1-1/2 percent reduction in such year's consolidated net income; and

(c) an amount which equals 200 percent of the aggregate base salaries of all active participants for such year.

For purposes of the Plan "base salary" means the amount of salary paid to each active participant by Abbott and its subsidiaries for such year plus the includible portion (as described below) of any "Eligible Restricted Stock Award," as defined in Section 5-2 of the Abbott Laboratories Supplemental Pension Plan and does not include bonuses, other awards or any other compensation of any kind. The includible portion of a participant's Eligible Restricted Stock Award shall be the portion of the participant's Eligible Restricted Stock Award that is included in the participant's final earnings under the Abbott Laboratories Supplemental Pension Plan for such year. Following determination of such tentative Management Incentive Plan Amount, the Committee shall report in writing the amount of such tentative amount to the Board of Directors. At the meeting of the Board of Directors coincident with or next following receipt by it of the Committee's determination, the Board of Directors shall have the power to approve or reduce, but not to increase, the tentative amount reported to it by the Committee. The amount approved by the Board of Directors shall be the Management Incentive Plan Amount for such year.

3.4 THE MANAGEMENT INCENTIVE PLAN FUND. The Management Incentive Plan Fund at any time shall consist of an amount equal to the aggregate of the Management Incentive Plan Amounts established pursuant to subsection 3.3 of this Plan for all fiscal years during which this Plan shall have been operative, plus the amounts established as Management Incentive Plan Amounts for any prior fiscal year pursuant to a Predecessor Plan, reduced by an amount equal to the aggregate of the amounts of awards which shall have been allocated to participants in accordance with this Plan or a Predecessor Plan, and awards, or any other compensation of any kind.

SECTION 4

ALLOCATION OF MANAGEMENT INCENTIVE FUND

4.1 ANNUAL ALLOCATION OF MANAGEMENT INCENTIVE FUND. As soon as practicable after the close of each fiscal year, part or all of the amount then in the Management Incentive Plan Fund (including the Management Incentive Plan Amount for such fiscal year) will be allocated by the Committee among active participants in the Plan for such fiscal year, having due regard for the purposes for which the Plan was established, in the following manner and order:

(a) First, if the Chairman of the Board of Abbott shall be an active participant for such year, the members of the Committee, other than the Chairman of the Board, shall determine the amount, if any, to be allocated to the Chairman of the Board from such Fund for such year; and

(b) Next, all or a part of the balance of such Fund may be allocated among the active participants (other than the Chairman of the Board) for such year, in such amounts and proportions as the Committee shall determine provided, however, that the amount allocated to any active participant for any year shall not exceed 200 percent of such participant's base salary for that year.

4.2 COMMITTEE'S DISCRETION IN ALLOCATIONS. In making any allocations in accordance with subsection 4.1 for any year, the discretion of the Committee shall be absolute, and no active participants for any year, by reason of their designation as such, shall be entitled to any particular amounts or any amount whatsoever.

SECTION 5

PAYMENT OF AMOUNTS ALLOCATED TO PARTICIPANTS

5.1 TIME OF PAYMENT. For fiscal years beginning after December 31, 1988, a participant shall direct the payment or deferral of an allocation made to him pursuant to subsection 4.1 at the time specified in subsection 5.2 (subject to such conditions relating to the right of the participant to receive payment of such amount as established by the Committee) by one or more of the following methods:

(a) current payment in cash to the participant, which payment shall be made no later than the last day of the "applicable 2 ½ month period", as such term is defined in Treasury Regulation § 1.409A-1(b)(4)(i)(A);

(b) current payment of a portion in cash and deposited to a grantor trust (the "Grantor Trust") established by the participant (in a form which the Committee determines is substantially similar to the trust in Exhibit B) and the balance paid to the participant approximately equal to the participant's aggregate federal, state and local individual income and employment taxes (determined in accordance with subsection 6.7); provided that all payments or contributions to the Grantor Trust and participant contemplated by this subsection 5.1(b) shall be made no later than the last day of the "applicable 2 ½ month period", as such term is defined in Treasury Regulation § 1.409A-1(b)(4)(i)(A); or

(c) deferral of payment until such time and in such manner as determined in accordance with subsection 5.14.

5.2 TIME OF ELECTION.

(a) A participant must make the election described in subsection 5.1 by filing it with the Committee or its delegate on or before December 31

of the year prior to the fiscal year during which the incentive compensation is earned under the Plan.

(b) Notwithstanding the timing requirements described above, an individual who newly becomes eligible to participate in the Plan by being designated as a participant under subsection 2.1 (and who was not eligible to participate in any other plan that would be aggregated with the Plan under Treasury Regulation §1.409A-1(c)) may make the an initial deferral election described in subsection 5.1 by filing it with the Committee or its delegate within the thirty (30) day period immediately following the date he or she first is designated as participant, provided, that the compensation deferred pursuant to such election relates solely to services performed after the date of such election. For this purpose, an election shall be deemed to apply to compensation paid for services performed after the election if the election applies to no more than the amount prescribed by Treasury Regulation §1.409A-2(a)(7)(i).

(c) Any election described in subsection 5.1 shall be irrevocable for the fiscal year to which the election applies.

5.3 SEPARATE ACCOUNTS. The Committee shall establish accounts for participants who have made elections pursuant to subsection 5.1(b) or 5.1(c) as follows.

(a) The Committee will maintain a "Deferred Account" in the name of each participant who has elected to defer payment of all or a portion of his or her MIP award under subsection 5.1(c). The Deferred Account shall consist of allocations deferred according to subsection 5.1(c) and any adjustments made in accordance with subsection 5.4.

(b) The Committee will maintain two separate Accounts, a "Pre-Tax Account" and an "After-Tax Account", in the name of each participant who has elected to have a portion of his or her MIP award deposited in cash to a Grantor Trust according to subsection 5.1(b). The Pre-Tax Account shall consist of the aggregate of all allocations contemplated by subsection 5.1(b), whether deposited to the participant's Grantor Trust or made in cash to the participant, and any adjustments made in accordance with subsection 5.5. The After-Tax Account shall consist of allocations deposited to the participant's Grantor Trust in cash according to subsection 5.1(b) and any adjustments made in accordance with subsection 5.6.

5.4 ADJUSTMENT OF DEFERRED ACCOUNTS. As of the end of each fiscal year, each participant's Deferred Account shall be adjusted by the Committee as follows:

(a) FIRST, reduced by an amount equal to any distributions made to the participant during that year pursuant to subsections 5.14 or 5.15;

(b) NEXT, increased by an amount equal to the allocation for that year that is deferred pursuant to subsection 5.1(c); and

(c) FINALLY, increased by an amount equal to the interest earned for that year according to subsection 5.7.

5.5 ADJUSTMENT OF PRE-TAX ACCOUNTS. As of the end of each fiscal year, each participant's Pre-Tax Account shall be adjusted by the Committee as follows:

(a) FIRST, reduced, in any year in which the participant is entitled to receive a distribution from his or her Grantor Trust, by an amount equal to the distribution that would have been made to the participant if the aggregate amounts allocated according to subsection 5.1(b) had instead been deferred under subsection 5.1(c);

(b) NEXT, increased by an amount equal to any allocation for that year that is paid to the participant (including the amount deposited in the participant's Grantor Trust) according to subsection 5.1(b); and

(c) FINALLY, increased by an amount equal to the interest earned for that year according to subsection 5.7.

5.6 ADJUSTMENT OF AFTER-TAX ACCOUNTS. As of the end of each fiscal year, each participant's After-Tax Account shall be adjusted by the Committee as follows:

(a) FIRST, reduced, in any year in which the participant is in receipt of a benefit distribution from his or her Grantor Trust, by an amount calculated as provided in subsection 5.19 which represents the distribution for such year;

(b) NEXT, increased by an amount equal to the allocation for that year that is deposited in the participant's Grantor Trust according to subsection 5.1(b); and

(c) FINALLY, increased by an amount equal to the interest earned for that year according to subsection 5.7.

5.7 INTEREST ACCRUALS ON ACCOUNTS.

(a) As of the end of each fiscal year, a participant's Deferred Account or Pre-Tax Account, as applicable, shall be credited with interest ("Interest") at the following rate:

(i) the average of the "prime rate" of interest published by the Wall Street Journal (Mid-West Edition) or comparable successor quotation service on the first business day of January and the last business day of each month of the fiscal year;

(ii) plus two hundred twenty-five (225) basis points.

(b) As of the end of each fiscal year, a participant's After-Tax Account shall be credited with the amount of Interest provided above, multiplied by (one minus the aggregate of the applicable federal, state and local individual income tax rates and employment tax rate, determined in accordance with subsection 6.7 (the "After-Tax Interest")).

(c) This Interest and After-Tax Interest, as applicable, shall be credited on the conditions established by the Committee, provided that any award allocation shall be considered to have been made and credited to a participant's Account as of the first day of the fiscal year in which the award is made.

5.8 GUARANTEED RATE PAYMENTS. In addition to any allocation made to a participant for any fiscal year in accordance with subsection 5.1(b), Abbott shall also make a payment to a participant's Grantor Trust (a "Guaranteed Rate Payment") for each year in which the Grantor Trust is in effect. The Guaranteed Rate Payment shall equal the excess, if any, of the participant's Net Interest Accrual (as defined below) over the net earnings of the participant's Grantor Trust for the year and shall be paid within the thirty (30) days beginning April 1 of the following fiscal year. A participant's Net Interest Accrual for the year is an amount equal to the After-Tax Interest credited to the participant's After-Tax Account for that year in accordance with subsection 5.7.

5.9 GRANTOR TRUST ASSETS. Each participant's Grantor Trust assets shall be invested solely in the instruments specified by investment guidelines established by the Committee. Such investment guidelines, once established, may be changed by the Committee, provided that any change shall not take effect until the year following the year in which the change is made and provided further that the instruments specified shall be consistent with the provisions of subsection 3(b) of the form of Grantor Trust attached hereto as Exhibit B.

5.10 DESIGNATION OF BENEFICIARIES. Subject to the conditions and limitations set forth below, each participant, and after a participant's death, each primary beneficiary designated by a participant in accordance with the provisions of this subsection 5.10, shall have the right from time to time to designate a primary beneficiary or beneficiaries and, successive or contingent beneficiary or beneficiaries to receive unpaid amounts from the participant's Deferred Account under the Plan and the Predecessor Plans. Beneficiaries may be a natural person or persons or a fiduciary, such as a trustee of a trust or the legal representative of an estate. Any such designation shall take effect upon the death of the participant or such beneficiary, as the case may be, or in the case of any fiduciary beneficiary, upon the termination of all of its duties (other than the duty to dispose of the right to receive amounts remaining to be paid under the Plan or a Predecessor Plan). The conditions and limitations relating to the designation of beneficiaries are as follows:

(a) A nonfiduciary beneficiary shall have the right to designate a further beneficiary or beneficiaries only if the original participant or the next preceding

primary beneficiary, as the case may be, shall have expressly so provided in writing; and

(b) A fiduciary beneficiary shall designate as a further beneficiary or beneficiaries only those persons or other fiduciaries who are entitled to receive the amounts payable from the participant's account under the trust or estate of which it is a fiduciary.

Any beneficiary designation or grant of any power to any beneficiary under this subsection may be exercised only by an instrument in writing, executed by the person making the designation or granting such power and filed with the Secretary of Abbott during such person's lifetime or prior to the termination of a fiduciary's duties. If a deceased participant or a deceased nonfiduciary beneficiary who had the right to designate a beneficiary as provided above dies without having designated a further beneficiary, or if no beneficiary designated as provided above is living or qualified and acting, the Committee, in its discretion, may direct distribution of the amount remaining from time to time to either:

(iii) any one or more or all of the next of kin (including the surviving spouse) of the participant or the deceased beneficiary, as the case may be, and in such proportions as the Committee determines; or

(iv) the legal representative of the estate of the deceased participant or deceased beneficiary as the case may be.

5.11 STATUS OF BENEFICIARIES. Following a participant's death, the participant's beneficiary or beneficiaries will be considered and treated as an inactive participant for all purposes of this Plan.

5.12 NON-ASSIGNABILITY AND FACILITY OF PAYMENT. Amounts payable to participants and their beneficiaries under the Plan are not in any way subject to their debts and other obligations, and may not be voluntarily or involuntarily sold, transferred or assigned; provided that the preceding provisions of this subsection shall not be construed as restricting in any way a designation right granted to a beneficiary pursuant to the terms of subsection 5.10. When a participant or the beneficiary of a participant is under legal disability, or in the Committee's opinion is in any way incapacitated so as to be unable to manage his or her financial affairs, the Committee may direct that payments shall be made to the participant's or beneficiary's legal representative, or to a relative or friend of the participant or beneficiary for the benefit of the participant or beneficiary, or the Committee may direct the payment or distribution for the benefit of the participant or beneficiary in any manner that the Committee determines.

5.13 PAYER OF AMOUNTS ALLOCATED TO PARTICIPANTS. Any amount allocated to a participant in the Plan and any interest credited thereto will be

paid by the employer (or such employer's successor) by whom the participant was employed during the fiscal year for which any amount was allocated, and for that purpose, if a participant shall have been employed by two or more employers during any fiscal year the amount allocated under this Plan for that year shall be an obligation of each of the respective employers in proportion to the respective amounts of base salary paid by each of them in that fiscal year.

5.14 MANNER OF PAYMENT OF DEFERRED ACCOUNTS. Subject to subsection 5.15, a participant shall elect to receive payment of his Deferred Account in substantially equal annual installments over a minimum period of ten years, or a longer period, at the time of his deferral election under subsection 5.1(c). Payment of a participant's Deferred Account shall commence on the first business day of January of the year following the year in which the participant incurs a termination of employment.

5.15 PAYMENTS UPON TERMINATION FOLLOWING CHANGE IN CONTROL. Notwithstanding any other provision of the Plan or the provisions of any award made under the Plan, if a participant incurs a termination of employment with Abbott and its subsidiaries for any reason within two (2) years following the date of a Change in Control, provided that the event constituting a Change in Control is also a "change in control event", as such term is defined in Treasury Regulation § 1.409A-3(i)(5): (a) with respect to a participant whose allocations under the Plan are deferred in accordance with subsection 5.1(c), the aggregate unpaid balance of the participant's Deferred Account shall be paid to such participant in a lump sum within thirty (30) days following the date of such termination of employment, and (b) with respect to a participant whose allocations under the Plan are made pursuant to subsection 5.1(b), (i) the aggregate of the participant's unpaid allocation under subsection 5.1(b) (if any) for the fiscal year in which the termination occurs and (ii) a pro rata portion of the unpaid Guaranteed Rate Payment under subsection 5.8 attributable to the portion of the year elapsed prior to the date of termination, shall be paid to such participant's Grantor Trust in a lump sum within thirty (30) days following the date of such termination of employment.

5.16 CHANGE IN CONTROL. A "Change in Control" shall be deemed to have occurred on the earliest of the following dates:

(a) the date any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Abbott (not including in the securities beneficially owned by such Person any securities acquired directly from Abbott or its Affiliates) representing 20% or more of the combined voting power of Abbott's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (c) below; or

(b) the date the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election

contest, including but not limited to a consent solicitation, relating to the election of directors of Abbott) whose appointment or election by the Board of Directors or nomination for election by Abbott's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or

(c) the date on which there is consummated a merger or consolidation of Abbott or any direct or indirect subsidiary of Abbott with any other corporation or other entity, other than (i) a merger or consolidation (A) immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the Board of Directors of Abbott, the entity surviving such merger or consolidation or, if Abbott or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof and (B) which results in the voting securities of Abbott outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of Abbott or any subsidiary of Abbott, at least 50% of the combined voting power of the securities of Abbott or such surviving entity

or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of Abbott (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Abbott (not including in the securities Beneficially Owned by such Person any securities acquired directly from Abbott or its Affiliates) representing 20% or more of the combined voting power of Abbott's then outstanding securities; or

(d) the date the shareholders of Abbott approve a plan of complete liquidation or dissolution of Abbott or there is consummated an agreement for the sale or disposition by Abbott of all or substantially all of Abbott's assets, other than a sale or disposition by Abbott of all or substantially all of Abbott's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by shareholders of Abbott, in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of Abbott or any subsidiary of Abbott, in substantially the same proportions as their ownership of Abbott immediately prior to such sale.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of Abbott immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Abbott immediately following such transaction or series of transactions.

For purposes of this Plan: "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act; "Beneficial Owner" shall have the

meaning set forth in Rule 13d-3 under the Exchange Act; "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time; and "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) Abbott or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of Abbott or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of Abbott in substantially the same proportions as their ownership of stock of Abbott.

5.17 POTENTIAL CHANGE IN CONTROL. A "Potential Change in Control" shall exist during any period in which the circumstances described in paragraphs (a), (b), (c) or (d), below, exist (provided, however, that a Potential Change in Control shall cease to exist not later than the occurrence of a Change in Control):

(a) Abbott enters into an agreement, the consummation of which would result in the occurrence of a Change in Control, provided that a Potential Change in Control described in this paragraph (a) shall cease to exist upon the expiration or other termination of all such agreements.

(b) Any Person (without regard to the exclusions set forth in subsections (i) through (iv) of such definition) publicly announces an intention to take or to consider taking actions the consummation of which would constitute a Change in Control; provided that a Potential Change in Control described in this paragraph (b) shall cease to exist upon the withdrawal of such intention, or upon a determination by the Board of Directors that there is no reasonable chance that such actions would be consummated.

(c) Any Person becomes the Beneficial Owner, directly or indirectly, of securities of Abbott representing 10% or more of either the then outstanding shares of common stock of Abbott or the combined voting power of Abbott's then outstanding securities (not including any securities beneficially owned by such Person which are or were acquired directly from Abbott or its Affiliates).

(d) The Board of Directors adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control exists; provided that a Potential Change in Control described in this paragraph (d) shall cease to exist upon a determination by the Board of Directors that the reasons that gave rise to the resolution providing for the existence of a Potential Change in Control have expired or no longer exist.

5.18 PROHIBITION AGAINST AMENDMENT. The provisions of subsections 5.15, 5.16, 5.17 and this subsection 5.18 may not be amended or deleted, nor superseded by any other provision of this Plan, (i) during the pendency of a Potential Change in Control and (ii) during the period beginning on the date of a Change in Control and ending on the date five (5) years following such Change in Control.

5.19 ADMINISTRATOR'S CALCULATION OF GRANTOR TRUST DISTRIBUTIONS. The Administrator shall calculate the amount to be distributed from a participant's Grantor Trust in any year in which the participant is entitled to a benefit distribution by multiplying (i) the amount of the reduction determined in accordance with subsection 5.5(a), by (ii) a fraction, the numerator of which is the balance in the participant's After-Tax Account as of the end of the prior fiscal year and the denominator of which is the balance of the participant's Pre-Tax Account as of that same date.

SECTION 6

MISCELLANEOUS

6.1 RULES. The Committee may establish such rules and regulations as it may consider necessary or desirable for the effective and efficient administration of the Plan.

6.2 MANNER OF ACTION BY COMMITTEE. A majority of the members of the Committee qualified to act on any particular question may act by meeting or by writing signed without meeting, and may execute any instrument or document required or delegate to one of its members authority to sign. The Committee from time to time may delegate the performance of certain ministerial functions in connection with the Plan, such as the keeping of records, to such person or persons as the Committee may select. Except as otherwise expressly provided in the Plan, the costs of administration of the Plan will be paid by Abbott. Any notice required to be given to, or any document required to be filed with the Committee, will be properly given or filed if mailed or delivered in writing to the Secretary of Abbott.

6.3 RELIANCE UPON ADVICE. The Board of Directors and the Committee may rely upon any information or advice furnished to it by any Officer of Abbott or by Abbott's independent auditors, or other consultants, and shall be fully protected in relying upon such information or advice. No member of the Board of Directors or the Committee shall be liable for any act or failure to act on their part, excepting only any acts done or omitted to be done in bad faith, nor shall they be liable for any act or failure to act of any other member.

6.4 TAXES. Any employer shall be entitled, if necessary or desirable, to pay, or withhold the amount of any federal, state or local tax, attributable to any amounts payable by it under the Plan after giving the person entitled to receive such amount notice as far in advance as practicable, and may require payment or indemnification from the participant in an amount necessary to satisfy such taxes prior to remitting such taxes.

6.5 RIGHTS OF PARTICIPANTS. Employment rights of participants with Abbott and its subsidiaries shall not be enlarged or affected by reason of establishment of or inclusion as a participant in the Plan. Nothing contained in the Plan shall require Abbott or any subsidiary to segregate or earmark any assets, funds or property for the purpose of payment of any amounts which may have been deferred. The Deferred Account, Pre-Tax Account and After-Tax Account with respect to any

participant established pursuant to subsection 5.2 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. Participant's rights shall be limited to payment to them at the time or times and in such amounts as are contemplated by the Plan. Any decision made by the Board of Directors or the Committee, which is within the sole and uncontrolled discretion of either, shall be conclusive and binding upon the other and upon all other persons whomsoever.

6.6 TAX GROSS UP. In addition to the allocations provided under subsection 4.1, each participant who has established a Grantor Trust (or, if the participant is deceased, the beneficiary designated under the participant's Grantor Trust) shall be entitled to a Tax Gross Up payment for each year in which the Grantor Trust is in effect. The "Tax Gross Up" shall equal: (a) the amount necessary to compensate the participant (or beneficiary) for the net increase in the participant's (or beneficiary'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 Payment for that year; plus (b) an amount necessary to compensate the participant (or beneficiary) for the net increase in the taxes described in (a) above as a result of the inclusion in his or her taxable income of any payment made pursuant to this subsection 6.6. 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, no later than the end of the calendar year in which the participant remits the related taxes.

6.7 INCOME TAX ASSUMPTIONS. For purposes of Sections 5 and 6, a participant's federal income tax rate shall be deemed to be the highest marginal rate of federal income individual 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 on the date such a calculation is made, net of any federal tax benefits without a benefit for any net capital losses. For purposes of Sections 5 and 6, a participant's employment tax rate shall be deemed to be the highest marginal rate of Federal Insurance Contributions Act tax in effect in the calendar year in which a calculation under that Section is to be made.

6.8 SECTION 409A. To the extent applicable, it is intended that the Plan comply with the provisions of Code Section 409A. The Plan will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Plan to fail to satisfy Code Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Code Section 409A). Notwithstanding anything contained herein to the contrary, for all purposes of the Plan, a participant shall not be deemed to have had a termination of employment until the participant has incurred a separation from service as defined in Treasury Regulation §1.409A-1(h) and, to the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A and applicable guidance issued thereunder, payment of the amounts payable under the Plan that would otherwise be payable during the six-month period after the date of termination shall instead be paid on the first business day after the expiration of such six-month period, plus interest thereon, at a rate equal to the rate specified in subsection 5.7 (to the extent that such interest is not already provided to the participant under subsection 5.6), from the respective dates on which such amounts would otherwise have been paid until the actual date of payment. In

addition, for purposes of the Plan, each amount to be paid and each installment payment shall be construed as a separate identified payment for purposes of Code Section 409A.

SECTION 7

AMENDMENT, TERMINATION AND CHANGE OF CONDITIONS RELATING TO PAYMENTS

7.1 AMENDMENT AND TERMINATION. The Plan will be effective from its effective date until terminated by the Board of Directors. During the fifth year after the Plan's effective date and during every fifth year thereafter, the Committee may recommend to the Board of Directors whether the Plan should be amended or terminated. The Board of Directors reserves the right to amend the Plan from time to time and to terminate the Plan at any time, except that no such amendment or any termination of the Plan shall reduce any fixed or contingent obligations which shall have arisen under the Plan prior to the date of such amendment or termination, or change the terms and conditions of payment of any allocation theretofore made without the consent of the participant concerned.

7.2 CHANGE OF CONDITIONS RELATING TO PAYMENTS. No change to the time or payment or the time of commencement of payment and any period over which payment shall be made shall be effected except in strict compliance with the subsequent election requirements of Treasury Regulation § 1.409A-2(b) to the extent subject thereto.

Exhibit A

1986
ABBOTT LABORATORIES
MANAGEMENT INCENTIVE PLAN

[The 1986 Abbott Laboratories Management Incentive Plan, as amended, as filed as Exhibit 10.5 to the Abbott Laboratories Quarterly Report for the quarter ended June 30, 2003 on Form 10-Q.]

Exhibit 10.7

As Amended and Restated
Effective as of January 1, 2008

1998 PERFORMANCE INCENTIVE PLAN (PIP) RULES
409A DOCUMENT

The following rules shall govern the administration of the 1998 Abbott Laboratories Performance Incentive Plan (PIP) and any comparable successor plan with respect to all amounts that are not Grandfathered Amounts. Capitalized terms used but not otherwise defined in these Rules shall have the meaning provided in the PIP. These rules shall remain in effect until amended by the Committee:

1. Fiscal Year. The term "fiscal year", as used in the PIP, means the fiscal period from time to time employed by Abbott for the purpose of reporting earnings to shareholders.

2. Consolidated Net Income. "Consolidated Net Income" shall be the consolidated net income for such fiscal year as stated in Abbott's Audited Financial Statements. Excluded from the calculation of consolidated net income will be the effect of changes in GAAP and the tax effects thereon, and extraordinary gains and loses and the tax effects thereon if presented in the audited Consolidated Statement of Earnings.

3. Naming of Participants. For any fiscal year, all participants in the PIP must be named by the Committee prior to the completion of the immediately preceding fiscal year. A PIP participant may not be an active participant in the MIP in the same fiscal year.

4. Inclusion in Pensionable Earnings. The full amount of any PIP award earned under Rule 5 will be included in the participant's pensionable earnings.

5. Time of Payment. Beginning with any award allocation paid after December 31, 1998, a participant must direct payment or deferral of an allocation made to the participant under the PIP by one or more of the following methods:

   (a) In cash to the participant, which payment shall be made no later than the last day of the "applicable 2 ½ month period", as such term is defined in Treasury Regulation § 1.409A-1(b)(4)(i)(A);

   (b) A portion in cash and deposited to a grantor trust (the "Grantor Trust") established by the participant (in a form which the Committee determines is substantially similar to the trust in Exhibit A) and the balance paid to the participant approximately equal to the participant's aggregate federal, state and local individual income and employment taxes; provided that all payments or contributions

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to the Grantor Trust and participant contemplated by this Rule 5(b) shall be made no later than the last day of the "applicable 2 ½ month period", as such term is defined in Treasury Regulation § 1.409A-1(b)(4)(i)(A); or

   (c) Deferral of payment until the time, and in the manner determined in Rule 17.

Amounts paid under the PIP will not be considered amounts paid under the MIP for purposes of subsections 3.3 and 3.4 and Section 4 of the MIP. The base salaries of PIP participants will not be considered for determination of the MIP amount in subsection 3.3 of the MIP.

6. Time of Election.

   (a) A participant must make the election described in Rule 5 by filing it with the Committee before expiration of the election period established by the Committee, which period shall end no later than December 31 of the fiscal year prior to the year during which the performance incentive compensation is earned under the PIP.

   (b) Notwithstanding the timing requirements of Rule 6(a), an individual who newly becomes eligible to participate in the PIP by being designated as a participant under Section 3.1 of the PIP (and who was not eligible to participate in any other plan that would be aggregated with the Plan under Treasury Regulation §1.409A-1(c)) may make the an initial deferral election described in Rule 5 by filing it with the Committee or its delegate within the thirty (30) day period immediately following the date he or she first is designated as participant, provided, that the compensation deferred pursuant to such election relates solely to services performed after the date of such election. For this purpose, an election shall be deemed to apply to compensation paid for services performed after the election if the election applies to no more than the amount prescribed by Treasury Regulation §1.409A-2(a)(7)(i).

   (c) Any election described in Rule 5 shall be irrevocable for the fiscal year to which the election applies.

7. Accounts. The Committee shall establish accounts for participants who have made elections pursuant to Rule 5(b) or 5(c) as follows.

   (a) The Committee will maintain a "Deferred Account" in the name of each participant who has elected to defer payment of all or a portion of his or her PIP award under Rule 5(c). The Deferred Account shall consist of allocations deferred according to Rule 5(c) and any adjustments made in accordance with Rule 8.

   (b) The Committee will maintain two separate Accounts, a "Pre-Tax Account" and an "After-Tax Account", in the name of each participant who has declined to defer allocations by electing to have a portion of his or her PIP award deposited in cash to a Grantor Trust according to Rule 5(b). The Pre-Tax Account shall consist of the aggregate of all allocations contemplated by Rule 5(b), whether deposited to the participant's Grantor Trust

or made in cash to the participant, and any adjustments made in accordance with Rule 9. The After-Tax Account shall consist of allocations deposited to the participant's Grantor Trust in cash according to Rule 5(b) and any adjustments made in accordance with Rule 10.

8. Adjustment of Deferred Accounts. At the end of each fiscal year, a participant's Deferred Account will be adjusted as follows:

(a) First, reduced by an amount equal to any distribution made to the participant during the year according to Rule 17 or Rule 18;

(b) Next, increased by an amount equal to any allocation for that year that is deferred according to Rule 5(c); and

(c) Last, increased by an amount equal to the interest earned for that year according to Rule 11.

9. Adjustment of Pre-Tax Accounts. At the end of each fiscal year, a participant's Pre-Tax Account will be adjusted as follows:

(a) First, reduced, in any year in which the participant is entitled to receive a distribution from his or her Grantor Trust, by an amount equal to the distribution that would have been made to the participant if the aggregate amounts allocated according to Rule 5(b) had instead been deferred under Rule 5(c);

(b) Next, increased by an amount equal to any allocation for that year that is paid to the participant (including the amount paid to the participant's Grantor Trust) according to Rule 5(b); and

(c) Last, increased by an amount equal to the interest earned for that year according to Rule 11.

10. Adjustment of After-Tax Accounts. At the end of each fiscal year, a participant's After-Tax Account will be adjusted as follows:

(a) First, reduced, in any year in which the participant is in receipt of a distribution from his or her Grantor Trust, by an amount calculated as provided in Rule 28 which represents the distribution for such year;

(b) Next, increased by an amount equal to the allocation for that year that is deposited in the participant's Grantor Trust according to Rule 5(b); and

(c) Last, increased by an amount equal to the interest earned for that year according to Rule 11.

11. Interest Accruals on Accounts.

(a) As of the end of each fiscal year, a participant's Deferred Account or Pre-Tax Account, as applicable, shall be credited with interest ("Interest") at the following rate:

(i) the average of the "prime rate" of interest published by The Wall Street Journal (Mid-West Edition) or comparable successor quotation service on the first business day of January and the last business day of each month of the fiscal year; plus

(ii) two hundred twenty-five (225) basis points.

(b) As of the end of each fiscal year, a participant's After-Tax Account shall be credited with the amount of Interest set forth above, multiplied by (one minus the aggregate of the applicable federal, state and local individual income tax rates and employment tax rate, determined in accordance with Rule 26 (the "After-Tax Interest")).

(c) The Interest and After-Tax Interest, as applicable, shall be credited on the conditions established by the Committee, provided that any award allocation shall be considered to have been made and credited to a participant's Account as of the first day of the fiscal year in which the award is made.

12. Guaranteed Rate Payments. In addition to any allocation made to a participant for any fiscal year in accordance with Rule 5(b), Abbott shall also make a payment to a participant's Grantor Trust (a "Guaranteed Rate Payment") for each year in which the Grantor Trust is in effect. The Guaranteed Rate Payment shall equal the excess, if any, of the participant's Net Interest Accrual (as defined below) over the net earnings of the participant's Grantor Trust for the year, and shall be paid within the thirty (30) days beginning April 1 of the following fiscal year. A participant's Net Interest Accrual for a year is an amount equal to the After-Tax Interest credited to the participant's After-Tax Account for that year in accordance with Rule 11(b).

13. Grantor Trust Assets. Each participant's Grantor Trust assets shall be invested solely in the instruments specified by investment guidelines established by the Committee. Such investment guidelines, once established, may be changed by the Committee, provided that any change shall not take effect until the year following the year in which the change is made and provided further that the instruments

specified shall be consistent with the provisions of Section 3(b) of the form of Grantor Trust attached hereto as Exhibit A.

14. Designation of Beneficiaries. Subject to the conditions and limitations set forth below, each participant, and after a participant's death, each primary beneficiary designated by a participant in accordance with the provisions of this Rule 14, shall have the right from time to time to designate a primary beneficiary or beneficiaries and, successive or contingent beneficiary or beneficiaries to receive unpaid amounts from the participant's Deferred Account under the PIP. Beneficiaries may be a natural person or persons or a fiduciary, such as a trustee of a trust or the legal representative of an estate. Any such designation shall take effect upon the death of the participant or such beneficiary, as the case may be, or in the case of any fiduciary

beneficiary, upon the termination of all of its duties (other than the duty to dispose of the right to receive amounts remaining to be paid under the PIP). The conditions and limitations relating to the designation of beneficiaries are as follows:

(a) A nonfiduciary beneficiary shall have the right to designate a further beneficiary or beneficiaries only if the original participant or the next preceding primary beneficiary, as the case may be, shall have expressly so provided in writing; and

(b) A fiduciary beneficiary shall designate as a further beneficiary or beneficiaries only those persons or other fiduciaries that are entitled to receive the amounts payable from the participant's account under the trust or estate of which it is a fiduciary.

Any beneficiary designation or grant of any power to any beneficiary under this Rule 14 may be exercised only by an instrument in writing, executed by the person making the designation or granting such power and filed with the Secretary of Abbott during the person's lifetime or prior to the termination of a fiduciary's duties. If a deceased participant or a deceased nonfiduciary beneficiary who had the right to designate a beneficiary as provided above dies without having designated a further beneficiary, or if no beneficiary designated as provided above is living or qualified and acting, the Committee, in its discretion, may direct distribution of the amount remaining from time to time to either: (i) any one or more or all of the next of kin (including the surviving spouse) of the participant or the deceased beneficiary, as the case may be, and in such proportions as the Committee determines; or (ii) the legal representative of the estate of the deceased participant or deceased beneficiary as the case may be.

15. Non-assignability and Facility of Payment. Amounts payable to participants and their beneficiaries under the PIP are not in any way subject to their debts and other obligations, and may not be voluntarily or involuntarily sold, transferred or assigned; provided that the provisions of these Rules shall not be construed as restricting

in any way a designation right granted to a beneficiary under Rule 14. When a participant or the beneficiary of a participant is under legal disability, or in the Committee's opinion is in any way incapacitated so as to be unable to manage his or her financial affairs, the Committee may direct that payments shall be made to the participant's or beneficiary's legal representative, or to a relative or friend of the participant or beneficiary for the benefit of the participant or beneficiary, or the Committee may direct the payment or distribution for the benefit of the participant or beneficiary in any manner that the Committee determines.

16. Payer of Amounts Allocated to Participants. Any amount allocated to a participant in the PIP and any interest credited thereto will be paid by the employer (or such employer's successor) by whom the participant was employed during the fiscal year for which any amount was allocated, and for that purpose, if a participant shall have been employed by two or more employers during any fiscal year the amount allocated under the PIP for that year shall be an obligation of each of the respective employers in proportion to the respective amounts of base salary paid by each of them in that fiscal year.

17. Manner of Payment of Deferred Accounts. Subject to Rule 18, a participant shall elect to receive payment of his Deferred Account in substantially equal annual installments over a minimum period of ten years, or a longer period, at the time of his deferral election under Rule 5. Payment of a participant's Deferred Account shall commence on the first business day of January of the year following the year in which the participant incurs a termination of employment.

18. Payment Upon Termination Following Change in Control. Notwithstanding any other provision of the PIP or the provisions of any award made under the PIP, if a participant incurs a termination of employment with Abbott and its subsidiaries for any reason within two (2) years following the date of a Change in Control, provided that the event constituting a Change in Control is also a "change in control event", as such term is defined in Treasury Regulation § 1.409A-3(i)(5): (a) with respect to a participant whose allocations under the PIP are deferred in accordance with Rule 5(c), the aggregate unpaid balance of the participant's Deferred Account shall be paid to such participant in a lump sum within thirty (30) days following the date of such termination of employment, and (b) with respect to a participant whose allocations under the PIP are made pursuant to Rule 5(b), (i) the aggregate of the participant's unpaid allocation under Rule 5(b) (if any) for the fiscal year in which the termination occurs and (ii) a pro rata portion of the unpaid Guaranteed Rate Payment under Rule 12 attributable to the portion of the year elapsed prior to the date of termination, shall be paid to such participant's Grantor Trust in a lump sum within thirty (30) days following the date of such termination of employment.

19. Change in Control. A "Change in Control" shall be deemed to have occurred on the earliest of the following dates:

(a) the date any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Abbott (not including in the securities beneficially owned by such Person any securities acquired directly from Abbott or its Affiliates) representing 20% or more of the combined voting power of Abbott's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (c) below; or

(b) the date the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Abbott) whose appointment or election by the Board or nomination for election by Abbott's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or

(c) the date on which there is consummated a merger or consolidation of Abbott or any direct or indirect subsidiary of Abbott with any other corporation or other entity, other than (i) a merger or consolidation (A) immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the Board of Directors of Abbott, the entity surviving such merger or consolidation or, if Abbott or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof and (B) which results in the voting securities of Abbott outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of Abbott or any subsidiary of Abbott, at least 50% of the combined voting power of

the securities of Abbott or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of Abbott (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Abbott (not including in the securities Beneficially Owned by such Person any securities acquired directly from Abbott or its Affiliates) representing 20% or more of the combined voting power of Abbott's then outstanding securities; or

(d) the date the shareholders of Abbott approve a plan of complete liquidation or dissolution of Abbott or there is consummated an agreement for the sale or disposition by Abbott of all or substantially all of Abbott's assets, other than a sale

or disposition by Abbott of all or substantially all of Abbott's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by shareholders of Abbott, in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of Abbott or any subsidiary of Abbott, in substantially the same proportions as their ownership of Abbott immediately prior to such sale.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of Abbott immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Abbott immediately following such transaction or series of transactions.

For purposes of these Rules: "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act; "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act; "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time; and "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) Abbott or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of Abbott or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of Abbott in substantially the same proportions as their ownership of stock of Abbott.

20. Potential Change in Control. A "Potential Change in Control" shall exist during any period in which the circumstances described in paragraphs (a), (b), (c) or (d), below, exist (provided, however, that a Potential Change in Control shall cease to exist not later than the occurrence of a Change in Control):

(a) Abbott enters into an agreement, the consummation of which would result in the occurrence of a Change in Control, provided that a Potential Change in Control described in this paragraph (a) shall cease to exist upon the expiration or other termination of all such agreements.

(b) Any Person (without regard to the exclusions set forth in subsections (i) through (iv) of such definition) publicly announces an intention to take or to consider taking actions the consummation of which would constitute a Change in Control; provided that a Potential Change in Control described in this paragraph (b) shall cease to exist upon the withdrawal of such intention, or upon a

determination by the Board that there is no reasonable chance that such actions would be consummated.

(c) Any Person becomes the Beneficial Owner, directly or indirectly, of securities of Abbott representing 10% or more of either the then outstanding shares of common stock of Abbott or the combined voting power of Abbott's then outstanding securities (not including any securities beneficially owned by such Person which are or were acquired directly from Abbott or its Affiliates).

(d) The Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control exists; provided that a Potential Change in Control described in this paragraph (d) shall cease to exist upon a determination by the Board that the reasons that gave rise to the resolution providing for the existence of a Potential Change in Control have expired or no longer exist.

21. Prohibition Against Amendment. The provisions of Rules 18, 19, 20 and this Rule 21 may not be amended or deleted, nor superseded by any other Rule, (i) during the pendency of a Potential Change in Control and (ii) during the period beginning on the date of a Change in Control and ending on the date five (5) years following such Change in Control.

22. Reliance Upon Advice. The Board and the Committee may rely upon any information or advice furnished to it by any Officer of Abbott or by Abbott's independent auditors, or other consultants, and shall be fully protected in relying upon such information or advice. No member of the Board or the Committee shall be liable for any act or failure to act on their part, excepting only any acts done or omitted to be done in bad faith, nor shall they be liable for any act or failure to act of any other member.

23. Taxes. Any employer shall be entitled, if necessary or desirable, to pay, or withhold the amount of any federal, state or local tax, attributable to any amounts payable by it under the PIP after giving the person entitled to receive such amount notice as far in advance as practicable, and may require payment from the participant in an amount necessary to satisfy such taxes prior to remitting such taxes.

24. Rights of Participants. Employment rights of participants with Abbott and its subsidiaries shall not be enlarged or affected by reason of establishment of or inclusion as a participant in the PIP. Nothing contained in the PIP shall require Abbott or any subsidiary to segregate or earmark any assets, funds or property for the purpose of payment of any amounts which may have been deferred. The Deferred, Pre-Tax and After-Tax Accounts established in accordance with Rule 7 are for the convenience of the administration of the PIP and no trust relationship with respect to such Accounts is intended or should be implied. Participant's rights shall be limited to payment to them at the time or times and in such amounts as are contemplated by the PIP and these Rules. Any decision made by the Board or the Committee, which is

within the sole and uncontrolled discretion of either, shall be conclusive and binding upon the other and upon all other persons whomsoever.

25. Tax Adjustment Payment. In addition to the allocations provided in accordance with Rule 5, each participant who has established a Grantor Trust (or, if the participant is deceased, the beneficiary designated under the participant's Grantor Trust) shall be entitled to a Tax Adjustment Payment for each year in which the Grantor Trust is in effect. Payment of the Tax Adjustment Payment shall be made by the employers (in such proportions as Abbott shall designate) directly from their general corporate assets, no later than the end of the calendar year in which the participant remits the related taxes. The "Tax Adjustment Payment" shall equal:

(a) the amount necessary to compensate the participant (or beneficiary) for the net increase in the participant's (or beneficiary'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 Payment for that year; plus

(b) an amount necessary to compensate the participant (or beneficiary) for the net increase in the taxes described in (a) above as a result of the inclusion in his or her taxable income of any payment made pursuant to this Rule 25.

26. Income Tax Assumptions. For purposes of these Rules, a participant's federal income tax rate shall be deemed to be the highest marginal rate of federal income individual tax in effect in the calendar year in which a calculation under the Rules 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 on the date such a calculation is made, net of any federal tax benefits without a benefit for any net capital losses. For purposes of these Rules, a participant's employment tax rate shall be deemed to be the highest marginal rate of Federal Insurance Contribution Act tax in effect in the calendar year in which a calculation under the applicable Rule is to be made.

27. Change of Conditions Relating to Payments. No change to the time of payment or the time of commencement of payment and any period over which payment shall be made shall be effected except in strict compliance with the subsequent election requirements of Treasury Regulation § 1.409A-2(b) to the extent subject thereto.

28. Administrator's Calculation of Grantor Trust Distributions. The Administrator shall calculate the amount to be distributed from a participant's Grantor Trust in any year in which the participant is entitled to a benefit distribution by multiplying (i) the amount of the reduction determined in accordance with Rule 9(a), by (ii) a fraction, the numerator of which is the balance in the participant's After-Tax Account as of the end of the prior fiscal year and the denominator of which is the balance of the participant's Pre-Tax Account as of that same date

29. Section 409A. To the extent applicable, it is intended that these Rules comply with the provisions of Code Section 409A. The Rules will be administered and interpreted

in a manner consistent with this intent, and any provision that would cause the Rules to fail to satisfy Code Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Code Section 409A). Notwithstanding anything contained herein to the contrary, for all purposes of these Rules, a participant shall not be deemed to have had a termination of employment until the participant has incurred a separation from service as defined in Treasury Regulation §1.409A-1(h) and, to the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A and applicable guidance issued thereunder, payment of the amounts payable under the Rules that would otherwise be payable during the six-month period after the date of termination shall instead be paid on the first business day after the expiration of such six-month period, plus interest thereon, at a rate equal to the rate specified in Rule 11 (to the extent that such interest is not already provided to the participant under Rule 12), from the respective dates on which such amounts would otherwise have been paid until the actual date of payment. In addition, for purposes of these Rules, each amount to be paid and each installment payment shall be construed as a separate identified payment for purposes of Code Section 409A.

Exhibit B

IRREVOCABLE GRANTOR TRUST AGREEMENT

THIS AGREEMENT, made this day of , 20 , by and between of , Illinois (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 1986 Abbott Laboratories Management Incentive 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 " 20 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 "rollout account" and a "deferred account." Funds delivered to the trustee shall be allocated between the accounts by the trustee 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 income and realized gains and charge each account with its share of 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 FROM THE ROLLOUT ACCOUNT PRIOR TO THE GRANTOR'S DEATH. The trustee shall distribute principal and accumulated income credited to the rollout account to the grantor, if then living, at such times and in such amounts as the administrator shall direct.

II-3 DISTRIBUTIONS FROM THE DEFERRED ACCOUNT PRIOR TO THE GRANTOR'S DEATH. Principal and accumulated income credited to the deferred account 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 deferred account for that year, with the balance of such income to be accumulated in that account. 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 deferred account to the grantor, if then living, in a series of annual installments, with the amount of each installment computed by one of the following methods:

(a) The amount of each installment shall be equal to the sum of: (i) the amount credited to the deferred account as of the end of the year in which the grantor's settlement date occurs, divided by the number of years over which installments are to be distributed; plus (ii) the net earnings credited to the deferred account for the preceding year (excluding the year in which the grantor's settlement date occurs).

(b) The amount of each installment shall be determined by dividing the amount credited to the deferred account as of the end of the preceding year by the difference between (i) the total number of years over which installments are to be distributed, and (ii) the number of annual installment distributions previously made from the deferred account.

(c) Each installment (after the first installment) shall be approximately equal, with the amount comprised of the sum of: (i) the amount of the first installment, plus interest thereon at the rate determined under the 1986 Abbott Laboratories Management Incentive Plan, compounded annually; and (ii) the net earnings credited to the deferred account for the preceding year.

(i) the foregoing, the final installment distribution made to the grantor under this paragraph II-3 shall equal the total principal and accumulated income then held in the trust fund. The grantor, by writing filed with the trustee and the administrator on or before the end of the calendar year in which the grantor's settlement date occurs (or the end of the calendar year in which this trust is established, if the grantor's settlement date has already occurred), may select both the period (which may not be less than

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ten years from the end of the calendar year in which the grantor's settlement date occurred) over which the installment distributions are to be made and the method of computing the amount of each installment. In the absence of such a written direction by the grantor, installment distributions shall be made over a period of ten years, and the amount of each installment shall be computed by using the method described in subparagraph (a) next above. Installment distributions under this Paragraph II-3 shall be made as of January 1 of each year, beginning with the calendar year following the year in which the grantor's settlement date occurs. The administrator shall inform the trustee of the amount of each installment distribution under this paragraph II-3, and the trustee shall be fully protected in relying on such information received from the administrator.

II-4. DISTRIBUTIONS FROM THE TRUST FUND AFTER THE GRANTOR'S DEATH. The grantor, from time to time may name any person or persons (who may be named contingently or successively and who may be natural persons or fiduciaries) to whom the principal of the trust fund and all accrued or undistributed income therefrom shall be distributed in a lump sum or, if the beneficiary is the grantor's spouse (or a trust for which the grantor's spouse is the sole income beneficiary), in installments, as directed by the grantor, upon the grantor's death. If the grantor directs an installment method of distribution to the spouse as beneficiary, any amounts remaining at the death of the spouse beneficiary shall be distributed in a lump sum to the

executor or administrator of the spouse beneficiary's estate. If the grantor directs an installment method of distribution to a trust for which the grantor's spouse is the sole income beneficiary, any amounts remaining at the death of the spouse shall be distributed in a lump sum to such trust. Despite the foregoing, if (i) the beneficiary is a trust for which the grantor's spouse is the sole income beneficiary, (ii) payments are being made pursuant to this paragraph II-4 other than in a lump sum and (iii) income earned by the trust fund for the year exceeds the amount of the annual installment payment, then such trust may elect to withdraw such excess income by written notice to the trustee. Each designation shall revoke all prior designations, shall be in writing and shall be effective only when filed by the grantor with the administrator during the grantor's lifetime. If the grantor fails to direct a method of distribution, the distribution shall be made in a lump sum. 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 in a lump sum to the executor or administrator of the grantor's estate.

II-5 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

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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-6 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 obligations of the United States Government and its agencies or which are backed by the full faith and credit of the United States Government or in any mutual fund, common trust fund or collective investment fund which invests solely in such obligations; 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 consider 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

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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 advice 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. STATEMENTS. The trustee shall prepare and deliver monthly to the administrator and annually 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 reporting period; and showing the trust fund and the value thereof at the end of such period.

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

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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; and 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.

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 (30) days' advance written notice to the administrator

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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.

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

Grantor

The Northern Trust Company as Trustee
By

Its

Exhibit 10.10

Amended and Restated effective January 1, 2008

ABBOTT LABORATORIES NON-EMPLOYEE DIRECTORS' FEE PLAN

SECTION 1.
PURPOSE

ABBOTT LABORATORIES NON-EMPLOYEE DIRECTORS' FEE PLAN - referred to below as the "Plan" - has been established by ABBOTT LABORATORIES - referred to below as the "Company" - to attract and retain as members of its Board of Directors persons who are not full-time employees of the Company or any of its subsidiaries but whose business experience and judgment are a valuable asset to the Company and its subsidiaries.

SECTION 2.
DIRECTORS COVERED

As used in the Plan, the term "Director" means any person who is elected to the Board of Directors of the Company in April, 1962 or at any time thereafter, and is not a full-time employee of the Company or any of its subsidiaries.

SECTION 3.
FEES PAYABLE TO DIRECTORS

3.1 Each Director shall be entitled to a deferred monthly fee of Eight Thousand Dollars ($8,000.00) for each calendar month or portion thereof (excluding the month in which he is first elected a Director) that he holds such office with the Company.

3.2 A Director who serves as Chairman of the Executive Committee of the Board of Directors shall be entitled to a deferred monthly fee of One Thousand Six Hundred Dollars ($1,600.00) for each calendar month or portion thereof (excluding the month in which he is first elected to such position) that he holds such position.

3.3 Audit Committee Fees

(a) A Director who serves as Chairman of the Audit Committee of the Board of Directors shall be entitled to a deferred monthly fee of One Thousand Five Hundred Dollars ($1,500.00) for each calendar month or portion thereof (excluding the month in which he is first elected to such position) that he holds such position.

(b) Each Director who serves on the Audit Committee of the Board of Directors (other than the Chairman of the Audit Committee) shall be entitled to a deferred monthly fee of Five Hundred Dollars ($500.00) for each calendar month or portion thereof (excluding the month in which he is first elected to such position) that he holds such position.

3.4 A Director who serves as Chairman of the Compensation Committee of the Board of Directors shall be entitled to a deferred monthly fee of One Thousand Dollars ($1,000.00) for each calendar month or portion thereof (excluding the month in which he is first elected to such position) that he holds such position.

3.5 A Director who serves as Chairman of the Nominations Committee of the Board of Directors shall be entitled to a deferred monthly fee of One Thousand Dollars ($1,000.00) for each calendar month or portion thereof (excluding the month in which he is first elected to such position) that he holds such position.

3.6 A Director who serves as Chairman of any other Committee created by this Board of Directors shall be entitled to a deferred monthly fee of One Thousand Dollars ($1,000.00) for each calendar month or portion thereof (excluding the month in which he is first elected to such position) that he holds such position.

3.7 A Director's Deferred Fee Account shall be credited with interest annually. During the calendar years 1968 and prior, the rate of interest credited to deferred fees shall be four (4) percent per annum. During the calendar years 1969 through 1992, the rate of interest credited to deferred fees shall be the average of the prime rates being charged by the two largest commercial banks in the City of Chicago as of the end of the month coincident with or last preceding the date upon which said interest is so credited. During the calendar years 1993 through 2007, the rate of interest credited to deferred fees shall be equal to: (a) the average of the prime rates being charged by the two largest commercial banks in the City of Chicago as of the end of the month coincident with or last preceding the date upon which said interest is so credited; plus (b) two hundred twenty-five (225) basis points. For the calendar year 2008 and subsequent years, the rate of interest credited to deferred fees shall be equal to: (a) the average of the "prime rate" of interest published by The Wall Street Journal (Mid-West Edition) or comparable successor quotation service on the first business day of January and the last business day of each month of the fiscal year; plus (b) two hundred twenty-five (225) basis points. For purposes of this provision, the term "deferred fees" shall include "deferred monthly fees," and "deferred meeting fees," and shall also include any such interest credited thereon.

3.8 For purposes of Sections 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6, the automatic deferral of the fees specified therein shall be subject to a Director's election to receive such fees currently pursuant to Section 4.1 or Section 9.1 of the Plan.

SECTION 4.
PAYMENT OF DIRECTORS' FEES

4.1 Any Director may, by written notice filed with the Secretary of the Company no later than December 31 in a calendar year, elect to receive current payment of all or any portion of the monthly and meeting fees earned by him in calendar years subsequent to the calendar year in which he files such notice, in which case such fees shall not be deferred but shall be paid quarterly as earned and no interest shall be credited thereon. Such election shall be

irrevocable as of December 31 of the year prior to the year in which the fees will be earned. Notwithstanding the timing requirements described above, an individual who is newly elected as a Director may make the election described above by filing it with the Secretary of the Company

within the thirty (30) day period immediately following the date he or she first becomes a Director eligible to participate in the Plan (and all plans that would be aggregated with the Plan pursuant to Treasury Regulation §1.409A-1(c)(2)(i)), provided, that the compensation subject to such election relates solely to services performed after the date of such election and provided further, that such election shall become irrevocable on the thirtieth day following the date he or she first becomes a Director eligible to participate in the Plan. In no event shall the fees subject to an election under this Section 4.1 be paid later than the last day of the "applicable 2 ½ month period", as such term is defined in Treasury Regulation § 1.409A-1(b)(4)(i)(A). Any Director who has previously provided notice pursuant to this Section 4.1 may, by written notice filed with the Secretary of the Company no later than December 31 in a calendar year, elect to defer payment of all or a portion of the monthly and meeting fees earned by him in calendar years subsequent to the year in which he files such notice, in which case such fees shall be paid to him in accordance with Section 4.2 below.

4.2 A Director's deferred fees earned pursuant to the Plan shall commence to be paid on the first day of the calendar month next following the earlier of his death or his attainment of age sixty-five (65) if he is not then serving as a Director, or the termination of his service as a Director if he serves as a Director after the attainment of age sixty-five (65).

4.3 A Director's deferred fees that have commenced to be payable pursuant to Section 4.2 shall be payable in annual installments in the order in which they shall have been deferred (i.e. the deferred fees and earnings thereon for the earliest year of service as a Director will be paid on the date provided for in Section 4.2, the deferred fees for the next earliest year of service as a Director will be paid on the anniversary of the payment of the first installment, etc.).

4.4 A Director's deferred fees shall continue to be paid until all deferred fees which he is entitled to receive under the Plan shall have been paid to him (or, in case of his death, to his beneficiary).

4.5 If a Director incurs a termination of service as a Director within two (2) years following the occurrence of a Change in Control (as defined below), the aggregate unpaid balance of such Director's deferred fees plus all unpaid interest credited thereon, shall be paid to such Director in a lump sum within thirty (30) days following the date of such termination of service; provided, however, that if such Change in Control does not constitute a "change in control event" (as defined in Treasury Regulation § 1.409A-3(i)(5)), then the aggregate unpaid balance of such Director's deferred fees shall be paid in accordance with Sections 4.2 and 4.3.

Notwithstanding any other provision of the Plan, if a Director has made the alternative election set forth in Section 9.1, and if such Director incurs a termination of service as a Director within five (5) years following the occurrence of a Change in Control, the aggregate unpaid balance of such Director's fees deposited to the Director's Grantor Trust (as defined below) plus all unpaid interest credited thereon, shall be paid to such Director from the Director's Grantor Trust in a lump sum within thirty (30) days following the date of such termination of service.

4.6 A "Change in Control" shall be deemed to have occurred on the earliest of the following dates:

(i) the date any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 20% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (a) of paragraph (iii) below; or

(ii) the date the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board of Directors or nomination for election by the Company's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or

(iii) the date on which there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation or other entity, other than (a) a merger or consolidation (I) immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the Board of Directors of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof and (II) which results in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company, at least 50% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (b) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the

Company or its Affiliates) representing 20% or more of the combined voting power of the Company's then outstanding securities; or

(iv) the date the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by shareholders of the Company, in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company, in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

For purposes of this Plan: "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act; "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act; "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time; and "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company.

4.7 A "Potential Change in Control" shall exist during any period in which the circumstances described in paragraphs (i), (ii), (iii) or (iv), below, exist (provided, however, that a Potential Change in Control shall cease to exist not later than the occurrence of a Change in Control):

(i) The Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control, provided that a Potential Change in Control described in this paragraph (i) shall cease to exist upon the expiration or other termination of all such agreements.

(ii) Any Person (without regard to the exclusions set forth in subsections (i) through (iv) of such definition) publicly announces an intention to take or to consider taking actions the consummation of which would constitute a Change in Control; provided that a Potential Change in Control described in this paragraph (ii) shall cease to exist upon the withdrawal of such intention, or upon a determination by the Board of Directors that there is no reasonable chance that such actions would be consummated.

(iii) Any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 10% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities (not including any securities beneficially owned by such Person which are or were acquired directly from the Company or its Affiliates).

(iv) The Board of Directors adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control exists; provided that a Potential Change in Control described in this paragraph (iv) shall cease to exist upon a determination by the Board of Directors that the reasons that gave rise to the resolution providing for the existence of a Potential Change in Control have expired or no longer exist.

4.8 The provisions of Sections 4.5, 4.6, 4.7 and this Section 4.8 may not be amended or deleted, nor superseded by any other provision of this Plan, (i) during the pendency of a Potential Change in Control and (ii) during the period beginning on the date of a Change in Control and ending on the date five (5) years following such Change in Control.

SECTION 5.
DIRECTORS' RETIREMENT BENEFIT

5.1 Effective April 30, 1998, each of the persons serving as a Director on December 12, 1997 shall be credited with a retirement benefit of $4,167 a month for 120 months of continuous service and no additional retirement benefits shall accrue under the Plan. Each of the persons serving as a Director on December 12, 1997 may elect: (a) to have his or her retirement benefit under the Plan treated as provided in Section 5.2 of the Plan; or (b) to have the present value of that retirement benefit credited to an unfunded phantom stock account and converted into phantom stock units based on the closing price of the Company's common stock on April 30, 1998, with those phantom stock units then being credited with the same cash and stock dividends,

stock splits and other distributions and adjustments as are paid on the Company's common stock. The phantom stock units shall be payable to the Director in annual payments commencing on the first day of the calendar month next following the earlier of the Director's death or termination of service as a Director, in an amount determined by the closing price of the Company's common stock on the first business day preceding the payment date. Unless the retirement

benefit is terminated, the annual benefit shall continue to be paid on the anniversary of the day on which the first such retirement benefit payment was made, until the benefit has been paid for ten years, or until the death of the Director or surviving spouse, if earlier. If a Director should die with such benefit still in effect, prior to receipt of all payments due hereunder, the annual benefit shall continue to be paid to the surviving spouse of such Director until all payments due hereunder have been made or until the death of the surviving spouse, if earlier.

5.2 Any person serving as a Director on December 12, 1997 who elects to have his or her retirement benefit paid pursuant to this Section 5.2 shall receive a monthly benefit equal to $4,167. Payment of the monthly benefit shall commence on the first day of the calendar month next following the earlier of the Director's death or termination of service as a Director. Unless the retirement benefit is terminated, the monthly benefit shall continue to be paid on the first day of each calendar month thereafter, until the benefit has been paid for one hundred and twenty (120) months, or until the death of the Director or surviving spouse, if earlier. If a Director should die with such benefit still in effect, prior to receipt of all payments due hereunder, the monthly benefit shall continue to the surviving spouse of such Director until all payments due hereunder have been made or until the death of the surviving spouse, if earlier.

5.3 Directors who retired on or before December 12, 1997 will receive the form and amount of retirement benefit payable under the terms of the Plan in effect at the time of their retirement.

5.4 Each Director who is granted a retirement benefit hereunder shall make him or herself available for such consultation with the Board of Directors or any committee or member thereof, as may be reasonably requested from time to time by the Chairman of the Board of Directors, following such Director's termination of service as a Director. The Company shall reimburse each such Director for all reasonable travel, lodging and subsistence expenses incurred by the Director at the request of the Company in rendering such consultation. The Company may terminate the retirement benefit if the Director should fail to render such consultation, unless prevented by disability or other reason beyond the Director's control.

5.5 It is recognized that during a Director's period of service as a Director and as a consultant hereunder, a Director will acquire knowledge of the affairs of the Company and its subsidiaries, the disclosure of which would be contrary to the best interests of the Company. Accordingly, the Company may terminate the retirement benefit if, without the express consent of the Company, the Director accepts election to the Board of Directors of, acquires a partnership or proprietary interest in, or renders services as an employee or consultant to, any business entity which is engaged in substantial competition with the Company or any of its subsidiaries.

5.6 An individual will be considered a Director's "surviving spouse" for purposes of Section 5 only if the Director and such individual were married in a religious or civil ceremony

recognized under the laws of the state where the marriage was contracted and the marriage remained legally effective at the date of the Director's death.

SECTION 6.
CONVERSION TO COMMON STOCK UNITS

6.1 Any Director who is then serving as a director may, by written notice filed with the Secretary of the Company, irrevocably elect to have all or any portion of deferred fees previously earned but not yet paid, transferred from the Director's Deferred Fee Account to a Stock Account established under this Section 6. Any election as to a portion of such fees shall be expressed as a percentage and the same percentage shall be applied to all such fees regardless of the calendar year in which earned or to all deferred fees earned in designated calendar years, as specified by the Director. A Director may make no more than one notional investment election under this Section 6.l in any calendar year. All such elections may apply only to deferred fees for which an election has not previously been made and shall be irrevocable.

6.2 Any Director may, by written notice filed with the Secretary of the Company, elect to have all or any portion of deferred fees earned subsequent to the date such notice is filed credited to a Stock Account established under this Section 6. Fees covered by such election shall be credited to such account at the end of each calendar quarter in, or for which, such fees are earned. Such election may be revoked or modified by such Director, by written notice filed with the Secretary of the Company, as to deferred fees to be earned in calendar years subsequent to the calendar year such notice is filed, but shall be irrevocable as to deferred fees earned prior to such year.

6.3 Deferred fees credited to a Stock Account under Section 6.1 shall be converted to Common Stock Units by dividing the deferred fees so credited by the closing price of common shares of the Company on the date the notice of election under Section 6 is received by the Company (or the next business day, if there are no sales on such date) as reported on the New York Stock Exchange Composite Reporting System. Deferred fees credited to a Stock Account under Section 6.2 shall be converted to Common Stock Units by dividing the deferred fees so credited by the closing price of common shares of the Company as of the last business day of the calendar quarter for which the credit is made, as reported on the New York Stock Exchange Composite Reporting System.

6.4 Each Common Stock Unit shall be credited with (or adjusted for) the same cash and stock dividends, stock splits and other distributions and adjustments as are received by or applicable to one common share of the Company. All cash dividends and other cash distributions credited to Common Stock Units shall be converted to additional Common Stock Units by dividing each such dividend or distribution by the closing price of common shares of the Company on the payment date for such dividend or distribution, as reported by the New York Stock Exchange Composite Reporting System.

6.5 The value of the Common Stock Units credited each Director shall be paid the Director in cash on the dates specified in Section 4.3 (or, if applicable, Section 4.5). The amount of each payment shall be determined by multiplying the Common Stock Units payable on each date specified in Section 4.3 (or, if applicable, Section 4.5) by the closing price of common

shares of the Company on the day prior to the payment date (or the next preceding business day if there are no sales on such date), as reported by the New York Stock Exchange Composite Reporting System.

SECTION 7.
MISCELLANEOUS

7.1 Each Director or former Director entitled to payment of deferred fees hereunder, from time to time may name any person or persons (who may be named contingently or successively) to whom any deferred Director's fees earned by him and payable to him are to be paid in case of his death before he receives any or all of such deferred Director's fees. Each designation will revoke all prior designations by the same Director or former Director, shall be in form prescribed by the Company, and will be effective only when filed by the Director or former Director in writing with the Secretary of the Company during his lifetime. If a deceased Director or former Director shall have failed to name a beneficiary in the manner provided above, or if the beneficiary named by a deceased Director or former Director dies before him or before payment of all the Director's or former Director's deferred Directors' fees, the Company, in its discretion, may direct payment of the remaining installments required by Section 4.3 to either:

(a) any one or more or all of the next of kin (including the surviving spouse) of the Director or former Director, and in such proportions as the Company determines; or

(b) the legal representative or representatives of the estate of the last to die of the Director or former Director and his last surviving beneficiary.

The person or persons to whom any deceased Director's or former Director's deferred Directors' fees are payable under this Section will be referred to as his "beneficiary."

7.2 Establishment of the Plan and coverage thereunder of any person shall not be construed to confer any right on the part of such person to be nominated for reelection to the Board of Directors of the Company, or to be reelected to the Board of Directors.

7.3 Payment of deferred Directors' fees will be made only to the person entitled thereto in accordance with the terms of the Plan, and deferred Directors' fees are not in any way subject to the debts or other obligations of persons entitled thereto, and may not be voluntarily or involuntarily sold, transferred or assigned. When a person entitled to a payment under the Plan is under legal disability or, in the Company's opinion, is in any way incapacitated so as to be unable to manage his financial affairs, the Company may direct that payment be made to such person's legal representative, or to a relative or friend of such person for his benefit. Any payment made in accordance with the preceding sentence shall be in complete discharge of the Company's obligation to make such payment under the Plan.

7.4 Any action required or permitted to be taken by the Company under the terms of the Plan shall be by affirmative vote of a majority of the members of the Board of Directors then in office.

7.5 Notwithstanding anything in the Plan to the contrary, any amounts under the Plan that were earned and vested before January 1, 2005 (as determined in accordance with Code Section 409A) with respect to a Director who retired before January 1, 2005 ("Grandfathered Amounts") shall be subject to the terms and conditions of the Plan as administered and as in effect on December 31, 2004. Amendments made to the Plan pursuant to this amendment and restatement or otherwise shall not affect the Grandfathered Amounts unless expressly provided for in the amendment. The terms and conditions applicable to the Grandfathered Amounts are set forth in Exhibit A attached hereto.

7.6 To the extent applicable, it is intended that the Plan comply with the provisions of Section 409A of the Code. The Plan will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Plan to fail to satisfy Section 409A of the Code will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Section 409A of the Code). Notwithstanding anything contained herein to the contrary, for all purposes of this Plan, a Director shall not be deemed to have had a termination of service as a Director until the Director has incurred a separation from service as defined in Treasury Regulation §1.409A-1(h) and, to the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A and applicable guidance issued thereunder, payment of the amounts payable under the Plan that would otherwise be payable during the six-month period after the date of termination shall instead be paid on the first business day after the expiration of such six-month period, plus interest thereon, at a rate equal to the rate specified in Section 9-8 (to the extent that such interest is not already provided to the participant under subsection 9.10), from the respective dates on which such amounts would otherwise have been paid until the actual date of payment. In addition, for purposes of the Plan, each amount to be paid and each installment payment shall be construed as a separate identified payment for purposes of Section 409A of the Code.

SECTION 8.
AMENDMENT AND DISCONTINUANCE

While the Company expects to continue the Plan, it must necessarily reserve, and does hereby reserve, the right to amend or discontinue the Plan at any time; provided, however, that any amendment or discontinuance of the Plan shall be prospective in operation only, and shall not affect the payment of any deferred Directors' fees theretofore earned by any Director, or the conditions under which any such fees are to be paid or forfeited under the Plan. Any discontinuance of the Plan by the Company shall comply with the requirements of Section 409A of the Code.

SECTION 9.
ALTERNATE PAYMENT OF FEES

9.1 By written notice filed with the Secretary of the Company prior to each calendar year beginning after December 31, 1988, a Director may elect to receive all or a portion of his fees earned in the following calendar year in accordance with the provisions of Section 9. An election under this Section 9.1 shall become irrevocable as of December 31 of the calendar year prior to the year in which such monthly and meeting fees will be earned (or, in the case of a new Director, on the 30th day following the Director's first participation in the Plan and all plans that

would be aggregated with the Plan pursuant to Treasury Regulation §1.409A-1(c)(2)(i), provided, that the compensation subject to such election relates solely to services performed after the date of such election).

9.2 If payment of a Director's fees is made pursuant to Section 9.1, such fees shall not be deferred and a portion of such fees shall be paid currently in cash for the Director directly to a "Grantor Trust" established by the Director, provided such trust is in a form which the Company determines to be substantially similar to the trust attached to this plan as Exhibit B; and the balance of the fees shall be paid currently in cash directly to the Director, provided that the payment made directly to the Director shall equal the aggregate federal, state and local individual income taxes attributable to the fees paid pursuant to this Section 9.2 (determined in accordance with Section 9.14). In no event shall such fees be paid to the Grantor Trust or directly to the Director later than the last day of the "applicable 2 ½ month period", as such term is defined in Treasury Regulation § 1.409A-1(b)(4)(i)(A).

9.3 The Company will establish and maintain four separate accounts in the name of each Director who has made an election under Section 9.1 as follows: a "Pre-Tax Fee Account", an "After-Tax Fee Account", a "Pre-Tax Stock Account" and an "After-Tax Stock Account" (collectively, the "Accounts").

(a) The Pre-Tax Fee Account shall reflect any fees paid in cash to a Director (including amounts deposited to a Director's Grantor Trust) pursuant to Section 9.2, and interest to be credited to a Director pursuant to Section 9.8. The After-Tax Fee Account shall also reflect such amounts but shall be maintained on an after-tax basis.

(b) The Pre-Tax Stock Account shall reflect the total amount of fees converted to Common Stock Units pursuant to Section 6 and any adjustments made pursuant to that Section and Section 9.9. The After-Tax Stock Account shall also reflect such amounts but shall be maintained on an after-tax basis.

(c) The Accounts established pursuant to this Section 9.3 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.

9.4 As of the end of each calendar year, the Company shall adjust each Director's Pre-Tax Fee Account as follows:

(a) FIRST, charge, in any year in which the Director is entitled to receive a distribution from his or her Grantor Trust, an amount equal to the distribution from the fee account maintained thereunder that would have been made to the Director if the aggregate amounts paid according to Section 9.2 had instead been deferred under Section 3;

(b) NEXT, credit an amount equal to any fees for that year, not converted to Common Stock Units, that are paid to the Director (including the amount deposited in the participant's Grantor Trust) according to Section 9.2; and

(c) FINALLY, credit an amount equal to the Interest earned for that year according to Section 9.8.

9.5 As of the end of each calendar year, the Company shall adjust each Director's After-Tax Fee Account as follows:

(a) FIRST, charge, in any year in which the Director is in receipt of a benefit distribution from his or her Grantor Trust, an amount equal to the product of (i) the distribution that would have been made to the Director if the aggregate amounts paid according to Section 9.2 had instead been deferred under Section 3, multiplied by (ii) a fraction, the numerator of which is the balance in the Director's After-Tax Fee Account as of the end of the prior fiscal year and the denominator of which is the balance of the Director's Pre-Tax Fee Account as of that same date;

(b) NEXT, credit an amount equal to the fees not converted to Common Stock Units that are paid that year to the Director directly to the Director's Grantor Trust according to Section 9.2; and

(c) FINALLY, credit an amount equal to the After-Tax Interest earned for that year according to Section 9.8

9.6 As of the end of each calendar year, the Company shall adjust each Director's Pre-Tax Stock Account as follows:

(a) FIRST, charge, in any year in which the Director is entitled to receive a distribution from his or her Grantor Trust, an amount equal to the distribution that would have been made to the Director if the aggregate amount of fees paid according to Section 9.2 had instead been deferred under Section 3 and the adjustments had been made under Section 6;

(b) NEXT, credit an amount equal to any fees for that year that are converted to Common Stock Units and paid to the Director (including the amount deposited in the Director's Grantor Trust to the stock account maintained thereunder) according to Section 9.2;

(c) NEXT, credit an amount equal to the net earnings of the Director's Grantor Trust for the year; and

(d) FINALLY, credit an amount equal to the Book Value Adjustments to be made for that year according to Section 9.9.

9.7 As of the end of each calendar year, the Company shall adjust each Director's After-Tax Stock Account as follows:

(a) FIRST, charge, in any year in which the Director is entitled to receive a distribution from his or her Grantor Trust, an amount equal to the product of (i) the distribution that would have been made to the Director if the aggregate amounts paid according to Section 9.2 had instead been deferred under Section 3 and the adjustments had been made under Section 6, multiplied by (ii) a fraction, the numerator of which is the balance in the Director's After-Tax Stock Account as of the end of the prior fiscal year

and the denominator of which is the balance of the Director's Pre-Tax Stock Account as of that same date;

(b) NEXT, credit an amount equal to the fees converted to Common Stock Units that are paid that year to the Director directly to the Director's Grantor Trust and allocated to the stock account maintained thereunder according to Section 9.2; and

(c) NEXT, credit an amount equal to the net earnings of the Director's Grantor Trust for the year; and

(d) FINALLY, credit an amount equal to the Book Value Adjustments to be made for that year according to Section 9.9.

9.8

(a) As of the end of each calendar year, a Director's Pre-Tax Fee Account shall be credited with interest ("Interest") at the following rate:

(i) the average of the "prime rate" of interest published by the Wall Street Journal (Mid-West Edition) or comparable successor quotation service on the first business day of January and the last business day of each month of the fiscal year;

(ii) plus two hundred twenty-five (225) basis points.

(b) As of the end of each calendar year, a Director's After-Tax Fee Account shall be credited with the amount of Interest set forth above, multiplied by (one minus the aggregate of the applicable federal, state and local individual income tax rates determined in accordance with subsection 9.14 (the "After-Tax Interest")).

9.9 As of the end of each calendar year, a Director's Pre-Tax Stock Account and After-Tax Stock Account shall be adjusted as provided in Section 6.4, to the extent applicable, and shall also be adjusted to reflect the increase or decrease in the fair market value of the Company's common stock determined in accordance with Section 6.5, except that (i) any reference to the payment date in such Section shall mean December 31 of the applicable calendar year for purposes of this Section, and (ii) adjustments to the After-Tax Stock Account shall be made on an after-tax basis. Such adjustments shall be referred to as "Book Value Adjustments."

9.10 In addition to any fees paid to a Director's Grantor Trust under Section 9.2 during the year, the Company shall also make a payment to a Director's Grantor Trust (a "Guaranteed Rate Payment") for each year in which the Grantor Trust is in effect. The Guaranteed Rate Payment shall equal the excess, if any, of the Director's Net Interest Accrual (as defined below) over the net earnings of the Director's deferred account maintained under the Director's Grantor Trust for the year, and shall be paid within the thirty (30) days beginning April 1 of the following calendar year. A Director's Net Interest Accrual for a year is an amount equal to the After-Tax Interest credited to the Director's After-Tax Fee Account for that year in accordance with Section 9.8(b).

9.11 In addition to the fees paid under Section 9.2 during the year and the Guaranteed Rate Payment described above, the Company shall also make a payment to a Director's Grantor

Trust (a "Guaranteed Principal Payment") for each year in which the Grantor Trust is in effect, to be credited to the stock account maintained thereunder. The "Guaranteed Principal Payment" shall equal the excess, if any, of 75 percent of the balance of the Director's After-Tax Stock Account on December 31 over the balance in the stock account maintained under the Director's Grantor Trust as of that same date. For the calendar year in which the last installment distribution is made from the Director's Grantor Trust (meaning, the year that is X years following the year of the event triggering the payments, where X is the same number of years served by the Director), the payment made under this Section 9.11 shall equal the excess, if any, of 100 percent of the balance of the Director's After-Tax Stock Account over the balance in the stock account maintained under the Director's Grantor Trust as of that same date. Any Guaranteed Principal Payment required under this Section 9.11 shall be made within the thirty (30) days beginning April 1 of the following calendar year.

9.12 Each Director's Grantor Trust assets shall be invested solely in the instruments specified by investment guidelines established by the Committee. Such investment guidelines, once established, may be changed by the Committee, provided that any change shall not take effect until the year following the year in which the change is made and provided further that the instruments specified shall be consistent with the provisions of Section 3(b) of the form of Grantor Trust attached hereto as Exhibit B.

9.13 In addition to the fees paid under Section 9.2 and the payments provided by Section 9.10 and 9.11, each Director (or, if the Director is deceased, the beneficiary designated under the Director's Grantor Trust) shall be entitled to a Tax Gross Up payment for each year in which the Grantor Trust is in effect. The "Tax Gross Up" shall equal: (a) the amount necessary to compensate the Director (or beneficiary) for the net increase in his or her federal, state and local income taxes as a result of the inclusion in the Director's (or beneficiary's) taxable income of the income of his or her Grantor Trust and any Guaranteed Rate and Guaranteed Principal Payments for that year; plus (b) an amount necessary to compensate the Director (or beneficiary) for the net increase in the taxes described in (a) above as a result of the inclusion in his or her taxable income of any payment made pursuant to this Section 9.13. Any Tax Gross-Up payments shall be made no later than the end of the calendar year in which the Director remits the related taxes.

9.14 For purposes of Section 9, a Director'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 this Section 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 Director's residence on the date such a calculation is made, net of any federal tax benefits without a benefit for any net capital losses. Notwithstanding the preceding sentence, if a Director is not a citizen or resident of the United States, his or her income tax rates shall be deemed to be the highest marginal income tax rates actually imposed on the Director's benefits under this Plan or earnings under his or her Grantor Trust without a benefit for any net capital losses.

9.15 If a portion of a Director's fees have been paid to a Grantor Trust pursuant to Section 9.2, then those fees and earnings thereon shall be paid to him or her from the Grantor Trust in the order in which they were earned (i.e., the fees for the earliest year of service as a Director will be the first fees distributed from the Grantor Trust(s), the fees for the next earliest year of service as a Director will be paid on the anniversary of the payment of the first

installment, etc.) The distribution of a Director's fees shall continue until all fees to which the Director is entitled to receive under the Plan shall have been paid in accordance with the terms of the Grantor Trust(s).

Exhibit A

ABBOTT LABORATORIES NON-EMPLOYEE DIRECTORS' FEE PLAN

[Abbott Laboratories Non-Employee Directors' Fee Plan, as amended, as filed as Exhibit 10.1 to the Abbott Laboratories Current Report on Form 8-K dated February 17, 2006.]

Exhibit B

IRREVOCABLE GRANTOR TRUST AGREEMENT

THIS RESTATED AGREEMENT, made this day of , 2008, by and between of , (the "grantor"), and The Northern Trust Company located at Chicago, Illinois, as trustee (the "trustee"),

WITNESSETH THAT:

WHEREAS, the grantor has established a trust known as the " Grantor Trust", dated , to hold certain benefits received by the grantor under the Abbott Laboratories Non-Employee Directors' Fee Plan, as it may be amended from time to time; and

WHEREAS, the grantor, with the consent of the administrator of the referenced trust, desires to amend the agreement creating the referenced trust ("trust agreement") in many respects and believes the trust agreement, as so amended, would be easier to understand if restated.

NOW, THEREFORE, the grantor amends the trust agreement by substituting for it and all prior amendments the following provisions which set forth all of the terms and conditions relating to the administration, investment and distribution of the trust property after this date:

ARTICLE I
Introduction

I-1. Name. This agreement and the trust hereby evidenced (the "trust") may be referred to as the " 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 "deferred account" and a "stock account." Funds delivered to the trustee shall be allocated between the accounts by the trustee 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 income and realized gains and charge each account with its share of expenses and realized losses for the year. The trustee shall be required to make separate investments of the trust fund for the accounts, and may not 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 termination of service as a Director 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 trust fund to the grantor, if then living, in a series of annual installments, commencing on the first day of the month next following the later of the grantor's settlement date or the date the grantor attains age 65 years.

The administrator shall inform the trustee of the number of installment distributions and the amount of each installment distribution under this paragraph II-2, and the trustee shall be fully protected in relying on such information received from the administrator.

II-3. Distributions After the Grantor's Death. The grantor, from time to time may name any person or persons (who may be named contingently or successively and who may be natural persons or fiduciaries) to whom the principal of the trust fund and all accrued or undistributed income thereof shall be distributed in a lump sum or, if the beneficiary is the grantor's spouse (or a trust for which the grantor's spouse is the sole income beneficiary), in installments, as directed by the grantor, upon the grantor's death. If the grantor directs an installment method of distribution to the spouse as beneficiary, any amounts remaining at the death of the spouse beneficiary shall be distributed in a lump sum to the executor or administrator of the spouse beneficiary's estate. If the grantor directs an installment method of distribution to a trust for which the grantor's spouse is the sole income beneficiary, any amounts remaining at the death of the spouse shall be distributed in a lump sum to such trust. Despite the foregoing, if (i) the beneficiary is a trust for which the grantor's spouse is the sole income beneficiary, (ii) payments are being made pursuant to this paragraph II-3 other than in a lump sum and (iii) income earned by the trust fund for the year exceeds the amount of the annual installment payment, then such trust may elect to withdraw such excess income by written notice to the trustee. Each designation shall revoke all prior designations, shall be in writing and shall be effective only when filed by the grantor with the administrator during the grantor's lifetime. If the grantor fails to direct a method of distribution, the distribution shall be made in a lump sum. 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 in a lump sum 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 common stock of Abbott Laboratories, 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 or in any mutual fund, common trust fund or collective investment fund which invests solely in such obligations; 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 advice 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. Statements. The trustee shall prepare and deliver monthly to the administrator and annually 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 reporting period; and showing the trust fund and the value thereof at the end of such period.

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; and 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.

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.

* * &# 160; *

IN WITNESS WHEREOF, the grantor has executed this amending instrument as of the day and year first above written.

_____
Grantor

The undersigned, as trustee, acknowledges receipt of the foregoing amending instrument as of the day and year first above written.

The Northern Trust Company as Trustee

By _____

Its _____

The undersigned, as a duly authorized representative of the administrator of the trust, hereby consents to the foregoing amending instrument as of the day and year first above written.

Abbott Laboratories

By _____

Its _____

Exhibit 10.57

Abbott Laboratories

Description of Base Salary of Named Executive Officers

Set forth below are the base salaries, effective December 31, 2009 and March 1, 2010, of Miles D. White, Thomas C. Freyman, John M. Capek, Laura J. Schumacher, and James L. Tyree, all of whom were named executive officers in 2009.

Miles D. White

	Base Salary
December 31, 2009	$ 1,861,700
March 1, 2010	$ 1,900,000

Thomas C. Freyman

	Base Salary
December 31, 2009	$ 919,100
March 1, 2010	$ 946,700

John M. Capek

	Base Salary
December 31, 2009	$ 615,900
March 1, 2010	$ 634,400

Laura J. Schumacher

	Base Salary
December 31, 2009	$ 803,400
March 1, 2010	$ 827,500

James L. Tyree

	Base Salary
December 31, 2009	$ 723,100
March 1, 2010	$ 744,800

Exhibit 12

Abbott Laboratories
Computation of Ratio of Earnings to Fixed Charges
(Unaudited)
(dollars in millions)

	2009	2008	2007	2006	2005
EARNINGS FROM CONTINUING OPERATIONS ADD (DEDUCT)	$ 5,746	$ 4,734	$ 3,606	$ 1,717	$ 3,372
Taxes on earnings from continuing operations	1,448	1,122	863	559	1,248
Amortization of capitalized interest, net of capitalized interest	(4)	6	(25)	(28)	(16)
Noncontrolling interest in subsidiaries	7	7	9	8	9
EARNINGS FROM CONTINUING OPERATIONS AS ADJUSTED	$ 7,197	$ 5,869	$ 4,453	$ 2,256	$ 4,613
FIXED CHARGES Interest on long-term and short-term debt	520	528	593	416	241
Capitalized interest cost	23	17	42	43	29
Rental expense representative of an interest factor	94	77	69	66	64
TOTAL FIXED CHARGES	637	622	704	525	334
TOTAL ADJUSTED EARNINGS FROM CONTINUING OPERATIONS AVAILABLE FOR PAYMENT OF FIXED CHARGES	$ 7,834	$ 6,491	$ 5,157	$ 2,781	$ 4,947
RATIO OF EARNINGS FROM CONTINUING OPERATIONS TO FIXED CHARGES	12.3	10.4	7.3	5.3	14.8

NOTE: For the purpose of calculating this ratio, (i) earnings from continuing operations have been calculated by adjusting earnings from continuing operations for taxes on earnings from continuing operations; interest expense; amortization of capitalized interest, net of capitalized interest; noncontrolling interest in subsidiaries; and the portion of rentals representative of the interest factor, (ii) Abbott 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 21

SUBSIDIARIES OF ABBOTT LABORATORIES

The following is a list of subsidiaries of Abbott Laboratories as of February 15, 2010. Abbott Laboratories is not a subsidiary of any other corporation. Where ownership of a subsidiary is less than 100% by Abbott Laboratories or an Abbott Laboratories' subsidiary, such has been noted by designating the percentage of ownership.

Domestic Subsidiaries	Incorporation
Abbott Administration Inc.	Delaware
Abbott Bioresearch Center, Inc.	Delaware
Abbott Biotech Ventures Inc.	Delaware
Abbott Cardiovascular Systems Inc.	California
Abbott Cardiovascular, Inc.	Delaware
Abbott Delaware Inc.	Delaware
Abbott Diabetes Care Inc.	Delaware
Abbott Diabetes Care Sales Corporation	Delaware
Abbott Endocrine Inc.	Delaware
Abbott Endocrinology Inc.	Delaware
Abbott Equity Investments LLC	Delaware
Abbott Exchange Inc.	Delaware
Abbott Health Products, Inc.	Delaware
Abbott Home Infusion Services of New York, Inc.	New York
Abbott International LLC	Delaware
Abbott Investment Holdings Corporation	Delaware
Abbott Laboratories Inc.	Delaware
Abbott Laboratories International Co.	Illinois
Abbott Laboratories Pacific Ltd.	Illinois
Abbott Laboratories Purchasing Company, LLC	Delaware
Abbott Laboratories Residential Development Fund, Inc.	Illinois
Abbott Laboratories Services Corp.	Illinois
Abbott Laboratories (Puerto Rico) Incorporated	Puerto Rico
Abbott Management Corporation	Delaware
Abbott Medical Optics Inc.	Delaware
Abbott Mexico LLC	Delaware
Abbott Molecular Inc.	Delaware
Abbott Nutrition Manufacturing Inc.	Delaware
Abbott Personnel Inc.	Delaware
Abbott Pharmaceutical Corporation	Delaware
Abbott Point of Care Inc.	Delaware

Abbott Resources Inc.	Delaware
Abbott Resources International Inc.	Delaware
Abbott Respiratory LLC	Delaware
Abbott Trading Company, Inc.	Virgin Islands
Abbott Universal Ltd.	Delaware
Abbott Vascular Inc.	Delaware
Abbott Vascular Solutions Inc.	Indiana
Abbott Ventures Inc.	Delaware
Aeropharm Technology, LLC	Delaware
AMO Development, LLC	Delaware
AMO Holdings, Inc.	Delaware
AMO Manufacturing USA, LLC	Delaware
AMO Nominee Holdings, LLC	Delaware
AMO Sales and Service, Inc.	Delaware
AMO Spain Holdings, LLC	Delaware
AMO U.K. Holdings, Inc.	Delaware
AMO US Holdings, Inc.	Delaware
AMO USA Sales Holdings, Inc.	Delaware
AMO USA, LLC	Delaware
AMO WaveFront Sciences, LLC	New Mexico
Aspen Acquisition I, Inc.	Delaware
AVI Corp.	Delaware
Bioabsorbable Vascular Solutions, Inc.	Delaware
BioDisplay Technologies, Inc.	Illinois
CG Nutritionals, Inc.	Delaware
CMM Transportation, Inc.	Delaware

CynoGen Inc.	Delaware
Evalve International Inc.	Delaware
Evalve, Inc.	Delaware
Fournier Pharma, Corp.	Delaware
Gene-Trak Systems Industrial Diagnostics Corp.	Delaware
Gene-Trak, Inc.	Delaware
Ibis Biosciences, Inc.	Delaware
IEP Pharmaceutical Devices, LLC	Florida
IMTC Technologies, Inc.	Delaware
Innogenetics Inc.	Georgia
Integrated Surgical Solutions, LLC	Delaware

Integrated Vascular Systems, Inc.	Delaware
i-STAT Europe, Inc.	Delaware
IVD Instruments, LLC	Delaware
Knoll LLC	Puerto Rico
Knoll Pharmaceutical Company	New Jersey
Kos Pharmaceuticals, Inc.	Delaware
Murex Diagnostics, Inc.	Delaware
Natural Supplement Association, Incorporated	Colorado
North Shore Properties, Inc.	Delaware
Organics L.L.C.	Delaware
PDD II, LLC	Delaware
PDD, LLC	Delaware
Pegasus One, LLC	Delaware
Quest Vision Technology, Inc.	California
Rowell Laboratories, Inc.	Minnesota
S & G Nutritionals, Inc.	Delaware
Solartek Products, Inc.	Delaware
Solvay Biologicals, LLC	Delaware
Solvay Pharma U.S. Holdings, Inc.	Delaware
Solvay Pharmaceuticals, Inc.	Georgia
Swan-Myers, Incorporated	Indiana
Tobal Products Incorporated	Illinois
Unimed Pharmaceuticals, LLC	Delaware
Vectoris Corporation	California
Visiogen, Inc.	Delaware
Woodside Biomedical, Inc.	Delaware
X Technologies Inc.	Delaware
ZonePerfect Nutrition Company	Delaware

International Subsidiaries	**Incorporation**
Solvay Pharma Algérie EURL	Algeria
Abbott Laboratories Argentina Sociedad Anonima	Argentina
Murex Argentina S.A.	Argentina
Abbott Australasia Pty Ltd	Australia
AMO Australia Pty Ltd	Australia
EAS Australia Pty Ltd	Australia
Solvay Biosciences Pty Ltd.	Australia

Abbott Gesellschaft m.b.H.	Austria
Solvay-Pharma Gesellschaft m.b.H.	Austria
Abbott Bahamas Overseas Businesses Corporation	Bahamas
Abbott Hospital Limited	Bahamas
Abbott Laboratories (Bangladesh) Limited	Bangladesh
Murex Diagnostics International, Inc.	Barbados
Abbott Belgian Investments SPRL	Belgium
AMO Belgium	Belgium
Abbott Belgian Pension Fund A.S.B.L.	Belgium
Abbott S.A.	Belgium
Abbott Vascular International BVBA	Belgium
Genimmune NV	Belgium
Innogenetics NV	Belgium
Solvay Pharma SA	Belgium
Abbott Biotechnology Ltd.	Bermuda
Abbott Diagnostics International, Ltd.	Bermuda

Abbott Ireland	Bermuda
Abbott Pharmaceuticals PR Ltd.	Bermuda
Abbott Strategic Opportunities Limited	Bermuda
Abbott Druvsto sa orgranicenom odgovornoscum za trgovinu l usluge	Bosnia
Abbott Laboratories do Brasil Ltda.	Brazil
Solvay Farma Ltda	Brazil
Instituto em diagnostico Molecular Theranostica Ltda.	Brazil
Solvay Pharma EOOD	Bulgaria
Abbott (Cambodia) LLC	Cambodia
Abbott Laboratories, Limited	Canada
Abbott Point of Care Canada Limited	Canada
Experimental & Applied Sciences Canada Inc.	Canada
Toba Pharma Inc.	Canada
International Murex Technologies Corporation	Canada
AMO Canada Company	Canada
Solvay Pharma Canada Inc.	Canada
Solvay Pharma, Inc	Canada
Unimed Canada, Inc	Canada
Fournier Pharma, Inc	Canada
AMO Global Holdings	Cayman Islands, B.W.I.
AMO Ireland	Cayman Islands

AMO Puerto Rico Manufacturing, Inc.	Cayman Islands
VISX	Cayman Islands
Abbott Laboratories de Chile Limitada	Chile
Abbott Laboratories de Colombia, S.A.	Colombia
Abbott Healthcare Costa Rica, S.A.	Costa Rica
Abbott Laboratories drustvo s ogranicenom odgovomoscu za trgovinu za i usluge	Croatia
Solvay Pharma d.o.o.	Croatia
Abbott Overseas Subsidiary Holding (Cyprus) Limited	Cyprus
Abbott Laboratories, s.r.o.	Czech Republic
Solvay Pharma s.r.o.	Czech Republic
Abbott Laboratories A/S	Denmark
AMO Denmark ApS	Denmark
Solvay Pharma ApS	Denmark
Abbott Laboratorios del Ecuador Cia. Ltda.	Ecuador
Abbott Limited Egypt LLC	Egypt
Sodufa Ltd	Egypt
Sodufa Pharmaceuticals Ltd	Egypt
Solvay Pharma Egypt LLC	Egypt
Abbott, S.A. de C.V.	El Salvador
Abbott OY	Finland
Solvay Pharma Oy	Finland
AMO France S.A.S.	France
Abbott France Instruments S.A.S.	France
Abbott France S.A.S.	France
Solvay Pharmaceuticals SAS	France
Vivalsol SNC	France
Solvay Pharma SAS	France
Laboratoires Fournier SA	France
Fournier Industrie et Sante SAS	France
Innogenetics France SARL	France
Abbott Biotechnology Deutschland GmbH	Germany
Abbott Deutschland GmbH	Germany
Abbott Diagnostics G.m.b.H.	Germany
Abbott GmbH & Co. KG	Germany
Abbott Holding GmbH	Germany
Abbott Management GmbH	Germany

Abbott Vascular Instruments Deutschland GmbH	Germany
Abbott Vascular Deutschland GmbH	Germany
Visiogen Europe GmbH	Germany
AMO Germany GmbH	Germany
Solvay Arzneimittel GmbH	Germany
Solvay Pharmaceuticals GmbH	Germany
Fournier Pharma GmbH	Germany
Innogenetics GmbH	Germany
Abbott Holding Subsidiary (Gibraltar) Limited	Gibraltar
Abbott Holding (Gibraltar) Limited	Gibraltar
Abbott Asia Subsidiary (Gibraltar) Limited	Gibraltar
Abbott Asia (Gibraltar) Limited	Gibraltar
Abbott Laboratories (Hellas) S.A.	Greece
Fournier Hellas SA	Greece
Solvay Pharma MEPE	Greece
Abbott Grenada Limited	Grenada
Abbott Laboratorios, S.A.	Guatemala
AMO Asia Limited	Hong Kong
Abbott Laboratories Limited	Hong Kong
Abbott Laboratories (Hungary) Health Products and Medical Equipment Trading and Servicing Limited Liability Company	Hungary
Solvay Pharma KFT	Hungary
Abbott Healthcare Private Limited	India
Abbott Medical Optics India Private Limited	India
PT. Abbott Indonesia	India
Solvay Pharma India Limited	India
Abbott India Limited	India
PT Solvay Pharma Indonesia	Indonesia
AMO International Holdings	Ireland
AMO Ireland Export Limited	Ireland
AMO Regional Holdings	Ireland
Abbott Ireland Holdings Limited	Ireland
Abbott Laboratories Vascular Enterprises Limited	Ireland
Abbott Laboratories Ireland, Limited	Ireland
Abbott Mature Products International Limited	Ireland

Abbott Mature Products Management Limited	Ireland
Abbott Nutrition Limited	Ireland
Abbott Products	Ireland
Abbott Vascular Devices Ireland Limited	Ireland
Allergan Trading International Limited	Ireland
BiodivYsio Limited	Ireland
Cartoid Interventional Systems Limited	Ireland
Salviac Limited	Ireland
Mednova Limited	Ireland
Solvay Healthcare Ltd.	Ireland
Fournier Laboratories Ireland ltd.	Ireland
Scorpio Designated Corporation Ltd.	Israel
Abbott AVI s.r.l.	Italy
Abbott S.r.l.	Italy
Abbott Vascular Knoll-Ravizza S.p.A	Italy
Autonomous Employee Welfare Fund for Abbott S.p.A. Dirigenti	Italy
AMO Italy S.R.L.	Italy
Innogenetics S.r.L.	Italy
Solvay Pharma S.p.A.	Italy
Abbott West Indies Limited	Jamaica
AMO Japan K.K.	Japan
Abbott Japan Co. Ltd	Japan
Abbott Vascular Japan Co., Ltd	Japan
Solvay Seiyaku KK	Japan
Abbott Korea Limited	Korea, South
Abbott Laboratories Baltics	Latvia
Abbott Middle East S.A.R.L.	Lebanon
UAB “Abbott Laboratories”	Lithuania
Solvay Pharma UAB	Lithuania
Abbott International Luxembourgh S.ar.l.	Luxembourg
Abbott Investments Luxembourg S.ar.l.	Luxembourg

Abbott Overseas Luxembourg S.ar.l.	Luxembourg
Abbott Asia (Gibraltar) Limited Luxembourg S.C.S.	Luxembourg
Abbott Holding Subsidiary (Gibraltar) Limited Luxembourg S.C.S.	Luxembourg
Abbott Asia Subsidiary (Gibraltar) Limited Luxembourg S.C.S.	Luxembourg
Abbott Holdings Luxembourg S.ar.l Dutch S.C.S.	Luxembourg
Abbott Holdings Luxembourg S.ar.l Swiss S.C.S.	Luxembourg

Abbott Holdings Luxembourg S.ar.l.	Luxembourg
Abbott Laboratories (Malaysia) Sdn. Bhd.	Malaysia
AMO Malta Limited	Malta
Abbott Laboratories de Mexico, S.A. de C.V.	Mexico
I talmex SA	Mexico
Abbott Laboratories (Mozambique) Limitada	Mozambique
Abbott B.V.	Netherlands
Abbott Biotechnology Netherlands B.V.	Netherlands
AMO Groningen B.V.	Netherlands
Abbott Holdings B.V.	Netherlands
Abbott Knoll Investments B.V.	Netherlands
Abbott Laboratories B.V.	Netherlands
Abbott Logistics B.V.	Netherlands
Abbott Nederland C.V.	Netherlands
Abbott PR Holdings B.V.	Netherlands
Abbott Vascular Devices Holland B.V.	Netherlands
AMO Netherlands BV	Netherlands
AMO Groningen B.V.	Netherlands
EAS International B.V.	Netherlands
IMTC Finance B.V.	Netherlands
IMTC Holdings B.V.	Netherlands
MediSense Europe B.V.	Netherlands
Sodufa BV	Netherlands
Solvay Pharmaceuticals BV	Netherlands
Solvay Pharma BV	Netherlands

Octrooibureau Zoan BV	Netherlands
Duphar International Research BV	Netherlands
Solvay Biologicals BV	Netherlands
Abbott Laboratories NZ Limited	New Zealand
EAS Asia/Pacific Limited	New Zealand
Abbott Norge AS	Norway
AMO Norway AS	Norway
Solvay Pharma AS	Norway
Abbott Laboratories (Pakistan) Limited	Pakistan
Abbott Laboratories, C.A.	Panama
Abbott Overseas, S.A.	Panama

Abbott (Guangzhou) Nutritionals Co., Ltd	People’s Republic of China
AMO (Hangzhou) Co., Ltd	People’s Republic of China
AMO (Shanghai) Medical Devices Trading Co., Ltd	People’s Republic of China
Abbott Laboratories Trading (Shanghai) Co., Ltd	People’s Republic of China
Guidant International Trading (Shanghai) Co., Ltd	People’s Republic of China
Shanghai Abbott Pharmaceutical Co., Ltd	People’s Republic of China
Abbott Laboratorios S.A.	Peru
Abbott Laboratories (Phillippines)	Philippines
Union-Madison Realty Company, Inc.	Philippines
Solvay Pharma Inc., Philippines	Philippines
Abbott Laboratories Poland Sp. zo.o	Poland
Solvay Pharma Sp.z.o.o.	Poland
Fournier Polska Sp. z.o.o.	Poland
Abbott Laboratorios, Limitada	Portugal
Abbottfarma-Promocao de Produtos Farmaceuticos, Lda	Portugal
Knoll-Promocao de Produtos Farmaceuticos, Lda	Portugal
MediSense-Promocao de Produtos Farmaceuticos, Lda	Portugal
Premier-Promocao de Produtos Farmaceuticos, Lda	Portugal
Solvay Farma Lda.	Portugal
Voxfarma Prodctos Farmaceiticos, Unipessoal Lda.	Portugal

Solvay Romania SRL	Romania
Limited Liability Company Abbott Laboratories	Russia
Solvay Pharma OOO	Russia
AMO Singapore Pte. Limited	Singapore
Abbott Laboratories (Singapore) Private Limited	Singapore
Abbott Manufacturing Singapore Private Limited	Singapore
Solvay Pharma Singapore	Singapore
Abbott Laboratories Slovakia s.r.o.	Slovakia
Solvay Pharma S.r.o.	Slovakia
Abbott Laboratories druzba za farmacijo in diagnostiko d.o.o.	Slovenia
Abbott Laboratories South Africa (Proprietary) Limited	South Africa
Experimental & Applied Sciences Africa (Proprietary) Limited	South Africa
Knoll Pharmaceuticals South Africa (Proprietary) Limited	South Africa
Murex Biotech South Africa (Proprietary) Limited	South Africa
Murex Diagnostics South Africa (Proprietary) Limited	South Africa
Solvay Pharma (Pty) Ltd.	South Africa
AMO Manufacturing Spain S.L.	Spain

Abbott Cientifica, S.A.	Spain
Abbott Laboratories, S.A.	Spain
Abbott Medical Optics Spain, S.L.	Spain
Bioresearch Espana, S.A.	Spain
Fundacion Abbott	Spain
Liade Sociedad Anomina (S.A.)	Spain
Solvay Pharma SA	Spain
Duphar Nezel SL	Spain
Innogenetics Diagnostica Iberia, S.L.	Spain
Abbott Scandinavia AB	Sweden
Abbott Medical Optics Norden AB	Sweden
Advanced Medical Optics Uppsala AB	Sweden
Solvay Pharma AB	Sweden
Abbott AG	Switzerland

Abbott Finance Company S.A.	Switzerland
Abbott Laboratories S.A.	Switzerland
Abbott Service AG	Switzerland
AMO Switzerland GmbH	Switzerland
Knoll-Bioresearch AG	Switzerland
Solvay Pharma AG	Switzerland
Solvay Pharma Marketing & Licensing AG	Switzerland
Abbott Fund Tanzania Limited	Tanzania
Abbott Laboratories Tanzania Limited Tanzania	Tanzania
Abbott Laboratories Limited	Thailand
Solvay Thailand	Thailand
Solvay Pharma Tunisic Sarl	Tunisia
Abbott Laboratuarfari ithalat lhracat Ve Ticaret Limited Sirketi	Turkey
Solvay Ilac VE Ecza Ticaret Sirteki (Solvay Pharma Turkey)	Turkey
AMO United Kingdom Limited	United Kingdom
Abbott (UK) Finance Limited	United Kingdom
Abbott (UK) Holdings Limited	United Kingdom
Abbott Asia Holdings Limited	United Kingdom
Abbott Iberian Investments Limited	United Kingdom
Abbott Iberian Investments (2) Limited	United Kingdom
Abbott Asia Investments Limited	United Kingdom
Abbott Capital India Limited	United Kingdom

Abbott Diabetes Care Limited	United Kingdom
Abbott Equity Holdings Unlimited	United Kingdom
Abbott Investments Limited	United Kingdom
Abbott Laboratories Limited	United Kingdom
Abbott Laboratories Trustee Company Limited	United Kingdom
Abbott Vascular Devices Limited	United Kingdom
Abbott vascular Devices (2) Limited	United Kingdom
Experimental and Applied Sciences UK Limited	United Kingdom
IMTC Holdings (UK) Limited	United Kingdom
i-STAT Limited	United Kingdom
Knoll UK Investments Unlimited	United Kingdom
Murex Biotech (UK) Limited	United Kingdom
Murex Biotech Limited	United Kingdom
Therasense UK Limited	United Kingdom
Vysis (UK) Limited	United Kingdom
British Colloids Ltd.	United Kingdom
Solvay Healthcare Ltd.	United Kingdom
Mansbridge Pharmaceuticals Ltd.	United Kingdom
Fournier Pharmaceuticals Ltd.	United Kingdom
Abbott Laboratories Uruguay S.A.	Uruguay
Abbott Laboratories C.A.	Venezuela
Abbott Trading Company, Inc	Virgin Islands

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-158782 on Form S-8 for the Abbott Laboratories 2009 Incentive Stock Program; Registration Statement Nos. 333-09071, 333-43381, 333-69547, 333-93253, 333-52768, 333-74228, 333-102178, 333-109250, 333-124850, and 333-158782 on Form S-8 for the Abbott Laboratories 1996 Incentive Stock Program; Registration Statement Nos. 333-74220, 333-102179, 333-124851, and 333-153200 on Form S-8 for the Abbott Laboratories Deferred Compensation Plan; Registration Statement Nos. 33-26685, 33-50452, 33-51585, 33-56897, 33-65127, 333-19511, 333-43383, 333-69579, 333-93257, 333-74224, 333-102180, 333-109253, 333-124849, 333-141116, and 333-153198 on Form S-8 for the Abbott Laboratories Stock Retirement Program and Trusts; Registration Statement No. 333-158124 on Form S-8 for the Amended and Restated Advanced Medical Optics, Inc. 2002 Incentive Compensation Plan, as amended, the 2004 Stock Incentive Plan, as amended and restated, the Advanced Medical Optics, Inc. 2005 Incentive Compensation Plan, the VISX, Incorporated 2001 Nonstatutory Stock Option Plan, the VISX, Incorporated 2000 Stock Plan, the VISX, Incorporated 1995 Director Option and Stock Deferral Plan, as amended and restated, and the VISX, Incorporated 1995 Stock Plan, as amended; and Registration Statement Nos. 333-109132, 333-132104, 333-157290, and 333-158128 on Form S-3 of our reports dated February 19, 2010, relating to the financial statements and financial statement schedule of Abbott Laboratories and subsidiaries (which report relating to the financial statements expresses an unqualified opinion and includes an explanatory paragraph regarding the Company's adoption of a new accounting standard in 2009), and the effectiveness of Abbott Laboratories' internal control over financial reporting appearing in this Annual Report on Form 10-K of Abbott Laboratories for the year ended December 31, 2009.

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois
February 19, 2010

QuickLinks

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 31.1

Certification of Chief Executive Officer
Required by Rule 13a-14(a) (17 CFR 240.13a-14(a))

I, Miles D. White, certify that:

1. I have reviewed this annual report on Form 10-K of Abbott Laboratories;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Abbott as of, and for, the periods presented in this report;

4. Abbott's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Abbott and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Abbott, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of Abbott's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in Abbott's internal control over financial reporting that occurred during Abbott's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Abbott's internal control over financial reporting; and

5. Abbott's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Abbott's auditors and the audit committee of Abbott's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Abbott's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Abbott's internal control over financial reporting.

/s/ MILES D. WHITE

Miles D. White,
Chairman of the Board and
Chief Executive Officer

Date: February 19, 2010

QuickLinks

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 31.2

Certification of Chief Financial Officer
Required by Rule 13a-14(a) (17 CFR 240.13a-14(a))

I, Thomas C. Freyman, certify that:

1. I have reviewed this annual report on Form 10-K of Abbott Laboratories;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Abbott as of, and for, the periods presented in this report;

4. Abbott's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Abbott and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Abbott, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of Abbott's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in Abbott's internal control over financial reporting that occurred during Abbott's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Abbott's internal control over financial reporting; and

5. Abbott's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Abbott's auditors and the audit committee of Abbott's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Abbott's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Abbott's internal control over financial reporting.

/s/ THOMAS C. FREYMAN

Thomas C. Freyman,
Executive Vice President, Finance
and Chief Financial Officer

Date: February 19, 2010

QuickLinks

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 32.1

Certification Pursuant To
18 U.S.C. Section 1350
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Abbott Laboratories (the "Company") on Form 10-K for the period ended December 31, 2009 as filed with the Securities and Exchange Commission (the "Report"), I, Miles D. White, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MILES D. WHITE

Miles D. White,
Chairman of the Board and
Chief Executive Officer

Date: February 19, 2010

A signed original of this written statement required by Section 906 has been provided to Abbott Laboratories and will be retained by Abbott Laboratories and furnished to the Securities and Exchange Commission or its staff upon request.

QuickLinks

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 32.2

Certification Pursuant To
18 U.S.C. Section 1350
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Abbott Laboratories (the "Company") on Form 10-K for the period ended December 31, 2009 as filed with the Securities and Exchange Commission (the "Report"), I, Thomas C. Freyman, Executive Vice President, Finance and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ THOMAS C. FREYMAN

Thomas C. Freyman,
Executive Vice President, Finance
and Chief Financial Officer

Date: February 19, 2010

A signed original of this written statement required by Section 906 has been provided to Abbott Laboratories and will be retained by Abbott Laboratories and furnished to the Securities and Exchange Commission or its staff upon request.

QuickLinks