FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

(Mark One)

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

For the quarterly period ended September 30, 1998

OR

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

For the transition period from ________________________ to _________________

Commission File No. 1-2189

ABBOTT LABORATORIES

An Illinois Corporation

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

100 Abbott Park Road
Abbott Park, Illinois 60064-3500

Telephone: (847) 937-6l00

Indicate by check mark whether the registrant (l) has filed all reports required to be filed by Section l3 or l5(d) of the Securities Exchange Act of l934 during the preceding l2 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X . No .

As of October 31, 1998, the Corporation had 1,517,621,345 common shares without par value outstanding.

PART I. FINANCIAL INFORMATION

ABBOTT LABORATORIES AND SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

ABBOTT LABORATORIES AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF EARNINGS

(UNAUDITED)

(Dollars and shares in thousands except per share data)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	1998	1997	1998	1997
Net Sales	$ 3,035,767	$ 2,865,184	$ 9,147,433	$ 8,765,406
Cost of products sold	1,375,010	1,241,842	3,952,753	3,786,216
Research and development	292,078	326,797	879,086	927,019
Selling, general and administrative	665,202	675,062	2,029,539	1,982,663
Total Operating Cost and Expenses	2,332,290	2,243,701	6,861,378	6,695,898
Operating Earnings	703,477	621,483	2,286,055	2,069,508
Interest expense	41,027	33,470	119,388	97,612
Interest income	(14,654)	(12,146)	(41,042)	(35,537)
Other (income) expense, net	(61,398)	(53,301)	(162,957)	(144,403)
Earnings Before Taxes	738,502	653,460	2,370,666	2,151,836
Taxes on earnings	206,780	182,011	663,786	624,032
Net Earnings	$ 531,722	$ 471,449	$ 1,706,880	$ 1,527,804
Basic Earnings Per Common Share	$ .35	$ .31	$ 1.12	$ .99
Diluted Earnings Per Common Share	$ .34	$ .30	$ 1.10	$ .97
Cash Dividends Declared Per Common Share	$ .15	$ .135	$ .45	$ .405
Average Number of Common Shares Outstanding Used for Basic Earnings Per Common Share	1,520,914	1,536,674	1,524,556	1,542,934
Dilutive Common Stock Options	23,766	22,106	22,052	22,197
Average Number of Common Shares Outstanding Plus Dilutive Common Stock Options	1,544,680	1,558,780	1,546,608	1,565,131
Outstanding Common Stock Options Having No Dilutive Effect	564	319	564	319

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

ABBOTT LABORATORIES AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET

(Dollars in Thousands)

	SEPTEMBER 30 1998 (unaudited)	DECEMBER 31 1997
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 223,470	$ 230,024
Investment securities	50,563	28,986
Trade receivables, less allowances of $183,555 in 1998 and $167,406 in 1997	1,732,647	1,782,326
Inventories:		
Finished products	680,950	667,355
Work in process	329,138	287,653
Materials	384,026	324,892
Total inventories	1,394,114	1,279,900
Prepaid expenses, income taxes, and other receivables	1,665,416	1,716,972
Total Current Assets	5,066,210	5,038,208
Investment Securities Maturing after One Year	745,149	630,967
Property and Equipment, at Cost	9,201,129	8,790,157
Less: accumulated depreciation and amortization	4,555,362	4,220,466
Net Property and Equipment	4,645,767	4,569,691
Deferred Charges, Intangible and Other Assets	2,145,908	1,822,202
	$12,603,034	$12,061,068
LIABILITIES AND SHAREHOLDERS' INVESTMENT		
Current Liabilities:		
Short-term borrowings and current portion of long-term debt	$ 1,419,970	$ 1,781,352
Trade accounts payable	922,341	1,001,058
Salaries, income taxes, dividends payable, and other accruals	2,322,201	2,252,058
Total Current Liabilities	4,664,512	5,034,468
Long-Term Debt	1,340,845	937,983
Other Liabilities and Deferrals	1,223,785	1,089,940
Shareholders' Investment:		
Preferred shares, $1 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: 1998: 1,536,366,561; 1997: 1,546,468,504	1,114,445	907,106
Earnings employed in the business	4,643,640	4,395,582
Accumulated other comprehensive income	(307,152)	(230,241)
	5,450,933	5,072,447
Less:		

Common shares held in treasury, at cost -		
Shares: 1998: 17,710,838; 1997: 18,280,398	46,735	48,238
Unearned compensation - restricted stock awards	30,306	25,532
Total Shareholders' Investment	5,373,892	4,998,677
	$12,603,034	$12,061,068

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

ABBOTT LABORATORIES AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

(Dollars in Thousands)

	NINE MONTHS ENDED SEPTEMBER 30	
	1998	1997
Cash Flow From (Used in) Operating Activities:		
Net earnings	$ 1,706,880	$ 1,527,804
Adjustments to reconcile net earnings to net cash from operating activities -		
Depreciation and amortization	591,032	547,044
Trade receivables	14,671	(120,783)
Inventories	(135,017)	(64,723)
Other, net	90,547	120,869
Net Cash From Operating Activities	2,268,113	2,010,211
Cash Flow From (Used in) Investing Activities:		
Acquisitions of businesses, net of cash acquired	(242,713)	(201,030)
Acquisitions of property and equipment	(703,677)	(732,388)
Investment securities transactions	(135,897)	25,515
Other	11,040	(14,088)
Net Cash (Used in) Investing Activities	(1,071,247)	(921,991)
Cash Flow From (Used in) Financing Activities:		
Proceeds from (repayment of) commercial paper, net ...	(301,000)	252,000
Proceeds from issuance of long-term debt	400,000	.
Other borrowing transactions, net	(51,748)	22,128
Common share transactions	(581,419)	(732,687)
Dividends paid	(663,824)	(602,723)
Net Cash (Used in) Financing Activities	(1,197,991)	(1,061,282)
Effect of exchange rate changes on cash and cash equivalents	(5,429)	(7,743)
Net Increase (Decrease) in Cash and Cash Equivalents	(6,554)	19,195
Cash and Cash Equivalents, Beginning of Year	230,024	110,209
Cash and Cash Equivalents, End of Period	$ 223,470	$ 129,404

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

ABBOTT LABORATORIES AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 1998

(UNAUDITED)

NOTE 1 - BASIS OF PREPARATION:

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

NOTE 2 - TAXES ON EARNINGS:

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

NOTE 3 - LITIGATION AND ENVIRONMENTAL MATTERS:

The Company is involved in various claims and legal proceedings including numerous antitrust suits and investigations in connection with the pricing of prescription pharmaceuticals. On September 9, 1998 the federal court approved the settlement of the independent retail pharmacy federal class action lawsuit for $57 million.

In addition, the Company has been identified as a potentially responsible party for investigation and cleanup costs at a number of locations in the United States and Puerto Rico under Federal and state remediation laws and is investigating potential contamination at a number of Company-owned locations.

The matters above are discussed more fully in Note 10 to the financial statements included in the Company's Annual Report on Form 10-K, which is available upon request, and in Part II, Item 1, Legal Proceedings, in this Form.

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 1998
(Unaudited), Continued

NOTE 4 - ACQUISITIONS:

On April 17, 1998, the Company acquired the common stock of International Murex Technologies Corporation for approximately $234 million in cash. A substantial portion of the purchase price was allocated to intangible assets, including goodwill, which is being amortized over 40 years. Had this acquisition taken place on January 1, 1997, consolidated sales and net income would not have been significantly different from reported amounts.

NOTE 5 - COMPREHENSIVE INCOME:
(Dollars in Thousands)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	1998	1997	1998	1997
Net Earnings	$ 531,722	$ 471,449	$ 1,706,880	$ 1,527,804
Other comprehensive income:				
Foreign currency translation adjustments	(30,947)	(63,346)	(66,701)	(171,442)
Unrealized (losses) gains on marketable equity securities	(850)	21,908	(16,245)	26,605
Tax benefit (expense) related to items of other comprehensive income	(123)	(8,763)	6,035	(10,641)
Other comprehensive income (loss), net of tax	(31,920)	(50,201)	(76,911)	(155,478)
Comprehensive Income	$ 499,802	$ 421,248	$ 1,629,969	$ 1,372,326

As of September 30, 1998, the cumulative net of tax balances for foreign currency translation loss adjustments and the unrealized (gains) on marketable equity securities were $329,820, and ($22,668), respectively.

NOTE 6 - STOCK SPLIT:

On February 13, 1998, the Board of Directors approved a two-for-one stock split. Shareholders of record on May 1, 1998 were issued an additional share of the Company's common stock on May 29, 1998 for each share owned on the record date. All shares and per share data in the condensed consolidated financial statements and notes have been adjusted to reflect the stock split.

NOTE 7 - RECENTLY ISSUED ACCOUNTING STANDARD:

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement requires the recognition of derivatives as either assets or liabilities in the statement of financial position at fair value. The statement is effective for fiscal years beginning after June 15, 1999. The Company is assessing the impact this statement will have on its financial statements.

FINANCIAL REVIEW

RESULTS OF OPERATIONS - THIRD QUARTER AND FIRST NINE MONTHS 1998 COMPARED WITH SAME PERIODS IN 1997

Worldwide sales for the third quarter and first nine months increased 6.0 percent and 4.4 percent, respectively, over the comparable 1997 periods. Excluding the negative effect of the relatively stronger U.S. dollar, sales increased 9.3 percent and 7.7 percent, respectively, over the comparable 1997 periods. Net earnings increased 12.8 percent and 11.7 percent, respectively, in the third quarter and first nine months 1998. Basic earnings per common share increased 12.9 percent and 13.1 percent, respectively, over the prior year periods. Diluted earnings per common share increased 13.3 percent and 13.4 percent, respectively, over the prior year periods.

Gross profit margin (sales less cost of products sold, including freight and distribution expenses) was 54.7 percent for the 1998 third quarter, compared to 56.7 percent for the 1997 third quarter, and was negatively affected by the unfavorable effects of the stronger U.S. dollar. First nine months 1998 gross profit margin was 56.8 percent, the same as a year earlier.

Research and development expenses were $292.1 million for the third quarter 1998 and $879.1 million for the first nine months 1998. Research and development represented 9.6 percent of net sales for both the third quarter and first nine months 1998, compared to 11.4 percent and 10.6 percent, respectively, for the third quarter and the first nine months 1997. The majority of research and development expenditures continues to be concentrated on pharmaceutical and diagnostic products.

Selling, general and administrative expenses for the third quarter and first nine months 1998 decreased 1.5 percent and increased 2.4 percent, respectively, over the comparable prior year periods, net of the favorable effect of the relatively stronger U.S. dollar of 3.3 percent and 3.4 percent, respectively. The net increases, exclusive of exchange impact, reflect inflation, additional selling and marketing support for new and existing products, primarily for pharmaceutical products, and litigation charges.

Other (income) expense, net, includes net foreign exchange losses of $5.6 million for the third quarter and $20.6 million for the first nine months 1998, compared to net foreign exchange gains of $4.3 million and $11.2 million, respectively, for the corresponding prior year periods. Other (income) expense, net, also includes the Company's share of the net income from its joint venture, TAP Holdings, Inc., of $69.3 million for the third quarter and $189.9 million for the first nine months 1998, compared to $51.7 million and $142.3 million for the respective prior year periods.

On July 27, 1998, the Company announced that it was experiencing manufacturing difficulties with the capsule formulation of its protease inhibitor Norvir. The manufacturing difficulties with Norvir will result in shortages and interruption of the supply of capsules. The Company plans to supply Norvir liquid formulation to provide continued Norvir therapy for patients. During the first nine months of 1998, the Company recorded sales of Norvir of $197.0 million. The Company is unable to quantify the effect that the production problems will have on sales in future periods.

INDUSTRY SEGMENTS

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

Domestic and international sales for the third quarter and first nine months 1998 primarily reflect unit growth. Total sales were unfavorably affected 3.3 percent and international sales were unfavorably affected 8.7 percent by the relatively stronger U.S. dollar in the third quarter. On a year-to-date basis, total sales were unfavorably affected 3.3 percent and international sales were unfavorably affected 8.6 percent by the relatively stronger U.S. dollar.

	Third Quarter		Nine Months	
SEGMENT SALES (in millions of dollars)	1998 Sales	Percent Change	1998 Sales	Percent Change
Pharmaceutical and Nutritional Products:				
Domestic	$1,131.0	5.1	$3,455.0	2.7
International	585.2	6.4	1,801.7	2.1
	1,716.2	5.5	5,256.7	2.5
Hospital and Laboratory Products:				
Domestic	781.8	10.7	2,274.0	11.5
International	537.8	0.9	1,616.7	1.1
	1,319.6	6.5	3,890.7	7.0
Total All Segments:				
Domestic	1,912.8	7.3	5,729.0	6.0
International	1,123.0	3.7	3,418.4	1.7
	$3,035.8	6.0	$9,147.4	4.4

FINANCIAL REVIEW
(Continued)

LIQUIDITY AND CAPITAL RESOURCES AT SEPTEMBER 30, 1998 COMPARED WITH DECEMBER 31, 1997

Net cash from operating activities for the first nine months 1998 totaled $2.268 billion. The Company expects annual cash flow from operating activities to continue to approximate or exceed the Company's capital expenditures and cash dividends. The Company funded the acquisition of Murex through commercial paper borrowings.

The Company has maintained its favorable bond ratings (AAA by Standard & Poor's Corporation and Aa1 by Moody's Investors Service) and continues to have readily available financial resources, including unused domestic lines of credit of $2.505 billion at September 30, 1998. These lines of credit support domestic commercial paper borrowing arrangements.

During the first nine months 1998, the Company issued $400 million of debt securities under a registration statement filed with the Securities and Exchange Commission in 1996. The Company may issue up to $750 million of senior debt securities in the future under a registration statement filed with the Securities and Exchange Commission in September 1998.

During the first nine months 1998, the Company continued its program to purchase its common shares. The Company purchased and retired 17,248,000 shares during this period at a cost of $673.7 million. As of September 30, 1998, an additional 10,152,000 shares may be purchased in future periods under authorization granted by the Board of Directors in December 1997.

LEGISLATIVE ISSUES

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

RECENTLY ISSUED ACCOUNTING STANDARD

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement requires the recognition of derivatives as either assets or liabilities in the statement of financial position at fair value. The statement is effective for fiscal years beginning after June 15, 1999. The Company is assessing the impact this statement will have on its financial statements.

YEAR 2000

The Year 2000 ("Y2K") issue results from the inability of some computer programs to identify the Year 2000 properly, potentially leading to errors or system failure.

The Company has organized its efforts to resolve the Y2K issue as follows: internal information systems; landlord and embedded systems; electronic products currently marketed or in the field; and suppliers providing products and services to the Company. Progress goals have been established in each area.

Internal information systems were inventoried and assessed, and remediation started in 1992. Virtually all remediation is scheduled to be completed by the end of 1998, and testing completed by mid-1999. Current progress is slightly better than plan.

Landlord and embedded systems were inventoried and Y2K assessment completed by May 1998. The Company's goal is to resolve 75 percent of critical systems by year-end 1998, and 100 percent of critical systems by July 1999. Current progress is according to plan.

The Company has assessed the ability of its medical electronic and software products to cope with the Y2K issue. Customers may access the Company's assessment on the Company's internet web page. Most of the Company's products are not affected by the Y2K issue. For those products requiring remediation, the Company's goal is to provide solutions by June 1999. Current progress is according to plan.

Beginning in March 1998 key suppliers were requested to certify that they were Y2K compliant or, if not, to provide their plans to become compliant. Fifty-four percent of suppliers responded; 39 percent of those responding certified compliance currently and 61 percent forwarded action plans. Follow-up with all key suppliers is being conducted according to plan.

Each of the above areas will begin developing contingency plans by the end of 1998, and will continue to develop and update those plans throughout 1999.

The Company's policy is to expense Y2K remediation costs as incurred. Future expenditures to remediate the Company's systems for the Y2K issue are not material to the Company's results of operations, financial position or cash flows.

EURO CONVERSION

On January 1, 1999, the European Economic and Monetary Union will take effect and introduce the euro as the official single currency of the eleven participating member countries. On that date the currency exchange rates of the participating countries will be fixed against the euro. There will be a three year transition to the euro, and at the end of 2001 the legacy currencies will be eliminated. In 1997 the Company organized an internal cross-functional task force to address the euro issues and expects to be ready for the conversion to the euro. Costs required to prepare for the euro are not material to the Company's financial position, results of operations or cash flows. The impact, if any, of the euro on the Company's competitive position is unknown.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

As reported in the Company's 10-K for the fiscal year ended December 31, 1997, the Company is involved in numerous antitrust suits and two investigations regarding the Company's pricing of pharmaceutical products. As of September 30, 1998, 117 antitrust suits are pending in the United States District Court for the Northern District of Illinois as "In re: Brand Name Prescription Drug Antitrust Litigation, MDL 997." A portion of the MDL 997 litigation has been certified as a class action on behalf of certain retail pharmacies. In July 1998, the Company entered into an agreement to settle the class action portion of the MDL 997 litigation for $57 million. On September 9, 1998, the United States District Court for the Northern District of Illinois approved that settlement agreement. In addition, during the third quarter of 1998, three other lawsuits pending in the MDL 997 litigation, ALBERTSON'S V. ABBOTT, AMERICAN DRUG V. ABBOTT, and ECKERD V. ABBOTT, were settled and have now been dismissed.

As of October 15, 1998, 24 pharmaceutical pricing cases were pending in various state courts and one case was pending in a District of Columbia court. As reported in the Company's 10-K for the fiscal year ended December 31, 1997, the Company has entered into settlement agreements in twelve consumer lawsuits pending in the following jurisdictions: Arizona, Florida, Kansas, Maine, Michigan, Minnesota (2), New York, North Carolina, Tennessee, Washington, D.C., and Wisconsin. The court in each jurisdiction must approve the agreement before it becomes final. Courts in Michigan and Wisconsin have approved the settlement agreement.

The Company has previously disclosed that cases are pending in the United States District Court for the Northern District of Illinois between the Company and Geneva Pharmaceuticals, Inc. ("Geneva"), Invamed, Inc. ("Invamed"), Novopharm Limited ("Novopharm"), Mylan Pharmaceuticals, Inc. ("Mylan"), and Warner Chilcott, Inc. ("Warner") in which the validity of the Company's patent claim covering the form of terazosin hydrochloride used by those companies has been contested. The Geneva, Invamed, and Novopharm cases are all pending before the same judge, who, on September 1, 1998, entered a judgment in each of those cases ruling that the Company's patent claim is invalid. The Company has appealed those judgments. Both Mylan and Warner have filed motions seeking to have the September 1 ruling applied in their cases.

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 dispositions should not have a material adverse effect on the Company's results of operations, financial position or cash flows.

Item 5. NOTICE OF DEADLINES FOR SUBMITTING SHAREHOLDER PROPOSALS.

DATE FOR RECEIPT OF 1999 SHAREHOLDER PROPOSALS

Shareholder proposals for presentation at the 1999 Annual Meeting must be received by the corporation no later than November 10, 1998 and must otherwise comply with the applicable requirements of the Securities and Exchange Commission to be considered for inclusion in the proxy statement and proxy for the 1999 meeting.

PROCEDURE FOR RECOMMENDATION AND NOMINATION OF DIRECTORS AND TRANSACTION OF BUSINESS AT ANNUAL MEETINGS

A shareholder may recommend persons as potential nominees for director by submitting the names of such persons in writing to the chairman of the nominations and board affairs committee or the secretary of the corporation. Recommendations should be accompanied by a statement of qualifications and confirmation of the person's willingness to serve.

A shareholder may directly nominate persons for director only by complying with the following procedure: the shareholder must submit the names of such persons in writing to the secretary of the corporation not earlier than the October 1 nor later than the first business day of January prior to the date of the Annual Meeting. The nominations must be accompanied by a statement setting forth the name, age, business address, residence address, principal occupation, qualifications, and number of shares of the corporation owned by the nominee and the name, record address, and number of shares of the corporation owned by the shareholder making the nomination.

A shareholder may properly bring business before the Annual Meeting of Shareholders only by complying with the following procedure: the shareholder must submit to the secretary of the corporation, not earlier than the October 1 nor later than the first business day of January prior to the date of the Annual Meeting, a written statement describing the business to be discussed, the reasons for conducting such business at the Annual Meeting, the name, record address, and number of shares of the corporation owned by the shareholder making the submission, and a description of any material interest of the shareholder in such business.

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

3. By-Laws of Abbott Laboratories, as amended effective as of October 9, 1998, filed as Exhibit 3.1 to Registration Statement on Form S-3, file number 333-65601*.

4.1 Resolution of the Company's Board of Directors relating to the 5.40% Note filed as Exhibit 4.12 to the 1996 Abbott Laboratories Annual Report on Form 10-K*.

4.2 Form of $200,000,000 5.40% Note issued pursuant to Indenture - attached hereto.

4.3 Actions of Authorized Officers with respect to the Company's 5.40% Note - attached hereto.

4.4 Officers' Certificate and Company Order with respect to the Company's 5.40% Note - attached hereto.

12. Statement re: computation of ratio of earnings to fixed charges - attached hereto.

27. Financial Data Schedule - attached hereto.

* Incorporated herein by reference

b) Reports on Form 8-K

None

SIGNATURE

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

ABBOTT LABORATORIES

/s/ Theodore A. Olson

Date: November 11, 1998

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

ABBOTT LABORATORIES

5.40% NOTE DUE SEPTEMBER 15, 2008

NO. 1001 $200,000,000
CUSIP NO. 002824 AK6

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

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

ABBOTT LABORATORIES

ABBOTT LABORATORIES, a corporation duly organized and existing under the laws of Illinois (herein called the "Company," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., as nominee for The Depository Trust Company, or registered assigns, the principal sum of Two Hundred Million Dollars ($200,000,000) on September 15, 2008 and to pay interest thereon from September 15, 1998 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on March 15 and September 15 in each year, commencing March 15, 1999, at the rate of 5.40% per annum, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the March 1 or September 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

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

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

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of October 1, 1993 (herein called the "Indenture"), between the Company and Harris Trust and Savings Bank, as Trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, limited in aggregate principal amount to $200,000,000.

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

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

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

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

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

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registerable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

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

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

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

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

*   *   *

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

Dated: September 15, 1998

ABBOTT LABORATORIES

By: /s/ Thomas C. Freyman

Name: Thomas C. Freyman
Title: Vice President and Treasurer

Attest:

/s/ Jose M. de Lasa
- -------------------

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

By /s/ C. Potter
- -------------------------
Authorized Signature

ABBOTT LABORATORIES

ACTIONS OF THE AUTHORIZED OFFICERS

Pursuant to the authority granted by the Board of Directors of Abbott Laboratories ("Corporation") in its June 14, 1996 resolutions, the undersigned agree as follows:

1. The Corporation shall issue $200,000,000 aggregate principal amount of the Corporation's 5.40% Notes due September 15, 2008 ("Notes").

2. The Corporation shall issue and sell Notes to Goldman, Sachs & Co., ABN AMRO Incorporated, BancAmerica Securities, Inc., Morgan Stanley & Co. Incorporated and Salomon Smith Barney Inc. (collectively, "Underwriters") pursuant to an Underwriting Agreement dated December 4, 1996 and a Pricing Agreement dated September 10, 1998 ("Pricing Agreement") between the Corporation and the Underwriters, upon the terms and conditions set forth therein, to be issued under and in accordance with an Indenture dated as of October 1, 1993, between the Corporation and the Harris Trust and Savings Bank, as Trustee ("Trustee"), relating to the Corporation's Notes and other obligations ("Indenture").

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

(a) The Notes shall be entitled "5.40% Notes due September 15, 2008";

(b) The Notes shall be limited in aggregate principal amount to $200,000,000;

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

(d) The principal of the Notes is payable on September 15, 2008;

(e) The Notes shall bear interest at the rate of 5.40% per annum beginning September 15, 1998. Interest on the Notes will be payable semi-annually on the fifteenth day of March and September of each year (each an "Interest Payment Date"), commencing on March 15, 1999. Interest shall be paid to persons in whose names the Notes are registered on the March 1 or September 1 preceding the Interest Payment Date (each a "Regular Record Date");

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

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

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

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

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

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

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

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

(n) The Notes shall be in the form of Book-Entry Securities as set forth in the Indenture;

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

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

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

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

shall be 99.151% of the principal amount thereof, plus accrued interest, if any, from September 15, 1998 to the time of Delivery;

6. The Notes initially will be offered to the public by the Underwriters at 99.801% of the principal amount thereof, plus accrued interest, if any, from September 15, 1998 to the time of Delivery;

7. The execution and delivery of the Pricing Agreement, dated September 10, 1998, and substantially in the form attached hereto as EXHIBIT B, is hereby approved.

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

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

Dated: September 10, 1998

Authorized Officers of
Abbott Laboratories

By /s/ Thomas C. Freyman

Name: Thomas C. Freyman
Title: Vice President and
Treasurer

By /s/ Gary P. Coughlan

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

ABBOTT LABORATORIES

OFFICERS' CERTIFICATE

AND

COMPANY ORDER

With respect to the issuance by Abbott Laboratories (the "Company") of $200,000,000 in aggregate principal amount of 5.40% Notes due September 15, 2008 (the "Notes"), Jose M. de Lasa and Thomas C. Freyman, officers of the Company, certify pursuant to Sections 3.1 and 3.3 of the Indenture, dated as of October 1, 1993 (the "Indenture"), between the Company and Harris Trust and Savings Bank, as Trustee (the "Trustee"), as follows:

1. We have read Sections 2.1, 3.1 and 3.3 of the Indenture and the definitions therein relating hereto, reviewed the resolutions of the Board of Directors of the Company adopted on June 14, 1996 (attached as Exhibit B to the Secretary's Certificate of even date herewith), the Action of Authorized Officers of September 10, 1998 (attached as Exhibit C to the Secretary's Certificate of even date herewith), conferred with executive officers of the Company and, in our opinion, made such other examinations and investigations as are necessary to enable us to express an informed opinion as to whether Sections 2.1, 3.1 and 3.3 of the Indenture have been complied with.

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

3. The terms of the Notes are set forth in the Action of Authorized Officers, dated September 10, 1998 (attached as Exhibit C to the Secretary's Certificate of even date herewith).

4. In accordance with the provisions of Section 3.3 of the Indenture, the Trustee is hereby authorized and requested to authenticate the Notes and to deliver the Notes to or at the direction of Goldman, Sachs & Co., ABN AMRO Incorporated, BancAmerica Securities, Inc., Morgan Stanley & Co. Incorporated and Salomon Smith Barney Inc.

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

IN WITNESS WHEREOF, the undersigned have executed this Officers' Certificate as of this 15th day of September, 1998.

ABBOTT LABORATORIES

By:/s/ Jose M. de Lasa

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

By:/s/ Thomas C. Freyman

Thomas C. Freyman, Vice
President and Treasurer

EXHIBIT 12

ABBOTT LABORATORIES

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(Unaudited)

(Millions of Dollars)

	NINE MONTHS ENDED SEPTEMBER 30, 1998
Net Earnings	$1,707
Add (deduct):	
Income taxes	664
Minority interest	5
Net earnings as adjusted	$2,376
Fixed Charges:	
Interest on long-term and short-term debt	$ 119
Capitalized interest cost	10
Rental expense representative of an interest factor	30
Total Fixed Charges	159
Total adjusted earnings available for payment of fixed charges	$2,535
Ratio of earnings to fixed charges	15.9

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

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

1,000

9-MOS
DEC-31-1998
JAN-01-1998
SEP-30-1998
223,470
50,563
1,916,202
183,555
1,394,114
5,066,210
9,201,129
4,555,362
12,603,034
4,664,112
1,340,845
0
0
1,114,445
4,259,447
12,603,034
9,147,433
9,147,433
3,952,753
3,952,753
879,086
27,294
119,388
2,370,666
663,786
1,706,880
0
0
0
1,706,880
1.12
1.10

Other expenses consist of research and development expenses.
The EPS information in this exhibit has been prepared in accordance with SFAS No. 128 and basic and diluted EPS have been entered in place of primary and fully diluted EPS, respectively.