

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D. C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2009

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 60064-6400**

Telephone: **(847) 937-6100**

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

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 (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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. (Check one):

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of March 31, 2009, Abbott Laboratories had 1,545,458,735 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 March 31	
	2009	2008
Net Sales	\$ 6,718,368	\$ 6,765,603
Cost of products sold	2,935,921	2,961,072
Research and development	650,743	619,957
Acquired in-process research and development	—	18,700
Selling, general and administrative	2,070,945	2,018,033
Total Operating Cost and Expenses	<u>5,657,609</u>	<u>5,617,762</u>
Operating Earnings	1,060,759	1,147,841
Interest expense	124,190	142,534
Interest (income)	(36,044)	(49,356)
(Income) from TAP Pharmaceutical Products Inc. joint venture	—	(101,942)
Net foreign exchange loss (gain)	14,434	6,221
Other (income) expense, net	(974,300)	(10,342)
Earnings Before Taxes	1,932,479	1,160,726
Taxes on Earnings	493,842	222,859
Net Earnings	<u>\$ 1,438,637</u>	<u>\$ 937,867</u>
Basic Earnings Per Common Share	<u>\$ 0.93</u>	<u>\$ 0.61</u>
Diluted Earnings Per Common Share	<u>\$ 0.92</u>	<u>\$ 0.60</u>
Cash Dividends Declared Per Common Share	<u>\$ 0.40</u>	<u>\$ 0.36</u>
Average Number of Common Shares Outstanding Used for Basic Earnings Per Common Share	1,545,767	1,544,022
Dilutive Common Stock Options and Awards	10,618	16,545
Average Number of Common Shares Outstanding Plus Dilutive Common Stock Options and Awards	<u>1,556,385</u>	<u>1,560,567</u>
Outstanding Common Stock Options Having No Dilutive Effect	<u>67,391</u>	<u>6,399</u>

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

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Abbott Laboratories and Subsidiaries

Condensed Consolidated Statement of Cash Flows

(Unaudited)

(dollars in thousands)

	Three Months Ended March 31	
	2009	2008
Cash Flow From (Used in) Operating Activities:		
Net earnings	\$ 1,438,637	\$ 937,867
Adjustments to reconcile earnings to net cash from operating activities -		
Depreciation	270,072	265,808
Amortization of intangibles	193,973	186,046
Share-based compensation	186,947	151,922
Derecognition of a contingent liability associated with the conclusion of the TAP Pharmaceutical Products Inc. joint venture	(797,130)	—
Acquired in-process research and development	—	18,700
Trade receivables	375,665	43,998
Inventories	(198,704)	(36,749)
Other, net	(770,742)	(262,441)
Net Cash From Operating Activities	<u>698,718</u>	<u>1,305,151</u>
Cash Flow From (Used in) Investing Activities:		
Acquisitions of property and equipment	(252,151)	(332,983)
Acquisitions of businesses, net of cash acquired	(1,492,059)	—
Sales of Boston Scientific common stock	—	318,645
Proceeds from sales of (purchases of) other investment securities, net	138,962	(860,623)
Other	(510)	(18,204)
Net Cash (Used in) Investing Activities	<u>(1,605,758)</u>	<u>(893,165)</u>

Cash Flow From (Used in) Financing Activities:		
Proceeds from issuance of short-term debt and other	1,770,418	989,946
Proceeds from issuance of long-term debt	3,000,000	—
Payment of long-term debt	(1,983,176)	(200,000)
Purchases of common shares	(822,953)	(819,150)
Proceeds from stock options exercised, including income tax benefit	279,394	307,488
Dividends paid	(559,081)	(504,550)
Net Cash From (Used in) Financing Activities	<u>1,684,602</u>	<u>(226,266)</u>
Effect of exchange rate changes on cash and cash equivalents	(14,789)	67,847
Net Increase in Cash and Cash Equivalents	762,773	253,567
Cash and Cash Equivalents, Beginning of Year	4,112,022	2,456,384
Cash and Cash Equivalents, End of Period	<u>\$ 4,874,795</u>	<u>\$ 2,709,951</u>

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

Abbott Laboratories and Subsidiaries
Condensed Consolidated Balance Sheet
(Unaudited)
(dollars in thousands)

	<u>March 31 2009</u>	<u>December 31 2008</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 4,874,795	\$ 4,112,022
Investments, primarily time deposits and certificates of deposit	828,982	967,603
Trade receivables, less allowances of \$309,456 in 2009 and \$263,632 in 2008	5,227,102	5,465,660
Inventories:		
Finished products	1,869,353	1,545,950
Work in process	686,224	698,140
Materials	603,516	531,759
Total inventories	<u>3,159,093</u>	<u>2,775,849</u>
Prepaid expenses, deferred income taxes, and other receivables	3,917,922	3,721,425
Total Current Assets	<u>18,007,894</u>	<u>17,042,559</u>
Investments	<u>1,053,854</u>	<u>1,073,736</u>
Property and Equipment, at Cost	15,330,092	15,188,673
Less: accumulated depreciation and amortization	<u>8,019,659</u>	<u>7,969,507</u>
Net Property and Equipment	7,310,433	7,219,166
Intangible Assets, net of amortization	6,065,213	5,151,106
Goodwill	11,648,675	9,987,361
Deferred Income Taxes and Other Assets	<u>1,351,528</u>	<u>1,945,276</u>
	<u>\$ 45,437,597</u>	<u>\$ 42,419,204</u>
Liabilities and Shareholders' Investment		
Current Liabilities:		
Short-term borrowings	\$ 3,500,404	\$ 1,691,069
Trade accounts payable	1,184,761	1,351,436
Salaries, dividends payable, and other accruals	5,501,863	5,787,118
Income taxes payable	926,513	805,397
Obligation in connection with conclusion of TAP Pharmaceutical Products, Inc. joint venture	118,852	915,982
Current portion of long-term debt	537,878	1,040,906
Total Current Liabilities	<u>11,770,271</u>	<u>11,591,908</u>
Long-term Debt	<u>11,675,953</u>	<u>8,713,327</u>
Post-employment Obligations and Other Long-term Liabilities	<u>4,008,233</u>	<u>4,595,278</u>
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: 1,607,596,389; 2008: 1,601,580,899	7,853,114	7,444,411
Common shares held in treasury, at cost -		
Shares: 2009: 62,137,654; 2008: 49,147,968	<u>(3,344,028)</u>	<u>(2,626,404)</u>
Earnings employed in the business	14,629,154	13,825,383
Accumulated other comprehensive income (loss)	<u>(1,194,941)</u>	<u>(1,163,839)</u>

Total Abbott Shareholders' Investment	17,943,299	17,479,551
Noncontrolling Interests in Subsidiaries	39,841	39,140
Total Equity	17,983,140	17,518,691
	<u>\$ 45,437,597</u>	<u>\$ 42,419,204</u>

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

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Abbott Laboratories and Subsidiaries

Notes to Condensed Consolidated Financial Statements

March 31, 2009

(Unaudited)

Note 1 — Basis of Presentation

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 Abbott's Annual Report on Form 10-K for the year ended December 31, 2008.

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

Note 2 — Supplemental Financial Information

Other (income) expense, net, for the first quarter of 2009 includes the derecognition of a contingent liability of \$797 million and ongoing contractual payments from Takeda associated with the conclusion of the TAP joint venture as discussed in Note 9 and income from the recording of certain investments at fair value in connection with business acquisitions.

Supplemental Cash Flow Information — Other, net in Net cash from operating activities for 2009 and 2008 includes the effects of contributions to the main domestic defined benefit plan of \$700 million and \$200 million, respectively, and to the post-employment medical and dental plans of \$13 million and \$65 million, respectively.

The components of long-term investments as of March 31, 2009 and December 31, 2008 are as follows:

(dollars in millions)	March 31 2009	December 31 2008
Equity securities	\$ 121	\$ 147
Note receivable from Boston Scientific, 4% interest, due in 2011	868	865
Other	65	62
Total	<u>\$ 1,054</u>	<u>\$ 1,074</u>

Note 3 — Taxes on Earnings

Taxes on earnings reflect the estimated annual effective rates and include charges for interest and penalties. The effective tax rates are less than the statutory U.S. federal income tax rate principally due to the benefit of lower statutory tax rates and tax exemptions in several foreign taxing jurisdictions.

Note 4 — 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 one of those disputes, filed in April 2007, Abbott is unable to estimate a range of possible loss, if any, and no reserve has been recorded. Abbott's acquisition of Kos Pharmaceuticals Inc. resulted in the assumption of various cases and investigations and Abbott has recorded reserves related to several of those cases and investigations.

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Notes to Condensed Consolidated Financial Statements

March 31, 2009

(Unaudited), continued

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.

There are several civil actions pending brought by state attorneys general and private entities alleging antitrust and unfair competition claims in connection with the sales of *TriCor*. Abbott licenses *TriCor* from a third party and the licensor has also been named as a defendant. Settlements have been reached in all of these cases except the state attorneys general, however, Abbott is unable to estimate a reserve and no loss reserve has been recorded for the remaining *TriCor* cases. There are several civil actions pending brought by private payers and others alleging antitrust claims in connection with the pricing of *Norvir*.

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 \$185 million to \$405 million. The recorded reserve balance at March 31, 2009 for these proceedings and exposures was approximately \$255 million. These reserves represent management's best estimate of probable loss, as defined by Statement of Financial Accounting Standards No. 5 "Accounting for 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 for a quarter.

Note 5 — Post-Employment Benefits

Retirement plans consist of defined benefit, defined contribution, and medical and dental plans. Net cost for the three months ended March 31 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	2009	2008
Service cost — benefits earned during the period	\$ 60	\$ 60	\$ 12	\$ 12
Interest cost on projected benefit obligations	94	86	26	26
Expected return on plans' assets	(127)	(119)	(6)	(8)
Net amortization	18	13	4	5
Net cost	\$ 45	\$ 40	\$ 36	\$ 35

Abbott funds its domestic defined benefit plans according to IRS funding limitations. In the first quarters of 2009 and 2008, \$700 million and \$200 million, respectively, was contributed to the main domestic defined benefit plan and \$13 million and \$65 million, respectively, was contributed to the post-employment medical and dental benefit plans.

Notes to Condensed Consolidated Financial Statements

March 31, 2009

(Unaudited), continued

Note 6 — Comprehensive Income, net of tax

(dollars in millions)	Three Months Ended March 31	
	2009	2008
Foreign currency translation (loss) gain adjustments	\$ (59)	\$ 191
Unrealized gains (losses) on marketable equity securities	3	(25)
Amortization of net actuarial losses and prior service cost and credits	16	12
Net adjustments for derivative instruments designated as cash flow hedges	9	(6)
Other comprehensive income (loss), net of tax	(31)	172
Net Earnings	1,439	938
Comprehensive Income	\$ 1,408	\$ 1,110
	March 31 2009	December 31 2008

Supplemental Comprehensive Income Information, net of tax:

Cumulative foreign currency translation (gain) adjustments	\$ (681)	\$ (740)
Net actuarial losses and prior service cost and credits	1,885	1,901
Cumulative unrealized (gains) on marketable equity securities	(20)	(17)
Cumulative losses on derivative instruments designated as cash flow hedges	11	20

Note 7 — Segment 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.

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.

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Notes to Condensed Consolidated Financial Statements
March 31, 2009
(Unaudited), continued

(dollars in millions)	Three Months Ended March 31			
	Net Sales to External Customers		Operating Earnings (Loss)	
	2009	2008	2009	2008
Pharmaceutical Products	\$ 3,636	\$ 3,854	\$ 1,305	\$ 1,345
Nutritional Products	1,181	1,110	180	184
Diagnostic Products	816	832	88	52
Vascular Products	645	452	160	(31)
Total Reportable Segments	6,278	6,248	1,733	1,550
Other	440	518		
Net Sales	<u>\$ 6,718</u>	<u>\$ 6,766</u>		
Corporate functions and benefit plans costs			(94)	(113)
Non-reportable segments			61	72
Net interest expense			(88)	(93)
Income from TAP Pharmaceutical Products Inc. joint venture			—	102
Share-based compensation (a)			(174)	(152)
Other, net (b)			494	(205)
Consolidated Earnings Before Taxes			<u>\$ 1,932</u>	<u>\$ 1,161</u>

(a) Approximately 40 to 45 percent of the annual net cost of share-based awards will typically be recognized in the first quarter due to the timing of the granting of share-based awards.

(b) Other, net, for the three months ended March 31, 2009, includes the derecognition of a contingent liability of \$797 established in connection with the conclusion of the TAP joint venture.

Note 8 — Incentive Stock Program

In the first quarter of 2009, Abbott granted 1,712,400 stock options, 733,003 replacement stock options, 1,224,400 restricted stock awards and 5,116,457 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. At March 31, 2009, approximately 46 million shares were reserved for future grants. Information regarding the number of options outstanding and exercisable at March 31, 2009 is as follows:

	Outstanding	Exercisable
Number of shares	125,987,522	102,819,892
Weighted average remaining life (years)	6.3	5.8
Weighted average exercise price	\$ 49.71	\$ 48.68
Aggregate intrinsic value (in millions)	\$ 271	\$ 268

The total unrecognized share-based compensation cost at March 31, 2009 amounted to approximately \$390 million which is expected to be recognized over the next three years.

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Note 9 — Conclusion of TAP Pharmaceutical Products Inc. Joint Venture

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. 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. Abbott 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. Abbott 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. Of the \$1.1 billion, Abbott made a tax-deductible payment of \$200 million in 2008 and Abbott will make a tax-deductible payment of approximately \$120 million in 2009. In the first quarter of 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 for the three months ended March 31, 2008 are as follows below. (*dollars in millions*)

Net sales	\$	711
Cost of sales		183
Income before taxes		321
Net income		204

Note 10 — Business Acquisitions

In February 2009, Abbott acquired the outstanding shares of Advanced Medical Optics, Inc. (AMO), a marketer of ophthalmic surgical technology and devices, as well as eye care solutions 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 in accordance with Statement of Financial Standards No. 141(R). The acquisition was financed with long-term debt. The preliminary allocation of the fair value of the acquisition is shown in the table below (*in billions of dollars*). These allocations will be finalized when appraisals are completed.

Goodwill, non-deductible	\$	1.6
Acquired intangible assets, non-deductible		0.9
Acquired in-process research and development		0.2
Acquired net tangible assets		0.5
Acquired debt		(1.5)
Deferred income taxes recorded at acquisition		(0.3)
Total preliminary allocation of fair value	\$	<u>1.4</u>

Acquired intangible assets consist of established customer relationships, developed technology and trade names and will be amortized over 2 to 30 years (average of 10 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 \$55 million of acquisition related expenses 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 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 which 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 in the first quarter of 2009 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.

Note 11 — 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 \$517 million and \$129 million at March 31, 2009 and December 31, 2008, respectively, are designated as cash flow hedges of the variability of the cash flows due to changes in foreign exchange rates. Accumulated gains and losses as of March 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 March 31, 2009 and December 31, 2008, Abbott held \$6.0 billion and \$8.3 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 \$547 million and approximately \$585 million as of March 31, 2009 and December 31, 2008, 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 swap contracts totaling \$5.5 billion and \$2.5 billion at March 31, 2009 and December 31, 2008, respectively, to manage its exposure to changes in the fair value of \$5.5 billion and \$2.5 billion, respectively, 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 or 2008 for these hedges.

Notes to Condensed Consolidated Financial Statements

March 31, 2009

(Unaudited), continued

The following table summarizes the amounts and location of certain derivative financial instruments as of March 31, 2009 and December 31, 2008:

(dollars in millions)	Fair Value - Assets			Fair Value - Liabilities		
	March 31 2009	December 31 2008	Balance Sheet Caption	March 31 2009	December 31 2008	Balance Sheet Caption
Interest rate swaps designated as fair value hedges	\$ 156	\$ 170	Deferred income taxes and other assets	\$ 9	\$ —	Post-employment obligations and other long-term liabilities
Foreign currency forward exchange contracts —						
Hedging instruments	8	—	Prepaid expenses,	2	7	Salaries, dividends
Others not designated as hedges	104	148	deferred income taxes, and other receivables	89	93	payable and other accruals
Financial assets and liabilities relating to TAP employees' stock options	11	16	Deferred income taxes and other assets	16	24	Post-employment obligations and other long-term liabilities
Debt designated as a hedge of net investment in certain foreign subsidiaries	—	—		547	585	Short-term borrowings
	<u>\$ 279</u>	<u>\$ 334</u>		<u>\$ 663</u>	<u>\$ 709</u>	

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 in the first three months of 2009 and 2008 and for certain other derivative financial instruments. The amount of hedge ineffectiveness was not significant in 2009 and 2008 for these hedges.

(dollars in millions)	Gain (loss) Recognized in Other Comprehensive Income (loss)		Income (expense) and Gain (loss) Reclassified into Income		Income Statement Caption
	2009	2008	2009	2008	
Foreign currency forward exchange contracts designated as cash flow hedges	\$ (3)	\$ (3)	\$ (2)	\$ (3)	Cost of products sold
Debt designated as a hedge of net investment in certain foreign subsidiaries	40	(150)	—	—	n/a
Interest rate swaps designated as fair value hedges	n/a	n/a	23	(49)	Interest expense
Foreign currency forward exchange contracts not designated as a hedge	n/a	n/a	50	(17)	Net foreign exchange loss (gain)
Financial assets and liabilities relating to TAP employees' stock options —					
Assets	n/a	n/a	(5)	—	Other (income) expense,
Liabilities	n/a	n/a	8	—	net

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 resulting in expense in 2009 of \$23 million and income of \$49 million in 2008, offsetting the effect of marking the interest rate swap to market.

Notes to Condensed Consolidated Financial Statements
March 31, 2009
(Unaudited), continued

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

(dollars in millions)	Outstanding Balances	Basis of Fair Value Measurement		
		Quoted Prices in Active Markets	Significant Other Observable Inputs	Significant Unobservable Inputs
March 31, 2009:				
Equity and other securities	\$ 117	\$ 79	\$ 7	\$ 31
Interest rate swap derivative financial instruments	156	—	156	—
Foreign currency forward exchange contracts	112	—	112	—
Financial assets relating to TAP employees' stock options	11	—	—	11
Total Assets	\$ 396	\$ 79	\$ 275	\$ 42
Fair value of hedged long-term debt	\$ 5,647	\$ —	\$ 5,647	\$ —
Interest rate swap derivative financial instruments	9	—	9	—
Foreign currency forward exchange contracts	91	—	91	—
Financial liabilities relating to TAP employees' stock options	16	—	—	16
Total Liabilities	\$ 5,763	\$ —	\$ 5,747	\$ 16
December 31, 2008:				
Equity and other securities	\$ 144	\$ 105	\$ 10	\$ 29
Interest rate swap derivative financial instruments	170	—	170	—
Foreign currency forward exchange contracts	148	—	148	—
Financial assets relating to TAP employees' stock options	16	—	—	16
Total Assets	\$ 478	\$ 105	\$ 328	\$ 45
Fair value of hedged long-term debt	\$ 2,670	\$ —	\$ 2,670	\$ —
Foreign currency forward exchange contracts	100	—	100	—
Financial liabilities relating to TAP employees' stock options	24	—	—	24
Total Liabilities	\$ 2,794	\$ —	\$ 2,770	\$ 24

The value of the financial assets and liabilities relating to TAP employees' stock options are calculated using the Black-Scholes option-pricing model. Changes in the recorded amounts are recorded in Other income (expense), net each period. The recorded value of investments that are valued using significant unobservable inputs did not change significantly. Changes in these values are recorded in Accumulated other comprehensive income.

Note 12 — Goodwill and Intangible Assets

Abbott recorded goodwill of approximately \$1.7 billion in 2009 related to the acquisitions of Advanced Medical Optics, Inc. and Ibis Biosciences, Inc. Goodwill related to the Ibis acquisition was allocated to the Diagnostic Products segment. Foreign currency translation adjustments and other adjustments increased goodwill in the first quarter 2008 by approximately \$165 million. The amount of goodwill related to reportable segments at March 31, 2009 was \$6.0 billion for the Pharmaceutical Products segment, \$206 million for the Nutritional Products segment, \$385 million for the Diagnostic Products segment and \$2.2 billion for the Vascular Products segment. There were no 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 \$10.5 billion as of March 31, 2009 and \$9.4 billion as of December 31, 2008, and accumulated amortization was \$4.4 billion as of March 31, 2009 and \$4.2 billion as of December 31, 2008. The estimated annual amortization expense for intangible assets is approximately \$856 million in 2009, \$864 million in 2010, \$851 million in 2011, \$844 million in 2012 and \$691 million in 2013. Amortizable intangible assets are amortized over 4 to 25 years (average 11 years).

Notes to Condensed Consolidated Financial Statements
March 31, 2009
(Unaudited), continued

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. Additional charges of approximately \$9 million were recorded in the first quarter of 2009 relating to this restructuring, primarily for accelerated depreciation and product transfer costs. Additional charges will occur 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)

	2009
Accrued balance at January 1	\$ 110
Restructuring charges	1
Payments and other adjustments	(1)
Accrued balance at March 31	<u>\$ 110</u>

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. Additional charges of \$9 million and \$22 million were subsequently recorded in the first quarter of 2009 and 2008, respectively, relating to these restructurings, primarily for accelerated depreciation and product transfer costs. The following summarizes the activity for these restructurings: (*dollars in millions*)

	2009	2008
Accrued balance at January 1	\$ 105	\$ 194
Restructuring charges	26	11
Payments and other adjustments	(24)	(48)
Accrued balance at March 31	<u>\$ 107</u>	<u>\$ 157</u>

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FINANCIAL REVIEW

Results of Operations

The following table details sales by reportable segment for the three months ended March 31. Percent changes are versus the prior year and are based on unrounded numbers.

(dollars in millions)	Net Sales to External Customers			
	2009	Percent Change	2008	Percent Change
Pharmaceutical Products	\$ 3,636	(5.7)	\$ 3,854	14.3
Nutritional Products	1,181	6.4	1,110	10.8
Diagnostic Products	816	(1.8)	832	17.1
Vascular Products	645	42.7	452	7.6
Total Reportable Segments	6,278	0.5	6,248	13.5
Other	440	(15.0)	518	17.3
Net Sales	<u>\$ 6,718</u>	(0.7)	<u>\$ 6,766</u>	13.8
Total U.S.	<u>\$ 3,001</u>	(1.3)	<u>\$ 3,043</u>	3.7
Total International	<u>\$ 3,717</u>	(0.2)	<u>\$ 3,723</u>	23.6

Net sales in 2009 reflect the negative effect of a relatively stronger U.S. dollar. Excluding 6.1 percent of unfavorable exchange, net sales increased 5.4 percent in 2009, which reflects primarily unit growth. The sales growth in 2008 reflects unit growth and the positive effect of the relatively weaker U.S. dollar. The relatively stronger U.S. dollar decreased first quarter 2009 Total International sales 11.1 percent, decreased Pharmaceutical Products segment sales by 6.6 percent, decreased Nutritional Product segment sales by 4.2 percent, decreased Diagnostic Products segment sales by 7.8 percent and decreased Vascular Products segment sales by 4.5 percent over the first quarter of 2008. The relatively weaker U.S. dollar increased first quarter 2008 consolidated net sales 5.5 percent, increased Total International sales 10.9 percent, increased Pharmaceutical Products segment sales by 5.9 percent, increased Nutritional Product segment sales by 3.0 percent, increased Diagnostic Products segment sales by 8.1 percent and increased Vascular Products segment sales by 4.9 percent over the first quarter of 2007. The sales growth in 2009 for the Vascular Products segment was impacted by the U.S. launch of the *Xience V* drug eluting stent in the third quarter of 2008. The sales growth in 2009 for the Pharmaceutical Products segment and Total U.S. sales in 2009 were impacted by decreased sales of *Depakote* due to expected generic competition.

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FINANCIAL REVIEW

(continued)

A comparison of significant product group sales for the three months ended March 31 is as follows. Percent changes are versus the prior year and are based on unrounded numbers.

(dollars in millions)	Three Months Ended March 31			
	2009	Percent Change	2008	Percent Change
Pharmaceutical Products —				
U.S. Specialty	\$ 910	(12.0)	\$ 1,034	19.9
U.S. Primary Care	622	(9.0)	683	(12.2)
International Pharmaceuticals	1,927	0.9	1,909	26.0
Nutritional Products —				
U.S. Pediatric Nutritionals	295	(3.2)	305	4.5
International Pediatric Nutritionals	336	14.7	293	24.5

U.S. Adult Nutritionals	288	6.2	271	3.9
International Adult Nutritionals	238	1.8	234	16.4
Diagnostics —				
Immunochemistry	642	(2.6)	660	17.8

Decreased sales of *Depakote* due to expected generic competition impacted U.S. Specialty product sales in 2009. This was partially offset by the addition of *Lupron* sales from the conclusion of the TAP joint venture in April 2008. U.S. sales of *Depakote* for the first three months of 2009 and 2008 were \$110 million and \$341 million, respectively. Increased sales of *HUMIRA* and *Depakote* accounted for the majority of the sales increases for U.S. Specialty products in 2008. U.S. Primary Care sales in both 2009 and 2008 were impacted by decreased sales of *Omnicef* due to generic competition, partially offset by increased sales of *Niaspan* and the *TriCor/Trilipix* franchise. Increased sales of *HUMIRA* favorably impacted International Pharmaceutical sales in both 2009 and 2008. International sales of *HUMIRA* for the first three months of 2009 and 2008 were \$614 million and \$476 million, respectively. Abbott forecasts worldwide *HUMIRA* sales growth of 15 to 20 percent. Excluding the impact of exchange, Abbott forecasts *HUMIRA* sales growth of 25 to 30 percent. The relatively stronger U.S. dollar decreased International Pharmaceutical sales in 2009 by 12.1 percent and the relatively weaker U.S. dollar increased International Pharmaceutical sales in 2008 by 12.3 percent. U.S. Pediatric sales were affected by the impact of a modest decline in the U.S. infant nutritional market, partially offset by higher market share. International Pediatric Nutritionals sales increases in 2009 and 2008 were due primarily to volume growth in developing countries. The relatively stronger U.S. dollar decreased Immunochemistry sales in 2009 by 8.4 percent and the relatively weaker U.S. dollar increased Immunochemistry sales in 2008 by 9.0 percent.

The gross profit margin was 56.3 percent for the first quarter 2009, compared to 56.2 percent for the first quarter 2008. The gross profit margin in 2009 was impacted by charges relating to a delayed product launch and the discontinuation of a product. These charges had the effect of reducing the gross profit margin by 1.2 percentage points. The increase in the gross profit margin in 2009, excluding these charges, was due, in part, to improved margins in the diagnostics and vascular businesses and the favorable effect of exchange on the gross profit margin; partially offset by the negative impact from lower sales of *Depakote*.

Research and development expenses increased 5.0 percent in the first quarter 2009 over the first quarter 2008. This increase reflects continued pipeline spending, including programs in vascular devices, biologics, neuroscience, oncology and Hepatitis C. The majority of research and development expenditures are concentrated on pharmaceutical products.

FINANCIAL REVIEW

(continued)

Selling, general and administrative expenses for the first quarter 2009 increased 2.6 percent over the first quarter 2008. This increase reflects the settlement of litigation, and acquisition expenses relating to the acquisition of Advanced Medical Optics, Inc., partially offset by the favorable effect of exchange. Excluding the effect of the charges and exchange, selling, general and administrative expenses increased 2.3 percent.

Business Acquisitions

In February 2009, Abbott acquired the outstanding shares of Advanced Medical Optics, Inc. (AMO), a marketer of ophthalmic surgical technology and devices, as well as eye care solutions 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 in accordance with Statement of Financial Standards No. 141(R). The acquisition was financed with long-term debt. The preliminary allocation of the fair value of the acquisition is shown in the table below (*in billions of dollars*). These allocations will be finalized when appraisals are completed.

Goodwill, non-deductible	\$	1.6
Acquired intangible assets, non-deductible		0.9
Acquired in-process research and development		0.2
Acquired net tangible assets		0.5
Acquired debt		(1.5)
Deferred income taxes recorded at acquisition		(0.3)
Total preliminary allocation of fair value	\$	<u>1.4</u>

Acquired intangible assets consist of established customer relationships, developed technology and trade names and will be amortized over 2 to 30 years (average of 10 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 \$55 million of acquisition related expenses 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 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 which 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 in the first quarter of 2009 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.

FINANCIAL REVIEW

(continued)

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. Additional charges of approximately \$9 million were recorded in the first quarter of 2009 relating to this restructuring, primarily for accelerated depreciation and product transfer costs. Additional charges will occur 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*)

	2009
Accrued balance at January 1	\$ 110
Restructuring charges	1
Payments and other adjustments	(1)
Accrued balance at March 31	<u>\$ 110</u>

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. Additional charges of \$9 million and \$22 million were subsequently recorded in the first quarter of 2009 and 2008, respectively, relating to these restructurings, primarily for accelerated depreciation and product transfer costs. The following summarizes the activity for these restructurings: (*dollars in millions*)

	2009	2008
Accrued balance at January 1	\$ 105	\$ 194
Restructuring charges	26	11
Payments and other adjustments	(24)	(48)
Accrued balance at March 31	<u>\$ 107</u>	<u>\$ 157</u>

Interest (Income)

Interest expense and interest income decreased in the first quarter 2009 compared to 2008 primarily as a result of lower interest rates.

Conclusion of TAP Pharmaceutical Products Inc. Joint Venture

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. 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. Abbott 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. Abbott 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. Of the \$1.1 billion, Abbott made a tax-deductible payment of \$200 million in 2008 and Abbott will make a tax-deductible payment of approximately \$120 million in 2009. In the first quarter of 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.

FINANCIAL REVIEW

(continued)

The 50 percent-owned joint venture was accounted for under the equity method of accounting. Summarized financial information for TAP for the three months ended March 31, 2008 are as follows below. (*dollars in millions*)

Net sales	\$ 711
Cost of sales	183
Income before taxes	321
Net income	204

Other (Income) Expense, net

Other (income) expense, net, for the first quarter of 2009 includes the derecognition of a contingent liability of \$797 million and ongoing contractual payments from Takeda associated with the conclusion of the TAP joint venture as discussed above and income from the recording of certain investments at fair value in connection with business acquisitions.

Taxes on Earnings

Taxes on earnings reflect the estimated annual effective rates. The effective tax rates are less than the statutory U.S. federal income tax rate principally due to the benefit of lower statutory tax rates and tax exemptions in several foreign taxing jurisdictions.

Liquidity and Capital Resources at March 31, 2009 Compared with December 31, 2008

Net cash from operating activities for the first three months 2009 totaled approximately \$700 million. Other, net in Net cash from operating activities for 2009 and 2008 includes the effects of contributions to the main domestic defined benefit plan of \$700 million in 2009 and \$200 million in 2008 and to the post-employment medical and dental plans of \$13 million and \$65 million, respectively. Abbott expects annual cash flow from operating activities to continue to exceed Abbott's capital expenditures and cash dividends.

Working capital was \$6.2 billion at March 31, 2009 and \$5.5 billion at December 31, 2008.

At March 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 \$5.3 billion that support commercial paper borrowing arrangements of which a \$2.3 billion facility expires in December 2009 and a \$3.0 billion facility expires in 2012. Abbott's access to short-term financing has not been affected by recent credit market conditions.

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 \$500 million of long-term notes that were due in February 2009 using short-term borrowings.

In October 2008, the board of directors authorized the purchase of up to \$5 billion of Abbott's common shares from time to time and 14.5 million shares were purchased under this authorization in the first three months of 2009 at a cost of approximately \$800 million. In the first three months of 2008, Abbott purchased approximately 14.1 million of its common shares at a cost of approximately \$800 million under a prior authorization.

FINANCIAL REVIEW

(continued)

Recently Issued Accounting Standards

In 2009, the FASB issued FSP FAS 115-2 and FAS 124-2 "Recognition and Presentation of Other-Than-Temporary Impairments" which provides additional guidance for the accounting for and presentation of impairment losses on securities. Abbott will adopt this FSP in the second quarter of 2009 and does not expect adoption to have a material effect on 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, or reduce prices or the rate of price increases for health care products and services. 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, in the 2008 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, in the 2008 Annual Report on Form 10-K.

PART I. FINANCIAL INFORMATION

Item 4. Controls and Procedures

- (a) *Evaluation of disclosure controls and procedures.* The Chief Executive Officer, Miles D. White, and 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 (the "Exchange Act") 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.
- (b) *Changes in internal control over financial reporting.* On February 25, 2009, Abbott acquired control of Advanced Medical Optics, Inc. During the quarter ended March 31, 2009, there were no other 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.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Abbott is involved in various claims, legal proceedings, and investigations, including (as of March 31, 2009) 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 for the case filed in April 2007 referred to in the second paragraph of Note 4 to Abbott's financial statements above and the cases described in the third paragraph of such note.

In its 2008 Form 10-K, Abbott reported that litigation is pending in the United States District Court for the District of Delaware against Abbott, Fournier Industrie et Sante, and Laboratoires Fournier, S.A. (Fournier), regarding the sale and marketing of fenofibrate products. In April 2009, Abbott and Fournier reached settlements on the claims brought by all indirect purchasers of fenofibrate products. The case brought by twenty-six State Attorneys General, *State of Florida, et al.* (filed in March 2008), is the only remaining litigation regarding the sale and marketing of fenofibrate products.

In its 2008 Form 10-K, Abbott reported that it is seeking to enforce its patent rights relating to fenofibrate tablets (a drug Abbott sells under the trademark Tricor®). In a case filed

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in the United States District Court for the District of New Jersey in March 2009, Abbott and the patents' owner, Laboratories Fournier, S.A., allege that Lupin Pharmaceuticals and Lupin Limited's proposed generic products infringe the asserted patents and seek declaratory and injunctive relief.

In its 2008 Form 10-K, Abbott reported that Bayer HealthCare LLC (Bayer) filed a patent infringement suit against Abbott in the United States District Court for the Eastern District of Texas. In February 2009, the case was transferred to the United States District Court for the District of Massachusetts, where Abbott has filed a declaratory judgment action against Bayer seeking a declaration that adalimumab (a drug Abbott sells under the trademark Humira®) does not infringe Bayer's patent and that Bayer's patent is invalid and unenforceable.

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.

Abbott is seeking to enforce its patent rights relating to niacin extended release tablets (a drug Abbott sells under the trademark Niaspan®). In cases filed in the United States District Courts for the District of Delaware and for the District of Maryland 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.

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Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) 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
January 1, 2009 — January 31, 2009	10,401,479(1)	\$ 54.664	10,000,000	\$ 4,444,954,828(2)
February 1, 2009 — February 28, 2009	5,053,534(1)	\$ 55.981	4,515,900	\$ 4,192,197,703(2)
March 1, 2009 — March 31, 2009	58,976(1)	\$ 47.278	0	\$ 4,192,197,703(2)
Total	15,513,989(1)	\$ 55.065	14,515,900	\$ 4,192,197,703(2)

1. These shares include:

- (i) the shares deemed surrendered to Abbott to pay the exercise price in connection with the exercise of employee stock options 386,979 in January, 523,134 in February, and 44,476 in March; 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 January, 14,500 in February, and 14,500 in March.

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. Exhibits

Incorporated by reference to the Exhibit Index included herewith.

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SIGNATURE

ABBOTT LABORATORIES

By: /s/ Thomas C. Freyman
Thomas C. Freyman,
Executive Vice President,
Finance and Chief Financial Officer

Date: May 5, 2009

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit</u>
3.1	*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.
3.2	*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.
4.1	*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.
4.2	*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.
4.3	*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.
4.4	*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.
4.5	*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.
4.6	*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.
4.7	*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.

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10.1	*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.**
10.2	*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.**
10.3	*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.**
10.4	*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.**
10.5	*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.**
10.6	*VISX, Incorporated 2000 Stock Plan, filed as Exhibit 4.8 to the Abbott Laboratories Registration Statement on Form S-8 dated March 20, 2009.**
10.7	*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.**

- 10.8 *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.**
- 10.9 Abbott Laboratories Non-Employee Directors' Fee Plan, as amended and restated effective as of April 24, 2009.**
- 10.10 Compensation Arrangements.**
- 10.11 The Abbott Laboratories 1996 Incentive Stock Program, as amended and restated through the 6th Amendment February 20, 2009.**
- 10.12 *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 Form 8-K dated February 20, 2009.**

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- 10.13 *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 Form 8-K dated February 20, 2009.**
- 10.14 *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 Form 8-K dated February 20, 2009.**
- 10.15 *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 Form 8-K dated February 20, 2009.**
- 10.16 *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 Form 8-K dated February 20, 2009.**
- 10.17 *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 Form 8-K dated February 20, 2009.**
- 10.18 *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 Form 8-K dated February 20, 2009.**
- 10.19 *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 Form 8-K dated February 20, 2009.**
- 12 Statement re: computation of ratio of earnings to fixed charges.
- 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)).

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

- 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.

* 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.

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Amended and Restated effective April 24, 2009

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 Nine Thousand Five Hundred Dollars (\$9,500.00) 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):

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- (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,

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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

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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 6.1 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 to 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

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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 a 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.

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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 Section 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

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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

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- (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; and
- (c) 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

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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) 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 the aggregate of the 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

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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

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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 depository (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 depository.
- (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 depository, 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

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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.

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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.

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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 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 _____

Abbott Laboratories

Compensation Arrangements

Effective March 1, 2009, the base salary of John M. Capek, Executive Vice President, Medical Devices, is \$615,900 and the base salary of Laura J. Schumacher, Executive Vice President, General Counsel and Secretary, is \$803,400.

ABBOTT LABORATORIES
1996 INCENTIVE STOCK PROGRAM
(as amended and restated through the
6th Amendment February 20, 2009)

1. **PURPOSE.** The purpose of the Abbott Laboratories 1996 Incentive Stock Program (the "Program") is to attract and retain outstanding directors, officers and other employees of Abbott Laboratories (the "Company") and its subsidiaries, and to furnish incentives to such persons by providing opportunities to acquire common shares of the Company, or monetary payments based on the value of such shares or the financial performance of the Company, or both, on advantageous terms as herein provided and to further align such persons' interests with those of the Company's other shareholders through compensation that is based on the value of the Company's common shares.
2. **ADMINISTRATION.** The Program will be administered by a committee (the "Committee") of at least two persons which shall be either the Compensation Committee of the Board of Directors of the Company (the "Board of Directors") or such other committee comprised entirely of persons who are both: (i) "disinterested persons" as defined in Rule 16b-3 of the Securities and Exchange Commission; and (ii) "outside directors" as defined under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision; as the Board of Directors may from time to time designate. The Committee shall interpret the Program, prescribe, amend and rescind rules and regulations relating thereto and make all other determinations necessary or advisable for the administration of the Program. A majority of the members of the Committee shall constitute a quorum and all determinations of the Committee shall be made by a majority of its members. Any determination of the Committee under the Program may be made without notice of meeting of the Committee by a writing signed by all of the Committee members. The Committee may, from time to time, delegate any or all of its duties, powers and authority to any officer or officers of the Company, except to the extent such delegation would be inconsistent with Rule 16b-3 of the Securities and Exchange Commission or other applicable law, rule or regulation. The Chief Executive Officer of the Company may grant Benefits under the Program other than to persons subject to Section 16(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") with respect to transactions involving equity securities of the Company at the time that delegated authority is exercised. All such grants by the Chief Executive Officer shall be reported annually to the Committee, however, the Committee is not required to take any action with respect to such grants.
3. **PARTICIPANTS.** Participants in the Program will consist of such officers and other employees of the Company and its subsidiaries as the Committee in its sole discretion may designate from time to time to receive Benefits hereunder. The Committee's designation of a participant in any year shall not require the Committee to designate such person to receive a Benefit in any other year. The Committee shall consider such factors as it deems pertinent in selecting participants and in determining the type and amount of their respective Benefits, including without limitation (i) the financial condition of the Company; (ii) anticipated profits for the current or future years; (iii) contributions of participants to the profitability and development of the Company; (iv) prior awards to participants; and (v) other compensation

provided to participants. Non-Employee Directors shall also be participants in the Program solely for purposes of receiving Restricted Stock Awards and Restricted Stock Units under paragraph 13 and Non-qualified Stock Options under paragraph 14. The term "Non-Employee Director" shall mean a member of the Board of Directors who is not a full-time employee of the Company or any of its subsidiaries.

4. **TYPES OF BENEFITS.** Benefits under the Program may be granted in any one of a combination of (a) Incentive Stock Options; (b) Non-qualified Stock Options; (c) Stock Appreciation Rights; (d) Limited Stock Appreciation Rights; (e) Restricted Stock Awards; (f) Restricted Stock Units; (g) Performance Awards; and (h) Foreign Qualified Benefits, all as described below.
5. **SHARES RESERVED UNDER THE PROGRAM.** There is hereby reserved for issuance under the Program: (i) an aggregate of Five Million (5,000,000) common shares; plus (ii) an authorization for each calendar year (the "Annual Authorization") for the years 1996 through 1999, of seven-tenths of one percent (0.7%) of the total common shares of the Company issued and outstanding as of the first day of such calendar year and for the years from and including 2000, one and a half percent (1.5%) of the total common shares of the Company issued and outstanding as of the first day of such calendar year; which may be newly issued or treasury shares. The shares hereby reserved are in addition to the shares previously reserved under the Company's 1981 Incentive Stock Program, 1986 Incentive Stock Program and 1991 Incentive Stock Program (the "Prior Programs"). Any common shares reserved for issuance under the Prior Programs in excess of the number of shares as to which options or other Benefits have been awarded on the date of shareholder approval of this Program, plus any such shares as to which options or other Benefits granted under the Prior Programs may lapse, expire, terminate or be canceled after such date, shall also be reserved and available for issuance in connection with Benefits under this Program. Any common shares reserved under the Program for any calendar year under an Annual Authorization as to which options or other Benefits have not been awarded as of the end of such calendar year shall be available for issuance in connection with Benefits granted in subsequent years.

If there is a lapse, expiration, termination or cancellation of any Benefit granted hereunder without the issuance of shares or payment of cash thereunder, or if shares are issued under any Benefit and thereafter are reacquired by the Company pursuant to rights reserved upon the issuance thereof, or shares are reacquired pursuant to the payment of the purchase price of shares under stock options by delivery of other common shares of the Company, the shares subject to or reserved for such Benefit, or so reacquired, may again be used for new options, rights or awards of any sort authorized under this Program; provided, however, that in no event may the number of common shares issued under this Program, and not reacquired by the Company pursuant to rights reserved upon the issuance thereof or pursuant to the payment of the purchase price of shares under stock options by delivery of other common shares of the Company, exceed the total number of shares reserved for issuance hereunder.

6. **INCENTIVE STOCK OPTIONS.** Incentive Stock Options will consist of options to purchase common shares at purchase prices not less than One Hundred percent (100%) of the Fair Market Value of such common shares on the date of grant. An Incentive Stock Option will not be exercisable after the expiration of ten (10) years from the date such option is granted. In

the event of termination of employment for any reason other than retirement, disability or death, the right of the optionee to exercise an Incentive Stock Option shall terminate upon the earlier of the end of the original term of the option or three (3) months after the optionee's last day of work for the Company and its subsidiaries. In the event of termination of employment due to retirement or disability, or if the optionee should die while employed, the right of the optionee

or his or her successor in interest to exercise an Incentive Stock Option shall terminate upon the end of the original term of the option. If the optionee should die within three (3) months after termination of employment for any reason other than retirement or disability, the right of his or her successor in interest to exercise an Incentive Stock Option shall terminate upon the earlier of the end of the original term of the option or three (3) months after the date of such death. To the extent the aggregate fair market value (determined as of the time the Option is granted) of the common shares with respect to which any Incentive Stock Option is exercisable for the first time by any individual during any calendar year (under all option plans of the Company and its subsidiary corporations) exceeds \$100,000, the excess shall be treated as a Non-qualified Stock Option. An Incentive Stock Option shall be exercisable as determined by the Committee, but in no event earlier than six (6) months from its grant date.

7. **NON-QUALIFIED STOCK OPTIONS.** Non-qualified Stock Options will consist of options to purchase common shares at purchase prices not less than One Hundred percent (100%) of the Fair Market Value of such common shares on the date of grant. A Non-qualified Stock Option will not be exercisable after the expiration of ten (10) years from the date such option is granted. In the event of termination of employment for any reason other than retirement, disability or death, the right of the optionee to exercise a Non-qualified Stock Option shall terminate upon the earlier of the end of the original term of the option or three (3) months after the optionee's last day of work for the Company and its subsidiaries. In the event of termination of employment due to retirement or disability, or if the optionee should die while employed, the right of the optionee or his or her successor in interest to exercise a Non-qualified Stock Option shall terminate upon the end of the original term of the option. If the optionee should die within three (3) months after termination of employment for any reason other than retirement or disability, the right of his or her successor in interest to exercise a Non-qualified Stock Option shall terminate upon the earlier of the end of the original term of the option or three (3) months after the date of such death. A Non-qualified Stock Option shall be exercisable as determined by the Committee, but in no event earlier than six (6) months from its grant date.

8. **STOCK APPRECIATION RIGHTS.** The Committee may, in its discretion, grant a Stock Appreciation Right to the holder of any stock option granted hereunder or under the Prior Programs. Such Stock Appreciation Rights shall be subject to such terms and conditions consistent with the Program as the Committee shall impose from time to time, including the following:

- (a) A Stock Appreciation Right may be granted with respect to a stock option at the time of its grant or at any time thereafter up to six (6) months prior to its expiration.
- (b) Stock Appreciation Rights will permit the holder to surrender any related stock option or portion thereof which is then exercisable and to elect to receive in exchange therefor cash in an amount equal to:

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- (i) The excess of the Fair Market Value on the date of such election of one common share over the option price multiplied by

- (ii) The number of shares covered by such option or portion thereof which is so surrendered.

- (c) A Stock Appreciation Right granted to a participant who is subject to Section 16 of the Exchange Act may be exercised only after six (6) months from its grant date (unless such exercise would not affect the exemption under Rule 16b-3 of the Securities and Exchange Commission).

- (d) A Stock Appreciation Right may be granted to a participant regardless of whether such participant has been granted a Limited Stock Appreciation Right with respect to the same stock option. However, a Stock Appreciation Right may not be exercised during any period that a Limited Stock Appreciation Right with respect to the same stock option may be exercised.

- (e) In the event of the exercise of a Stock Appreciation Right, the number of shares reserved for issuance hereunder shall be reduced by the number of shares covered by the stock option or portion thereof surrendered.

9. **LIMITED STOCK APPRECIATION RIGHTS.** The Committee may, in its discretion, grant a Limited Stock Appreciation Right to the holder of any stock option granted hereunder or under the Prior Programs. Such Limited Stock Appreciation Rights shall be subject to such terms and conditions consistent with the Program as the Committee shall impose from time to time, including the following:

- (a) A Limited Stock Appreciation Right may be granted with respect to a stock option at the time of its grant or at any time thereafter up to six (6) months prior to its expiration.

- (b) A Limited Stock Appreciation Right will permit the holder to surrender any related stock option or portion thereof which is then exercisable and to receive in exchange therefor cash in an amount equal to:

- (i) The excess of the Fair Market Value on the date of such election of one common share over the option price multiplied by

- (ii) The number of shares covered by such option or portion thereof which is so surrendered.

- (c) A Limited Stock Appreciation Right granted to a participant who is subject to Section 16 of the Exchange Act may be exercised only after six (6) months from its grant date (unless such exercise would not affect the exemption under Rule 16b-3 of the Securities and Exchange Commission) and only during the sixty (60) day period commencing on the later of:

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- (i) the day following the date of a Change in Control; or (ii) the first date on which such exercise would be exempt under Rule 16b-3 of the Securities and Exchange Commission.

- (d) A Limited Stock Appreciation Right may be granted to a participant regardless of whether such participant has been granted a Stock Appreciation Right with respect to the same stock option.

- (e) In the event of the exercise of a Limited Stock Appreciation Right, the number of shares reserved for issuance hereunder shall be reduced by the number of shares covered by the stock option or portion thereof surrendered.

10. RESTRICTED STOCK AWARDS AND RESTRICTED STOCK UNITS

- (a) RESTRICTED STOCK AWARDS. Restricted Stock Awards will consist of common shares transferred to participants without other payment therefor as additional compensation for their services to the Company or any of its subsidiaries. Restricted Stock Awards granted under this paragraph 10 shall be satisfied from the Company's available treasury shares. Restricted Stock Awards shall be subject to such terms and conditions as the Committee determines appropriate, including, without limitation, restrictions on the sale or other disposition of such shares and rights of the Company to reacquire such shares upon termination of the participant's employment within specified periods. Subject to such other restrictions as are imposed by the Committee, the common shares covered by a Restricted Stock Award granted to a participant who is subject to Section 16 of the Exchange Act may be sold or otherwise disposed of only after six (6) months from the grant date of the award (unless such sale would not affect the exemption under Rule 16b-3 of the Securities and Exchange Commission).
- (b) RESTRICTED STOCK UNITS. Restricted Stock Units will consist of an unfunded promise to deliver shares of stock at some future date to participants without other payment therefor as additional compensation for their services to the Company or any of its subsidiaries. Stock delivered under this paragraph 10(b) shall be satisfied from the Company's available treasury shares. Restricted Stock Units granted under this paragraph 10(b) shall be subject to such terms and conditions as the Committee determines appropriate, including, without limitation, restrictions on the sale or other disposition of such stock units, the rights of the Company to provide for the forfeiture of such stock units upon termination of the participant's employment within specified periods and the right to receive dividend equivalent payments.
- (c) No more than ten percent (10%) of the total number of shares available for grant in any calendar year may be granted as Restricted Stock Units or Restricted Stock Awards (in the aggregate) under paragraphs 10 and 13 in that year.

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11. PERFORMANCE AWARDS. Performance Awards in the form of Performance Units or Performance Shares may be granted to any participant in the Program. Performance Units shall consist of monetary awards which may be earned in whole or in part if the Company achieves certain goals established by the Committee over a designated period of time. Performance Shares shall consist of common shares or awards denominated in common shares which may be earned in whole or in part if the Company achieves certain goals established by the Committee over a designated period of time. The goals established by the Committee shall be based on any one, or combination of, earnings per share, return on equity, return on assets, total shareholder return, net operating income, cash flow, increase in revenue, economic value added, increase in share price or cash flow return on investment. Partial achievement of the goal(s) may result in a payment or vesting corresponding to the degree of achievement. Payment of an award earned may be in cash or in common shares or in a combination of both, and may be made when earned, or may be vested and deferred, as the Committee in its sole discretion determines. The maximum amount which may be granted under all Performance Awards for any one year for any one participant shall be Five Million Dollars (\$5,000,000). This limit shall be applied to Performance Shares by multiplying the number of Performance Shares granted by the fair market value of one common share on the date of the award. During the term of the Program, no more than 5 million shares of Abbott common stock may be granted in the form of Performance Units and no more than 5 million shares of Abbott common stock may be granted in the form of Performance Shares. This paragraph 11 is intended to comply with the performance-based compensation requirements of Code Section 162(m), and shall be interpreted in accordance with the rules and regulations thereunder.

12. FOREIGN QUALIFIED BENEFITS. Benefits under the Program may be granted to such employees of the Company and its subsidiaries who are residing in foreign jurisdictions as the Committee in its sole discretion may determine from time to time. The Committee may adopt such supplements to the Program as may be necessary to comply with the applicable laws of such foreign jurisdictions and to afford participants favorable treatment under such laws; provided, however, that no Benefit shall be granted under any such supplement with terms or conditions which are inconsistent with the provisions as set forth under the Program.

13. RESTRICTED STOCK UNIT AWARDS FOR NON-EMPLOYEE DIRECTORS.

- (a) Each year, on the date of the annual shareholders meeting, each person who is elected a Non-Employee Director at the annual shareholders meeting shall be awarded both: (i) Restricted Stock Units covering a number of common shares with a Fair Market Value on the date of the award closest to, but not in excess of, an amount equal to six times the monthly fee in effect under Section 3.1 of the Abbott Laboratories Non-Employee Director's Fee Plan on the date of the award and (ii) Restricted Stock Units covering a number of common shares with a Fair Market Value on the date of the award closest to, but not in excess of, Fifty Thousand Dollars (\$50,000).
- (b) VESTING AND PAYMENT. The Restricted Stock Units granted under this paragraph 13 shall be fully vested on the date of the award. The Non-Employee Director receiving the Restricted Stock Units shall be entitled to

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receive one common share for each common share subject to the award upon the earliest of the following events (the "Termination Event"):

- (i) The date the director terminates or retires from the Board;
- (ii) The date the director dies; or
- (iii) The date of occurrence of a Change in Control (as defined in paragraph 2(c)) which also qualifies as a "change in control event," as such term is defined in Treasury Regulation §1.409A-3(i)(5).
- (c) DIVIDENDS. The Non-Employee Director receiving the Restricted Stock Units shall be entitled to receive cash payments equal to the dividends and distributions paid on shares of stock (other than dividends or distributions of securities of the Company which may be issued with respect to its shares by virtue of any stock split, combination, stock dividend or recapitalization) to the same extent as if each Restricted Stock Unit was a share of stock, and those shares were not subject to the restrictions imposed by this Program, provided that the record date

with respect to such dividend or distribution occurs within the period commencing with the date of the award and ending upon the date of the Termination Event (the "Restricted Period").

- (d) **RESTRICTIONS.** All Restricted Stock Units granted under this paragraph 13 shall be subject to the following restrictions during the Restricted Period:
- (i) The Restricted Stock Units may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of.
 - (ii) Any additional common shares of the Company or other securities or property issued with respect to shares covered by awards granted under this paragraph 13 as a result of any stock split, combination, stock dividend or recapitalization, shall be subject to the restrictions and other provisions of this paragraph 13.
 - (iii) A director shall not be entitled to receive any shares prior to completion of all actions deemed appropriate by the Company to comply with federal or state securities laws and stock exchange requirements.
- (e) Except in the event of conflict, all provisions of the Program shall apply to this paragraph 13. In the event of any conflict between the provisions of the Program and this paragraph 13, this paragraph 13 shall control. Restricted Stock Units granted under this paragraph 13 shall be satisfied from the Company's available treasury shares.

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14. **NON-QUALIFIED STOCK OPTIONS FOR NON-EMPLOYEE DIRECTORS.**

- (a) Each Non-Employee Director may elect to receive any or all of his or her fees earned during the second half of 1996 and each subsequent calendar year under Section 3 of the Abbott Laboratories Non-Employee Directors' Fee Plan (the "Directors' Fee Plan") in the form of Non-qualified Stock Options under this Section 14. Each such election shall be irrevocable, and must be made in writing and filed with the Secretary of the Company by December 31, 1995 (for fees earned in the second half of 1996) and (for fees earned in subsequent calendar years) by June 30 of the calendar year preceding the calendar year in which such fees are earned (or such later date as may be permissible under Rule 16b-3 of the Securities and Exchange Commission, but in no event later than December 31 of such preceding calendar year).
- (b) A Non-Employee Director may file a new election each calendar year applicable to fees earned in the immediately succeeding calendar year. If no new election or revocation of a prior election is received by June 30 of any calendar year (or such later date as may be permissible under paragraph (a)), the election, if any, in effect for such calendar year shall continue in effect for the immediately succeeding calendar year. Any election made under this Section 14 shall take precedence over any election made by the director for the same period, under the Directors' Fee Plan, to the extent necessary to resolve any conflict between such elections. If a director does not elect to receive his or her fees in the form of Non-qualified Stock Options, the fees due such director shall be paid or deferred as provided in the Directors' Fee Plan and any applicable election thereunder by the director.
- (c) The number of common shares covered by each Non-qualified Stock Option granted in any year under this Section 14 shall be determined based on an independent appraisal for such year of the intrinsic value of options granted hereunder and the amount of fees covered by the director's election for such year. The number of common shares covered by options granted in 1996 (as determined under this procedure) shall be the number of whole shares equal to (i) the product of three (3) times the amount of fees which the director has elected under paragraph (a) to receive in the form of Non-qualified Stock Options, divided by (ii) One Hundred percent (100%) of the Fair Market Value of one common share on the grant date. Any fraction of a share shall be disregarded, and the remaining amount of the fees corresponding to such option shall be paid as provided in the Directors' Fee Plan and any applicable election thereunder by the director.
- (d) Effective on October 10, 1997, each Non-qualified Stock Option due a director under this Section 14 prior to the 1998 annual shareholders meeting shall be granted on October 10, 1997 at a purchase price equal to One Hundred percent (100%) of the Fair Market Value of the common shares covered by such option on the grant date. Effective with the 1998 Annual Shareholders Meeting, each Non-qualified Stock Option due a director under this Section 14 shall be granted annually, on the date of the annual shareholders meeting, at a purchase price equal

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to One Hundred percent (100%) of the Fair Market Value of the common shares covered by such option on the grant date. Each such option shall be immediately exercisable and nonforfeitable, and shall not be exercisable after the expiration of ten (10) years from the date it is granted. Each such option shall contain provisions allowing payment of the purchase price and, to the extent permitted, any taxes due on exercise, by delivery of other common shares of the Company (or, in the case of the payment of taxes, by withholding of shares).

- (e) All Non-qualified Stock Options granted under this Section 14 prior to October 10, 1997, shall be immediately exercisable and nonforfeitable, and shall not be exercisable after the expiration of ten (10) years from the date granted.

15. **NONTRANSFERABILITY.** Except as provided by the Committee, each stock option and stock appreciation right granted under this Program shall not be transferable other than by will or the laws of descent and distribution, and shall be exercisable, during the participant's lifetime, only by the participant or the participant's guardian or legal representative.

16. **OTHER PROVISIONS.** The award of any Benefit under the Program may also be subject to other provisions (whether or not applicable to the Benefit awarded to any other participant) as the Committee determines appropriate, including, without limitation, provisions for the purchase of common shares under stock options in installments, provisions for the payment of the purchase price of shares under stock options by delivery of other common shares of the Company having a then market value equal to the purchase price of such shares, restrictions on resale or other disposition, such provisions as may be appropriate to comply with federal or state securities laws and stock exchange requirements and understandings or conditions as to the participant's employment in addition to those specifically provided for under the Program.

In the case of a participant who is subject to Section 16(a) and 16(b) of the Exchange Act, the Committee may, at any time, add such conditions and limitations to any Benefit granted to such participant, or any feature of any such Benefit, as the Committee, in its sole discretion, deems necessary or desirable to comply with Section 16(a) or 16(b) and the rules and regulations thereunder or to obtain any exemption therefrom. A participant may pay the purchase price of shares under stock options by delivery of a properly executed exercise notice together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds to pay the purchase price. To facilitate the foregoing, the Company may enter into agreements for coordinated procedures with one or more brokerage firms.

The Committee may, in its discretion and subject to such rules as it may adopt, permit or require a participant to pay all or a portion of the federal, state and local taxes, including FICA and medicare withholding tax, arising in connection with the following transactions: (a) the exercise of a Non-qualified Stock Option; (b) the lapse of restrictions on common shares received as a Restricted Stock Award; or (c) the receipt or exercise of any other Benefit; by (i) having the Company withhold common shares, (ii) tendering back common shares received in connection with such Benefit or (iii) delivering other previously acquired common shares of the Company having a fair market value approximately equal to the amount to be withheld.

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The Committee may grant stock options under the Program (and, for stock options granted prior to shareholder approval of this Program, under the Company's 1991 Incentive Stock Program) that provide for the grant of replacement stock options if all or any portion of the purchase price or taxes incurred in connection with the exercise, are paid by delivery (or, in the case of payment of taxes, by withholding of shares) of other common shares of the Company. The replacement stock option shall cover the number of common shares surrendered to pay the purchase price, plus the number of shares surrendered or withheld to satisfy the participant's tax liability, shall have an exercise price equal to One Hundred percent (100%) of the Fair Market Value of such common shares on the date such replacement stock option is granted, shall first be exercisable six months from the date of grant of the replacement stock option and shall have an expiration date equal to the expiration date of the original stock option.

To the extent applicable, it is intended that the Program comply with the provisions of Code Section 409A. The Program will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Program 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 Program, 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 Program 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. In addition, for purposes of the Program, each amount to be paid and each installment payment shall be construed as a separate identified payment for purposes of Code Section 409A.

17. **TERM OF PROGRAM AND AMENDMENT, MODIFICATION, CANCELLATION OR ACCELERATION OF BENEFITS.** The Program shall continue in effect until terminated by the Board of Directors, except that no Incentive Stock Option shall be granted after October 13, 2005 and that no other Benefits shall be granted after April 27, 2010. The terms and conditions applicable to any Benefits may at any time be amended, modified or canceled by mutual agreement between the Committee and the participant or such other persons as may then have an interest therein, so long as any amendment or modification does not increase the number of common shares issuable under this Program; and provided further, that the Committee may, at any time and in its sole discretion, declare any or all stock options and stock appreciation rights then outstanding under the Program or the Prior Programs to be exercisable and any or all the then outstanding Restricted Stock Awards or Restricted Stock Units to be vested, whether or not such options, rights or awards are then otherwise exercisable or vested. Notwithstanding the foregoing, except as provided in paragraph 22, the Committee shall neither lower the purchase price of any option granted under the Program nor grant any option under the Program in replacement of a cancelled option which had previously been granted at a higher purchase price, without shareholder approval.

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18. **AMENDMENT TO PRIOR PROGRAMS.** No options or other Benefits shall be granted under the Prior Programs on or after the date of shareholder approval of this Program.

19. **INDIVIDUAL LIMIT ON OPTIONS AND STOCK APPRECIATION RIGHTS; AGGREGATE LIMIT ON INCENTIVE STOCK OPTIONS.** The maximum number of shares with respect to which Incentive Stock Options, Non-qualified Stock Options, Stock Appreciation Rights and Limited Stock Appreciation Rights may be granted to any one participant, in aggregate in any one calendar year, shall be Two Million (2,000,000) shares. Incentive Stock Options with respect to no more than the lesser of (i) One Hundred and Fifty Million (150,000,000) shares (plus any shares acquired by the Company pursuant to payment of the purchase price of shares under incentive stock options by delivery of other common shares of the Company), or (ii) the total number of shares reserved under paragraph 5 may be issued under the Plan.

20. **TAXES.** The Company shall be entitled to withhold the amount of any tax attributable to any amount payable or shares deliverable under the Program after giving the person entitled to receive such amount or shares notice as far in advance as practicable, and the Company may defer making payment or delivery if any such tax may be pending unless and until indemnified to its satisfaction.

21. **DEFINITIONS.**

- (a) **FAIR MARKET VALUE.** Except as provided below, the Fair Market Value of the Company's common shares shall be determined by such methods or procedures as shall be established by the Committee; provided that, in the case of any Limited Stock Appreciation Right (other than a right related to an Incentive Stock Option), the Fair Market Value shall be the higher of:
- (i) The highest daily closing price of the Company's common shares during the sixty (60) day period following the Change in Control; or
 - (ii) The highest gross price paid or to be paid for the Company's common shares in any of the transactions described in paragraphs 21(c)(i) and 21(c)(ii).

- (b) **SUBSIDIARY.** The term “subsidiary” for all purposes other than the Incentive Stock Option provisions in paragraph 6, shall mean any corporation, partnership, joint venture or business trust, fifty percent (50%) or more of the control of which is owned, directly or indirectly, by the Company. For Incentive Stock Option purposes the term “subsidiary” shall be defined as provided in Internal Revenue Code Section 424(f).
- (c) **CHANGE IN CONTROL.** 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

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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

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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 Program: “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; 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.

- (d) **DISABILITY.** The term “disability” for all purposes of the Program shall mean the participant’s disability as defined in subsection 4.1(a) of the Abbott Laboratories Extended Disability Plan for twelve (12) consecutive months.

22. ADJUSTMENT PROVISIONS.

- (a) If the Company shall at any time change the number of issued common shares without new consideration to the Company (such as by stock dividends or stock splits), the total number of shares reserved for issuance under this Program, the individual and aggregate limits described in paragraphs 11 and 19 on the number of shares that may be granted or issued (as the case may be), the number of shares covered by each

outstanding Benefit and the purchase price of such shares shall be adjusted so that the aggregate consideration payable to the Company and the value of each such Benefit shall not be changed. Subject to paragraph 22(c), the Committee shall also have the right to provide for the continuation of Benefits or for other equitable adjustments after changes in the Company or in the common shares resulting from reorganization, sale, merger, consolidation, spin-off or similar occurrence.

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- (b) Subject to paragraph 22(c), without affecting the number of shares otherwise reserved or available hereunder, the Committee may authorize the issuance or assumption of Benefits in connection with any merger, consolidation, acquisition of property or stock, or reorganization upon such terms and conditions as it may deem appropriate.
- (c) Notwithstanding any other provision of this Program or the Prior Programs including the terms of any Benefit granted hereunder, if the outstanding common shares of the Company shall be combined, or be changed into, or exchanged for, another kind of stock of the Company, into securities of another corporation, or into property (including cash) whether through recapitalization, reorganization, sale, merger, consolidation, spin-off, business combination or a similar transaction (a "Transaction"), the Company shall cause its successor, acquiror (or ultimate parent of any successor or acquiror), as applicable, to assume each stock option, Stock Appreciation Right and Limited Stock Appreciation Right outstanding immediately prior to the Transaction (or to cause new options or rights to be substituted therefor). Pursuant to such assumed or substituted option or rights, participants shall thereafter be entitled to receive, upon due exercise of any portion of the option or right, (a) in the event of a Transaction in which the outstanding common shares of the Company are combined, or changed into, or exchanged for, solely another kind of stock of the Company or securities of another corporation (disregarding, for this purpose, cash paid in lieu of fractional shares), the securities which that person would have been entitled to receive for common shares acquired through exercise of the same portion of such option or right immediately prior to the effective date of such Transaction, and (b) in the event of a Transaction in which the outstanding common shares of the Company are changed into, or exchanged for, property (including cash) other than solely stock of the Company or securities of another corporation (disregarding, for this purpose, cash paid in lieu of fractional shares), securities the fair market value of which immediately following the effective date of such Transaction (as determined by the Committee) equals the fair market value (as determined by the Committee) of the property which that person would have been entitled to receive for common shares acquired through exercise of the same portion of such option or right immediately prior to the effective date of such Transaction. In each case such assumed or substituted option or right shall continue to be subject to the same terms and conditions (including, without limitation, with respect to any right to receive "replacement options" upon option exercise) to which it was subject immediately prior to the Transaction.

Notwithstanding the immediately preceding paragraph, upon a Transaction in which the outstanding common shares of the Company are changed into, or exchanged for, property (including cash) other than solely stock of the Company or securities of another corporation (disregarding, for this purpose, cash paid in lieu of fractional shares) and which constitutes a Change in Control, each participant may elect to receive, immediately following such Transaction in exchange for cancellation of any stock option (other than an Incentive Stock Option granted prior to June 20, 2003), Stock Appreciation Right or Limited

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Appreciation Right held by such participant immediately prior to the Transaction, a cash payment, with respect to each common share subject to such option or right, equal to the difference between the value of consideration (as determined by the Committee) received by the shareholders for a common share of the Company in the Transaction, less any applicable purchase price.

- (d) Notwithstanding any other provision of this Program or the Prior Programs including the terms of any Benefit granted hereunder, upon the occurrence of a Change in Control:
- (i) All stock options then outstanding under this Program or the Prior Programs shall become fully exercisable as of the date of the Change in Control, whether or not then otherwise exercisable;
 - (ii) All Stock Appreciation Rights and Limited Stock Appreciation Rights then outstanding shall become fully exercisable as of the date of the Change in Control, whether or not then otherwise exercisable;
 - (iii) All terms and conditions of all Restricted Stock Awards then outstanding shall be deemed satisfied as of the date of the Change in Control;
 - (iv) All terms and conditions of all Restricted Stock Units then outstanding shall be deemed satisfied and all restrictions on those Restricted Stock Units will lapse as of the date of the Change in Control; and
 - (v) All Performance Awards then outstanding shall be deemed to have been fully earned and to be immediately payable, in cash, as of the date of the Change in Control.

Notwithstanding the foregoing, with respect to each Benefit that is subject to Code Section 409A, if a Change in Control would have occurred under the Program but such Change in Control does not also qualify as a "change in control event" (within the meaning of Treasury Regulation Section 1.409A-3(i)(5)), then each such Benefit shall become vested and non-forfeitable; provided, however, that the holder of such Benefit shall not be able to exercise the Benefit, and the Benefit shall not become payable, except in accordance with the terms of such Benefit or until such earlier time as the exercise and/or payment complies with Code Section 409A.

23. **AMENDMENT AND TERMINATION OF PROGRAM.** The Board of Directors may amend the Program from time to time or terminate the Program at any time, but no such action shall reduce the then existing amount of any participant's Benefit or adversely change the terms and conditions thereof without the participant's consent. Notwithstanding the foregoing, except as provided in paragraph 22, the Company shall neither lower the purchase price of any option granted under the Program nor grant any option under the Program in replacement of a cancelled

option which had previously been granted at a higher purchase price, without shareholder approval. To the extent required for compliance with Rule 16b-3 of the Securities and Exchange Commission, paragraph 13 of the Program may not be amended more frequently than once every six months other than to comport with changes in the Code or the rules thereunder, and no amendment of the Program shall result in any Committee member losing his or her status as a "disinterested person" as defined in Rule 16b-3 of the Securities and Exchange Commission with respect to any employee benefit plan of the Company or result in the Program or awards thereunder losing their exempt status under said Rule 16b-3.

24. EFFECTIVE DATE. The Program was originally adopted by the Board of Directors on October 13, 1995.

Abbott Laboratories

Computation of Ratio of Earnings to Fixed Charges

(Unaudited)

(dollars in millions except ratio)

	Three Months Ended March 31, 2009
Net Earnings	\$ 1,439
Add (deduct):	
Taxes on earnings	494
Capitalized interest cost, net of amortization	(3)
Minority interest	1
Earnings from Operations as adjusted	<u>1,931</u>
Fixed Charges:	
Interest on long-term and short-term debt	124
Capitalized interest cost	8
Rental expense representative of an interest factor	20
Total Fixed Charges	<u>152</u>
Total adjusted earnings available for payment of fixed charges	<u>\$ 2,083</u>
Ratio of earnings to fixed charges	<u>13.7</u>

NOTE: For the purpose of calculating this ratio, (i) earnings have been calculated by adjusting earnings from operations for taxes on earnings; interest expense; capitalized interest cost, net of amortization; noncontrolling interest; 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.

**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 quarterly report on Form 10-Q 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.

Date: May 5, 2009

/s/ Miles D. White

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

**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 quarterly report on Form 10-Q 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.

Date: May 5, 2009

/s/ Thomas C. Freyman

Thomas C. Freyman, Executive Vice President, Finance and Chief Financial Officer

**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 Quarterly Report of Abbott Laboratories (the "Company") on Form 10-Q for the period ended March 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

May 5, 2009

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.

**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 Quarterly Report of Abbott Laboratories (the "Company") on Form 10-Q for the period ended March 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
May 5, 2009

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.
