

A company stock analysis on abbott laboratories

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Abbott Laboratories is among the companies listed in the New York, Chicago, Pacific, London and Swiss exchanges. It is traded in the Boston, Cincinnati and Philadelphia exchanges. As ABT common, shares of this company have been offered to the public for ownership and are presently traded in the mentioned bourses. To be able to make a wise decision as to whether or not a prospective investor should buy into Abbott Laboratories, sufficient information regarding its financial condition and operational well-being will have to be available and then looked into.

With the shares of Abbott Laboratories being in the market and available for buying any time during trading hours, present and prospective investors have to monitor the state of things, the rate of growth and the progress and prospects of the company. This way, present investors can decide better whether to keep their shares or to sell them, then prospective investors can have a sound basis for deciding whether to acquire Abbott shares or to put their money elsewhere. As stated in its 2006 Fact Book, Abbott Laboratories was founded in 1988 by Dr.

Wallace C. Abbott, a Chicago physician. Abbott Laboratories has become a multi-national enterprise and a broad-based, innovative healthcare company that discovers, develops, manufactures and markets products that p the continuum of care – from prevention and diagnosis to treatment and cure. Abbott's principal businesses include pharmaceuticals and medical products, including devices, diagnostic tests, instruments and nutritional products for children and adults. Mr. Miles D.

White, Abbot's Chairman of the Board and Chief Executive Officer, in his message in the company website, has stated, " Our goal at Abbott is very straightforward: to help the people who depend upon us by continuing to advance medical science. We do this in many ways – through our products that directly help patients, through our advocacy for causes we believe in, and through our global humanitarian efforts that help people in need around the world. " Abbott Laboratories is ranked among the top companies in the world for financial strength and workplace excellence by leading national publications.

The company currently holds the fifth rank among the " Most Admired Companies" in the pharmaceutical sector and the 93rd rank in the Fortune 500 list of the largest U. S. -based corporations. It has been named in the top 10 of the " Top 50 Companies for Diversity" by DiversityInc. Abbott has been ranked 106th in the Forbes 200 list. The Working Mother publication has cited Abbott as one of the " 100 Best Employers for Working Mothers. " The Science magazine has included Abbott in its list of top 20 employers for scientists in a ranking of the world's most respected biotechnology and pharmaceutical companies.

Then The Scientist magazine has listed Abbott among their best places to work in. In the light of all these recognition and acknowledgments conferred upon Abbott Laboratories, there is no doubt that it is a major figure in the industry. The company 2006 Fact Book – the most recent one published thus far – further states that for the year 2005, Abbott reported sales and income from continuing operations of \$22. 3 billion and \$3. 4 billion, respectively.

Abbott also recorded its 328th consecutive quarterly dividend to be paid to share-holders since 1924. In addition, 2005 marked the 33rd straight year Abbott's dividends have increased.

Its medical products business – which includes Diagnostics, Nutritionals, DiabetesCare, Molecular, Point of Care, Vascular, Spine and AnimalHealth – generated more than \$8 billion in sales. The company's pharmaceutical business – which includes U. S. and international pharmaceuticals – generated sales of more than \$13 billion. In the same 2006 Fact Book, the company claims that its leadership positions in several multibillion-dollar businesses provide a unique balance of revenue and growth opportunities and cash flow sources that allow the company to invest in its future.

In 2005, to further strengthen its business and sustain its success, Abbott invested more than \$1.8 billion in research and development. During 2005, Abbott's operating cash flow from continuing operations was \$5 billion. Congruent to lines in the 2006 Fact Book, the company website says that Abbott Laboratories distributes pharmaceutical, nutritional, diagnostic and medical products in more than 130 countries worldwide.

With its headquarters located in the Abbott Park, North Chicago, Illinois, Abbott Laboratories employs over 65,000 employees across the globe, all of whom share without question the same conviction of delivering to humanity the corporate slogan: a promise for life. Their corporate slogan, as detailed in the company website, is a statement that describes – for their customers, their communities, their shareholders and all their stakeholders – what they

believe in, what they value, and what they strive to deliver in their day-to-day work.

For the company employees, it is the compass that guides them in their actions and decision-making to ensure that they live up to the high expectations they have set for themselves in order to serve better their stakeholders. Their slogan – their “ promise for life” – challenges them to continually improve and inspires them to always aim higher. The company’s Annual Report 2006 claims that 2006 was a highly productive and successful year for Abbott. Seen in the context of the long-term growth strategy that the company management has been executing, 2006 was a watershed year.

Abbott has a clear and compelling investment identity and is ready to deliver double-digit growth in the years ahead. Thanks to the hard work and dedication of the people in their organization, Abbott Laboratories delivered consistently positive operating results in 2006, albeit the income figures and ratios for such year were lower compared to those in 2004 and 2005. These details are to be covered by this paper through a thorough analysis of the company’s financial statements for the years 2004-2006.