

DEAR FELLOW SHAREHOLDER: MILES D. WHITE CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER 2015 demonstrated our company's fundamental ability to execute. In a year characterized by heavy macroeconomic headwinds, we delivered strong underlying growth in the top tier of our peer group.

O U R O P E R A T I N G ENVIRONMENT Abbott's response to those economic forces underscores the strength of our business, the unusual flexibility provided by our broad and wellbalanced business diversity, and our proven ability to navigate challenging waters. The primary factor in our business environment in 2015 was the strong U.S. dollar. This is, of course, not a new phenomenon and is one that will continue to be felt in 2016. While we've grown accustomed to this and know well how to manage for it, this effect was greater in 2015 than in the earlier years of this strong-dollar cycle. For instance, in 2013 the impact of exchange reduced our top line by 2.1 percent and by 2.5 percent in 2014. Last year its impact was 8.3 percent. Our business diversity, strong positions, and management acumen allowed us to manage this significant headwind. Another major current during 2015 was concern about emerging economies. While it's true that the growth of these markets has slowed, they continue to grow at double the rate of developed markets and, thus, still present by far the best growth opportunity in the world today. We have long experience managing through the ups and downs of international markets and we remain confident in their potential over the long term. The third major factor was price inflation in a record market for mergers and acquisitions. That we did no major new deals in 2015 in no way suggests that we are not as strategically attuned and ambitious as ever. We fully intend to continue building the company through focused, enhancing acquisitions, as we have continually over the past 17 years. We'll remain active and prudent — mindful of finding the right balance of strategic fit, timing, and returns that will benefit shareholders over the long term. We believe we found just such an opportunity in our recent agreement to acquire Alere, the

leader in point-of-care diagnostics. **O U R F O R M U L A F O R S U C C E S S** This was the environment we navigated in 2015 en route to delivering another successful year. We're able to do this year after year on the basis of foundational strengths that give us the ability to execute our strategies, adjust as necessary, and seize the opportunities we choose to pursue. As detailed in this report, our company is: **BALANCED** Well-managed diversity has been our core strategy for many years, and we work hard to maintain it in all of the major dimensions of our business. This both offers us the widest range of opportunities and safeguards us from over reliance on any particular part of our business. **Business Portfolio:** Abbott is composed of four large and strong core businesses: Nutrition, Diagnostics, Medical Devices and Established Pharmaceuticals. Together, they cover the entire spectrum of healthcare and people of all ages. This gives us the opportunity to participate in a broader range of technological and socioeconomic developments than other, more narrowly-focused companies. **Markets:** We now derive half of our revenue from more developed economies and half from emerging markets, providing us a very effective combination of dynamism and stability. **Customers:** Our business today is evenly divided between traditional healthcare payors and consumers. This provides balance between products that are obtained through third parties and those that customers are ready and willing to pay for themselves. In all these fundamental aspects of our business, then, we have access to new opportunities and the flexibility to pursue them, as well as protection from exposure to the fluctuations of single markets. **GLOBAL** With our deep international experience, we're unfazed by passing market jitters over the state of individual economies or sectors. As always, we take the long view. We know that the currency winds will again eventually shift in our favor. And, more importantly, we believe in the long-term potential of today's emerging markets and the billions of people to whom they're bringing opportunity and access to healthcare. As we've proven in years past, we have the resources, the patience, and the

ability to succeed in these markets under all circumstances, and to be there and ready with favorable positions and relationships when growth again accelerates. ALIGNED In all of our businesses, Abbott is well positioned to address the most relevant needs and capture and build on emerging trends — technological or demographic, social or economic. We continually shape our business to ensure that it remains ready and able to provide what our customers need. LEADING Abbott has long been a leader in many ways: in developing new technologies, in growing market-leading products, and in business practices from corporate governance to human resources to global citizenship. What all of these come down to is competitiveness — the desire to be the best. That drive has motivated this enterprise since it was just Dr. Abbott making new and better medications by hand. That's how we've delivered the second highest total shareholder return of all the companies on the S&P 500 Index since it assumed its modern form in 1957. And we've achieved a new level of competitiveness over the past three years as we've reshaped the company. We're now leaner and more efficient.

**ALIGNING ITS PORTFOLIO WITH SPECIFIC MARKET NEEDS AND PROVIDING SHAREHOLDERS WITH RELIABLE GROWTH AND INCOME.** Advancing Science Abbott is investing in innovation that addresses some of the world's most pressing medical needs Navigating Risk A broad portfolio and global presence help reduce the impact of challenges in any one market segment or geographic region Focusing on Growth Opportunities We're growing our presence in markets where the opportunities and needs are high and our experience and expertise are paving the way Meeting Local Needs We are globally aligned and locally driven to address the specific health challenges of the communities in which we live and work. **"WE'VE ACHIEVED A NEW LEVEL OF COMPETITIVENESS OVER THE PAST THREE YEARS AS WE'VE RESHAPED THE COMPANY."** 10-YEAR SHAREHOLDER VALUE CREATION Shareholders who have owned Abbott since the end of 2005 have seen a 212% increase in the value of their

investment, more than double the performance of the S&P 500 and almost twice that of the Dow Jones Industrial index. than we've been in decades, resulting in the improved margins that have allowed us to deliver our strong results despite today's economic headwinds.

**FINANCIAL PERFORMANCE**

Our 2015 sales growth was 9 percent globally, excluding the impact of exchange. Due to our sharpened competitiveness, these sales produced adjusted earnings-per-share growth of 9 percent. We again raised our dividend, by more than 8 percent. This marks the 92nd consecutive year in which we've paid a dividend, and the 44th consecutive year that dividends have risen, maintaining our longstanding position on the S&P 500 Dividend Aristocrats Index.

**LIFE TO THE FULLEST.**

What we saw in 2015, then, was a textbook Abbott performance. In navigating a challenging global environment, Abbott displayed the experience and know-how of a longstanding, long-term company, and the forwardlooking ambition of a company that keeps itself young through a relentless focus on providing its customers what they need today and want for tomorrow. That customer focus drives an important new dimension for Abbott: building our corporate brand identity. In 2015 we conducted our first-ever corporate consumer awareness campaign. Through this highly successful effort, almost a billion people around the world have learned more about our company and how it helps people live the best and healthiest lives they can. That's what Abbott is here for. We demonstrated this again in 2015 by introducing new healthcare products and bringing them to more people around the world than ever before. By running our company in a thoughtful and responsible way we were named to the Dow-Jones Sustainability Indexes, the world's top recognition for leadership in responsible economic, environmental, and social performance, for the 11th consecutive year. Taken as a whole, our performance, across the breadth of the company's activities, led investors and peer companies to name us our industry's Most Admired Company in Fortune magazine's annual ranking for the third year in a row. We

intend to not just maintain, but to improve this high level of performance. Because, at Abbott, our work is too important to do it any other way.