Established Pharmaceuticals

Broad and Growing Portfolio of Branded Generics
Forward-Looking Statement

Some statements in this presentation may be forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995. Abbott cautions that these forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements. Economic, competitive, governmental, technological and other factors that may affect Abbott’s operations are discussed in Item 1A, “Risk Factors,” to our Annual Report on Securities and Exchange Commission Form 10-K for the year ended Dec. 31, 2013, and are incorporated by reference. Abbott undertakes no obligation to release publicly any revisions to forward-looking statements as a result of subsequent events or developments, except as required by law.
Established Pharmaceuticals
Business Overview

Bringing **high-quality, trusted branded generics** that have been successfully treating patients for many years to both the developed and developing world with a focus on the world’s fastest growing economies.
Established Pharmaceuticals
Combination of Organic and Acquired Assets

Legacy Abbott Pharma Assets

Piramal Healthcare Solutions

Established Pharmaceuticals
- Created vertical organization in 2010
- Broad portfolio of branded generics
- Significant emerging market presence
- Strong positions in India and Russia
- Operate entirely outside the U.S.

Solvay Pharmaceuticals

Smaller, Local Asset Deals
<table>
<thead>
<tr>
<th>Differentiation</th>
<th>Relative Pricing</th>
<th>R&amp;D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Patented</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>High</td>
<td>Significant investment, complex and higher-risk</td>
</tr>
<tr>
<td><strong>Branded Generics</strong></td>
<td>Modest, brand equity and reputation matters</td>
<td>Lower, attractive margins</td>
</tr>
<tr>
<td><strong>Pure Generics</strong></td>
<td>None/Low</td>
<td>Low</td>
</tr>
</tbody>
</table>
Established Pharmaceuticals
Global Footprint

70+ Worldwide Offices
15 Manufacturing Plants, Extensive 3rd Party Network
6 Pharmaceutical Development Sites
130+ Countries

Operate Entirely OUS
Headquarters Basel, Switzerland
Established Pharmaceuticals Business Mix

Significant Emerging Market presence; becomes larger over time

Today
- Emerging: 60%
- Developed: 40%

2016
- Emerging: 75%
- Developed: 25%
Established Pharmaceuticals
Multi-Channel Approach, Tailored to Local Market

### Influence of Key Stakeholders*

<table>
<thead>
<tr>
<th></th>
<th>Emerging Markets</th>
<th>Developed Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Physician</strong></td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td><strong>Pharmacy</strong></td>
<td>+++</td>
<td>++</td>
</tr>
<tr>
<td><strong>Payor</strong></td>
<td>+</td>
<td>+++</td>
</tr>
<tr>
<td><strong>Patient</strong></td>
<td>++</td>
<td>+</td>
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</tbody>
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* Directional trend differs market by market
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Long-Term Strategic Growth Objectives

- Capture Emerging Market Growth
- Manage Developed Markets
- Optimize Operating Margin
Demographic trends and market dynamics support strong growth opportunities in Emerging Markets

- Rising middle-class incomes
- Modernization of healthcare systems
- Improving access to care
- Higher out-of-pocket spend; less dependent on 3rd party payors
- Discerning consumers seeking trusted, high-quality brands
Pharmerging countries are expected to nearly double their pharmaceutical spending and drive ~70% of global growth.

Branded Generics/Generics will account for ~73% of the increase in Pharmaceutical spending

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Driving Growth in Emerging Markets

• Build winning portfolios in core therapeutic areas (TA’s)
  − Register current brands across geographies
  − Develop, acquire or in-license as needed to strengthen TA portfolio’s
  − New indications and data for existing brands
  − New formulations, packaging, and methods-of-administration

• Strengthen commercial capabilities
  − Pharmacist, pharmacy point-of-sale
  − Patient and consumer marketing

• Build strong Abbott “corporate brand”
Established Pharmaceuticals
India

Market Characteristics
• ~90% branded generics
• Significant out-of-pocket pay
• Growing prevalence of diabetes and CV disease
• Anti-infectives important in rural areas

Abbott Business
• Largest business (~15% of total sales)
• #1 Pharma company with reach across rural and urban India
• ~ 10,000 sales personnel
• Manufacturing facilities in Goa and Baddi
• Development facility in Mumbai
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Russia

Market Characteristics

- 4\textsuperscript{th} biggest consumer market by 2020\textsuperscript{1)}
- Significant out-of-pocket pay
- Pharmacists have a great deal of influence

Abbott Business

- ~40 years of presence in Russia; strong local talent and management
- Breadth of portfolio expanded with acquisition of Solvay in 2010
- \textit{Top 10 Pharma company}
- Strong gastroenterology franchise
- Strong local partnerships in manufacturing and R&D

\textsuperscript{1)}Source: Ernst & Young, 2013
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Long-Term Strategic Growth Objectives

Capture Emerging Market Growth

Manage Developed Markets

Optimize Operating Margin
Established Pharmaceuticals
Managing Developed Markets

Maintain sustainable and profitable businesses

• Carefully selected portfolios
• Optimized investment levels and SG&A structure
• Enhanced focus on market access, pricing and reimbursement
• Maintain profitability and cash flow
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Long-Term Strategic Growth Objectives

- Capture Emerging Market Growth
- Manage Developed Markets
- Optimize Operating Margin
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Operating Margin Profile

- Strong margin profile; mid 20’s
- Implementing operational efficiencies to offset pricing pressures, primarily in developed markets
- Continue to optimize global sourcing, manufacturing network, and supply chain
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Delivering on Our Key Growth Drivers

<table>
<thead>
<tr>
<th>Balanced Portfolio</th>
<th>Leadership</th>
<th>Innovation</th>
<th>Emerging Markets</th>
<th>Margin Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>No one brand &gt;10% of total sales</td>
<td>#1 in India</td>
<td>New formulations</td>
<td>60% of sales today</td>
<td>Maintain strong margin profile</td>
</tr>
<tr>
<td>Largest market ~15% of total sales</td>
<td>Top 10 in Russia</td>
<td>New indications and data</td>
<td>75% of sales by 2016</td>
<td>Continue to optimize global sourcing, manufacturing network, and supply chain</td>
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<tr>
<td>Quality and Supply Chain</td>
<td>Packaging innovation</td>
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