A 125-YEAR OLD COMPANY ADDRESSING HEALTH NEEDS AT EVERY STAGE OF LIFE

$20 Billion in Sales

Medical Devices

Diagnostics

Branded Generic Pharmaceuticals

Nutrition

• Abbott acquired Ross Products and the Similac brand in 1964
• #1: Worldwide Adult Nutrition
• #1: US Pediatric Nutrition & many other markets
• $7B in sales in 2015
ALIGNED WITH GLOBAL TRENDS

- **30%** of sales in the United States
  - 7 Nutrition Plants

- **50%** of sales in emerging markets
  - 3 Nutrition Plants

- **20%** of sales in other developed markets
  - 4 Nutrition Plants

70% of sales outside the U.S.
A Culture of Innovation

• Focused R&D for Greatest Impact
• Transformational Innovation
• Localized Solutions
FIVE BENEFIT AREAS FOR ABBOTT NUTRITION PRODUCTS

- Mobility & Metabolism
- Cognitive Health
- GI Health
- Immunity & Inflammation
- Lean Muscle Mass
OUR PRODUCTS
WHY DAIRY INGREDIENTS?

• Highly regarded source of nutrition due to presence of essential nutrients

• Ability to replicate (as closely as possible) the nutritional requirements of breast milk

• Unique amino acid profiles that can be targeted to specific nutritional needs

• Hydrolyzed proteins can offer enhanced digestibility and provide solutions for those with sensitivity

• Filtered dairy proteins, wheys and caseins have reduced lactose levels

• Functional characteristics: Solubility, viscosity, dairy flavor and mouthfeel, stability
MILK IS THE SUM OF ITS PARTS AND MUCH MORE...
ABBOTT’S SOURCING PHILOSOPHY

- Consistent, high quality ingredients
- Support growth and innovation
- Geographic supply diversity to ensure supply continuity
- Outstanding customer service and open communication
- Global footprint and supply chain
- Competitive, market-based pricing
CONCLUSIONS FOR U.S. DAIRY

Opportunities:
• Growing milk supply with minimal impacts from seasonality
• Ability to scale production
• Experience with risk management
• Customer focus

Challenges:
• Existing asset base geared toward commodity production
• Strong competition from other regions
• Consistent quality
• Forward-looking innovation
• Price volatility