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USDA OUTLOOK FORUM

# Dairy in Science-Based Nutrition

26 | February | 2016



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

 **\$20Billion in Sales**

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 **Medical Devices**

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 **Diagnostics**

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 **Branded Generic  
Pharmaceuticals**

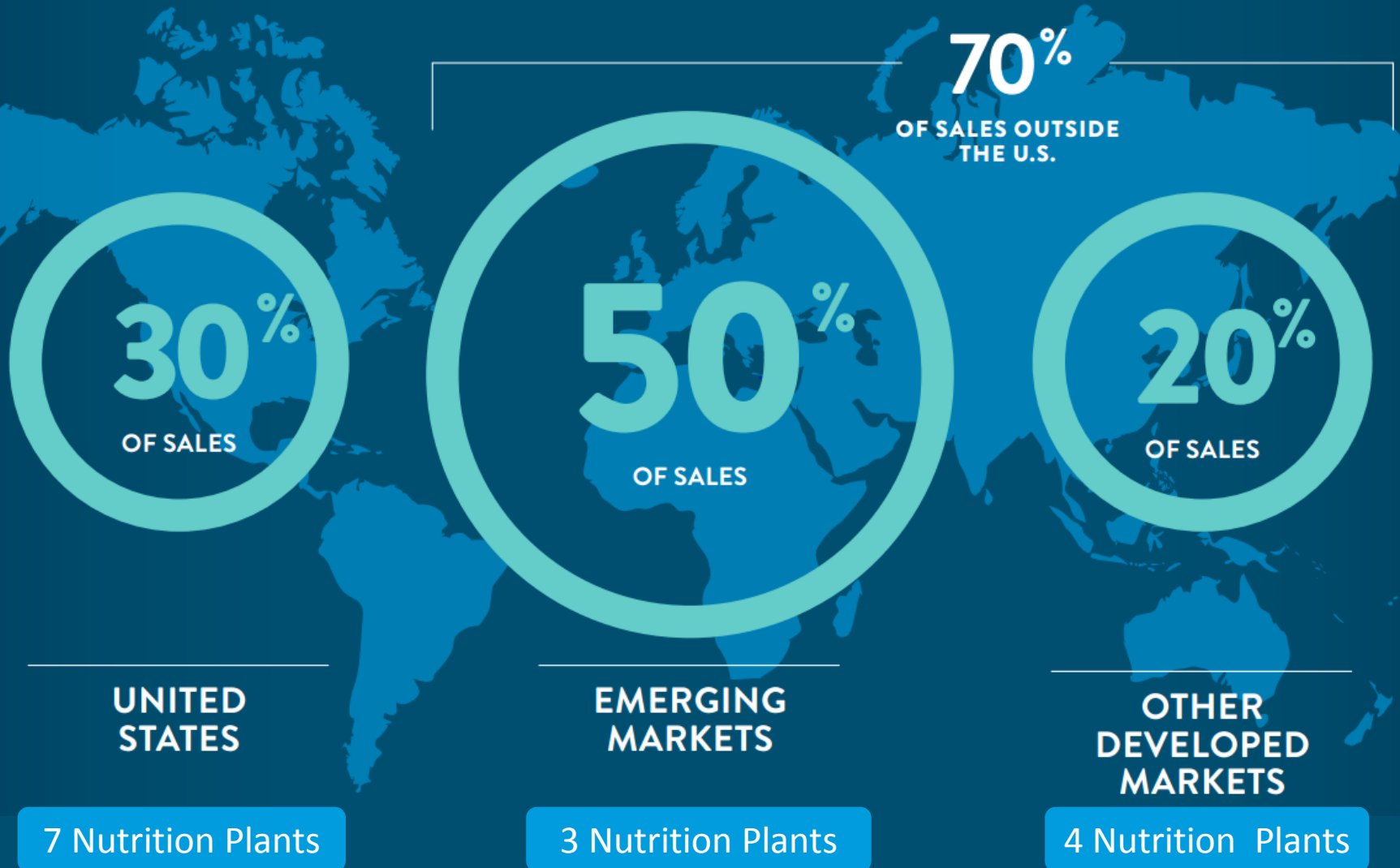
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 **Nutrition**

- 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



# 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



EleCare // EleCare Jr Nepro Eleva 菁智 Ensure SUPLINA

Glucerna PediaSure PIVOT® 1.5 Cal PERATIVE Pedialyte PROMOD®

PROMOTE® JEVITY® OSMOLITE® Similac TwoCAL® OXEPA®

ZONE perfect nutrition bars EAS VITAL®



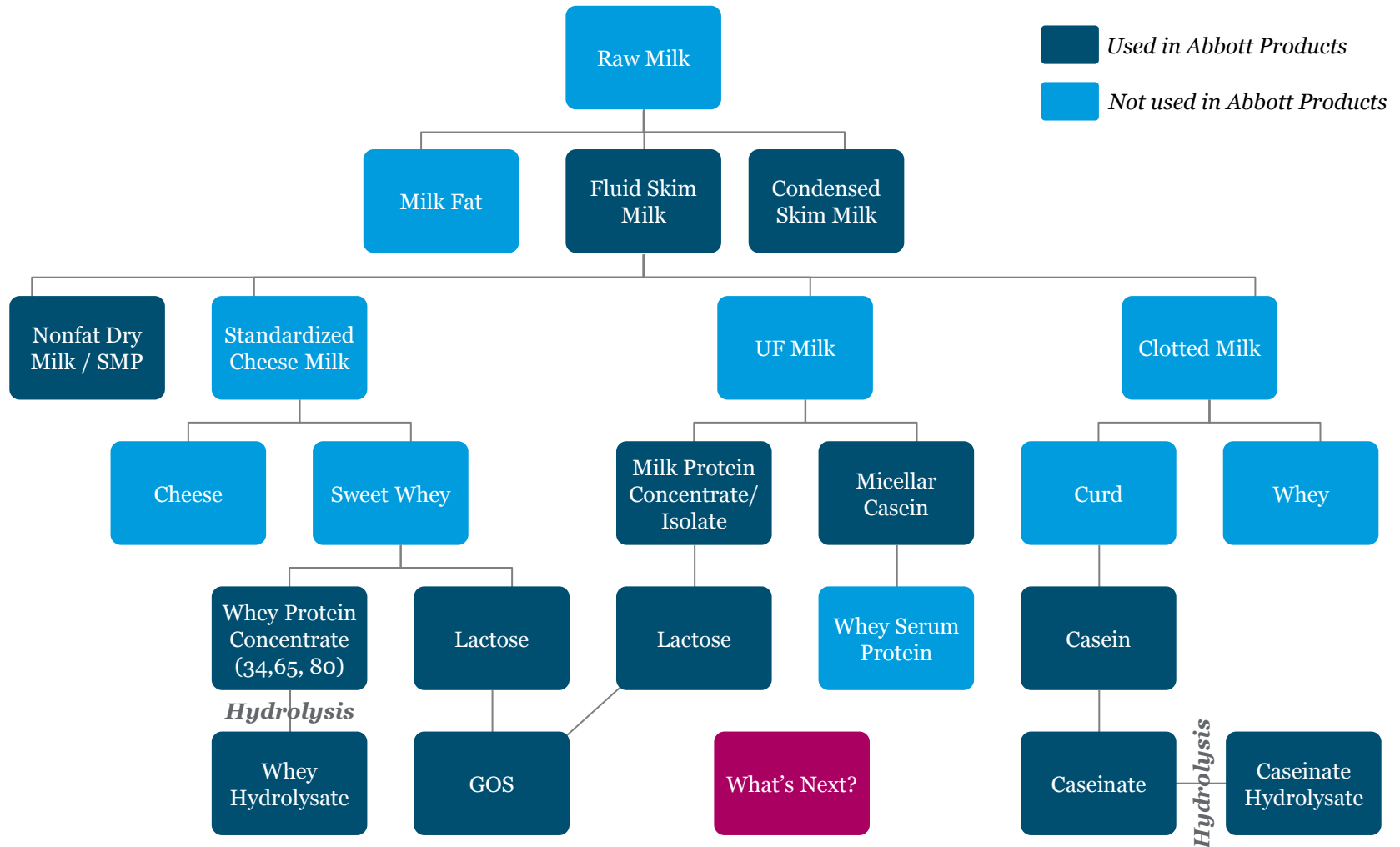
# WHY DAIRY INGREDIENTS?

- 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







**Abbott**