

**January 31, 2013**

**Re: Information for Canadian resident shareholders concerning the Canadian Income Tax Election on the spin-off of AbbVie Inc. from Abbott Laboratories**

Dear Abbott/AbbVie Shareholder,

As you are aware, on January 1, 2013 Abbott Laboratories ("Abbott") separated into two publicly traded companies, one in diversified medical products, which will retain the Abbott name, and the other in research-based pharmaceuticals, which will be known as AbbVie Inc. ("AbbVie"). This transaction is commonly referred to as a spin-off.

Abbott distributed all the outstanding shares of AbbVie to Abbott shareholders of record as of the close of business on December 12, 2012. In this distribution, each Abbott shareholder received one (1) Common share of AbbVie for every one (1) Common share of Abbott owned. Cash was paid instead of issuing fractional shares of AbbVie.

The purpose of this letter is to summarize the Canadian income tax consequences for Canadian resident shareholders of Abbott and to describe a Canadian tax election that can be made to defer the tax arising from the distribution of AbbVie shares to you.

**If you are a corporate shareholder with annual gros**

**TAX COST OF YOUR SHARES**

If you make the election, you must reallocate the tax cost of your Abbott shares between your Abbott shares and your AbbVie shares. It is important that you compute and document your tax costs of your Abbott and AbbVie shares, as these costs will be relevant when you eventually dispose of either of your shares.

Generally, the adjusted cost base ("ACB") of shares



**2. Abbott Shares (on January 2, 2013, immediately after distribution)**

a. Number of Shares Held by  
Taxpayer:

\_\_\_\_\_  
(Should be equal to the number of shares in 1(a) above)

b. Adjusted Cost Base of Shares:

\_\_\_\_\_  
(Adjusted Cost Base in 1(b) above **times** 0.48051)

c. Fair Market Value of Shares:

\_\_\_\_\_  
(Number of shares in 2(a) above **times** CDN\$31.84  
[US\$32.30] per share)

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## APPENDIX II

**ABBVIE**

The cost of one AbbVie share **immediately after** the spin-off is determined as follows:

The cost of the AbbVie shares immediately after the spin-off is equal to the cost of the Abbott shares before the distribution, less the cost of Abbott shares immediately after the spin-off.

$$\begin{aligned}\text{Cost for an AbbVie share} &= A - A * 0.48051 \\ &= A * (1 - 0.48051) \\ &= A * 0.51949\end{aligned}$$

**Conversion factor for AbbVie shares: 0.51949<sup>4</sup>**

Numerical example of the allocation of the tax cost