

USDA OUTLOOK FORUM

Dairy in Science-Based Nutrition

26 | February | 2016



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

 **\$20 Billion in Sales**

 **Medical Devices**

 **Diagnostics**

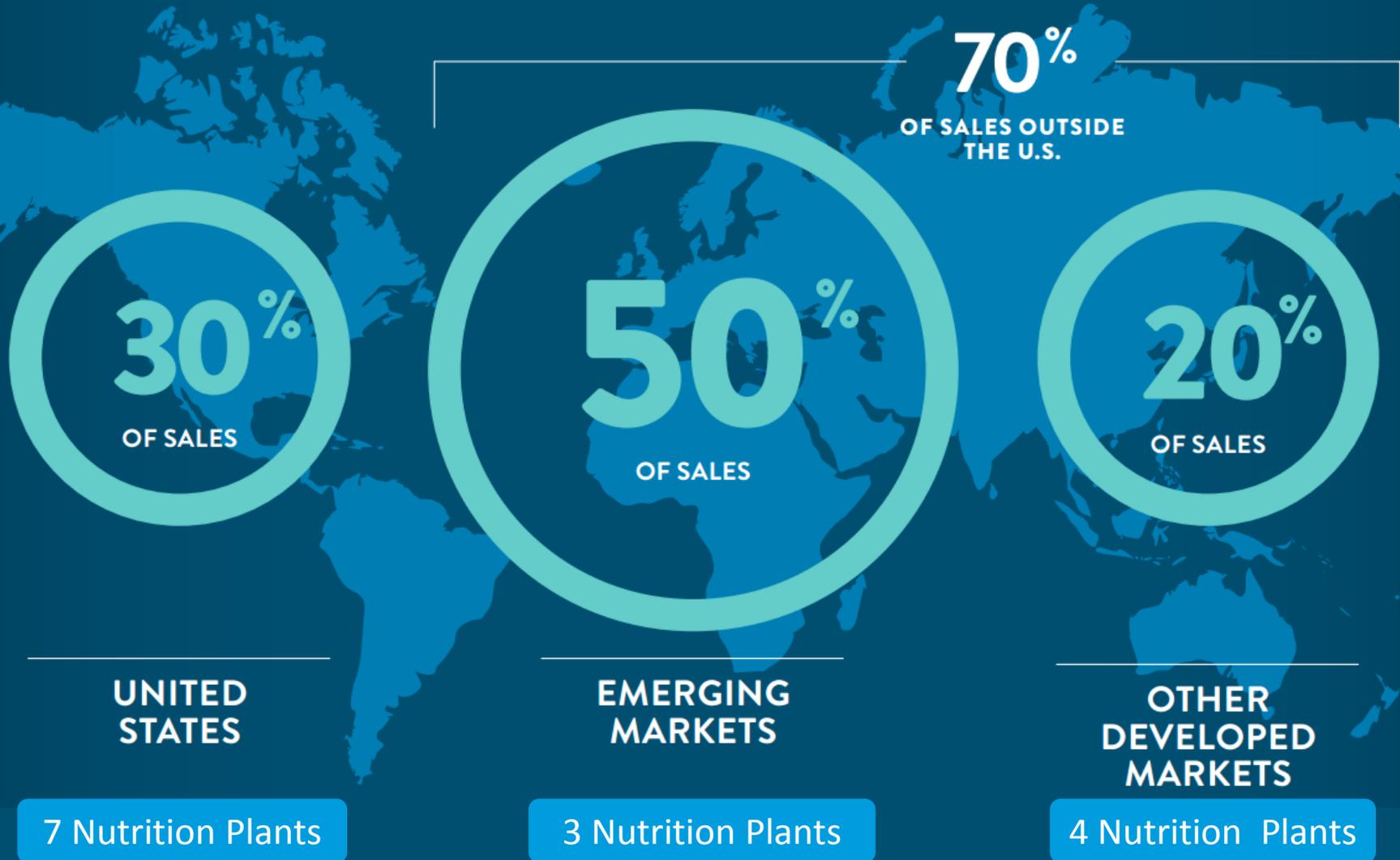
 **Branded Generic
Pharmaceuticals**

 **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



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 SUPLENA

Glucerna[®] PediaSure[®] PIVOT[®] 1.5 Cal PERATIVE Pedialyte[®] PROMOD[®]

PROMOTE[®] JEVITY[®] OSMOLITE[®] Similac[®] TwoCAL[®] OXEPA[®]

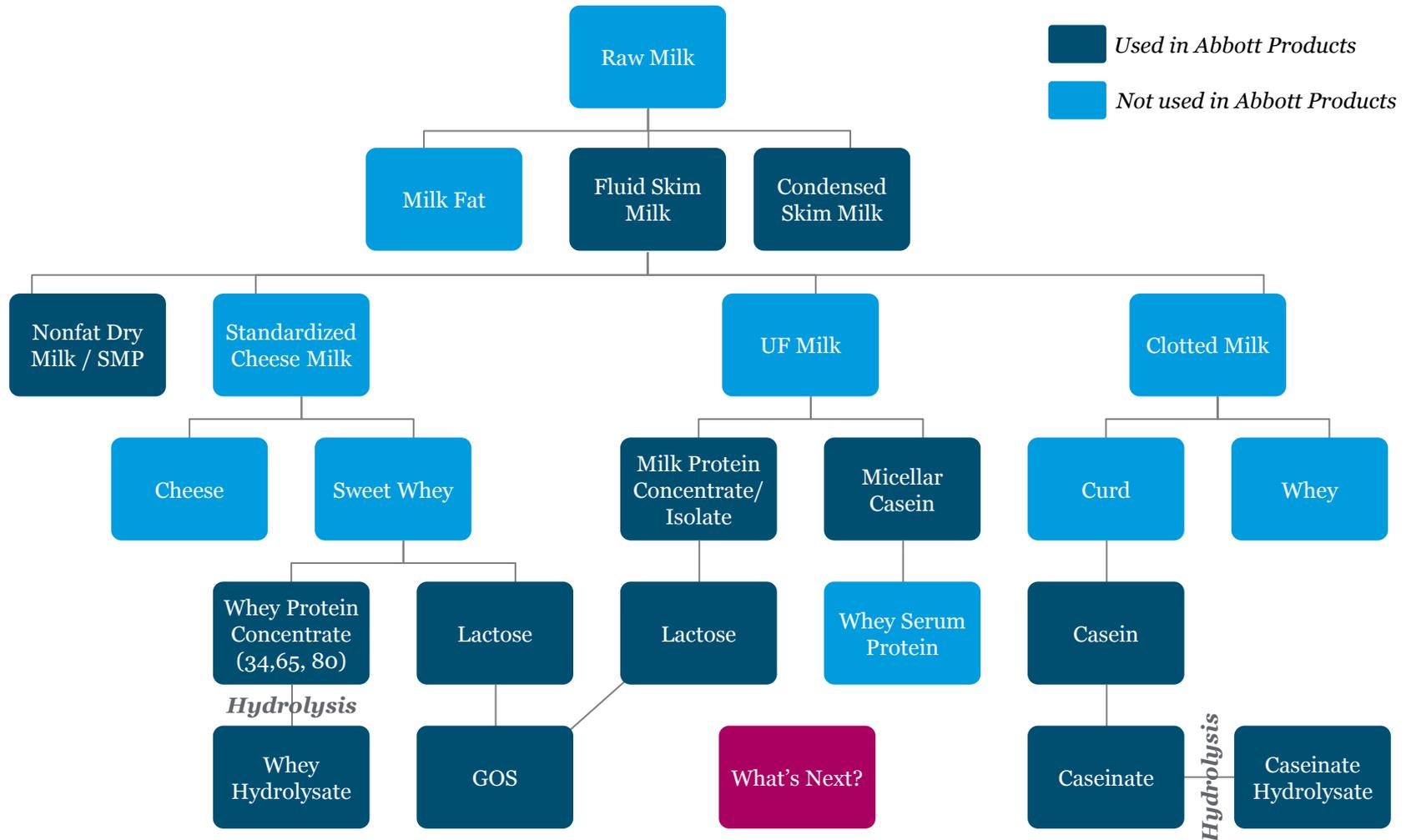
ZONE perfect[®] nutrition bars EAS[®] VITAL[®]

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