




EXHIBIT 58



**Abbott & The New Company
Retirement Benefit Transition
U.S. Employees Joining the New Company**

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- Annuity Retirement Plan (ARP) Transition
 - Our Objectives
 - What Will Happen For 2004
 - Examples
 - Why These Decisions
 - Some Key Q & A
 - 401(k) Stock Retirement Plan (SRP)
 - Stock Options

- 
- Our Objectives**
- > Obtain the best possible benefit results for the greatest number of employees
 - > Encourage continued employment with the new company
 - > Distribute assets equitably between Abbott and the new company
 - > Comply with legal requirements

What Will Happen in 2004?

- > New company employees will continue to earn pension benefits under the Annuity Retirement Plan through 12/31/2004.
- > Abbott and the new company will set up a separate plan—the Abbott/New Company Annuity Retirement Plan—to allow this to happen
 - Plan will be the same as Abbott's Annuity Retirement Plan
- > Abbott will transfer pension assets and liabilities to a funded and protected trust – the Abbott/New Company Annuity Retirement Plan Trust - to provide earned pension benefits under this plan
- > The new company will be responsible for the plan and trust
- > New company employees will retire under this plan when they are ready to retire from the new company

What Will Happen in 2004?

- > Abbott will establish a new Abbott retirement category, "Retired to New Company", for employees who are retirement eligible as of the date the two companies separate
- > "Retired to NewCo" category will provide
 - Eligibility for the Abbott Retiree Medical Plan, Retiree Dental Plan and Retiree Basic Life Insurance at actual retirement or separation from the new company
 - For stock option holders, maintenance of existing Abbott options as an Abbott retiree
 - Same access to other programs/services as an Abbott retiree (such as CAF)

What This is to Accomplish

- > Allow employees to earn benefit service credit for the full 2004 year
- > Provide the most favorable result for the largest number of employees.
- > Maintain the security of earned pension benefits while
 - Allowing employees who are not yet retirement eligible to receive the benefit of the favorable early retirement provisions available under the Annuity Retirement Plan
 - Allowing eligible employees to grow into the more favorable early retirement provisions at age 65
 - Allowing employees who are not yet vested to vest in benefits earned through 12/31/2004

Examples

- When You Retire Under the Abbott/Now Company Annuity Retirement Plan**
- > When you retire, you will retire under the Abbott/Now Company Annuity Retirement Plan
 - > Your benefit will be based on your service and earnings through 12/31/2004 or your actual retirement date if it is earlier
 - > You will be eligible for the Abbott Retiree Medical, Dental and Basic Retiree Life coverage under the terms and conditions available to Abbott employees when they retire/separate from Abbott
 - Health care contributions will be based on Abbott service at the date the two companies separate
 - > If you are a stock option participant, you will continue to hold your Abbott options as an Abbott retiree

Went on to NewCo. Special

Abbott/Now Company Annuity Retirement Plan

Mary

- Age 53
- 20 Years of Service through 12/31/2004
- Final 5-year average earnings through 12/31/2004 = \$50,000

Age	Under Abbott/Now Co Plan	Abbott Retiree Benefit
53	\$752	\$752
55	\$883	\$794
58	\$928	\$857
60	\$948	\$890
62	\$958	\$945
65	\$956	\$956

Mary's unreduced benefit is the same in each case. But, her early retirement benefits are better under the Abbott/Now Company Plan.

Didn't take benefit right at Ret, didn't retire at 53

Didn't go to NewCo or stayed w/ Abbott & didn't increase



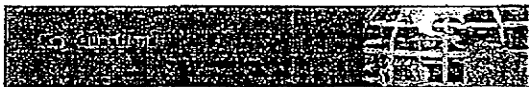
- > Provides best possible benefit results for the greatest number of employees
- > Distributes assets equitably between Abbott and the new company
- > Complies with legal requirements

16




- If Abbott retains responsibility for providing pension benefits a different set of rules apply and....
 - Early retirement benefits for employees who are not retirement eligible at the date of separation would be less
 - About 4,900 employees who are under age 50 and have 5 or more years of service would be negatively impacted
 - Employees who are not yet vested would lose any benefit that they've earned
 - About 3,200 employees who have less than 5 years service would be negatively impacted
 - Eligible employees between age 50 & 55 would not achieve the enhanced benefit provisions of age 55 - about 600 people
 - Many employees would never achieve retirement eligibility
- By contrast, about 1,900 new company employees will be retirement eligible at the date of separation
 - Their pensions will be protected by the Abbott/New Company Annuity Retirement Plan Trust

17



- Can I retire from Abbott, begin receiving my pension benefit and go to work for the new company?
 - No, if you are retirement eligible you may retire from Abbott at any point before the separation date ... but you will be retiring from both Abbott and the new company. If you choose to retire, you will not be able to join the new company for a two-year period
- Will my pension benefit be secure?
 - Yes, benefits will be paid from a secured trust set up for this purpose
 - The trust will be funded to a level comparable to the funding level of the Abbott pension trust
 - The trust may only be used to pay pension benefits and associated expenses


18



May I elect to leave my pension benefits with Abbott?

- No, by regulation, we must make a common decision for all employees about how pension benefits will be treated


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401(k) Stock Retirement Plan (SRP)

- Plan balances including outstanding loans will be rolled over into a plan established by the new company
- Through 12/31/2004 the plan will mirror Abbott's 401(k) plan provisions (except for new investments in Abbott stock) and be administered by Putnam
- Applies to all employees including those who are retirement eligible at separation

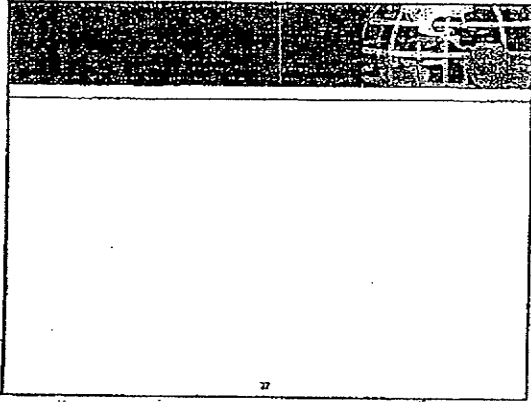
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Stock Options

- Stock option participants who are retirement eligible at the date of separation will continue to hold their Abbott stock options under the same terms and conditions available to Abbott retirees
 - Full term of option available
 - Continue to vest in unvested options
 - ISO's convert to non-qualified status 90 days after separation date
- Stock options for participants who are not retirement eligible at the date of separation will be converted to new company options with the same intrinsic value, terms and conditions as the Abbott options

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Sarah

- Age 40
- 15 Years of Service through 12/31/2004
- Final 5-year average earnings through 12/31/2004 = \$100,000

Sarah's Monthly Pension		
Age	Under Abbott/NewsCo Plan	If Abbott Retained Assets
50	\$1,064	\$431
55	\$1,363	\$624
59	\$1,445	\$704
60	\$1,483	\$742
62	\$1,505	\$7,127
65	\$1,505	\$1,505

↑ Illustrates the value of early retirement provisions.

EXHIBIT 59

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

1			
2			
3			
	MYLA NAUMAN, JANE ROLLER, and)	
4	MICHAEL LOUGHERY,)	
)	
5	Plaintiffs,)	
)	
6	vs.)	No. 04 C 7199
)	
7	ABBOTT LABORATORIES and)	Judge Gettleman
	HOSPIRA, INC.,)	
8)	
	Defendants.)	
9			
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11			
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15			

The deposition of HENRY A. WEISHAAR, taken pursuant to notice and the Federal Rules of Civil Procedure for the United States District Courts, reported by Susan Soble, Certified Shorthand Reporter and Notary Public within and for the County of Cook and State of Illinois, at

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April 25, 2006, at the hour of 9:30 o'clock a.m.

SUSAN SOBLE ASSOCIATES, P.C.

Certified Shorthand Reporters

1460 North Clark Street - 2611

Chicago, Illinois 60610

(312) 988-9868

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1 APPEARANCES:

2 SPRENGER & LANG, PLLC, by:

3 MR. MARK A. AMADEO

4 1400 Eye Street N.W. - 500

5 Washington, D.C. 20005

6 (202) 265-8010

7 appeared on behalf of the Plaintiffs;

8 WINSTON & STRAWN, LLP, by:

9 MR. JOSEPH J. TORRES

10 35 West Wacker Drive

11 Chicago, Illinois 60601-9703

12 (312) 558-5600

13 appeared on behalf of Defendant Abbott

14 Laboratories;

15 JENNER & BLOCK, LLP, by:

16 MR. CHRISTOPHER D. LIGUORI

17 One IBM Plaza

18 Chicago, Illinois 60611-7603

19 (312) 222-9350

20 appeared on behalf of Defendant Hospira, Inc.

21 Also Present:

22 Mr. Royce R. Bedward

23 Vice President, Litigation/Legal

24 Hospira, Inc.

Lake Forest, Illinois 60045

1 (Witness sworn.)

2 HENRY A. WEISHAAR

3 having been first duly sworn, was examined and testified as

4 follows:

5 DIRECT EXAMINATION

6 BY MR. AMADEO:

7 Q Mr. Weishaar, my name is Mark Amadeo and I

8 represent the plaintiffs in the matter of Nauman versus

9 Abbott Laboratories and I'll be asking you questions today.

10 If there are any questions you don't understand, just let

11 me know and I'll try to rephrase them in a manner that will

12 make it easier for you to understand.

13 Now, we're in an unnatural setting. If this

14 were normal conversation, you might nod in a normal

15 conversation or you might say uh-huh or unh-unh. That kind

16 of feedback doesn't get picked up well on the transcript,

17 so if you could answer in a complete sentences or try to

18 refrain from nodding and instead answer with words, that

19 would help as we review the transcript later on.

20 A Okay.

21 Q If you need a break, just let me know and I'll try

22 to accommodate you. If we're in the middle of a question,

23 I will ask you to finish answering the question before we

24 take a break. I might also delay taking the break until

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1 A That's correct.

2 Q The person who was given the opportunity to work
3 for Hospira, who was that?

4 MR. LIGUORI: I'm sorry. Go ahead.

5 THE WITNESS: It was the wife of a salesperson.
6 She worked for Abbott out on the west coast. He was on the
7 west coast. He was promoted into Lake Forest and he was
8 concerned that his wife since she was a salesperson would
9 not be employed. So I requested the exception to have, to
10 see if we could hire her at Hospira to make sure she was
11 employed.

12 It turned out that her division at Abbott,
13 the pharmaceutical division, either made or had a job
14 available and she stayed in that job with Abbott so she
15 stayed with Abbott.

16 Q And the exception that you, that allowed the
17 Hospira employee to work for Abbott, do you know the name
18 of the person who was --

19 A I don't recall the name.

20 Q -- given that opportunity. Okay.

21 Are you familiar with the policy Hospira has,
22 let me strike that. Are you familiar with Abbott's policy
23 of not allowing Hospira employees after the two-year
24 no-hire term, of not providing them, of not bridging their
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1 to Gail Denham on or about March 15, 2004 with the
2 information contained in exhibit 28?

3 A I don't recall it.

4 Q Do you have any reason to believe you didn't send
5 an e-mail to Gail Denham on March 15, 2004 that has the
6 information in exhibit 28?

7 A I copied her in on the note that I sent.

8 Q There's a reference there in the e-mail, the
9 sentence -- if you look, it's almost two-thirds of the way
10 down in the first paragraph:

11 There isn't a way for an employee to
12 become terminated from Abbott and then to
13 come back while a Hospira employee and
14 change their Abbott category to retired.

15 What are you referring to there?

16 A She was, Karen, was working, she was only three
17 months from retirement eligible age to become an Abbott
18 retiree from the date of the spin. She was trying to find
19 a way that she could be retired and get Abbott medical
20 benefits and still be a Hospira employee. That was the
21 intent and thrust of this whole thing and basically my
22 response was, to her was there is no way that that can
23 happen.

24 Q Had she asked you about that?
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1 past service with their future service.

2 Are you familiar with that policy of Abbott?

3 A Yes.

4 Q Did you have any discussions with anyone about how
5 that policy was formulated?

6 A We discussed the fact that we had two separate
7 companies and if someone from Baxter came to Abbott, they
8 wouldn't, you know, get any prior service credit if they
9 had been there and so someone coming from Hospira to Abbott
10 would.

11 In addition to that, we also discussed the
12 fact that we now had the retirement funds and the
13 retirement program and it would be near impossible for
14 Abbott to give them past service credit because the funds
15 were with us and would come out of Hospira.

16 Q Are you familiar with the bridging rights under
17 the annuity retirement plan?

18 A No.

19 Q Can we mark this, please.

20 (Weishaar Deposition Exhibit No. 28
21 was marked for identification.)

22 THE WITNESS: Okay.

23 BY MR. AMADEO:

24 Q Exhibit 28 is a -- do you recall sending an e-mail
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1 MR. LIGUORI: Other than what's on the document?

2 BY MR. AMADEO:

3 Q I'm asking.

4 A No.

5 Q Are you familiar with the early retirement
6 provisions of the annuity retirement plan?

7 A Yes.

8 Q Let's take the case of an employee who was
9 retirement eligible at 50 years old and had at least ten
10 years of service before the date of the spin-off.

11 A Okay.

12 Q Say a week before the date of the spin-off. Is
13 there anything that would have prevented somebody who's
14 retirement eligible from taking their benefit a week before
15 the spin-off, leaving the company --

16 MR. TORRES: Objection.

17 MR. LIGUORI: He's not done.

18 MR. TORRES: I'm sorry.

19 BY MR. AMADEO:

20 Q Was there anything that prevented someone from
21 taking their benefit if they elected to retire a week
22 before the spin-off?

23 MR. LIGUORI: Object to the form of the question.
24 It's vague and ambiguous. It also calls for speculation.
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1 I also object to the extent it calls for a legal
2 conclusion.
3 You can answer.
4 THE WITNESS: They could take their benefit, but
5 they couldn't come to Hospira and take their benefit.
6 BY MR. AMADEO:
7 Q Why?
8 MR. LIGUORI: Same objections. You could answer.
9 THE WITNESS: That was a rule that was set up.
10 BY MR. AMADEO:
11 Q Who set that rule up?
12 A Well, they -- it was set up during Abbott so
13 Abbott set that up.
14 Q Do you know who at Abbott set that rule up?
15 A No.
16 Q Do you know when that rule was set up?
17 A No.
18 Q Do you know why that rule was set up?
19 A I believe it was part of the two-year rule so that
20 people weren't transferring from one company to the other.
21 Q So -- how do you know that?
22 A I don't know that.
23 Q Now, on the date of the spin-off, did you
24 participate in a conference call with HPD sales force on
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1 August 22, 2004?
2 MR. LIGUORI: That's the date of the announcement.
3 MR. AMADEO: I'm sorry.
4 BY MR. AMADEO:
5 Q On the date of the announcement of the spin-off,
6 August 22.
7 A Yes.
8 Q Do you know who else was on that call?
9 A Chris Begley, Pete Karas, and I don't recall who
10 else was other than all the sales people.
11 Q Was that call recorded?
12 A I don't recall.
13 Q Let's mark this.
14 (Weishaar Deposition Exhibit No. 29
15 was marked for identification.)
16 MR. LIGUORI: Mr. Weishaar, not to rush you, but
17 this is almost a hundred page document so you may just want
18 to leaf through it just to familiarize yourself with it for
19 the sake of time, and let's see what questions he asks
20 before you spend an inordinate amount of time reviewing
21 each page.
22 THE WITNESS: Okay.
23 BY MR. AMADEO:
24 Q Have you seen this before, exhibit 29?
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1 A Yes.
2 Q And exhibit 29, is that a transcript of the
3 conference call that you referred to just a few minutes ago
4 with Mr. Begley?
5 A It looks like it, but, you know, I don't know.
6 Q When did you see exhibit 29 before?
7 A I saw it when I was speaking with the attorneys.
8 Q Do you know if the call that you participated in
9 on August 22, 2003, if a transcript of that call was made
10 available to HPD employees?
11 A I do not know.
12 Q Now, that conference call, did HPD employees have
13 to dial in a number in order to participate in that
14 conference call with you and Mr. Begley?
15 A Yes.
16 Q And do you know if after your conference call
17 concluded whether HPD employees could call in to listen to
18 a recording of the conference?
19 MR. LIGUORI: Objection, asked and answered.
20 You can answer.
21 THE WITNESS: I do not know.
22 BY MR. AMADEO:
23 Q Do you know if a sound file was made available on
24 Hospira's intranet which, with a recording of the
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1 conference call that you participated in?
2 MR. LIGUORI: At what point in time?
3 MR. AMADEO: On the day of, let's say on and after
4 August 22, 2003.
5 MR. LIGUORI: I object to the form in that it
6 assumes facts not in evidence. There was no Hospira as of
7 August 22, '03.
8 But you can answer if you can.
9 THE WITNESS: I don't know.
10 BY MR. AMADEO:
11 Q Do you know if a sound file was made available and
12 put on Abbott's intranet which included a recording of the
13 conference call with you and Mr. Begley on August 22, 2003?
14 A I don't know.
15 Q Now, the conference call that you participated in
16 with Mr. Begley on August 22, were you and Mr. Begley in
17 the same room during that conference call?
18 A Yes.
19 Q Was anyone else in that room?
20 A Apparently there was according to this. I don't
21 recall.
22 Q Okay. If you could go to H001852 and if you would
23 look at the last paragraph and it continues to the next
24 page. If you'd review that for a moment.
SUSAN SOBLE ASSOCIATES, P.C. (312) 988-9868

EXHIBIT 60

FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

1
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3
3 MYLA NAUMAN, JANE ROLLER, and)
4 MICHAEL LOUGHERY,)
4)
5 Plaintiffs,)
5)
6 -vs-) No. 04 C 7199
6)
7 ABBOTT LABORATORIES and)
7 HOSPIRA, INC.,)
8)
8 Defendants.)
9

10 The deposition of GAIL DENHAM, taken
11 pursuant to notice and the Federal Rules of Civil
12 Procedure for the United States District Courts,
13 reported by Rhonda Snyder, Illinois Certified
14 Shorthand Reporter, Registered Professional Reporter,
15 and Notary Public within and for the County of Cook
16 and State of Illinois, at 20 South Clark Street, Suite
17 1500, Chicago, Illinois, commencing at 9:30 a.m. on
18 Thursday, April 13, 2006.

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21
21
22 SUSAN SOBLE ASSOCIATES, P.C.
22 Certified Shorthand Reporters
23 1460 N. Clark Street
23 Chicago, Illinois 60610
24 (312) 988-9868

1 APPEARANCES:

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5 -and-
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7 (202) 265-8010

8 On behalf of the Plaintiffs,

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12 On behalf of the Defendant,
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14 Jenner & Block, LLP
14 Mr. Christopher D. Liguori
15 One IBM Plaza
15 Chicago, Illinois 60611
16 (312) 222-9350

16 -and-
17 Hospira, Inc.
17 Mr. Royce R. Bedward
18 275 North Field Drive
18 Dept. NLEG, Bldg. H1
19 Lake Forest, Illinois 60045
19 (224) 212-2894

20 On behalf of the Defendant,
21 Hospira, Inc.

22
23
24 SUSAN SOBLE ASSOCIATES, P.C. (312) 988-9868

1 Gail Denham,
2 having been first duly sworn was
3 examined and testified as follows:

4 EXAMINATION

5 BY MR. AMADEO:

6 Q. Ms. Denham, would you state your name for the
7 record?

8 A. Gail Denham.

9 Q. Ms. Denham, my name is Mark Amadeo and I
10 represent the plaintiffs in the matter of Nauman
11 versus Abbott Laboratories. I'll be asking you
12 questions today. If you don't understand any of my
13 questions, let me know and I'll try to rephrase them
14 so that you do in a manner that will let you
15 understand the questions that I'm asking.

16 We're in an unnatural setting. In normal
17 conversation you might nod or say ah-hah or uh-huh in
18 response to a question. Here those kinds of responses
19 won't be picked up very well by the court reporter.
20 So I would ask you if you're going to answer, respond
21 to a yes or no question, that you respond yes or no,
22 okay?

23 A. All right.

24 Q. If you need to take a break, just let me know
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1 I N D E X

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24 SUSAN SOBLE ASSOCIATES, P.C. (312) 988-9868

1 and I'll try to accommodate you. If we're in the
2 middle of a question, I might ask that we hold off
3 taking the break until you've answered the question or
4 if there's a line of questioning that we're in the
5 middle of, I might accommodate you by waiting till
6 we're done with the line of questioning.

7 Now, Ms. Denham, you understand that you're
8 giving testimony under oath today; is that right?

9 A. Yes, I do.

10 Q. And if you don't answer truthfully, you can
11 subject yourself to the penalties of perjury. Do you
12 understand that?

13 A. Yes, I do.

14 Q. Those penalties would apply if you were to
15 answer that you don't know the answer to a question
16 when, in fact, you do know the answer to the question.
17 Do you understand that?

18 A. I understand.

19 Q. Are you taking any medication that impairs
20 your memory?

21 A. No.

22 Q. Have you a medical condition that impairs
23 your memory?

24 A. No.

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1 MR. LIGUORI: Same objections.
 2 THE WITNESS: For all purposes but pension, yes.
 3 BY MR. AMADEO:
 4 Q. Except for pension; is that right?
 5 A. Yeah.
 6 Q. Now, this policy here in this document, as
 7 you understand it, doesn't contain an exception for
 8 pension; is that right?
 9 MR. LIGUORI: Same objections. The document
 10 speaks for itself. You can answer if you can.
 11 THE WITNESS: This statement was to give employees
 12 the clearest set of expectations we could with regard
 13 to what might because decisions that were necessary to
 14 answer more specifically had not been made.
 15 BY MR. AMADEO:
 16 Q. Let me ask you this as I try to understand
 17 your answer. If a Hospira employee after two years
 18 has not taken their pension benefit from the annuity
 19 retirement plan -- or let me strike that. Hasn't
 20 taken a payment from their pension plan, if they
 21 return to Abbott after two years, will they be treated
 22 as a new hire? Strike that. Will their past service
 23 with Abbott be bridged with their future service at
 24 Abbott after two years?
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1 MR. LIGUORI: Objection. It lacks foundation.
 2 It's also vague as to time. I also object to the
 3 extent it calls for a legal conclusion. You can
 4 answer.
 5 THE WITNESS: The answer to that, which arose
 6 subsequent to this being written, is no because we
 7 transferred -- subsequent to this point, we made a
 8 decision to transfer the pension plan to Hospira,
 9 those pension assets to Hospira. So, therefore, the
 10 assets now reside with Hospira. And when a person
 11 leaves Hospira, they're entitled to a pension benefit
 12 from Hospira.
 13 BY MR. AMADEO:
 14 Q. Now, under the Hospira plan, if somebody
 15 left -- I'm sorry. Did I say Abbott or Hospira?
 16 MR. LIGUORI: Hospira.
 17 MR. AMADEO: Strike that.
 18 BY MR. AMADEO:
 19 Q. Under the Abbott plan, annuity retirement
 20 plan, if somebody leaves Abbott, takes a payment and
 21 comes back say after two years, do they have the
 22 option of returning the payment to bridge their past
 23 service with future service?
 24 MR. LIGUORI: Objection. It lacks foundation and
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1 it's an improper hypothetical and I object to the
 2 extent it calls for a legal conclusion.
 3 THE WITNESS: That is a level of detail that I do
 4 not know.
 5 BY MR. AMADEO:
 6 Q. Who at Abbott would know that, if you know?
 7 MR. LIGUORI: Objection, calls for speculation.
 8 You may answer if you can.
 9 THE WITNESS: The -- I can't.
 10 MR. MULDER: Is there an answer?
 11 MR. LIGUORI: She doesn't know.
 12 THE WITNESS: I said I can't.
 13 BY MR. AMADEO:
 14 Q. Do you know who by position would know the
 15 answer to that question?
 16 A. Yes. The individuals who provide the Abbott
 17 pension counseling within Abbott Laboratories, so that
 18 would be the vice-president of benefits and his staff
 19 that are specifically assigned to the retirement plan
 20 benefits support. They would know the answer.
 21 BY MR. AMADEO:
 22 Q. If an HPD employee decided he or she wanted
 23 to leave Abbott before the spinoff date, let's say a
 24 week before the spinoff date, if they had left and
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1 taken their -- let's say they were retirement eligible
 2 and they took their retirement benefit, would they be
 3 allowed to join Hospira?
 4 A. No. We made a decision that they would not
 5 join Hospira -- be allowed to join Hospira.
 6 Q. When you say we made the decision, who made
 7 that decision?
 8 A. Abbott made the decision.
 9 Q. Do you know who at Abbott made that decision?
 10 A. No, I do not.
 11 Q. Do you understand why that decision was made?
 12 A. Yes.
 13 Q. Why?
 14 A. We wanted to encourage all of the employees
 15 who had -- who we wanted to go with Hospira to go with
 16 Hospira and to be employed by Hospira. We did not --
 17 basically that's it. We wanted to encourage everybody
 18 to transfer with the new company as active employees.
 19 Q. But in that situation I described, the person
 20 who left Abbott is seeking employment with Hospira;
 21 isn't that right? That's the situation I described.
 22 How does that policy -- how does the purpose that you
 23 described conflict with allowing an HPD employee to
 24 continue to work for Hospira?
 SUSAN SOBLE ASSOCIATES, P.C. (312) 988-9868

EXHIBIT 61

From: Terrence C Kearney
Sent: 3/27/2004 3:56:54 PM
To: DAJLou@aol.com
Cc: CN=Christopher Begley/OU=HPD/O=Abbott@Exchange
Subject: 2004 OPEB Split with Abbott

David,

Chris asked me to follow up with you on the final resolution of the how the 2004 Plan OPEB funding would be split between Hospira and Abbott. While I will summarize the process used to split the finding in the following paragraphs, I want to let you know that all in all I believe we reached a fair and reasonable solution.

Background - 2003 Pro Forma Adjustment

The 2003 Actual data was pro forma adjusted to reflect the impact of freezing the retiree medical benefit as of the spin date. The impact reflected Abbott retaining the liability for all retiree eligible Hospira employees with a financial benefit, in the form of lower costs, accruing to Hospira. The favorable pro forma impact for Hospira in 2003 was \$ 20 MM.

There is no impact on the OPEB costs related to the Faultless plant as we are obliged to honor the commitments made to the union.

2004 Plan

Originally Abbott provided only the Faultless portion of OPEB in our 2004 Plan. This amounted to \$ 3.5 MM. There should have been an additional \$ 31.5 MM allocated to the Hospira business in order to keep the 2003 Plan whole reflecting the costs of providing the retiree medical benefit.. Abbott agreed an adjustment should be made and proposed to roll in the adjustment as follows:

PRE SPIN (4 months) - add \$10.5 MM or 33% of \$ 31.5 MM

POST SPIN (8 months) - there is \$ 21 MM left to be allocated between Abbott (who retains the OPEB liabilities for all retirement eligible Hospira employees) and Hospira (who should have the remaining budget available to flush through to earnings given retiree medical will no longer be offered). The \$ 21 MM was split using 2003 Actual as a basis and resulted in Abbott retaining \$ 13.3 MM and Hpsira getting \$ 7.7 MM.

Going Forward

In 2004, Hopsira will let the \$ 7.7 MM fall thorough to earning to help offset some of the incremental transition expenses. We think it will be a positive message to say we have already taken steps to reduce overhead and the impact is reflect in our numbers.

In 2005, we will have a favorable year over year comparison in the first 4 months as our 2004 Actual will include the \$ 10.4 MM of pre spin OPEB expenses whereas there will not be a comparable number in 2005 given the retiree medical benefit was eliminated in 2004.

Please let me know if you have any additional questions.

A017307

Terry

A017308

EXHIBIT 62

1 APPEARANCES:
 2 SPRENGER & LANG, PLLC, by:
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 4 1400 Eye Street N.W. - 500
 5 Washington, D.C. 20005
 6 (202) 265-8010
 7 -and-
 8 MEITES, MULDER, MOLLIKA & GLINK, by:
 9 MR. MICHAEL M. MULDER
 10 20 South Clark Street - 1500
 11 Chicago, Illinois 60604
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 13 appeared on behalf of the Plaintiffs;
 14
 15 WINSTON & STRAWN, LLP, by:
 16 MR. JOSEPH J. TORRES
 17 35 West Wacker Drive
 18 Chicago, Illinois 60601-9703
 19 (312) 558-5600
 20 -and-
 21 MR. PETER N. WITTY, Counsel
 22 Abbott Laboratories
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 Abbott Park, Illinois 60064-6008
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 appeared on behalf of Defendant Abbott
 Laboratories;
 JENNER & BLOCK, LLP, by:
 MR. CHRISTOPHER D. LIGUORI
 One IBM Plaza
 Chicago, Illinois 60611-7603
 (312) 222-9350
 appeared on behalf of Defendant Hospira, Inc.

1 (Witness sworn.)
 2 STEPHEN R. FUSSELL
 3 having been first duly sworn, was examined and testified as
 4 follows:
 5 DIRECT EXAMINATION
 6 BY MR. AMADEO:
 7 Q Good morning, Mr. Fussell. My name is Mark Amadeo
 8 and I'll be taking your deposition today. I represent the
 9 plaintiffs in the matter of Naumann versus Abbott
 10 Laboratories.
 11 If you don't understand a question that I
 12 ask, just let me know and I'll try to rephrase my question.
 13 I'd ask that you answer questions yes or no if it's
 14 appropriate instead of uh-huh or unh-unh or by nodding
 15 because those answers won't get picked up well obviously by
 16 the reporter.
 17 If you need a break, just let me know and
 18 I'll try to accommodate you.
 19 Do you understand that you're giving
 20 testimony under oath today?
 21 A Yes.
 22 Q And do you understand that the penalties of
 23 perjury apply?
 24 A Yes.
 SUSAN SOBLE ASSOCIATES, P.C. (312) 988-9868

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 13 4 A023202-233 80
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 21 H03442 166
 22 X002183 177
 23 A004127-134 178
 24 A004208- 181
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1 Q Do you understand that those penalties would apply
 2 if you answer that you don't know the answer to a question
 3 when in fact you do?
 4 A Yes.
 5 Q And do you understand that those penalties apply
 6 if you answer you don't remember the answer to a question
 7 when in fact you do?
 8 A Yes.
 9 Q Are you taking any medication that impairs your
 10 memory?
 11 A No.
 12 Q Do you have a medical condition that impairs your
 13 memory?
 14 A No.
 15 Q Is there any reason why you won't be able to
 16 answer my questions truthfully today?
 17 A No.
 18 Q Are you a college graduate?
 19 A Yes.
 20 Q Which college did you graduate from?
 21 A Louisiana State University.
 22 Q And when did you graduate?
 23 A 1979.
 24 Q What was the degree?
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1 Q Exhibit 24 for the record is Bates numbered
2 A004208. So is exhibit 24 a copy of that e-mail that you
3 sent on August 6?

4 A As I recall, yes.

5 Q The third paragraph begins: Re retiree medical,
6 do you see that? Goes on to say --

7 A Right.

8 Q We don't want to pay for their medical
9 while they are getting medical from NewCo.
10 Were you, do you know what this e-mail is in
11 response to?

12 A We begin to try to put forward the HR specs, the
13 first document that I originally wrote and that we later
14 amended. And then we ultimately had to translate that into
15 a document we communicated to employees at the time that we
16 did the spin, which is what this is referring to. It's in
17 preparation for that document, what we would say to
18 employees on the date of the spin.

19 Q Okay. And then the third sentence states: (As
20 read)

21 I have a question about whether we can
22 really require this, but if we can we want
23 to.

24 What is "require this"? What are you
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1 Q Yes.

2 A No, because what the active health care expenses
3 were going to be for Hospira I had no idea 'cause I didn't
4 know what plan they were going to ultimately implement.

5 Q Your question about whether you could require
6 this, what was the issue about whether you could require
7 this?

8 MR. TORRES: Objection. Asked and answered.

9 THE WITNESS: I can answer it again.

10 MR. TORRES: Mm-hm.

11 THE WITNESS: We had to see if our plan would
12 allow it, you know, could we specifically prohibit not
13 covering them in our plan if they were actively employed in
14 another plan. In other words, could we make it secondary.

15 BY MR. AMADEO:

16 Q And was the plan amended to preclude people from
17 receiving coverage, primary coverage, if they were
18 employees of Hospira?

19 A I recall that that was the intention. You know,
20 I'd have to go back and look now to see what the final plan
21 language was. There were a number of amendments associated
22 with this transition that were made to the plan.

23 Q You don't recall whether the plan was amended
24 though to require --

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1 referring to?

2 A Yeah. At the time our retiree medical program is
3 typically, can be secondary. You don't have to elect our
4 retiree medical program initially. And if possible we
5 wanted our plan to be secondary to theirs because they were
6 active employees of Hospira and while they were active
7 employees of Hospira, if they were going to offer benefits
8 for active health care, you know, obviously we wanted them
9 as active employees for Hospira to choose their benefit
10 plans instead of ours.

11 And when I say we didn't know if we could do
12 it or not, it just relates to at that time does the plan
13 allow it and what are our options. Again, it's important
14 to keep in mind all these are ultimately talking with an
15 internal finance guy for a recommendation to the steering
16 committee.

17 Q And then there's a last sentence:
18 The savings could be significant.

19 Do you see that?

20 A Last sentence of...

21 Q That paragraph.

22 A Third paragraph? Yes.

23 Q Did you have an idea what the savings would be?

24 A At this point in time?

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1 A I believe it was. I can't say with a hundred
2 percent certainty that it was. At the time that we did
3 this that was certainly our intention, but again, it's
4 important to keep in mind at this point these are
5 recommendations, not decisions.

(Fussell Deposition Exhibit No. 25
was marked for identification.)

8 THE WITNESS: Okay.

9 BY MR. AMADEO:

10 Q Mr. Fussell, did you receive an e-mail from Mary
11 Moreland on September 9, 2003 with the information
12 contained in exhibit 25?

13 MR. TORRES: I'm sorry. September 9?

14 MR. AMADEO: September 9.

15 MR. TORRES: Sorry, wrong document.

16 MR. AMADEO: Okay.

17 THE WITNESS: Exhibit 25 I did receive. I'm
18 relying on it as the representation of the date.

19 BY MR. AMADEO:

20 Q So is exhibit 25 a copy of the e-mail that she
21 sent you?

22 A As I recall, yes.

23 Q Now, did you ask Ms. Moreland prior to this date
24 for what would happen to OPEB liabilities if all retirement

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EXHIBIT 63

(Filed under seal)

EXHIBIT 64

(Filed under seal)

EXHIBIT 65

(Filed under seal)

EXHIBIT 66

(Filed under seal)

EXHIBIT 67



Ken James
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Phone: (847)771-2549 ---- Fax:
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Ext. 12549
01/21/2004 02:49 PM

To: David Stacey/Chicago/Hewitt Associates@Hewitt
Associates NA
Brian Irion/Midwest/Hewitt Associates@Hewitt Associates
NA
Karl Arbaugh/Midwest/Hewitt Associates@Hewitt
Associates NA
cc: Sandy Miller/National/Hewitt Associates@Hewitt
Associates NA
Subject: Hospira Notes from jan 9th meeting with gail denham

The purpose of this note is add a few comments to supplement David's summary below.

Recall the purpose of the meeting was to get feedback from Gail as to how the meeting went on 1/7 with Chris Bagley and Henry Weishaar relative to objectives and process steps going forward, based on input from Chris.

We thought the feedback would be along the lines of the 1/6 note we sent to Gail to help her plan for the discussion.

It was not that....she ended up reusing an outline that grice williams had prepared for earlier staff conversations in a meeting including Weishaar, Denham, Anderson, Sponseller, Albert, Williams, Lourie

And there was no documentation of the discussion of either meeting.....the earlier hr group or the begley meeting.

gail simply elected to give us her oral debrief on the discussion.

Much of what we hoped would have been there from the 1/6 outline was not addressed. We should plan on readdressing those issues in our first meeting with them.

Items that were not addressed included:

- 1)everyone still assumes they will not have a pension. We need to test issues there of freeze vs pay growth only vs ?
- 2)no recognition as to how ees will react. somehow feels that reducing the fringe by \$40 million is saleable..
- 3)nothing on required skill sets of people going foward
- 4)any of the age/service/family size issues addresse seemed to be "in moderation" responses...ok to go more neutral, but not extreme.
- 5)base vs total pay not addressed other than to be "predictable"which would imply more base focused
- 6)getting rid of pension by defintion means to discourage or be neutral on early retirement..
- 7)no comment about turnover

Although not stated by Chris, we might interpret the comments to mean

- BI values closer to 95 than 100, especially without performance kickers
- hourly and salaried to stay the same, but need to test
- simplify things...although abbott has done that recently with the srp and a pension freeze would eliminate that complexity
- don't offer flex,but provide lots of ee pay all opportunities.....as long as the admin is self funding as well

XXXXXXXXXXXXXXXXXXXX

Z 00064


Colleen Zurek
RFM/Retirement-The Americas
Lincolnshire/10P-6N-2
Ext. 17374
01/19/2004 09:19 AM

To: Ken James/Midwest/Hewitt Associates@Hewitt Associates NA
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David Stacey/Chicago/Hewitt Associates@Hewitt Associates NA
Karl Arbaugh/Midwest/Hewitt Associates@Hewitt Associates NA
Mary Moreland/Midwest/Hewitt Associates@Hewitt Associates NA
Sandy Miller/National/Hewitt Associates@Hewitt Associates NA

Subject: Re: Hospira BI results

See my responses in blue below. I'm especially concerned if some of the things we're valuing aren't appropriate for Hospira new hires, so please let me know as soon as possible if we need to make changes. The reports are currently in typing and with the meeting early next week, we obviously don't have lots of time to play with.

Thanks:
Ken James

 Ken James
Client Development
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01/17/2004 02:30 PM

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Sandy Miller/National/Hewitt Associates@Hewitt Associates NA

Subject: Re: Hospira BI results

TO ALL

We don't yet have a date set up to review and discuss results and next steps internally....i will have jack try to set that up.....in the meantime, it would be helpful for everyone to provide email reactions/thoughts/suggestions to the results and to the comments below

xxxxxxxxxxxxxxxx

Colleen, after reviewing results I have some questions, observations and suggestions.

Z 00065

1) How have we handled the analysis if Abbott made significant changes 1/1/04? It is my understanding that Abbott made significant changes to their medical plan.....effective 1/1/04?.....Did we use 1/1/04 design for them and 03 design for everyone else? did we go back and try to evaluate as if 03 and adjust contribution rates for inflation back a year? or 04 design with 03 level contributions? **We compared 2004 Abbott benefits to the 2003 benefits for the base companies. For Abbott/Hospira, we had them provide the % increase in their rates due to inflation (versus plan changes) and we used this to detrend their 2004 contribution rates to a 2003 basis.**

2) Are there any other benefit change areas that present similar issues to the medical above? **No. Medical is generally the only area where this is an issue.**

3) It is my understanding that Hospira ees with a specific age/service criteria will be grandfathered in Abbott's retiree medical plan, but Hospira will not have to foot the bill for this. Abbott will be not aware of this - we're currently showing Abbott benefits (because it was my understanding that for 2004 Hospira would have Abbott benefits). **Should be showing no retiree medical (or something else?) for new hires? Are there other areas besides postret med where Hospira new hires have something different than Abbott employees?**

So there might be value in trying to do something special that shows what a certain segment is grandfathered in....but point out that Hospira is not having to pay for this.

because of this, and because of the pending frozen accrued pension issues, we should think about away to demonstrate the competitive design for new hires vs existing ees. and basically convey that from a competitive standpoint they will be moving from position x to position y over time as employees retire and are replaced by new entrants.

4) re what ifs on just the peer company index..... **Some of these will involve a decent amount of time - can we use the T&M BI project id (vs the fee number we use when we do the studies)?**

a) in this context, we should show results with zero pension....can we also show results with a frozen pension? and point out the gradual transition that will take place? **From a BI perspective, zero pension and a frozen pension both result in an index value of zero (we're essentially looking at the benefit accrual rate). We could definitely develop results reflecting no DB plan.**

b) show what dc contribution level would be required to get all retirement to 100 with a zero pension.

c) show what change in ee group life contribution levels would get to 100 with peer cos.

d) show what reduced short term dis plan would get them to 100 **There are obviously multiple designs that would accomplish this. Before we do this, can we discuss what sort of plan makes sense (fewer 100% weeks? what level of reduced continued? put in a PTO?)**

e) show what ee ltd contribution level would get them to 100

f) at this stage, doesn't look like there is any room to move on medical.

g) show what new ee dental contributions would be to get to 100

f) show all health care and all security and all benefits without any retiree medical

g) show what logical reduction in vacation level would get them to 100 on vacations.

h) in each case show the impact of design change in that area, plus all security plus all benefits; and then show combined impact of all changes on all security, and all benefits

Z 00066

4)As part of our presentation, it seems we should point out the high level conclusions that

a)General industry is much richer than their peers in pension, post retirement death design, retiree medical; and have fewer std contributions, and fewer ltd contributions and fewer group life contributions and fewer dental contributions.

b)The two groups are comparable in group life design, std design; ltd design, medical design, dental design, holidays and vacations

c)Hospira can reduce pension and retiree medical and vacations and increase ee contributions in group life, and dental and still be competitive.

5)It might be worth while to point out what combination of frozen pension and x % savings plan contribution would get the total retirement income to 100. ...and then basically point out that the x% would gradually have to rise to y% to have the aggregate plan stay competitive as the plan moved toward a new hire only population.

6)In the context of planting seeds for choice, could we also show what pension and what savings plan would each produce 100 on their own merits, and comment on the ability for existing people to choose between lower pension and current savings plan vs no pension and higher savings plan....with new hires getting the savings plan only.

7)KARL.....to the extent we can, we might start looking at pension cost estimates that might go along with the various alternatives. and we should also be pointing out the advantage they have of having no retiree medical obligation, and yet have a partial workforce that still has significant accrued value in a retiree medical plan.

8)through the use of BI retirement income charts, does it help to show any of these modifications above and demonstrate the impact on replacement ratios?.

9)DAVID....since their ratios are so close to 100 in medical...what are the kinds of changes we might still want to start positioning with them in the health care area?

I guess we still don't have a conference call or meeting set up to review and discuss results and alternatives next week. I will ask jack to coordinate calendars. but in the meantime, it would help if everyone would react on email to what you think we should do/consider in prep for the meeting on the 27th.

also, fyi, they have also given us dates to meet and present this to senior mgmt in feb following the 27th presentation to HR staff. i have asked jack to try to identify and hold a date with hospira where all of us are available, and then we decide who is going.....they have asked that we keep the group smaller for that day....with perhaps as few as 2, but we should decide if we want to push back, and if so for how many?
Colleen Zurek

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01/14/2004 03:58 PM

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Z 00067