ST JUDE MEDICAL INC
Form 425
April 28, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

April 27, 2016
Date of Report (Date of earliest event reported)

ABBOTT LABORATORIES

(Exact name of registrant as specified in its charter)

Illinois	**1-2189**	**36-0698440**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

100 Abbott Park Road
Abbott Park, Illinois 60064-6400
(Address of principal executive offices)(Zip Code)

(Registrant s telephone number, including area code): **(224) 667-6100**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

x Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On April 27, 2016, Abbott Laboratories, an Illinois corporation (Abbott), entered into an Agreement and Plan of Merger (the Merger Agreement) with St. Jude Medical, Inc., a Minnesota corporation (St. Jude), Vault Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Abbott (Merger Sub 1), and Vault Merger Sub, LLC, a Delaware limited liability company and a wholly owned subsidiary of Abbott (Merger Sub 2).The Merger Agreement provides for, among other things, the merger of Merger Sub 1 with and into St. Jude (the First Merger), with St. Jude surviving the First Merger, followed by the merger of St. Jude with and into Merger Sub 2, with Merger Sub 2 surviving such merger (together with the First Merger, the Mergers).

Subject to the terms and conditions set forth in the Merger Agreement, at the effective time of the First Merger (the Effective Time), each of St. Jude s issued and outstanding common shares, par value $0.10 per share (the St. Jude Shares) (other than shares owned directly or indirectly by Abbott or any subsidiary of Abbott or any subsidiary of St. Jude immediately prior to the Effective Time and other than St. Jude Shares as to which dissenters rights have been properly exercised) will be converted into the right to receive $46.75 in cash, without interest, and 0.8708 of an Abbott common share (together, the Merger Consideration), less any applicable withholding taxes.

Completion of the Mergers is subject to customary closing conditions, including (1) the adoption of the Merger Agreement by the affirmative vote of the holders of at least a majority of all outstanding St. Jude Shares, (2) approval for listing on the NYSE of the Abbott shares to be issued in the First Merger, (3) there being no law or order prohibiting, enjoining, or otherwise making illegal the consummation of the Mergers or the issuance of Abbott shares as part of the Merger Consideration, (4) effectiveness of the SEC registration statement to register the offering of Abbott shares as part of the Merger Consideration, and (5) the expiration of the waiting period applicable to the Mergers under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and receipt of other specified antitrust approvals. The obligation of each of St. Jude and Abbott to consummate the Mergers is also conditioned on the other party s representations and warranties being true and correct (subject to specified materiality thresholds), the other party having performed in all material respects all of its obligations under the Merger Agreement, the absence of a material adverse effect, as defined in the Merger Agreement, on the other party, and the receipt by each party of opinions to the effect that the transaction will be treated as a reorganization for U.S. federal income tax purposes.

The Merger Agreement contains representations and warranties and covenants of the parties customary for a transaction of this nature. The Merger Agreement has been included to provide investors with information regarding its terms. It is not intended to provide any other factual information about Abbott or St. Jude. The representations and warranties contained in the Merger Agreement were made only for purposes of the Merger Agreement as of the specific dates therein, were solely for the benefit of the parties to the Merger Agreement, may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Merger Agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors are not third-party beneficiaries under the Merger Agreement and should not rely on the representations and warranties or any descriptions thereof as characterizations of the actual state of facts or condition of the parties thereto or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of representations and warranties may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in Abbott s or St. Jude s public disclosures.

The foregoing description of the Merger Agreement and the transactions contemplated thereby is not complete and is qualified in its entirety by reference to the Merger Agreement, a copy of which is filed as Exhibit 2.1 hereto and the terms of which are incorporated herein by reference.

Item 8.01. Other Events.

On April 27, 2016, in connection with the execution of the Merger Agreement, Abbott entered into a commitment letter, dated as of April 27, 2016 (the Commitment Letter), with Merrill Lynch, Pierce, Fenner & Smith Incorporated and Bank of America, N.A. (together, Bank of America), pursuant to which Bank of America

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has committed to provide, subject to the terms and conditions of the Commitment Letter, up to $17,200,000,000 of senior unsecured bridge loans.

On April 28, 2016, Abbott and St. Jude issued a joint press release announcing the execution of the Merger Agreement. A copy of the joint press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

On April 28, 2016, Abbott intends to conduct an investor conference call regarding the Mergers. The presentation that will be made available in connection with the conference call is attached hereto as Exhibit 99.2 and are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	**Exhibit**
2.1	Agreement and Plan of Merger, dated as of April 27, 2016, by and among Abbott Laboratories, St. Jude Medical, Inc., Vault Merger Sub, Inc. and Vault Merger Sub, LLC
99.1	Joint Press Release dated April 28, 2016
99.2	Presentation to be made available in connection with investor conference call to be held on April 28, 2016

Important Additional Information Will Be Filed With The SEC

In connection with the proposed transaction, Abbott intends to file a registration statement on Form S-4 with the SEC which will include a document that serves as a prospectus of Abbott and a proxy statement of St. Jude (the proxy statement/prospectus), and each party will file other documents regarding the proposed transaction with the SEC. Investors and security holders of St. Jude are urged to carefully read the entire registration statement and proxy statement/prospectus and other relevant documents filed with the SEC when they become available, because they will contain important information. A definitive proxy statement/prospectus will be sent to St. Jude s shareholders. Investors and security holders will be able to obtain the registration statement and the proxy statement/prospectus free of charge from the SEC s website or from Abbott or St. Jude as described in the paragraphs above.

The documents filed by Abbott with the SEC may be obtained free of charge at Abbott s website at www.abbott.com or at the SEC s website at www.sec.gov. These documents may also be obtained free of charge from Abbott by requesting them by mail at Abbott Laboratories, 6100 Abbott Park Road, Abbott Park, IL 60064-6400, Attention Investor Relations, or by telephone at (224) 667-8945.

The documents filed by St. Jude with the SEC may be obtained free of charge at St. Jude s website at www.sjm.com or at the SEC s website at www.sec.gov. These documents may also be obtained free of charge from St. Jude by requesting them by mail at St. Jude Medical, Inc., One St. Jude Medical Drive, St. Paul, MN 55117 Attention: Investor Relations, or by telephone at (651) 756-4347.

Participants in the Solicitation

St. Jude, Abbott and certain of their directors, executive officers and employees may be deemed participants in the solicitation of proxies from St. Jude shareholders in connection with the proposed transaction. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the shareholders of St. Jude in connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement/prospectus when it is filed with the SEC. Information about the directors and executive officers of Abbott and their ownership of Abbott common stock is set forth in the definitive proxy statement for Abbott s 2016 annual meeting of shareholders, as previously filed with the SEC on March 18, 2016. Information about the directors and executive officers of St. Jude and their ownership of St. Jude common stock is set forth in the definitive proxy statement for St. Jude s 2016 annual meeting of shareholders, as previously filed with the SEC on March 22, 2016. Free copies of these documents may be obtained as described in the paragraphs above.

Private Securities Litigation Reform Act of 1995

A Caution Concerning Forward-Looking Statements

Some statements in this document may be forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995. Abbott and St. Jude Medical caution that these forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements, including but not limited to the ability of the parties to consummate the proposed transaction on a timely basis or at all, the ability of the parties to satisfy the conditions precedent to consummation of the proposed transaction, including the ability to secure the required regulatory approvals on the terms expected, at all or in a timely manner, the ability of Abbott to successfully integrate St. Jude Medical s operations, and the ability of Abbott to implement its plans, forecasts and other expectations with respect to St. Jude Medical s business after the completion of the transaction and realize expected synergies. Economic, competitive, governmental, technological and other factors that may affect Abbott s and St. Jude Medical s operations are discussed in Item 1A, Risk Factors, in each of Abbott s Annual Report on Securities and Exchange Commission Form 10-K for the year ended Dec. 31, 2015, and St. Jude Medical s Annual Report on Securities and Exchange Commission Form 10-K for the year ended Jan. 2, 2016, respectively, and are incorporated by reference. Abbott and St. Jude Medical undertake no obligation to release publicly any revisions to forward-looking statements as a result of subsequent events or developments, except as required by law.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

	ABBOTT LABORATORIES	
Date: April 28, 2016	By:	
		/s/ Brian B. Yoor
	Name:	Brian B. Yoor
	Title:	Senior Vice President, Finance and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Exhibit
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%"> **Additions to Net cash provided intangible assets by (used in) and property, plant Amortization, Free cash flow operating activities and equipment depreciation and (I)= (II)+(III) (II) (III) impairments Three months ended Three months Three months Three months December 31, ended December 31, ended December 31, ended December 31, 2010 2009 2010 2009 2010 2009 2010 2009**

Segment Information - based on continuing operations
908 725 1,388 1,121 (480) (396) 710 646
Discontinued operations
20 (28) 20 (28)
Goodwill Impairment
136

Siemens Consolidated Statements of Cash Flow
928 697 1,408 1,093 (480) (396) 846 646

Additional Segment information

In the three months ended December 31, 2010 and 2009, Profit of SFS includes interest income of 162 and 143, respectively, and interest expense of 75 and 69, respectively.

15. Related party transactions

Joint ventures and associates

Siemens has relationships with many joint ventures and associates in the ordinary course of business whereby Siemens buys and sells a wide variety of products and services generally on arm s length terms. For information regarding our subsidiaries, joint ventures and associated companies, see Notes to Consolidated Financial Statements in the Siemens Annual Report for the fiscal year ended September 30, 2010.

Sales of goods and services and other income from transactions with joint ventures and associates as well as purchases of goods and services and other expense from transactions with joint ventures and associates are as follows:

Purchases of goods and

	Sales of goods and services and other income		services and other expense	
	Three months ended December 31,		Three months ended December 31,	
	2010	2009	2010	2009
Joint ventures	35	28	10	5
Associates	199	252	76	63
	234	**280**	**86**	**68**

Receivables from joint ventures and associates and liabilities to joint ventures and associates in relation to these transactions are as follows:

	Receivables		Liabilities	
	December 31, 2010	September 30, 2010	December 31, 2010	September 30, 2010
Joint ventures	39	35	9	7
Associates	151	172	40	41
	190	**207**	**49**	**48**

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SIEMENS
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(in millions of , except where otherwise stated and per share amounts)

As of December 31, 2010, loans given to joint ventures and associates amounted to 174 in total. As of September 30, 2010, loans given to joint ventures and associates amounted to 427 in total including a tranche of 250, nominal in relation to a Shareholder Loan Agreement between Siemens and NSN. In December 2010, Siemens and Nokia Corporation each converted 266, including the shareholder loan and deferred interest to NSN into preferred shares. The conversion resulted in an increase of our investment in NSN and does not result in a shift in the existing shareholding ratios between Siemens and Nokia Corporation. Loans given to joint ventures amounted to 7 and 4, respectively, as of December 31, 2010 and September 30, 2010. In the normal course of business the Company regularly reviews loans and receivables associated with joint ventures and associates, including NSN. In the three months ended December 31, 2010 and 2009, the review resulted in net losses related to valuation allowances totaling 14 and net gains related to valuation allowances totaling 3, respectively. As of December 31, 2010 and September 30, 2010, valuation allowances amounted to 49 and 35, respectively.

As of December 31, 2010 and September 30, 2010, guarantees to joint ventures and associates amounted to 5,061 and 5,483, respectively, including the HERKULES obligations of 2,690 and 3,090, respectively. As of December 31, 2010 and September 30, 2010, guarantees to joint ventures amounted to 487 and 511, respectively. In the three months ended December 31, 2010, Siemens granted a collateral of 144 related to a loan raised by an investment.

Pension entities

For information regarding the funding of our principal pension plans refer to Note 8.

Related individuals

Related individuals include the members of the Managing Board and Supervisory Board.

In the first three months ended December 31, 2010 and 2009, no major transactions took place between the Company and members of the Managing Board and Supervisory Board.

Some of the members of the Company s Managing Board and Supervisory Board hold positions of significant responsibility with other entities. Siemens has relationships with almost all of these entities in the ordinary course of business whereby the Company buys and sells a wide variety of products and services on arm s length terms.

16. Supervisory Board and Managing Board

Based on a Supervisory Board resolution in fiscal 2010, the Managing Board compensation system was revised for fiscal year beginning on October 1, 2010. In accordance with the German Act on the Appropriateness of Managing Board Remuneration (VorstAG), the revised Managing Board compensation system was approved by Siemens shareholders at the Annual Shareholders Meeting on January 25, 2011.

At the Annual Shareholders Meeting on January 25, 2011, a revised compensation scheme for Supervisory Board members was approved, which is effective as of October 1, 2010. To further strengthen the Supervisory Board s independence, the revised compensation scheme removes the variable, performance-related compensation components which were based on earnings per share and substitutes those for fixed compensation which corresponds more closely to international best practice.

For further information on Managing and Supervisory Board compensation, see the Compensation Report within the Corporate Governance Report of our September 30, 2010 Annual Report.

17. Subsequent event

In January 2011, Siemens AG announced its intent to increase its stake in its publicly traded Indian subsidiary Siemens Ltd. from currently about 55 percent to 75 percent. To this end, the company will offer Siemens Ltd. shareholders INR 930 per share. In the case of full acceptance of the offer, the investment will total roughly 1 billion. Pending regulatory approval, the offer period is expected to begin on March 25, 2011 and end on April 13, 2011.

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Review report

To Siemens Aktiengesellschaft, Berlin and Munich

We have reviewed the condensed interim consolidated financial statements comprising the consolidated statement of financial position, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flow and selected explanatory notes, together with the interim group management report, of Siemens Aktiengesellschaft, Berlin and Munich for the period from October 1, 2010 to December 31, 2010 which are part of the quarterly financial report pursuant to Sec. 37x (3) WpHG (Wertpapierhandelsgesetz : German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with IFRS applicable to interim financial reporting as issued by the IASB and as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW Institute of Public Auditors in Germany) and in accordance with the International Standard on Review Engagements 2410, Review on Interim Financial Information Performed by the Independent Auditor of the Entity . Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IFRS applicable to interim financial reporting as issued by the IASB and as adopted by the EU, and that the interim group management report has not been prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed a financial statement audit and, accordingly, we do not express an audit opinion.

Based on our review nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IFRS applicable to interim financial reporting as issued by the IASB and as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Munich, January 28, 2011
Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Krämmer	Prof. Dr. Hayn
Wirtschaftsprüfer	Wirtschaftsprüfer

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Quarterly summary
(in unless otherwise indicated)

	Fiscal Year 2011	Fiscal Year 2010			
	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue (in millions of)(1)	19,489	21,229	19,170	18,227	17,352
Income from continuing operations (in millions of)	1,787	(339)	1,441	1,484	1,526
Net income (in millions of)	1,753	(396)	1,435	1,498	1,531
Free cash flow (in millions of)(1) (2)	908	2,990	2,145	1,251	725
Key capital market data					
Basic earnings per share(1)	2.00	(0.47)	1.63	1.69	1.70
Diluted earnings per share(1)	1.98	(0.47)	1.61	1.67	1.68
Siemens stock price (3)					
High	94.78	79.37	79.23	74.42	69.00
Low	75.56	70.94	68.25	61.67	60.20
Period-end	92.70	77.43	74.02	74.15	64.21
Siemens stock performance on a quarterly basis (in percentage points)					
Compared to DAX index	8.72	0.19	2.88	14.95	(3.50)
Compared to MSCI World index	10.77	(9.17)	12.49	15.00	(2.60)
Number of shares issued (in millions)	914	914	914	914	914
Market capitalization (in millions of)(4)	80,884	67,351	64,329	64,417	55,686
Credit rating of long-term debt					
Standard & Poor s	A+	A+	A+	A+	A+
Moody s	A1	A1	A1	A1	A1

(1) Continuing operations.

(2) Net cash provided by (used in) operating activities less Additions to intangible assets and property, plant and equipment.

(3) XETRA closing prices, Frankfurt.

(4) Based on shares outstanding.

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Siemens financial calendar[1]

Second-quarter financial report and Semiannual Press Conference	May 4, 2011
Third-quarter financial report	July 28, 2011
Preliminary figures for fiscal 2011/Press Conference	Nov. 10, 2011
Annual Shareholders Meeting for fiscal 2011	Jan. 24, 2012

(1) Provisional Updates will be posted at: www.siemens.com/financial_calendar

Information resources

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SIEMENS AKTIENGESELLSCHAFT

Date: January 31, 2011

/s/ Dr. Klaus Patzak
Name: Dr. Klaus Patzak
Title: Corporate Vice President and Controller

/s/ Dr. Juergen M. Wagner
Name: Dr. Juergen M. Wagner
Title: Head of Financial Disclosure and Corporate Performance Controlling

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