Q3 2014 Financial Review

October 23rd, 2014
Introduction and Key Recent Events

- John Lechleiter, Chairman, President and Chief Executive Officer

Q3 Financial Results, Key Future Events and Financial Guidance

- Phil Johnson, Vice President, Investor Relations
- Derica Rice, Executive Vice President, Global Services and Chief Financial Officer

Summary

- John Lechleiter, Chairman, President and Chief Executive Officer

Question and Answer Session
Safe Harbor Provision

This presentation contains forward-looking statements that are based on management's current expectations, but actual results may differ materially due to various factors. The company's results may be affected by factors including, but not limited to, the risks and uncertainties in pharmaceutical research and development; competitive developments; regulatory actions; litigation and investigations; business development transactions; economic conditions; and changes in laws and regulations, including health care reform. For additional information about the factors that affect the company's business, please see the company's latest Forms 10-K and 10-Q filed with the Securities and Exchange Commission.

The company undertakes no duty to update forward-looking statements.
Key Events Since the Last Earnings Call

Commercial:
- In collaboration with Boehringer Ingelheim, launched Jardiance® (empagliflozin) in the U.S. and Europe

Regulatory:
- Dulaglutide:
  - Received U.S. FDA approval for Trulicity™, a weekly glucagon-like peptide-1 (GLP-1) receptor agonist, as an adjunct to diet and exercise to improve glycemic control in adults with type 2 diabetes;
  - Received a CHMP positive opinion for Trulicity®; if approved, Trulicity will be indicated to improve glycemic control in adults with type 2 diabetes as monotherapy or in combination with other diabetes medicines, including insulin;
  - Submitted dulaglutide in Japan.
- Received European Commission approval of Humalog U-200
- In collaboration with Boehringer Ingelheim:
  - received U.S. FDA approval for Jardiance tablets as an adjunct to diet and exercise to improve glycemic control in adults with type 2 diabetes;
  - submitted the fixed-dose combination of empagliflozin and metformin in the U.S.;
  - received U.S. FDA tentative approval for Basaglar™ (insulin glargine injection), to improve glycemic control in adults with type 2 diabetes and in combination with mealtime insulin in adults and pediatric patients with type 1 diabetes;
  - received European Commission approval for Abasria® to treat diabetes in adults, adolescents and children aged 2 years and above; the first insulin treatment approved through the European Medicines Agency’s biosimilar pathway.
Key Events Since the Last Earnings Call

Regulatory (continued):

• Ramucirumab:
  - Received a CHMP positive opinion for the use of ramucirumab (Cyramza®), in adults in combination with paclitaxel for the treatment of advanced gastric (stomach) or gastroesophageal junction adenocarcinoma following prior chemotherapy and as a monotherapy in this setting for patients for whom treatment in combination with paclitaxel is not appropriate;
  - Submitted ramucirumab for second-line gastric cancer in Japan; granted priority review
  - Submitted ramucirumab for second-line NSCLC to the FDA; expect action by year-end 2014.
• Began rolling FDA submission for necitumumab in first-line squamous non-small cell lung cancer

Clinical:

• Announced positive top-line results of:
  - two Phase 3 trials in patients with type 1 diabetes showing that basal insulin peglispro demonstrated superior HbA1c compared to insulin glargine; regulatory submissions planned by the end of Q1 2015;
  - a Phase 3 study in patients with metastatic colorectal cancer showing that ramucirumab in combination with chemotherapy improved overall survival vs. chemotherapy alone; regulatory submissions to begin in H1 2015;
  - three Phase 3 trials in patients with moderate-to-severe plaque psoriasis showing that ixekizumab was statistically superior to etanercept and placebo on all skin clearance measures; regulatory submissions planned for H1 2015.
Key Events Since the Last Earnings Call

Clinical (continued):

- Discontinued development of tabalumab due to insufficient efficacy in two Phase 3 trials in systemic lupus erythematosus
- Presented Phase 3 data from the REACH trial evaluating ramucirumab as a treatment for second-line hepatocellular cancer; study failed to meet primary overall survival (OS) endpoint but encouraging OS data were seen in patients with elevated baseline alpha-fetoprotein levels
- Completed enrollment in the four core baricitinib registration trials in rheumatoid arthritis across more than 500 sites in over 30 countries
- Began first Phase 3 trial of abemaciclib in breast cancer

Business Development/Other:

- Announced an agreement with AstraZeneca to co-develop and commercialize AZD3293, an oral beta secretase cleaving enzyme (BACE) inhibitor, currently in development as a potential treatment for Alzheimer’s disease
- Completed the sale of Lohmann Animal Health’s feed additives business to a management-led group; this newly-founded company will be known as Lohmann Animal Nutrition GmbH
- Expanded an existing research agreement with Zymeworks to include development of immuno-modulatory, bi-specific antibodies for cancer
- Announced plans to close and sell one of three manufacturing plants in Puerto Rico
- Recognized a $119 million non-tax deductible charge in Q3 to reflect final IRS regulations related to the Branded Prescription Drug Fee under the Affordable Care Act; this accounting change has no impact on actual cash payments
- Repurchased $300 million of stock in Q3 2014 under outstanding $5 billion share repurchase program
Comparison Measures

“Reported” results
• Include all financial results as reported in accordance with GAAP

“Non-GAAP” measures
• Start with “Reported” results
• Include adjustments for items such as:
  – Asset impairment, restructuring and other special charges
  – Acquired in-process R&D charges and other income and expenses from business development activities
## 2014 Income Statement – Reported

Millions; except per share data

<table>
<thead>
<tr>
<th></th>
<th>Q3 2014</th>
<th>Growth</th>
<th>Sept YTD</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$4,876</td>
<td>(16)%</td>
<td>$14,494</td>
<td>(16)%</td>
</tr>
<tr>
<td>Gross Margin Percent</td>
<td>74.0%</td>
<td>(5.2)pp</td>
<td>74.6%</td>
<td>(5.0)pp</td>
</tr>
<tr>
<td>Total Operating Expense*</td>
<td>3,047</td>
<td>1%</td>
<td>8,532</td>
<td>(8)%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>562</td>
<td>(64)%</td>
<td>2,283</td>
<td>(49)%</td>
</tr>
<tr>
<td>Other Income / (Deductions)</td>
<td>93</td>
<td>NM</td>
<td>203</td>
<td>(60)%</td>
</tr>
<tr>
<td>Effective Tax Rate</td>
<td>23.6%</td>
<td>3.1pp</td>
<td>21.1%</td>
<td>0.6pp</td>
</tr>
<tr>
<td>Net Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$501</td>
<td>(58)%</td>
<td>$1,962</td>
<td>(50)%</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$0.47</td>
<td>(58)%</td>
<td>$1.82</td>
<td>(50)%</td>
</tr>
</tbody>
</table>

* Includes research and development expense, selling, marketing and administrative expense, acquired in-process research and development charges, and asset impairment, restructuring and other special charges.

Note: See slide 22 for a complete list of charges.
Reconciliation of GAAP Reported to Non-GAAP Adjusted Information; certain line items (unaudited)

Millions; except per share data

<table>
<thead>
<tr>
<th></th>
<th>GAAP Reported</th>
<th>Adjustments</th>
<th>Non-GAAP Adjusted</th>
<th>Non-GAAP Adjusted Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$4,876</td>
<td>-</td>
<td>$4,876</td>
<td>(16)%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>74.0%</td>
<td>-</td>
<td>74.0%</td>
<td>(5.2)pp</td>
</tr>
<tr>
<td>Total Operating Expense</td>
<td>3,047</td>
<td>(251)</td>
<td>2,796</td>
<td>(8)%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>562</td>
<td>251</td>
<td>812</td>
<td>(47)%</td>
</tr>
<tr>
<td>Other Income / (Expense)</td>
<td>93</td>
<td>-</td>
<td>93</td>
<td>NM</td>
</tr>
<tr>
<td><em>Effective Tax Rate</em></td>
<td>23.6%</td>
<td>(1.6)%</td>
<td>22.0%</td>
<td>1.5pp</td>
</tr>
<tr>
<td>Net Income</td>
<td>$501</td>
<td>$206</td>
<td>$707</td>
<td>(41)%</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$0.47</td>
<td>$0.19</td>
<td>$0.66</td>
<td>(41)%</td>
</tr>
</tbody>
</table>

Note: Numbers may not add due to rounding; see slide 22 for a complete list of charges.
## Reconciliation of GAAP Reported to Non-GAAP Adjusted Information; certain line items (unaudited)

Millions; except per share data

<table>
<thead>
<tr>
<th></th>
<th>GAAP Reported</th>
<th>Adjustments</th>
<th>Non-GAAP Adjusted</th>
<th>Non-GAAP Adjusted Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$14,494</td>
<td>-</td>
<td>$14,494</td>
<td>(16)%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>74.6%</td>
<td>-</td>
<td>74.6%</td>
<td>(5.0)pp</td>
</tr>
<tr>
<td>Total Operating Expense</td>
<td>8,532</td>
<td>(282)</td>
<td>8,250</td>
<td>(11)%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>2,283</td>
<td>282</td>
<td>2,565</td>
<td>(44)%</td>
</tr>
<tr>
<td>Other Income / (Expense)</td>
<td>203</td>
<td>-</td>
<td>203</td>
<td>NM</td>
</tr>
<tr>
<td>Effective Tax Rate</td>
<td>21.1%</td>
<td>0.2%</td>
<td>20.9%</td>
<td>2.0pp</td>
</tr>
<tr>
<td>Net Income</td>
<td>$1,962</td>
<td>$228</td>
<td>$2,190</td>
<td>(41)%</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$1.82</td>
<td>$0.22</td>
<td>$2.04</td>
<td>(40)%</td>
</tr>
</tbody>
</table>

Note: Numbers may not add due to rounding; see slide 22 for a complete list of charges.
## EPS Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>Q3 2014</th>
<th>Q3 2013</th>
<th>Growth</th>
<th>YTD 14</th>
<th>YTD 13</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS (reported)</td>
<td>$0.47</td>
<td>$1.11</td>
<td>(58)%</td>
<td>$1.82</td>
<td>$3.64</td>
<td>(50)%</td>
</tr>
<tr>
<td>U.S. Branded Prescription Drug fee</td>
<td>0.11</td>
<td>-</td>
<td></td>
<td>0.11</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Acquired in-process R&amp;D charges</td>
<td>0.06</td>
<td>-</td>
<td></td>
<td>0.06</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Asset impairment, restructuring and other special charges</td>
<td>0.02</td>
<td>-</td>
<td></td>
<td>0.04</td>
<td>0.06</td>
<td></td>
</tr>
<tr>
<td>Income from the transfer of exenatide commercial rights</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
<td>(0.29)</td>
<td></td>
</tr>
<tr>
<td>EPS (non-GAAP)</td>
<td>$0.66</td>
<td>$1.11</td>
<td>(41)%</td>
<td>$2.04</td>
<td>$3.41</td>
<td>(40)%</td>
</tr>
</tbody>
</table>

Note: Numbers may not add due to rounding.
## Effect of Price/Rate/Volume on Revenue

### Q3 2014

<table>
<thead>
<tr>
<th>Pharmaceuticals</th>
<th>Amount</th>
<th>Price</th>
<th>FX Rate</th>
<th>Volume</th>
<th>Total</th>
<th>CER</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>$1,904.9</td>
<td>2%</td>
<td>-</td>
<td>38%</td>
<td>37%</td>
<td>37%</td>
</tr>
<tr>
<td>ACE*</td>
<td>1,187.0</td>
<td>(2)%</td>
<td>2%</td>
<td>3%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Japan</td>
<td>516.7</td>
<td>(1)%</td>
<td>(5)%</td>
<td>10%</td>
<td>4%</td>
<td>9%</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>682.4</td>
<td>3%</td>
<td>(1)%</td>
<td>16%</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td><strong>Total Pharma</strong></td>
<td>4,290.9</td>
<td>1%</td>
<td>(0)%</td>
<td>(19)%</td>
<td>(18)%</td>
<td>(18)%</td>
</tr>
<tr>
<td>Animal Health</td>
<td>584.7</td>
<td>5%</td>
<td>0%</td>
<td>5%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$4,875.6</td>
<td>1%</td>
<td>(0)%</td>
<td>(16)%</td>
<td>(16)%</td>
<td>(15)%</td>
</tr>
</tbody>
</table>

### September YTD 2014

<table>
<thead>
<tr>
<th>Pharmaceuticals</th>
<th>Amount</th>
<th>Price</th>
<th>FX Rate</th>
<th>Volume</th>
<th>Total</th>
<th>CER</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>$5,729.2</td>
<td>(2)%</td>
<td>-</td>
<td>34%</td>
<td>36%</td>
<td>36%</td>
</tr>
<tr>
<td>ACE*</td>
<td>3,567.0</td>
<td>(2)%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
<td>(1)%</td>
</tr>
<tr>
<td>Japan</td>
<td>1,482.7</td>
<td>(2)%</td>
<td>(9)%</td>
<td>12%</td>
<td>1%</td>
<td>10%</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>2,002.1</td>
<td>2%</td>
<td>(4)%</td>
<td>12%</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Total Pharma</strong></td>
<td>12,781.0</td>
<td>(2)%</td>
<td>(1)%</td>
<td>(16)%</td>
<td>(19)%</td>
<td>(18)%</td>
</tr>
<tr>
<td>Animal Health</td>
<td>1,713.3</td>
<td>3%</td>
<td>(0)%</td>
<td>6%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$14,494.3</td>
<td>(1)%</td>
<td>(1)%</td>
<td>(14)%</td>
<td>(16)%</td>
<td>(16)%</td>
</tr>
</tbody>
</table>

Note: Numbers may not add due to rounding.

*includes Australia/New Zealand, Canada and Europe
CER = growth using constant exchange rates
## Effect of Foreign Exchange on 2014 Results

### Year-on-Year Growth

<table>
<thead>
<tr>
<th></th>
<th>Q3 2014</th>
<th></th>
<th>Sept YTD 2014</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With FX</td>
<td>w/o FX</td>
<td>With FX</td>
<td>w/o FX</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>(16)%</td>
<td>(15)%</td>
<td>(16)%</td>
<td>(16)%</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>6%</td>
<td>4%</td>
<td>4%</td>
<td>0%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>(21)%</td>
<td>(20)%</td>
<td>(22)%</td>
<td>(20)%</td>
</tr>
<tr>
<td>Reported Operating Expense</td>
<td>1%</td>
<td>1%</td>
<td>(8)%</td>
<td>(8)%</td>
</tr>
<tr>
<td>Reported Operating Income</td>
<td>(64)%</td>
<td>(62)%</td>
<td>(49)%</td>
<td>(44)%</td>
</tr>
<tr>
<td>Reported EPS</td>
<td>(58)%</td>
<td>(56)%</td>
<td>(50)%</td>
<td>(45)%</td>
</tr>
<tr>
<td>Non-GAAP Operating Expense</td>
<td>(8)%</td>
<td>(8)%</td>
<td>(11)%</td>
<td>(10)%</td>
</tr>
<tr>
<td>Non-GAAP Operating Income</td>
<td>(47)%</td>
<td>(46)%</td>
<td>(44)%</td>
<td>(39)%</td>
</tr>
<tr>
<td>Non-GAAP EPS</td>
<td>(41)%</td>
<td>(39)%</td>
<td>(40)%</td>
<td>(35)%</td>
</tr>
</tbody>
</table>
Lilly NME Pipeline
October 16, 2014

New Chemical Entity (NCE)
New Biotech Entity (NBE)

Movement since July 17, 2014
Achieved milestone
Attrition
New molecule

Phase 1
- BACE - AZD3293* Alzheimer’s
- mGlu2/3 agonist chronic pain
- Pomaglumetad CNS disorder
- mGlu2 agonist CNS disorder
- Rheumatoid arthritis
- Ulcerative colitis
- Crohn’s disease
- Lupus
- N3pG-Aβ MAb Alzheimer’s
- Cardiovascular
- Hypertension
- Chronic kidney disease
- Muscle atrophy
- Anemia in CKD
- Diabetes
- Diabetes
- Diabetes
- VEGFR3 MAb cancer

Phase 2
- Edivoxetine CNS disorder
- Tau Imaging Agent
- Florbenazine Park. Dis. Imaging
- NOC-1 depression
- Gluc-R antag diabetes
- CGRP MAb migraine prev
- Myostatin MAb disuse atrophy
- Blosozumab osteoporosis
- Oxyntomodulin diabetes
- PCSK9 MAb CV disease
- TGFα/Epireg MAb CKD

Phase 3
- Chk1 inh cancer
- Galunisertib cancer
- p38 MAPK inh cancer
- FGFR inh cancer
- c-Met inh cancer
- Hedgehog antag cancer
- Ferroportin MAb anemia
- c-Met MAb cancer
- CXCR4 pept inh cancer
- Olaratumab cancer

Reg Review
- Abemaciclib cancer
- Baricitinib RA
- Evacetrapib HRVD
- Tanezumab* pain
- Ixekizumab psoriasis/PsA
- Solanezumab Alzheimer’s
- Basal insulin peglispro
- Necitumumab squamous NSCLC
- Tabalumab lupus

*Commercial collaborations

EU Approved 9/10/2014
New Insulin* Glargine Product
FDA Approved 9/18/2014
Trulicity diabetes

Not for promotional use
Company Confidential © 2014 Eli Lilly and Company
Key Events in 2014

Potential Phase 3 initiations:

+ CDK4/6 (abemaciclib) for cancer
- Blosozumab for osteoporosis

Potential Phase 3 data internal readouts:

+ Basal insulin peglispro for type 1 and type 2 diabetes
+ Ramucirumab for second-line metastatic colorectal cancer
+ Ixekizumab for psoriasis
+ Tabalumab for lupus
  - First trial of baricitinib in rheumatoid arthritis (top-line press release in late 2014 or early 2015)

Potential Phase 3 data external disclosures:

+ AWARD-2 and AWARD-4 of dulaglutide for type 2 diabetes
+ AWARD-6 of dulaglutide for type 2 diabetes
+ New insulin glargine product for type 1 and type 2 diabetes¹ (ELEMENT1 and ELEMENT2)
+ Necitumumab for first-line squamous NSCLC (SQUIRE)
+ Ramucirumab as combination therapy for second-line gastric cancer (RAINBOW)
+ Ramucirumab for second-line NSCLC (REVEL)
- Ramucirumab for second-line hepatocellular cancer

Potential regulatory submissions:

+ Basal insulin peglispro for type 1 and type 2 diabetes (by Q1 '15)
+ Empagliflozin + linaglipitin FDC for type 2 diabetes¹
+ Empagliflozin + metformin IR FDC for type 2 diabetes¹
+ Necitumumab for first-line squamous NSCLC³
+ Ramucirumab as combination therapy for second-line gastric cancer
+ Ramucirumab for second-line NSCLC
- Ramucirumab for second-line hepatocellular cancer

Potential regulatory actions:

+ Empagliflozin for type 2 diabetes¹
+ Dulaglutide for type 2 diabetes
+ Ramucirumab as monotherapy for second-line gastric cancer
+ New insulin glargine product¹
+ Ramucirumab for second-line NSCLC

Other:

+ Ruling in Alimta® District Court trial for method-of-use patent
+ Evista® U.S. patent expiration (March)
+ Cymbalta® EU data package exclusivity expiration (SUI - Aug; MDD - Dec)
+ Partial clinical hold resolution for tanezumab² (now expected in 2015)

¹ in collaboration with Boehringer Ingelheim
² in collaboration with Pfizer
³ rolling FDA submission underway
# 2014 Guidance

<table>
<thead>
<tr>
<th></th>
<th>Prior</th>
<th>Revised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$19.4 to $20.0 billion</td>
<td>$19.4 to $19.8 billion</td>
</tr>
<tr>
<td>Gross Margin % of Revenue</td>
<td>Approx. 73%</td>
<td>Approx. 74.5%</td>
</tr>
<tr>
<td>Mktg, Selling &amp; Admin. (non-GAAP)</td>
<td>$6.3 to $6.6 billion</td>
<td>$6.3 to $6.5 billion</td>
</tr>
<tr>
<td>Mktg, Selling &amp; Admin. (GAAP)</td>
<td>$6.3 to $6.6 billion</td>
<td>$6.4 to $6.6 billion</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>$4.4 to $4.7 billion</td>
<td>$4.6 to $4.8 billion</td>
</tr>
<tr>
<td>Other Income/(Expense)</td>
<td>$100 - $200 million</td>
<td>$200 - $250 million</td>
</tr>
<tr>
<td>Tax Rate (non-GAAP)</td>
<td>Approx. 19%</td>
<td>Approx. 19%</td>
</tr>
<tr>
<td>Tax Rate (GAAP)</td>
<td>Approx. 19%</td>
<td>Approx. 20%</td>
</tr>
<tr>
<td>Minimum Net Income (non-GAAP)</td>
<td>$2.9 billion</td>
<td>$2.9 billion</td>
</tr>
<tr>
<td>Minimum Net Income (GAAP)</td>
<td>$2.9 billion</td>
<td>$2.6 billion</td>
</tr>
<tr>
<td>Earnings per Share (non-GAAP)</td>
<td>$2.72 - $2.80</td>
<td>$2.72 - $2.80</td>
</tr>
<tr>
<td>Earnings per Share (GAAP)</td>
<td>$2.67 - $2.75</td>
<td>$2.34 - $2.42</td>
</tr>
<tr>
<td>Minimum Operating Cash Flow</td>
<td>$4 billion</td>
<td>$4 billion</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>Approx. $1.2 billion</td>
<td>Approx. $1.2 billion</td>
</tr>
</tbody>
</table>
# Earnings per Share Expectations

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EPS (reported)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Branded Prescription Drug fee</td>
<td>0.11</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Acquired in-process R&amp;D charges</td>
<td>0.06</td>
<td>0.03</td>
<td></td>
</tr>
<tr>
<td>Asset impairment, restructuring and other special charges</td>
<td>0.20</td>
<td>0.08</td>
<td></td>
</tr>
<tr>
<td>Income related to termination of the exenatide collaboration with Amylin</td>
<td>-</td>
<td>(0.29)</td>
<td></td>
</tr>
<tr>
<td><strong>EPS (non-GAAP)</strong></td>
<td>$2.72-$2.80</td>
<td>$4.15</td>
<td>(33)%-(34)%</td>
</tr>
</tbody>
</table>

Note: Numbers may not add due to rounding.
Q3 2014 Summary

- September YTD financial performance places us on track to meet full-year non-GAAP EPS guidance:
  - Effect of patent expirations in-line with expectations
  - Operating expenses reduced by 11%

- Continued pipeline advancement strengthens our confidence in our innovation-based strategy
  - Three NME launches YTD:
    o Cyramza in Q2
    o Jardiance in Q3
    o Trulicity in Q4

- Positioned to return to growth and expand margins in 2015 and beyond
Supplementary Slides
Gross Margin % - Moving Annual Total

Individual quarter GM% of Revenue:
- with FX effect on intl inv sold: 79.5% 77.9% 79.0% 79.3% 80.3% 79.2% 76.1% 73.9% 75.9% 74.0%
- w/o FX effect on intl inv sold: 77.9% 76.4% 78.5% 79.1% 79.9% 79.0% 77.0% 75.8% 76.5% 74.2%

Note: The lines in the graph are moving annual totals (i.e. trailing 4 quarters) while the two rows of numbers are from specific quarters.
## Comparative EPS Summary 2013/2014

<table>
<thead>
<tr>
<th></th>
<th>1Q13</th>
<th>2Q13</th>
<th>3Q13</th>
<th>4Q13</th>
<th>2013</th>
<th>1Q14</th>
<th>2Q14</th>
<th>3Q14</th>
<th>4Q14</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-GAAP</strong></td>
<td>1.14</td>
<td>1.16</td>
<td>1.11</td>
<td>0.74</td>
<td>4.15</td>
<td>0.70</td>
<td>0.68</td>
<td>0.66</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reported</strong></td>
<td>1.42</td>
<td>1.11</td>
<td>1.11</td>
<td>0.67</td>
<td>4.32</td>
<td>0.68</td>
<td>0.68</td>
<td>0.47</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Numbers may not add due to rounding.

For a complete reconciliation to reported earnings, see slide 22 of this presentation and our earnings press release dated October 23, 2014.
Notes:

- The third quarter 2014 non-GAAP financial statements have been adjusted to eliminate an in-process R&D charge of $45.0 million (pretax), or EPS of $0.03 (after-tax), related to the company’s collaboration with Immunocore, an in-process R&D charge of $50.0 million (pretax), or EPS of $0.03 (after-tax), related to the company’s collaboration with AstraZeneca, a charge of $36.3 million (pretax), or EPS of $0.02 (after-tax), associated with restructuring to reduce the company’s cost structure and a charge of $119.0 million (pretax), or EPS of $0.11 (after-tax), associated with the U.S. Branded Prescription Drug fee.

- In addition, 2014 YTD non-GAAP financial statements have also been adjusted to eliminate a charge of $31.4 million (pretax), or EPS of $0.02 (after-tax), associated with restructuring to reduce the company’s cost structure.

- 2013 YTD non-GAAP financial statements have been adjusted to eliminate a charge of $63.5 million (pretax), or EPS of $0.04 (after-tax), primarily related to costs associated with the decision to close a packaging and distribution facility in Germany, income of $495.4 million (pretax), or EPS of $0.29 (after-tax), related to the transfer of exenatide commercial rights in markets outside the U.S. to Amylin and a charge of $21.7 million (pretax), or EPS of $0.01 (after-tax), associated with severance costs from actions the company is taking, primarily outside the U.S., to reduce its cost structure.
Q3 Alimta Sales Increased 5%

U.S. sales increased 3%
International sales increased 6%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q3 Humalog® Sales Increased 15%

U.S. sales increased 16%
International sales increased 13%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q3 Animal Health Sales Increased 10%

Millions

U.S. sales increased 3%
International sales increased 21%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q3 Cialis® Sales Increased 8%

U.S. sales increased 7%
International sales increased 9%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q3 Cymbalta Sales Decreased 73%

Millions

U.S. sales decreased 94%
International sales increased 12%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q3 Humulin® Sales Increased 9%

U.S. sales increased 3%
International sales increased 17%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q3 Forteo® Sales Increased 8% 

U.S. sales decreased 1%
International increased 15%

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>$282</td>
<td>$300</td>
</tr>
<tr>
<td>Q2</td>
<td>$297</td>
<td>$309</td>
</tr>
<tr>
<td>Q3</td>
<td>$307</td>
<td>$332</td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td>$360</td>
</tr>
</tbody>
</table>

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q3 Zyprexa® Sales Decreased 8%

U.S. sales decreased 43%
International sales decreased 3%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q3 Strattera® Sales Increased 11%  

Millions

U.S. sales increased 9%  
International sales increased 15%

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>$167</td>
<td>$154</td>
</tr>
<tr>
<td>Q2</td>
<td>$168</td>
<td>$197</td>
</tr>
<tr>
<td>Q3</td>
<td>$173</td>
<td>$192</td>
</tr>
<tr>
<td>Q4</td>
<td>$201</td>
<td></td>
</tr>
</tbody>
</table>

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q3 Effient® Sales Increased 5%

Millions

U.S. sales increased 7%
International sales decreased 1%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q3 Evista Sales Decreased 65%

U.S. sales decreased 82%
International sales decreased 14%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.