



Lilly Provides Update on 2011 Financial Guidance Due to Xigris Withdrawal

INDIANAPOLIS, Oct. 25, 2011 /PRNewswire/ -- Eli Lilly and Company (NYSE:LLY) has updated its full-year 2011 financial guidance as a result of the announced withdrawal of the company's Xigris® product.

Lilly expects to incur a charge in the fourth quarter of 2011 for asset impairments and contractual commitments related to Xigris. The exact amount of the charge has not yet been determined, but is estimated to be in the range of \$75.0 million to \$95.0 million (pre-tax), or approximately \$.05 per share (after tax).

Lilly's full-year 2011 earnings per share guidance on a non-GAAP basis remains unchanged at \$4.30 to \$4.35. On a reported basis, including the Xigris asset impairment charge, Lilly now expects its full-year 2011 earnings per share to be in the range of \$3.84 to \$3.89. See the reconciliation below for further detail.

2011 Earnings Per Share Expectations:

	2011 Expectations	2010 Results	% Growth
Earnings per share (reported)	\$3.84 to \$3.89	\$4.58	(15)% to (16)%
In-process research and development charges associated with Boehringer Ingelheim collaboration (2011) and Acrux licensing agreement (2010)	.23	.03	
Asset impairments and restructuring charges:			
Year-to-date charges	.18	.13	
Estimated Xigris charge	.05	-	
Earnings per share (non-GAAP)	\$4.30 to \$4.35	\$4.74	(8)% to (9)%

About Eli Lilly and Company

Lilly, a leading innovation-driven corporation, is developing a growing portfolio of pharmaceutical products by applying the latest research from its own worldwide laboratories and from collaborations with eminent scientific organizations. Headquartered in Indianapolis, Ind., Lilly provides answers — through medicines and information — for some of the world's most urgent medical needs. Additional information about Lilly is available at www.lilly.com. C-LLY

This press release contains forward-looking statements that are based on management's current expectations, but actual results may differ materially due to various factors. There are significant risks and uncertainties in pharmaceutical research and development. There can be no guarantees with respect to pipeline products that the products will receive the necessary clinical and manufacturing regulatory approvals or that they will prove to be commercially successful. Pharmaceutical products can develop unexpected safety or efficacy concerns. The company's results may also be affected by such factors as competitive developments affecting current products; market uptake of recently-launched products; the timing of anticipated regulatory approvals and launches of new products; regulatory actions regarding currently marketed products; issues with product supply; regulatory changes or other developments; regulatory compliance problems or government investigations; patent disputes; changes in patent law or regulations related to data-package exclusivity; other litigation involving current or future products; the impact of governmental actions regarding pricing, importation, and reimbursement for pharmaceuticals, including U.S. health care reform; changes in tax law; asset impairments and restructuring charges; acquisitions and business development transactions; and the impact of exchange rates and global macroeconomic conditions. For additional information about the factors that affect the company's business, please see the company's latest Form 10-Q and Form 10-K filed with the U.S. Securities and Exchange Commission. The company undertakes no duty to update forward-looking statements.

Xigris® (drotrecogin alfa (activated)), Lilly

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