Eli Lilly and Company
Investment Community Update

December 9, 2005

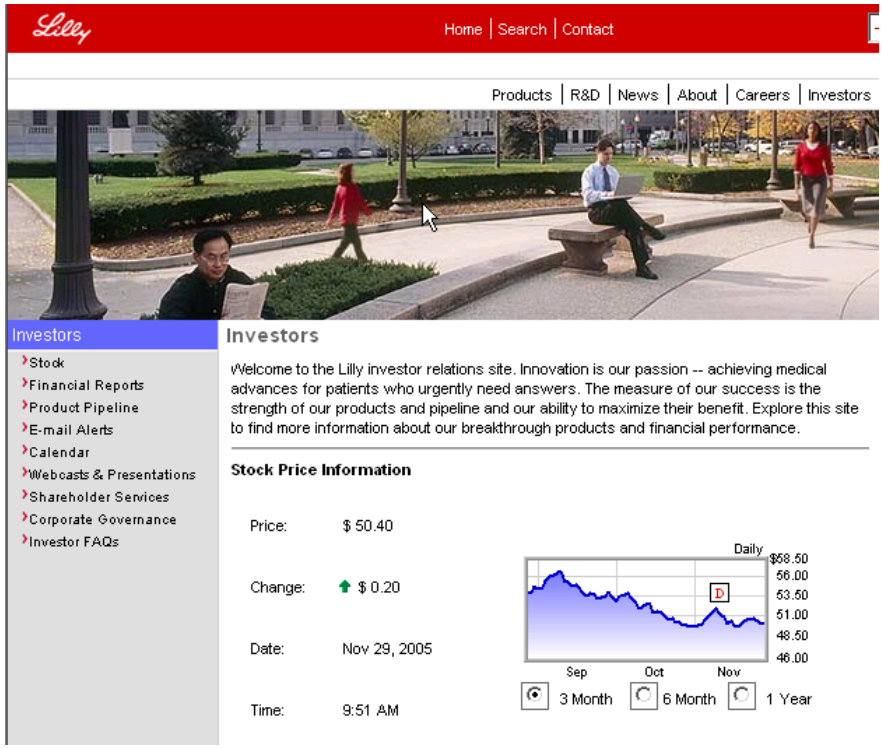
Answers That Matter.

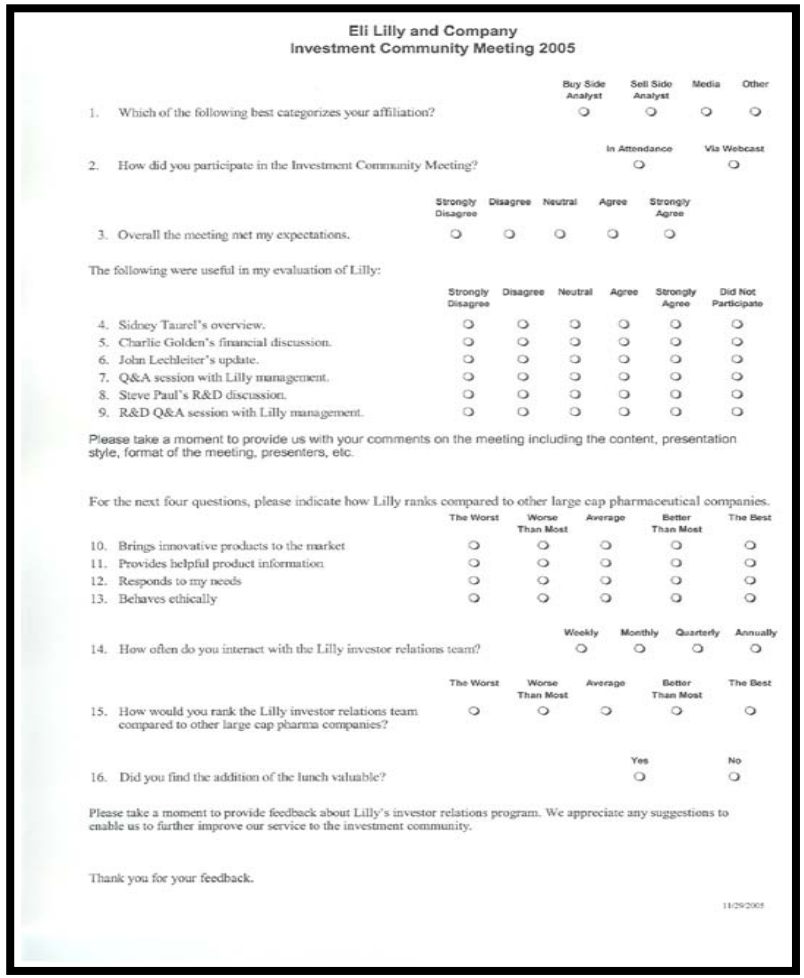
Lilly Investment Community Update

Agenda

8:35 am	Sidney Taurel	Overview
8:55 am	Charlie Golden	Financial Guidance
9:15 am	John Lechleiter, PhD	Marketed Products
10:00 am	Lilly Management	General Q&A Panel
10:40 am	Break	
11:00 am	Steven Paul, M.D.	The Lilly Pipeline
11:45 am	R&D Management	R&D Q&A Panel
12:25 pm	Sidney Taurel	Conclusion
12:30 pm	Lunch	

Website Questionnaire





Eli Lilly and Company
Investment Community Meeting 2005

1. Which of the following best categorizes your affiliation?	Buy Side Analyst	Sell Side Analyst	Media	Other		
2. How did you participate in the Investment Community Meeting?	In Attendance	Via Webcast				
3. Overall the meeting met my expectations.	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	

The following were useful in my evaluation of Lilly:

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Did Not Participate
4. Sidney Taurel's overview.						
5. Charlie Golden's financial discussion.						
6. John Lechleiter's update.						
7. Q&A session with Lilly management.						
8. Steve Paul's R&D discussion.						
9. R&D Q&A session with Lilly management.						

Please take a moment to provide us with your comments on the meeting including the content, presentation style, format of the meeting, presenters, etc.

For the next four questions, please indicate how Lilly ranks compared to other large cap pharmaceutical companies.

	The Worst	Worse Than Most	Average	Better Than Most	The Best
10. Brings innovative products to the market					
11. Provides helpful product information					
12. Responds to my needs					
13. Behaves ethically					

14. How often do you interact with the Lilly investor relations team?	Weekly	Monthly	Quarterly	Annually	
15. How would you rank the Lilly investor relations team compared to other large cap pharma companies?	The Worst	Worse Than Most	Average	Better Than Most	The Best
16. Did you find the addition of the lunch valuable?	Yes	No			

Please take a moment to provide feedback about Lilly's investor relations program. We appreciate any suggestions to enable us to further improve our service to the investment community.

Thank you for your feedback.

11/29/2005

Lilly Investor Relations Team

Jim Ward

Craig Hartman

Leanna Cardwell

Trademarks

Actos® (trademark of Takeda Chemical Industries, Ltd.)
Alimta®
Cialis® (trademark of Lilly ICOS LLC.)
Cymbalta®
Evista®
Forteo®
Gemzar®
Humalog®, Humalog Mix 75/25®
Humulin®
Prozac®
ReoPro®
Strattera®
Symbyax®
Xigris®
Zyprexa®
Yentreve™
Byetta®

SEC Disclosure

During this investment community meeting, we anticipate making projections and forward-looking statements that are based on management's current expectations, but actual results may differ materially due to various factors. For example, our results may be affected by competitive developments, the timing and success of new product launches, regulatory and legal matters, including government investigations, governmental actions regarding pricing, importation and reimbursement, change in tax law and the impact of exchange rates. For additional information about the factors that affect our business you can see Exhibit 99 to our Forms 10-K and 10-Q.

In addition, the information we provide about our products and pipeline is for the benefit of the investment community. It is not intended to be promotional and is not sufficient for prescribing decisions.

Disclosure

The comments and all slides associated with the 2005 Lilly Investment Community Update are intended for shareholders, investors, and securities analysts only. They are not intended for physicians, other health care professionals, or consumers. For marketed products, health care professionals may obtain full prescribing information upon request to the company.

Please note that, due to regulatory requirements and a desire to protect the prospects of future scientific publications, we have omitted certain slides containing product data from the slide book and slide file posted on our investor relations website for the webcast of this event.

Sidney Taurel

Chairman and Chief Executive Officer

Lilly

Answers That Matter.

Challenging Pharma Environment

- **Payers under pressure**
- **MMA changes funding and expands coverage**
- **Regulatory scrutiny increases**

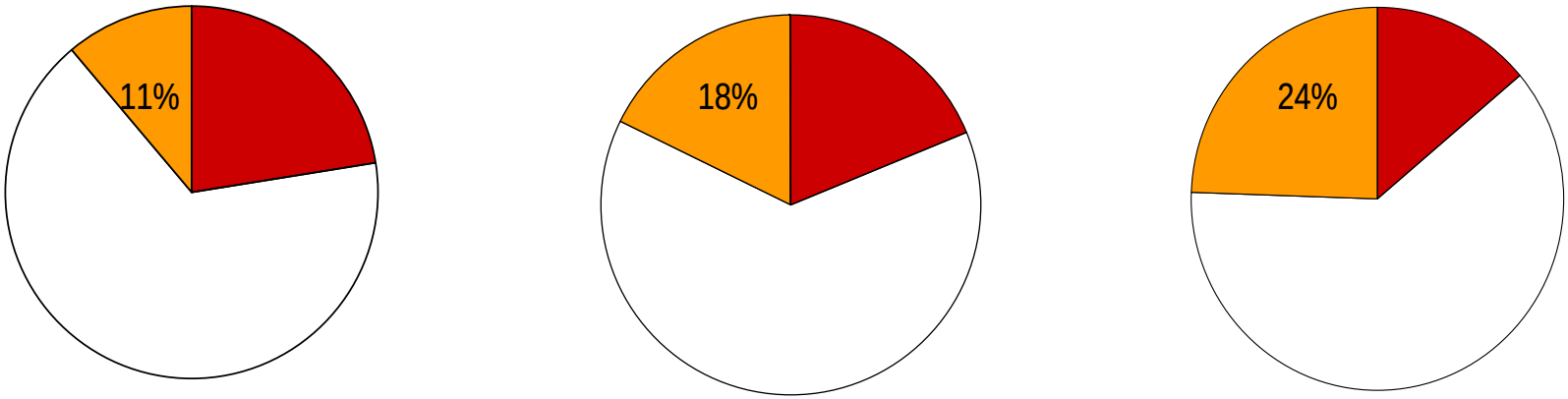
Lilly Strengths

- Strategy of independence, innovation and partnering
- Expanded portfolio of innovative products
- Excellent R&D throughput
- Strong reputation as a partner
- No major patent expirations until 2011
- Aggressively pursuing productivity
- Move towards tailored therapeutics

Moving Beyond Uncertainties

- Zyprexa patent upheld
- Zyprexa product liability settlement
- CATIE confirms Zyprexa's profile
- Passed key FDA manufacturing inspections
- Nine new product launches

New Products Drive Revenue Growth



- **New: Alimta, Byetta, Cialis, Cymbalta, Forteo, Strattera, Symbyax, Xigris, Yentreve**
- **Established Products: Actos, Evista, Gemzar, Insulins, Zyprexa**
- **Older Products/Animal Health**

Selected New Indications and Line Extensions

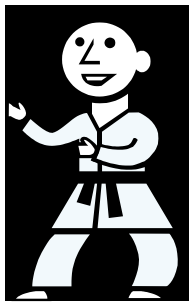
Phase II	Phase III
Byetta *long-acting release*	**Evista** *breast cancer risk reduction*
Gemzar *oral formulation*	**Cymbalta** *GAD & fibromyalgia*
Cialis *BPH & hypertension*	**Alimta** *1st line NSCLC*
Alimta *H&N, SCLC*	**Zyprexa** *depot formulation & borderline personality disorder*
Forteo *fracture healing*	**Humalog** *apollo pen*
HGH *pulmonary formulation*	**Cialis** *PAH*
	Byetta *monotherapy*

The Lilly Pipeline

Selected NMEs

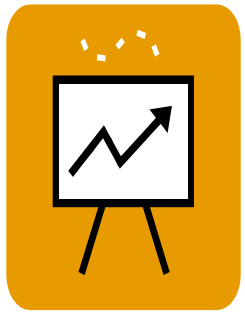
Phase I	Phase II	Phase III
Gamma secretase inhibitor *Alzheimer's disease*	**Pruvanserin** *insomnia*	**Arxxant** *diabetic retinopathy*
A beta antibody *Alzheimer's disease*	**PPAR alpha agonist** *atherosclerosis*	**Prasugrel** *acute coronary syndromes*
DPP-IV inhibitor *type 2 diabetes*	**Factor Xa inhibitor** *thrombotic disorders*	**Enzastaurin** *glioblastoma & NHL*
Obesity program	**Naveglitazar** *type 2 diabetes*	**Inhaled insulin** *diabetes*
AME527 (Anti-TNF) *rheumatoid arthritis*	**Obesity molecule**	**Arzoxifene** *osteoporosis*
Survivin ASO *solid tumors*		
TGF β inhibitor Program *solid tumors*		
AME133 (Anti-CD20) *Non-Hodgkin's lymphoma*		

Six Sigma 2006



200 additional
Black Belts
Bringing the total to 400

1600 New
Projects



~$250 Million
of benefits

Productivity Levers

Six Sigma Benefits

- Re-deploy resources in critical capabilities
- Speed R&D cycle time
- Enhance customer interactions
- Improve earnings

Hiring freeze reduced headcount by 6%

Outsourcing efforts accelerated

Charlie Golden

Executive Vice President and Chief Financial Officer

Lilly

Answers That Matter.

Earnings Guidance

2005

- **EPS at the top of $2.80-$2.86 range, excluding unusual items**
- **Full year tax rate adjusted downward to 21%**

2006

- **EPS $3.10 - $3.20, or 8-12% growth ***
  - **Includes six sigma benefits**
  - **Includes stock option expensing**
  - **Includes 21% tax rate**

	2005	2006	% Growth *
EPS (Reported)	$1.90 - $1.96	$3.10 - $3.20	
Eliminate product liability charge	0.90	-	
EPS (Adjusted)	$2.80 - $2.86	$3.10 - $3.20	8 - 12%

**** Percent growth calculated vs. top of 2005 adjusted EPS guidance range***

2006 Earnings Guidance

Sales	**7 - 9% growth**
Gross Margin	**modestly improve**
Operating Expenses	**mid-single digit growth**
Other Income	**$175 - $275 million**

Partnering & Outlicensing Strategy

- **Legacy products**
  - Utilize valuable resources
  - Outlicense when we can achieve a positive NPV
- **Pipeline portfolio management**
  - We generate more innovation than we choose to resource
  - Continue to assess opportunities to partner or outlicense
  - Build flexibility into deals to maximize economic benefit
- **Partnering & outlicensing are ongoing activities**
  - Will lead to variation in OID results from period to period

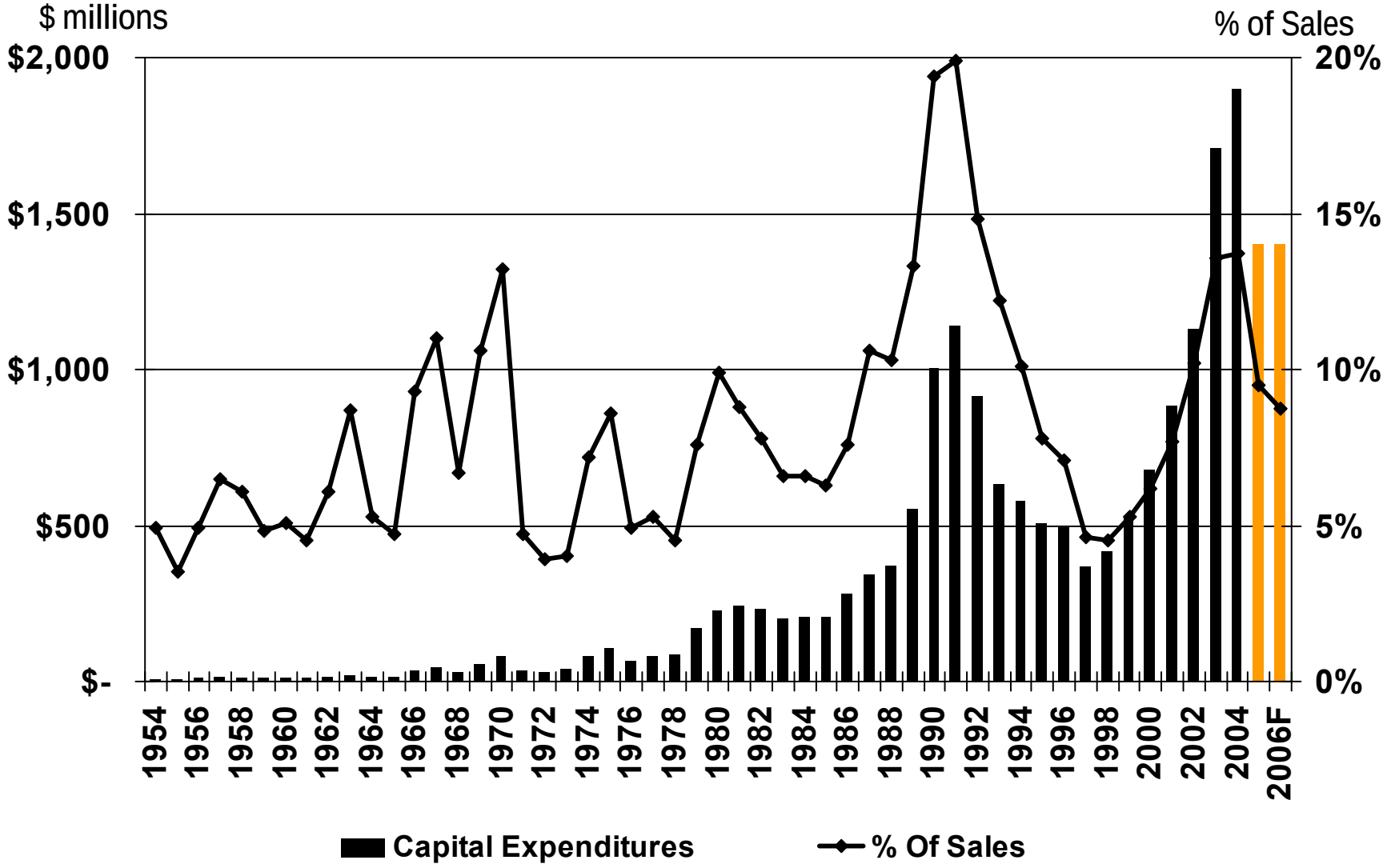
2006 Earnings Guidance

Sales	**7 - 9% growth**
Gross Margin	**modestly improve**
Operating Expenses	**mid-single digit growth**
Other Income	**$175 - $275 million**
Effective Tax Rate	**Approximately 21%**
EPS	**$3.10 - $3.20, up 8-12% ***
Cash Flow	**improving**

**** Percent growth calculated vs. top of 2005 adjusted EPS guidance range***

Capital Expenditures

Historical Cyclicality



Capital Expenditures

Recent Areas of Investment

- Upgrading facilities for GMP compliance
- Investments in new product capacity
- Expanding insulin capacity
- Enhancing biotech R&D capabilities

Expect CAPEX to be about $1.4 billion in 2005 and 2006

Summary

- Improving cash flow enables…
  - Further investment in the business
  - Continued good dividends
- $500 million share repurchase
- Strong balance sheet and solid credit rating
  - Provides flexibility
  - Enables investment in R&D at industry-leading level
  - Allows full support of growth products
- Well positioned for growth
  - Solid financial results compared with peers

John Lechleiter, Ph.D.

President and Chief Operating Officer

Lilly

Answers That Matter.

Operational Objectives

- **Focus on the needs of our customers**
- **Maximize commercial potential of our portfolio**
- **Drive productivity of the company**
- **Continue to improve manufacturing**
- **Drive strong results**

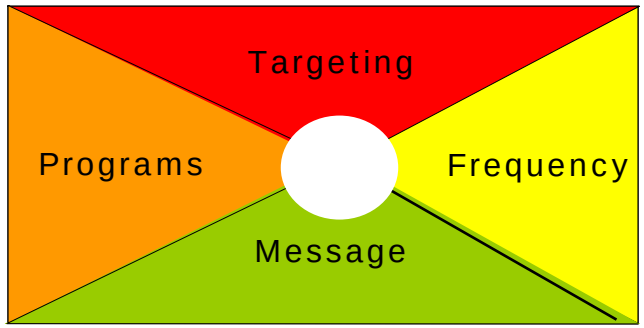
U.S. Sales Force Deployment

January 2006

- Partnered sales forces improve productivity
- Emphasis on increasing effectiveness
- Customer-based sales forces can accommodate new products

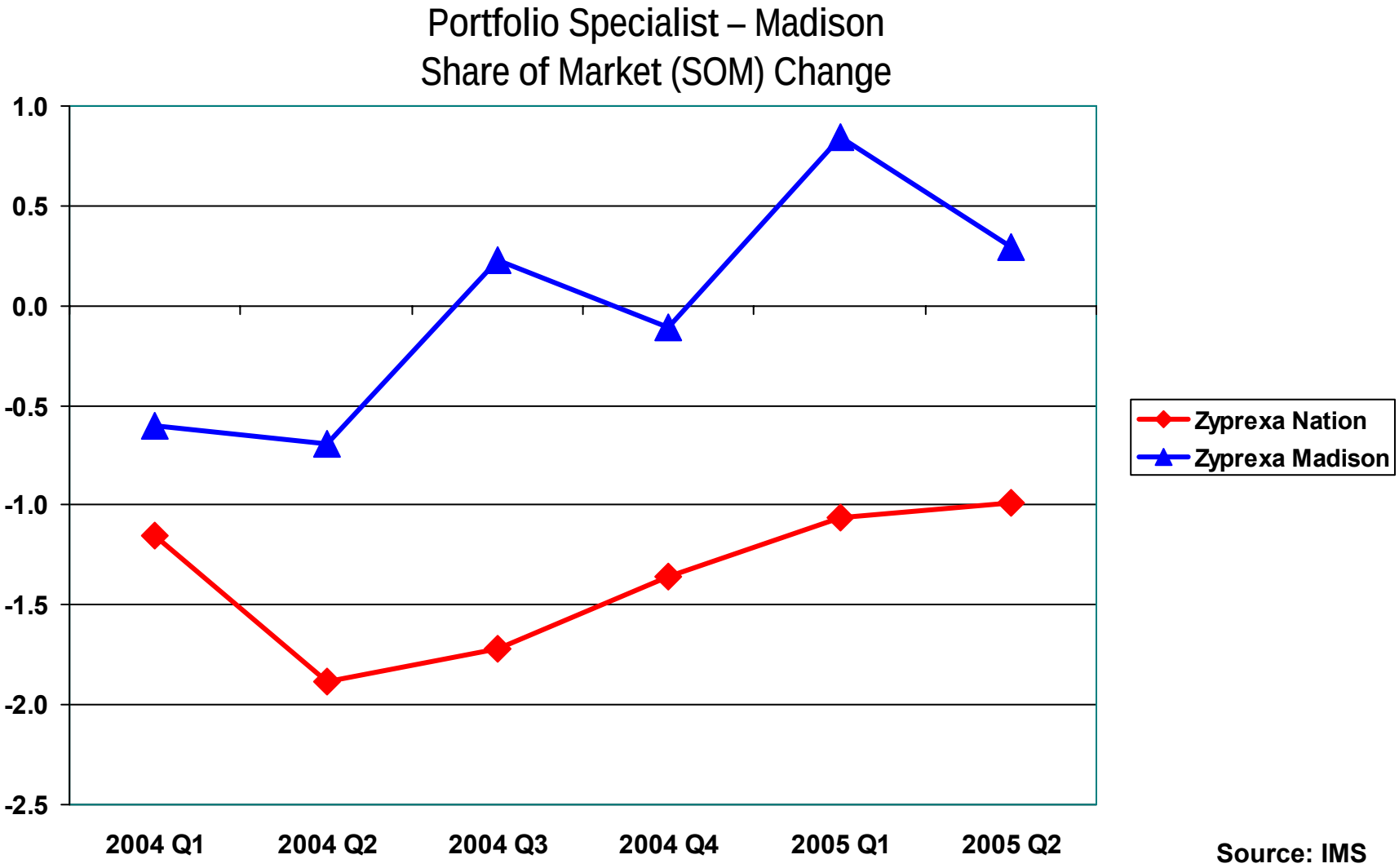
Sales Force of the Future

- **Better informed, more responsive sales reps**
- **Re-align sales force around geographies, portfolios and customers (not products)**
- **Strengthen relationships with payers, state governments and PBMs**



Zyprexa

Portfolio Specialists Improve Access



Source: IMS

Sales Force Excellence

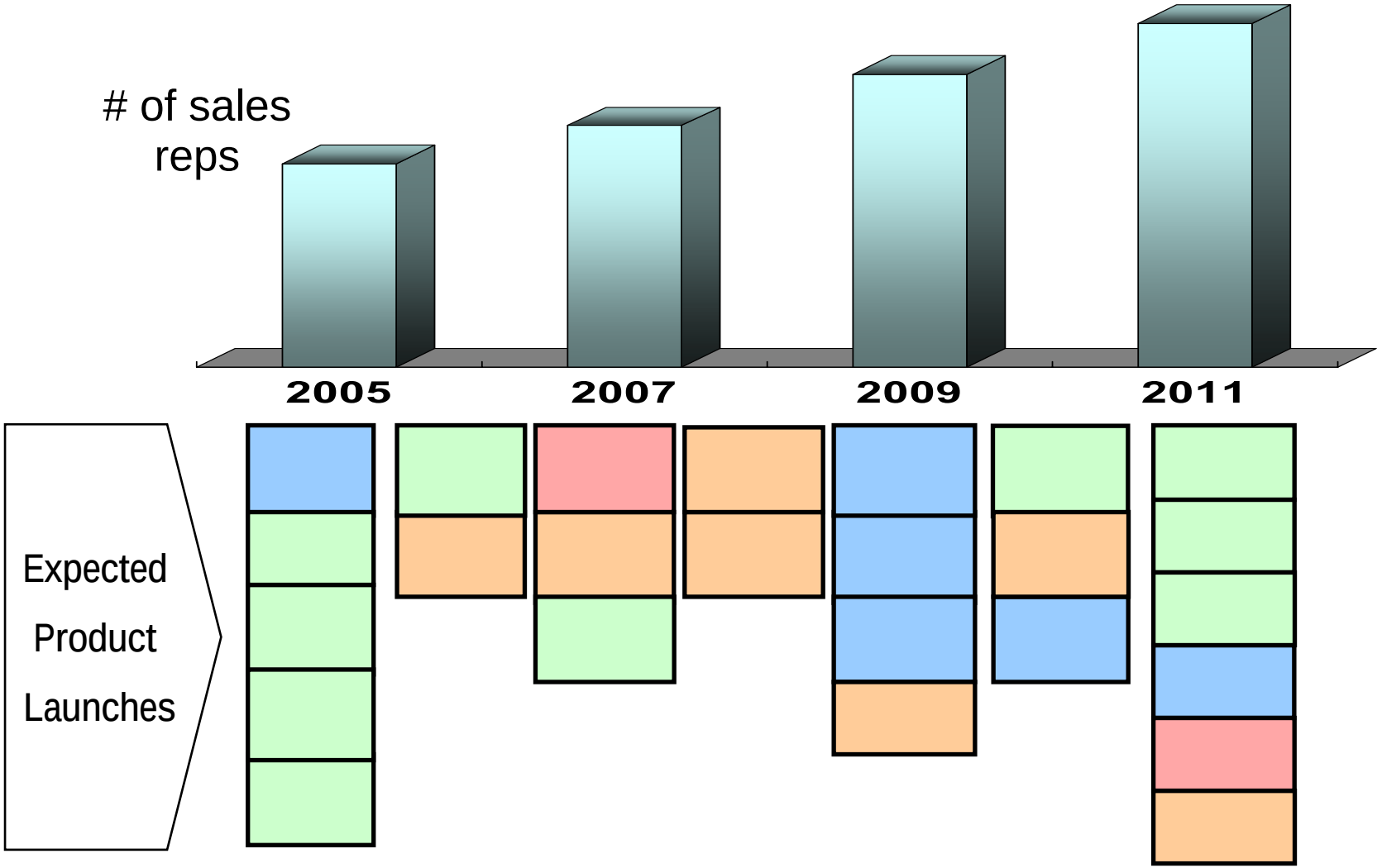
- Six Sigma improvements
- Project iMpact
- Business-to-Government efforts
- Transition to MMA

Lilly's Rapidly Expanding Portfolio

CNS	Osteoporosis/ Primary Care	Diabetes Care	Acute Care/ Specialty	Oncology
Zyprexa *1996*	**Evista** *1998*	**Humulin** *1982*	**Humatrope** *1987*	**Gemzar** *1995*
Strattera *2003*	**Forteo** *2002*	**Humalog** *1996*	**ReoPro** *1995*	**Alimta** *2004*
Symbyax *2004*	**Cialis*** *2003*	**Actos** *1999*	**Xigris** *2001*	
Cymbalta *2004*	**Yentreve*** *2004*	**Byetta** *2005*		

* EU launch, Yentreve approved outside US only.

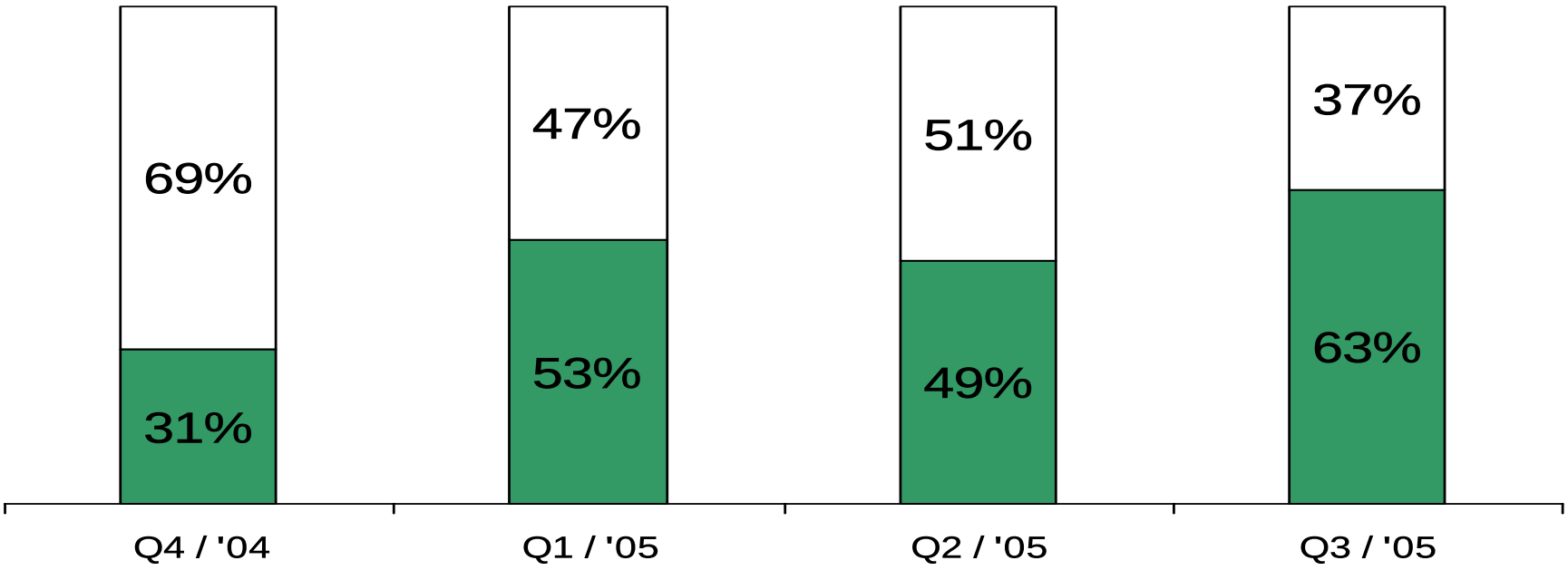
Japan Revenue Growth & Sales Force Expansion Driven by Product Launches



Forecast subject to regulatory approvals

Strong Progress Has Been Made On Elevating the Importance of Efficacy

Drivers of Zyprexa's Brand Preference



- **Efficacy**
- **Complex patients**

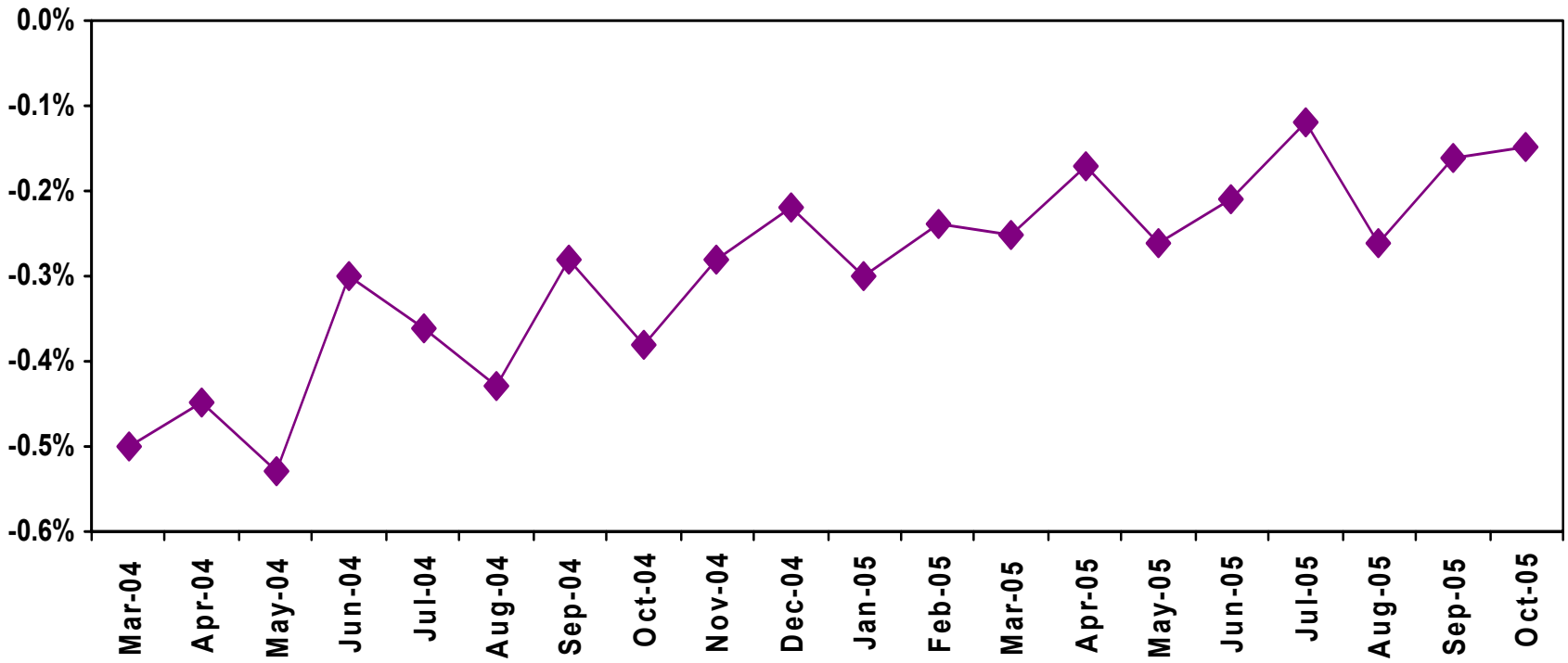
- **Lawyer ads**
- **Perceived risks**

Source: Quarterly Lilly Market Research Audit with Psychiatrists and Primary Care Physicians

U.S. Zyprexa

Share Erosion has Slowed

Zyprexa TRx share erosion has been reduced by 2-3 fold

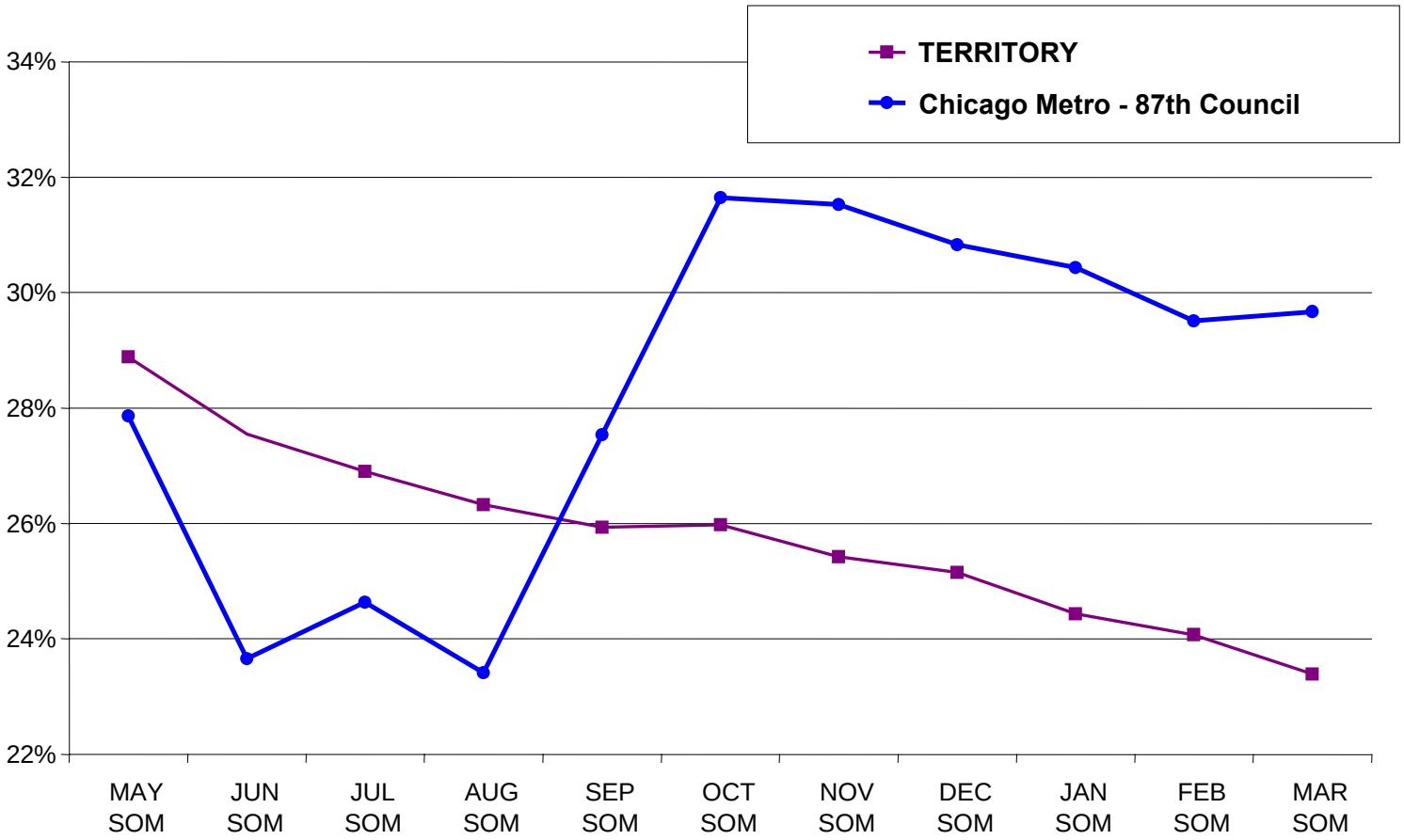


Source: IMS

Zyprexa

Treatment Team Specialists Grow Share

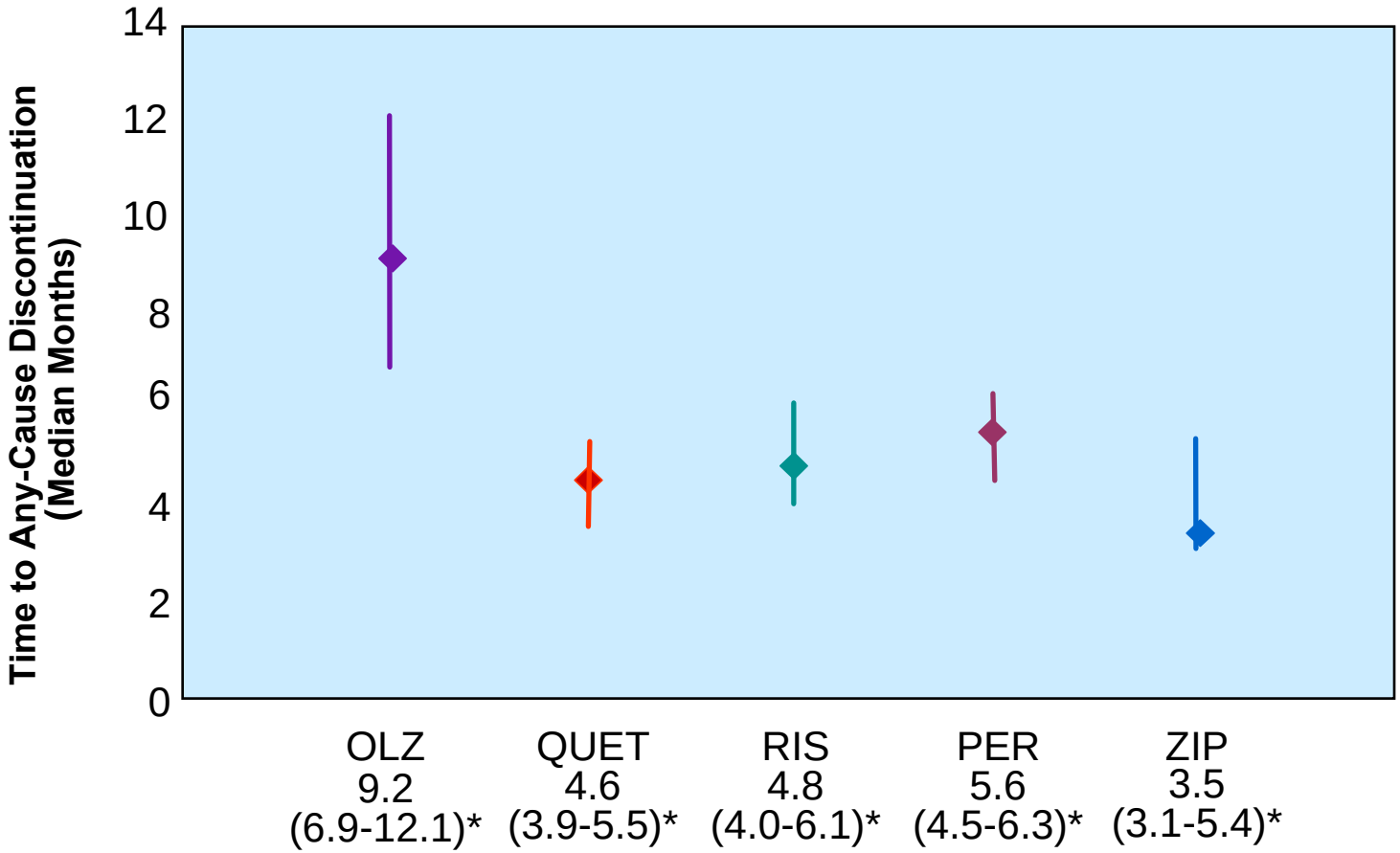
SOM by CMHC System - Chicago South
May 2004 – March 2005



Source: IMS

CATIE Schizophrenia Study

Median Time to All Cause Discontinuation

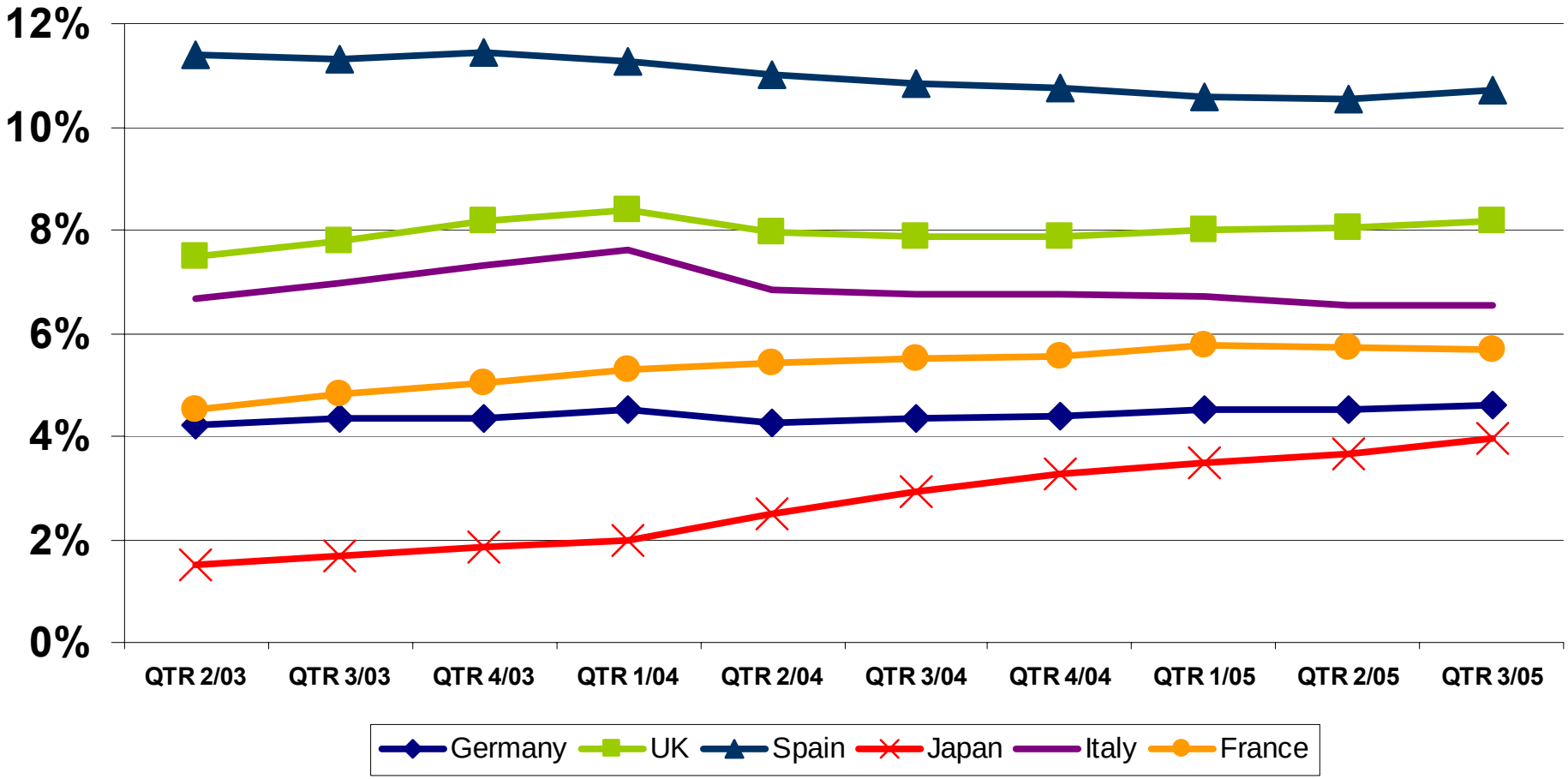


***=95% confidence interval**

CATIE=Clinical Antipsychotic Trials of Intervention Effectiveness.
Lieberman JA, et al. *N Engl J Med.* 2005;353(12):1209-1223.

Zyprexa Share OUS

Shares Stable in Europe, Japan Continues Growth



IMS Sargent – AP + Mood Stabilizers 2005

Zyprexa

Major OUS Markets (Sept 2005 Antipsychotic + Mood Stabilizers)

	Market		Zyprexa		Risperdal	Seroquel	Abilify
COUNTRY	Atypical Conversion	MAT Growth vs LY	MTH SOM%	YTD Units (% vs LY)	MTH SOM%	MTH SOM%	MTH SOM%
FRANCE	26%	2.6%	9.4%	3%	9.5%	N.A.	1.2%
GERMANY	35%	5.0%	7.6%	8%	6.1%	4.2%	1.1%
ITALY	49%	5.1%	9.3%	-2%	4.4%	4.2%	0.9%
SPAIN	74%	10.7%	21.0%	-1%	21.1%	7.0%	2.0%
UK	57%	1.8%	14.0%	5%	7.1%	3.6%	1.1%
CANADA	83%	9.3%	18.2%	2%	22.4%	20.7%	N.A.
AUSTRALIA	69%	3.6%	17.9%	4%	8.7%	4.9%	1.8%
JAPAN	29%	16%	6.8%	27%	17.2%	4.2%	N.A.

Source: IMS

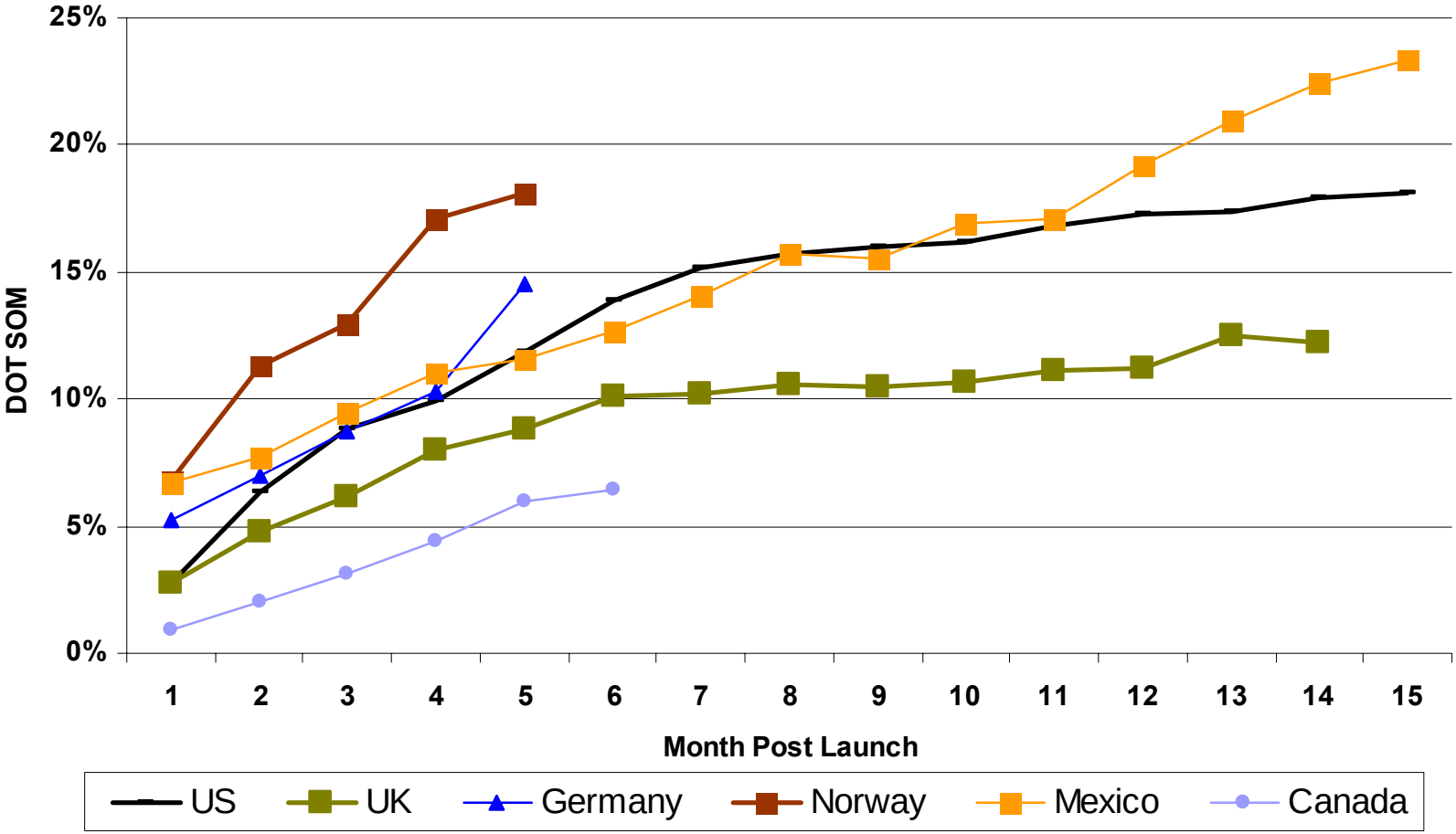
US Strattera

- Difficult year for the ADHD market
- Two label updates for Strattera
- Patient-focused response and communication by Lilly
- Non-stimulant mechanism plus 24 hour coverage are still important benefits
- New emphasis on patients with co-morbid anxiety

Strattera

SOM Uptake Comparison

1st Year (12 Month SOM): US 17.4%, MEX 19.2%, UK 12.4%



Source: IMS Data

Strattera

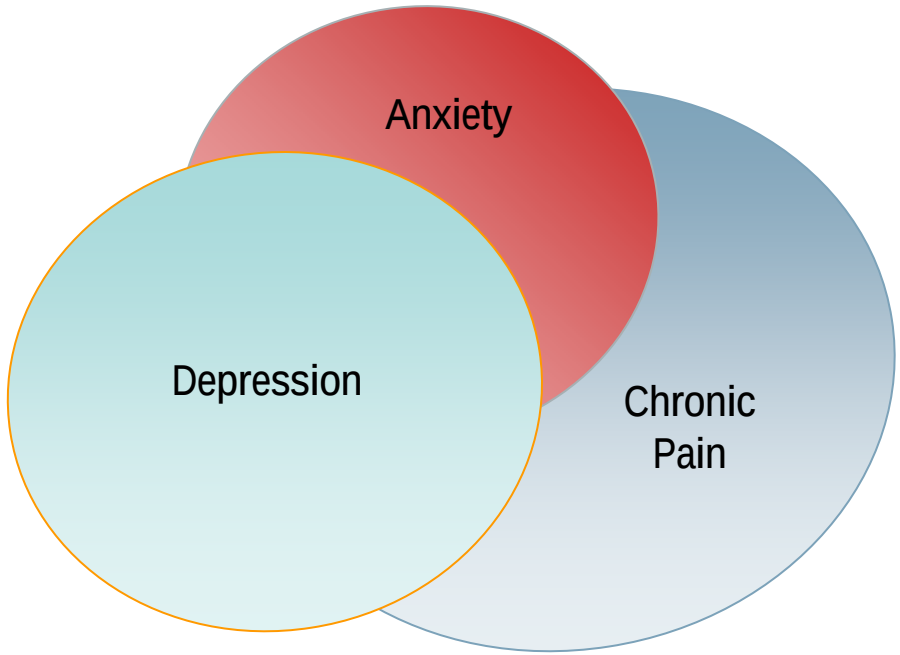
International ADHD Environment

- International ADHD markets represent 17% of total ADHD prescriptions
  - Exceptional sales growth rates due to the introduction of long acting agents
- Low awareness and treatment rates
  - Average 35% vs. > 85% in the US
- Very concentrated (physician) market
  - Psychiatrists account for 70% of RXs
  - Pediatricians and GPs generally involved after Psychiatrist Rx
- Physicians are not entrenched in stimulant expectations

Cymbalta

Still An Unmet Need In The Depression Market

- 69% of MDD patients reported only physical symptoms as the reason for their primary care physician visit *
- 44% of depressed patients have painful physical symptoms *
- Similar percentages exist in patients with anxiety
- Conversely, 40-70% of chronic pain patients have co-morbid mood disorders
- 10-20% of DPNP patients have co-morbid MDD



High overlap of emotional and painful physical symptoms

* Simon et al., New England Journal of Medicine, 1999 issue 341

Cymbalta

www.DepressionHurts.com

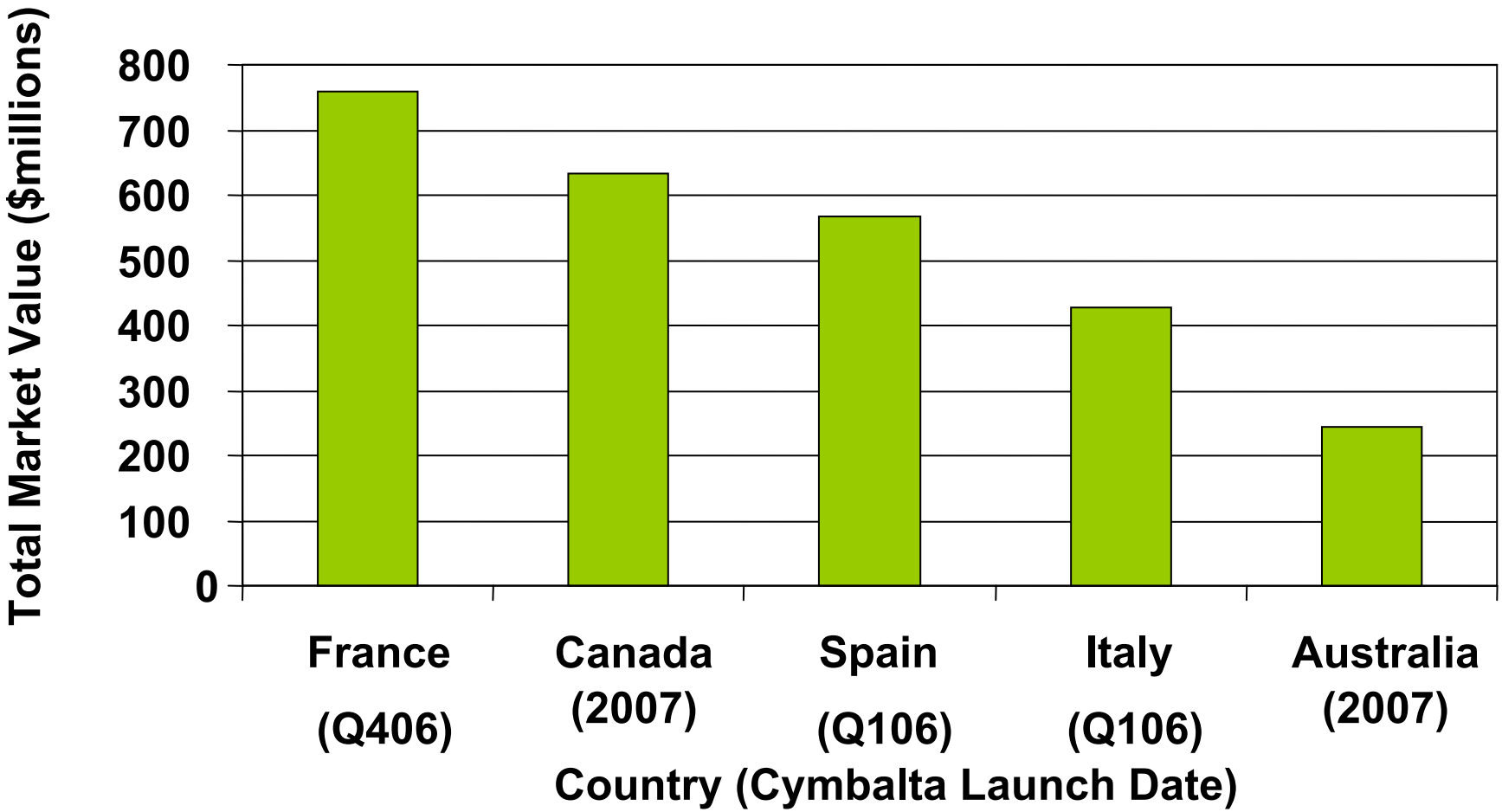
- **Unbranded DTC program began in October**
- **Unique Visitors: already well over 1 million**
- **Average Time Spent: >5 minutes per visit**

Increasing share of voice with Sales force of the Future

Began detailing DPNP to primary care physicians

Depression

Expected Cymbalta Launches In Major Markets



IMS data: MAT June 2005

Cymbalta Growth Opportunities

Continue to focus on the MDD target patient

Build DPNP franchise with key players

- **Diabetologists**
- **Neurologists**
- **Pain Specialists**

Continue to drive reimbursement and access globally

US submission for GAD in 2006

Phase III studies for fibromyalgia ongoing

Diabetes Continuum of Care

actos® pioglitazone HCl

NEW Byetta® exenatide injection

Humalog Mix 75/25™ 75% insulin lispro protamine suspension 25% insulin lispro injection (rDNA origin)

Humalog™ insulin lispro injection (rDNA origin)

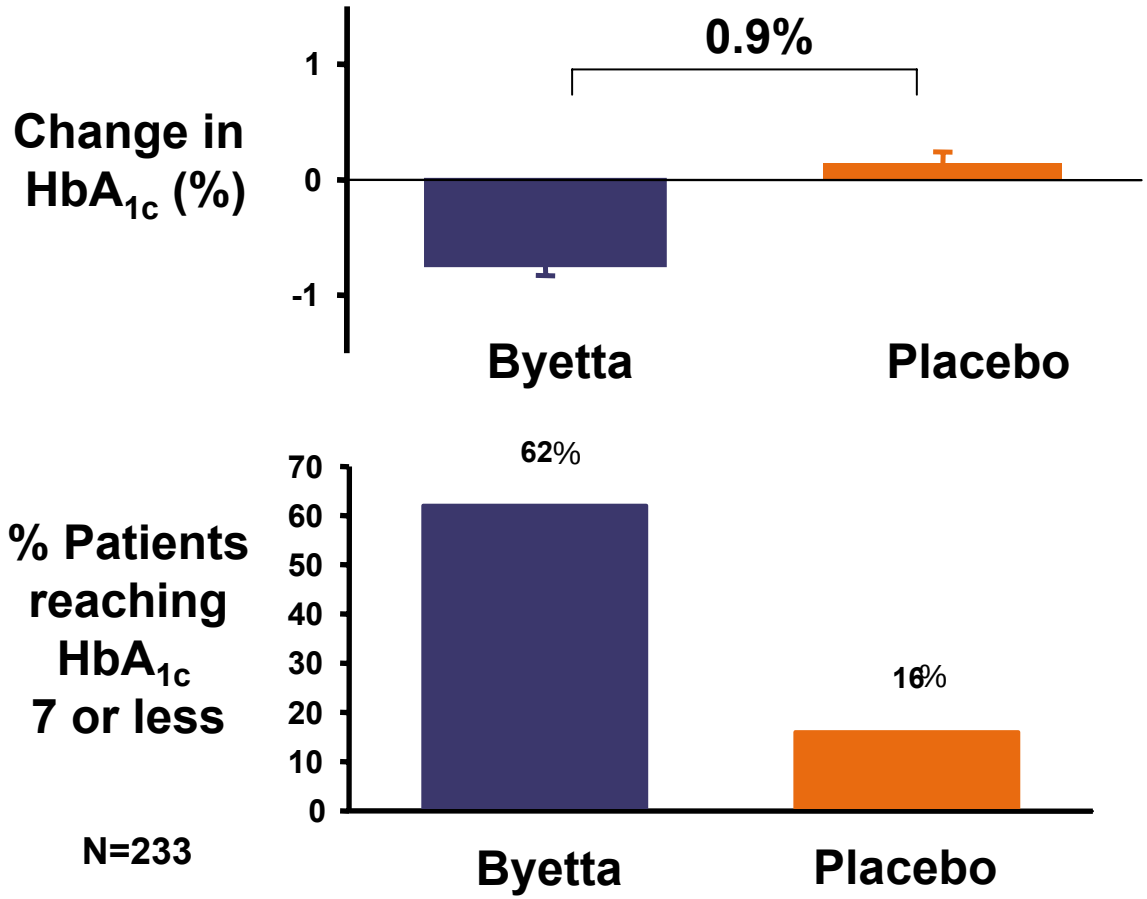
Progression of Disease (medications tried)	Early (Diet and exercise to 2 orals)	Early to intermediate (1-2 orals before insulin)	Late (Exhausted oral options)	Late (Unmatched basal insulin)
"Core Defect"	Insulin Resistance	Beta Cell Dysfunction	Insulin Deficiency	Insulin Deficiency
Current Level of HbAlc Control	7 to ~9	7 to ~9	~9 and above	~9 and above
Patient Benefits	Address Insulin Resistance Impressive glycemic control • Unique lipid benefits • Always once a day	"Byetta provides self regulating glycemic control" • Helps patients reach their A1c goal • Further reduces A1c in patients poorly controlled on other therapies • Potential for weight loss • Improves beta cell responsiveness • Simple, fixed BID dosing	"When it's time for insulin replacement" • Humalog Mix75 offers both fasting and PPG and control for patients • Simple to start • Easy-to-use pen	"When it's time for insulin replacement" • Humalog offers proven glycemic control • Less nocturnal hypoglycemia • Flexible dosing • Easy-to-use pen

Byetta Rapidly Gaining New Scripts Among Common Branded Type 2 Medicines

Product	NRx (week of 18NOV05)
Actos	72,015
	69,917
	61,581
	24,530
Humulin N	20,370
Humulin 70/30	15,883
	11,418
BYETTA	**11,414**
	10,519
	9,240
	7,913
	7,654
Humalog Mix 75/25	7,536
	6,757
	5,988
	4,101
	2,410
	2,374
	2,315

Source: IMS

Byetta + TZD Study Results



Data on file

Byetta + TZD

- Improved glycemic control
- A majority of patients reached HbA1c of 7% or less
- Lost an average of 3 lbs. of weight
- No severe hypoglycemia
- Nausea was mild to moderate and diminished over time

Humalog

Increased US Investment

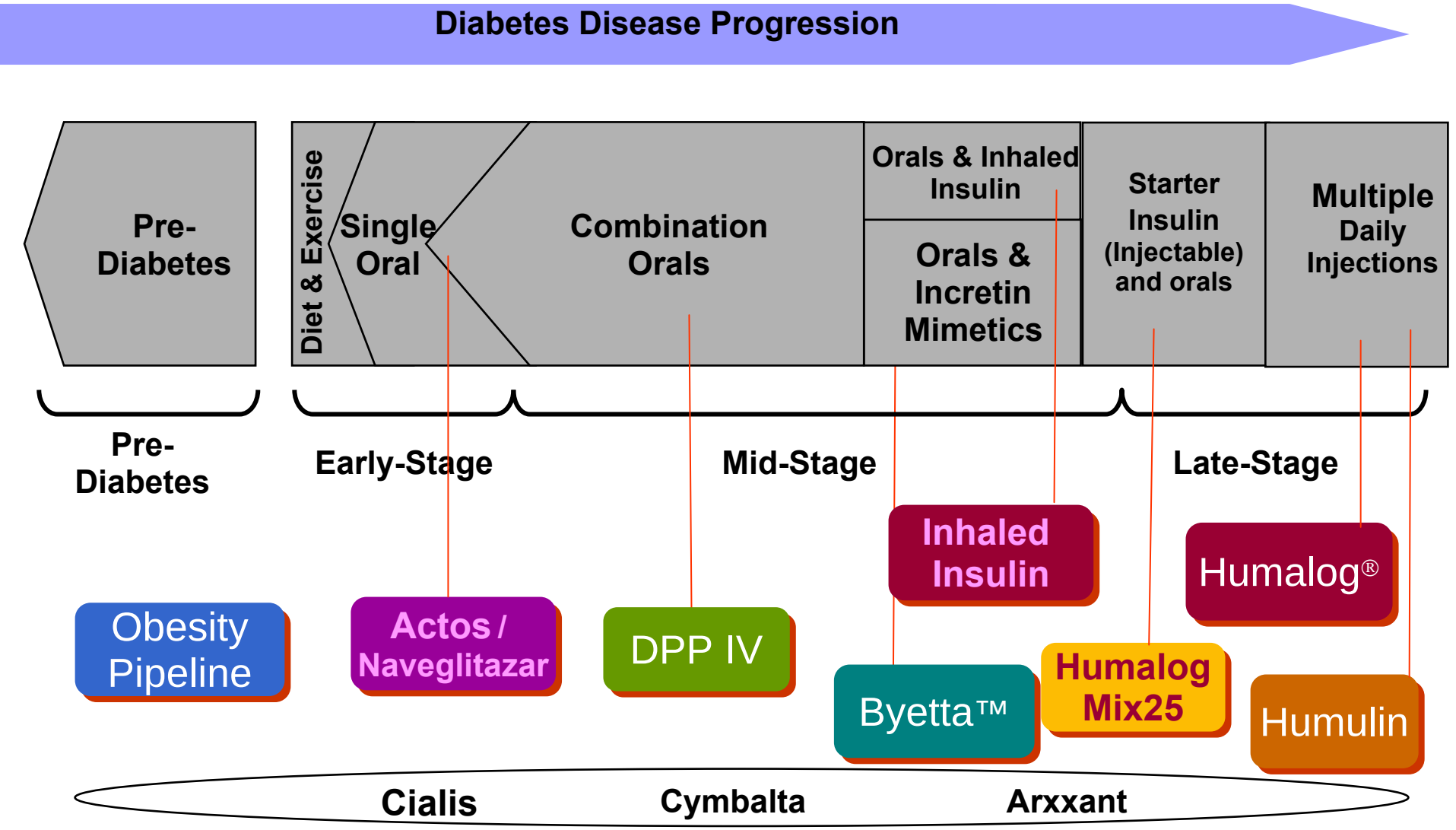
Sales force investments

Non-sales force promotional investments

New Humalog production facility

DURABLE clinical study

Lilly Provides Treatment Options As A Patient's Disease Progresses

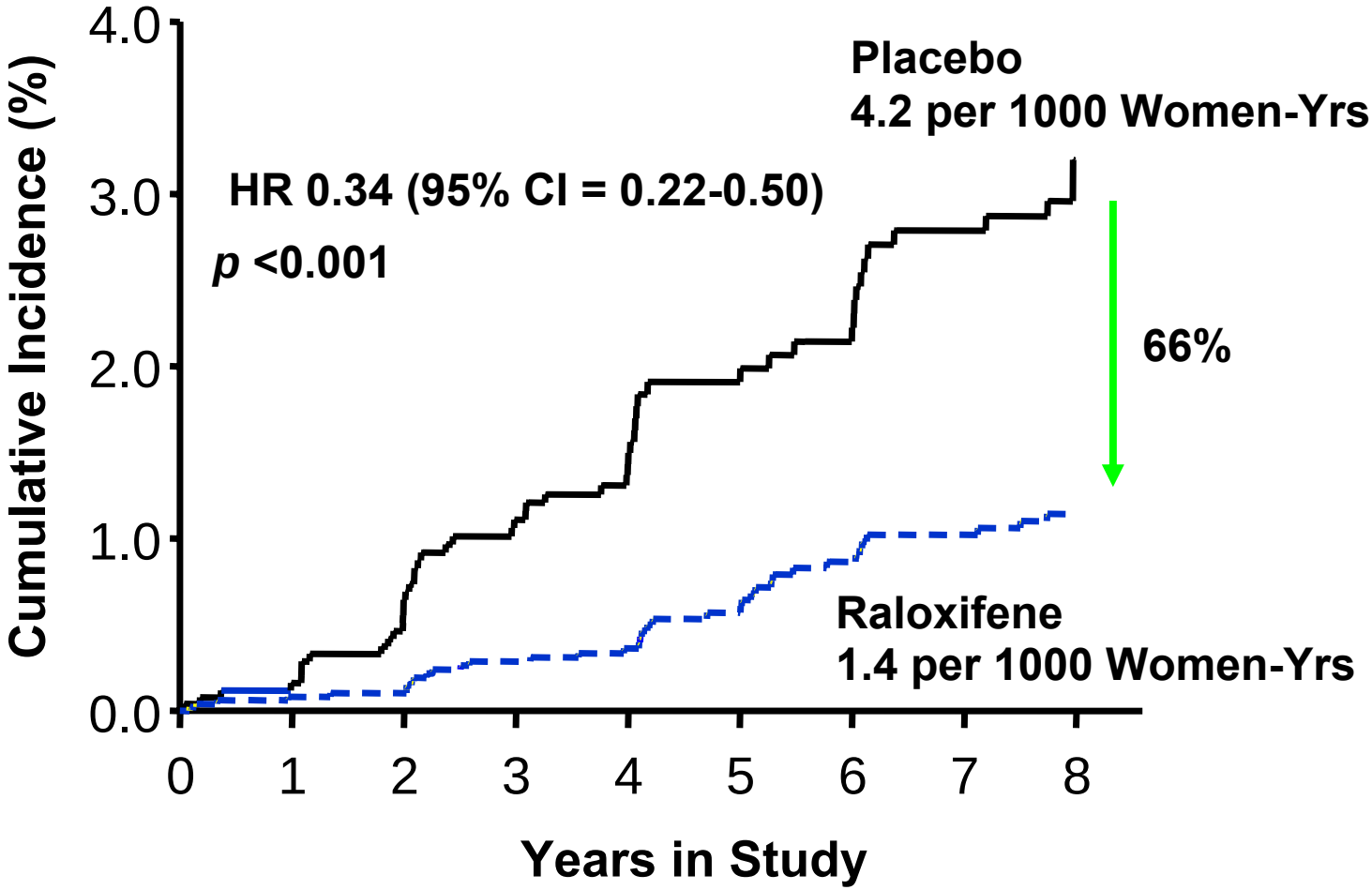


Evista

- Osteoporosis market primed for growth
- 40,000 patients studied in Evista clinical trials
- 55% reduction in first-time vertebral fractures
- 47% reduction in first-time fractures with osteopenia
- On track for breast cancer risk reduction indication submission in late 2006
- Strong growth overseas, especially in Japan

Incidence of Invasive Breast Cancer

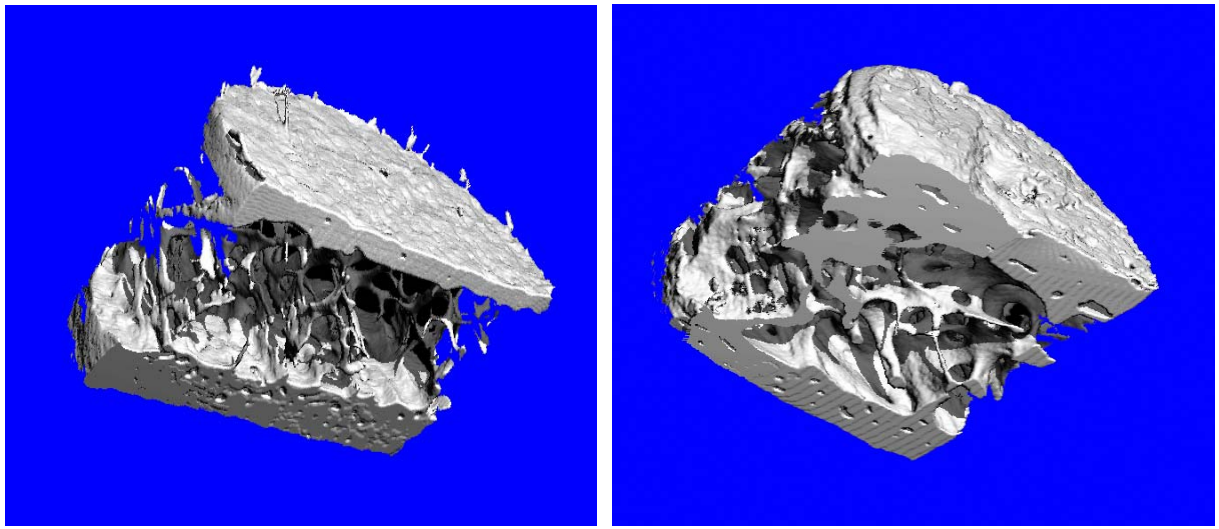
Evista: 8 Years of MORE plus CORE (N=7705)



Martino S, et al. J. Natl. Cancer Inst. 2004;96(23):1751-1761

Forteo

- **Strong growth in US and abroad**
- **Well positioned for any new competition**
- **Evaluating for fracture healing**



Patient treated with Forteo 20µg

Female, age 65
Duration of therapy: 637 days (approx 21 mos)

B3D-MC-GHAC
UCSF - Jiang
Jiang ASBMR 2002

BMD Change:
⇒Lumbar Spine: +7.4% (group mean = 9.7 ± 7.4%)
⇒Total Hip: +5.2% (group mean = 2.6 ± 4.9%)

Cialis Global Performance

Country	Share of PDE5 Market – Sept 2005		
	Cialis®	Viagra®	Levitra®
USA	24%	64%	12%
U.K.	26%	66%	8%
Germany	34%	47%	19%
Italy	37%	47%	16%
France	48%	38%	14%
Spain	26%	54%	20%
Mexico	34%	42%	24%
Brazil	34%	52%	14%
Canada	29%	64%	7%
Australia	37%	55%	8%

Source: IMS

Cialis

New Indications

- **Initiating BPH Phase III studies**
- **Pulmonary Arterial Hypertension in Phase III**
- **Primary hypertension indication in Phase II**

Oncology Portfolio Performance

- **Combined Gemzar and Alimta sales nearly $2 billion**
- **GEMZAR AND ALIMTA - Positioned to be backbone of combination treatments involving targeted agents given high efficacy and low toxicity**
- **FDA approved Tarceva® and Gemzar for pancreatic cancer**
- **Gemzar under study in 2 large trials for treatments of adjuvant breast cancer**

Alimta

A Thoracic Franchise

Competitive advantages of Alimta

- Lower toxicity – no/low concerns when given with carboplatin
- Greater convenience
- Able to give full does of Alimta when combined with radiation
- Well balanced – activity plus tolerability

Approved indications

- Mesothelioma
- 2nd line NSCLC

Ongoing Studies

- 1st line NSCLC –
  - Alimta+cisp Vs. GEMZAR + cisp - 1700 patient trial
  - Alimta maintenance therapy after a platinum induction regimen

2006 registration efforts

- 1st line SCLC – Alimta+carboplatin Vs. etoposide+carboplatin
- Head and neck cancer

Gemzar

Setting New Standard of Care

GEMZAR Share of Metastatic Market

Tumor	France	Germany	Italy	Spain	US	UK
NSCL 1st line	37%	36%	74%	50%	28%	59%
Pancreas 1st line	86	88	88	84	89	100
Bladder 1st lines	69	77	88	79	NI	58
Breast 1st line	6	5	4	3	10	NI
Ovarian 2nd line	NI	7	8	17	NI	NI

NI = no indication in this market

IMS Data as of 11/05

Bright Prospects for Leadership

- **Transparent, customer-focused approach**
- **Tailor sales efforts to distinguish between patient groups**
- **Ultimately bring right drug at right dose to right patient at right time**

Aim to improve quality, reduce costs, decrease cycle time and increase flexibility

Steven Paul, M.D.

Executive Vice President, Science and Technology

Lilly

Answers That Matter.

Lilly R&D Productivity

- **Achieving targeted pipeline milestones**
- **Leveraging unique biotech capabilities**
  - **AME527 monoclonal antibody to TNF alpha for rheumatoid arthritis**
  - **AME133 monoclonal antibody to CD20 for non-Hodgkin's lymphoma**
  - **Bio-product and therapeutic area collaboration a key advantage**
  - **Bio-products account for one third of Lilly pipeline**
- **Focused on quality and quantity of compounds**

Lilly R&D Productivity

Key Initiatives

- Aggressive NME cost-reduction goals
- Prolific use of biomarkers in early development
- Six sigma projects focused on reducing cost & cycle times
- Sourcing global talent to increase flexibility & productivity
- Developing patient-centered biomarkers

The Lilly Pipeline

Selected NMEs & New Indications

Phase I	Phase II	Phase III	Launch
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A beta antibody *Alzheimer's disease*	**PPAR alpha agonist** *atherosclerosis*	**Prasugrel** *acute coronary syndromes*	**Forteo** *osteoporosis*
DPP-IV inhibitor *type 2 diabetes*	**Factor Xa inhibitor** *thrombotic disorders*	**Enzastaurin** *glioblastoma & NHL*	**Strattera** *ADHD*
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		Zyprexa *BPD & depot formulation*	**Byetta** *type 2 diabetes*

** Outside US only*

Arxxant

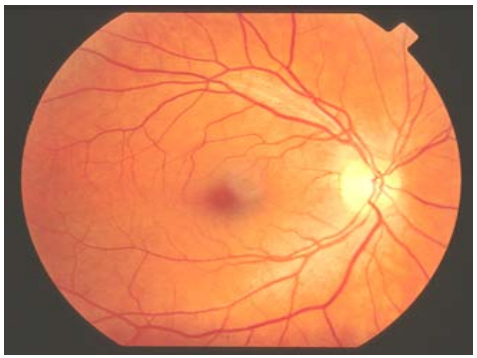
- **US submission for diabetic retinopathy (DR)**
  - **DR is a well-defined disease with no approved therapies**
  - **Phase 3 data were very encouraging**
  - **Safety profile contributes to solid benefit/risk equation**
- **DR can lead to vision loss or blindness**
  - **40% of diabetics have some form of DR**
    - **14% of diabetics with DR will experience DME***
  - **Research shows vision loss is the most feared complication**

* DME = diabetic macular edema, a manifestation of diabetic retinopathy

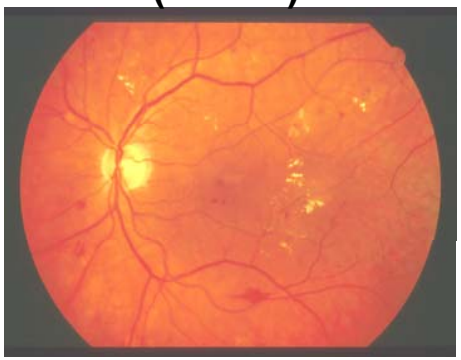
Diabetic Retinopathy

AAO Staging System

Normal Fundus



Moderate Non-Proliferative DR (NPDR)

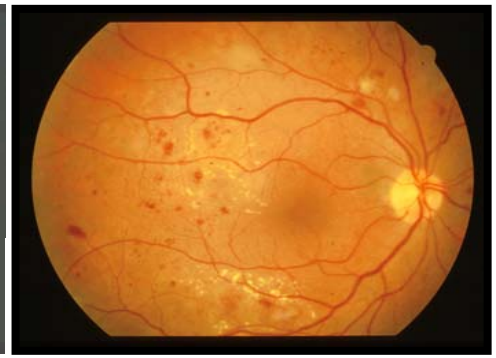


Mild NPDR

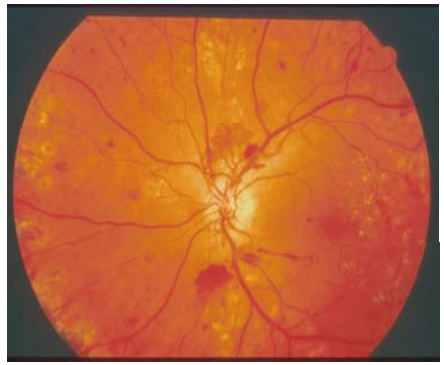
Microaneurysms only

ETDRS Level 20

Severe NPDR



Proliferative DR (PDR)



PDR

1 or more of the following:

- Neovascularization
- Vitreous/preretinal hemorrhage

ETDRS Levels >/= 61

Patient population enrolled in registration study

American Academy of Ophthalmology, October, 2002.

Slide Omitted

Clinical data to be published in peer-reviewed medical journal.

Lilly

Answers That Matter.

Slide Omitted

Clinical data to be published in peer-reviewed medical journal.

Lilly

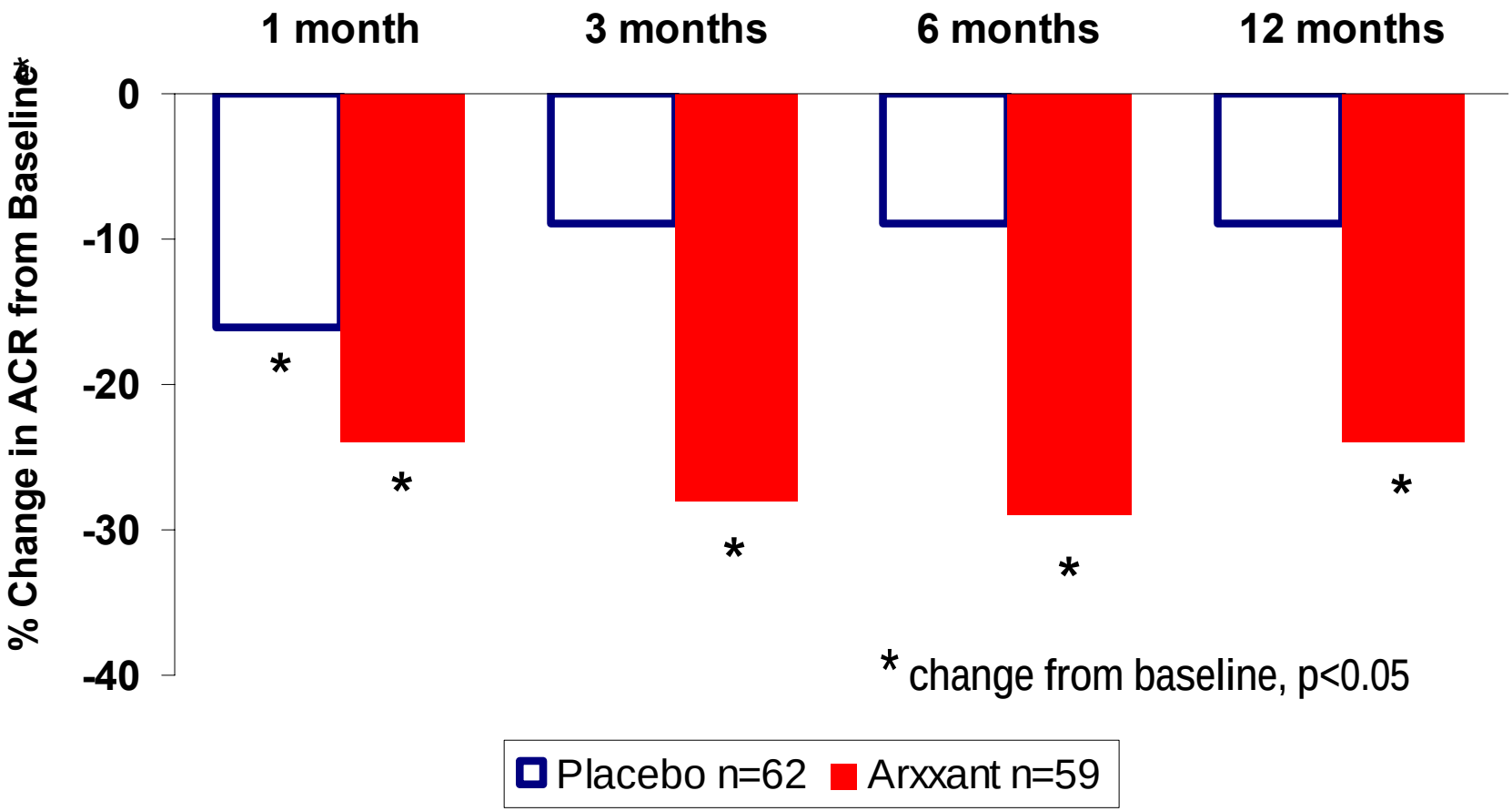
Answers That Matter.

Arxxant

- **US submission anticipated by the end of February**
  - **DR is a well defined disease with no approved therapies**
  - **Phase 3 data were very encouraging**
  - **Safety profile contributes to solid benefit/risk equation**
- **EU submission anticipated in mid-2006**

Arxxant

Diabetic Nephropathy Pilot: Effect on Albuminuria



ACR = Albumin–Creatinine ratio

** Intent-to-treat analysis, including adjustments for baseline and investigative site, using log transformed values due to skewness

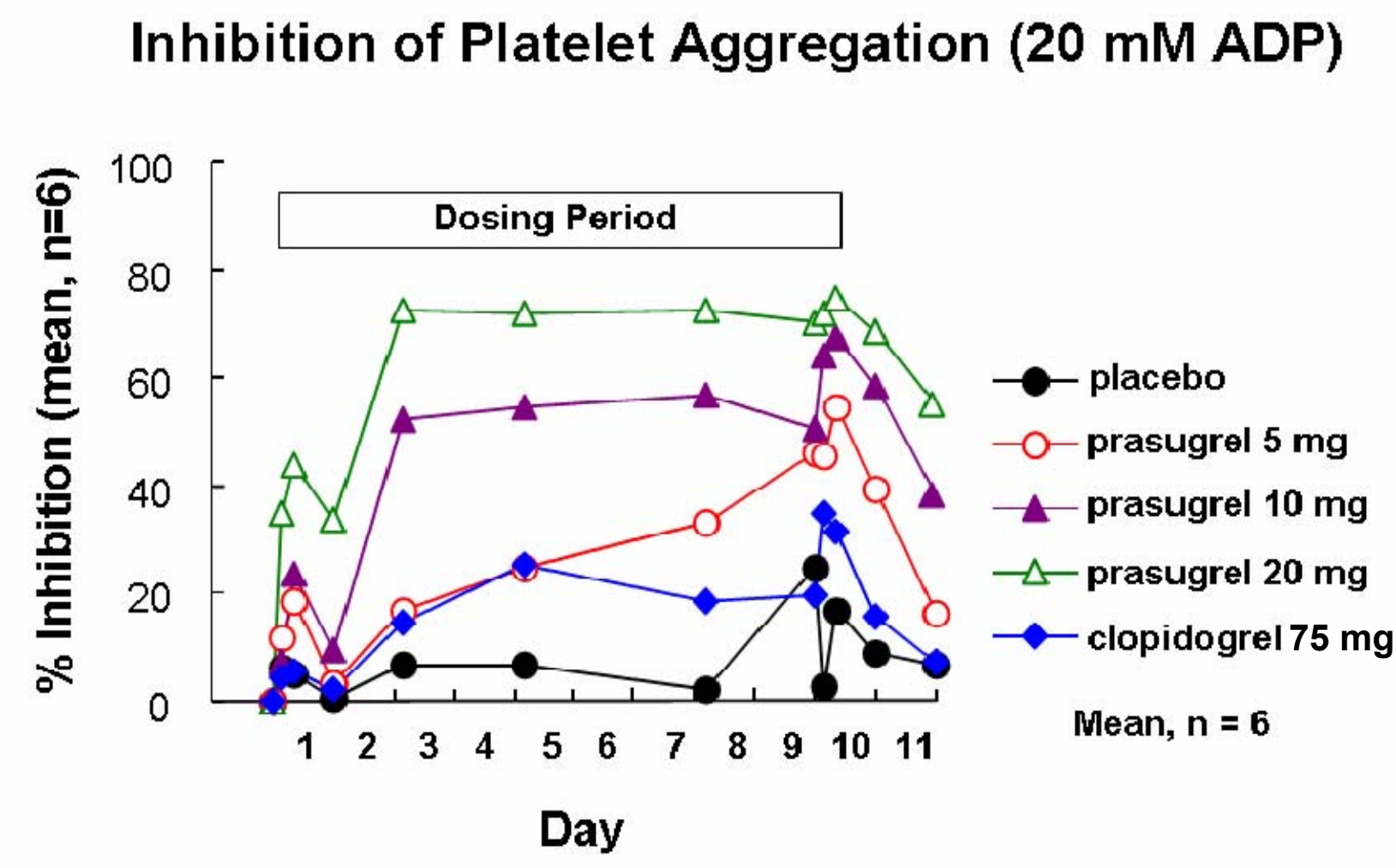
Prasugrel

Acute Coronary Syndromes

- Co-developing & co-commercializing with Sankyo
- Platelet aggregation inhibitor
  - Initial submission for acute coronary syndromes (ACS)
- Phase 1 studies suggest prasugrel may have superior profile
  - Higher inhibition of platelet aggregation (IPA)
  - Faster onset of IPA
  - More consistent IPA
- Phase 2 safety study indicated acceptable bleeding profile

Prasugrel Phase 1 Study Results

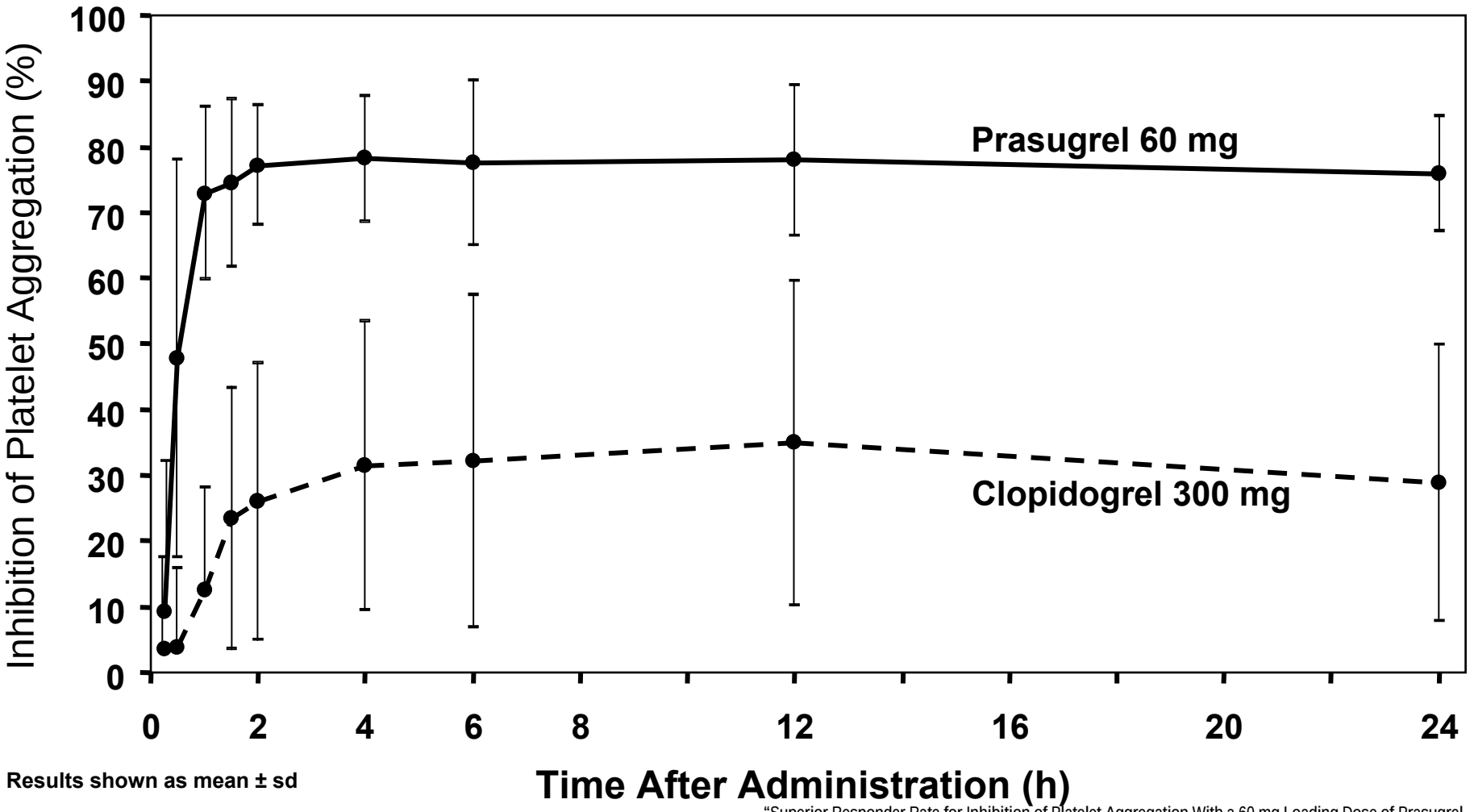
Higher Inhibition of Platelet Aggregation



"A Comparison of Prasugrel (CS-747, LY640315) with Clopidogrel on Platelet Function in Healthy Male Volunteers". Fumitoshi Asai, Joseph A. Jakubowski et al., presented at the American College of Cardiology, March 2005.

Prasugrel Phase 1 Study Results

Faster Onset of Inhibition of Platelet Aggregation



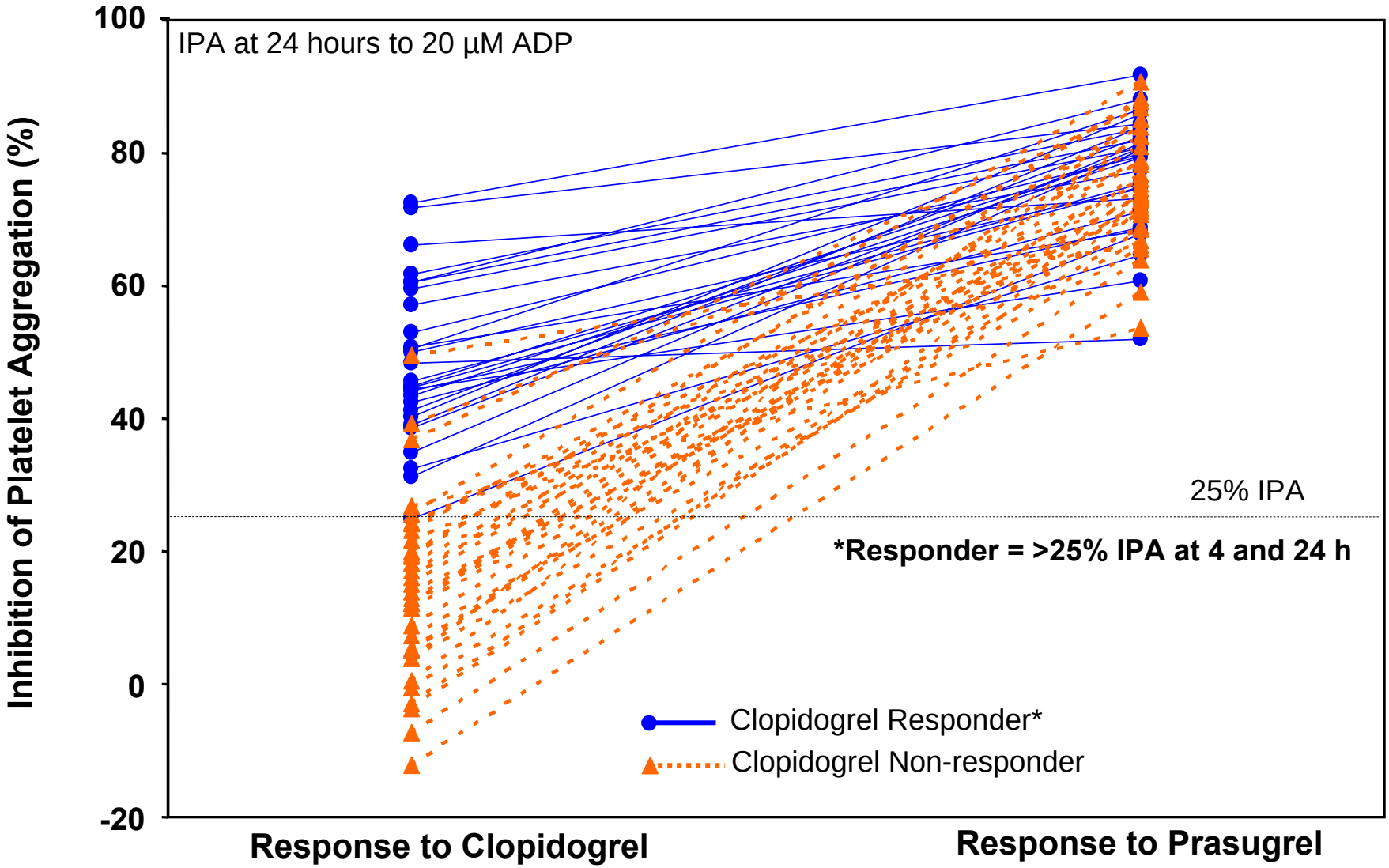
Results shown as mean ± sd

IPA (%) = 100*{[(Baseline MPA) - (MPA at timepoint)] / (Baseline MPA)}

"Superior Responder Rate for Inhibition of Platelet Aggregation With a 60 mg Loading Dose of Prasugrel Compared With a 300 mg Loading Dose of Clopidogrel", John T. Brandt et al., presented at the American College of Cardiology, March 2005.

Prasugrel Cross-Over Study Results

More Consistent Inhibition of Platelet Aggregation

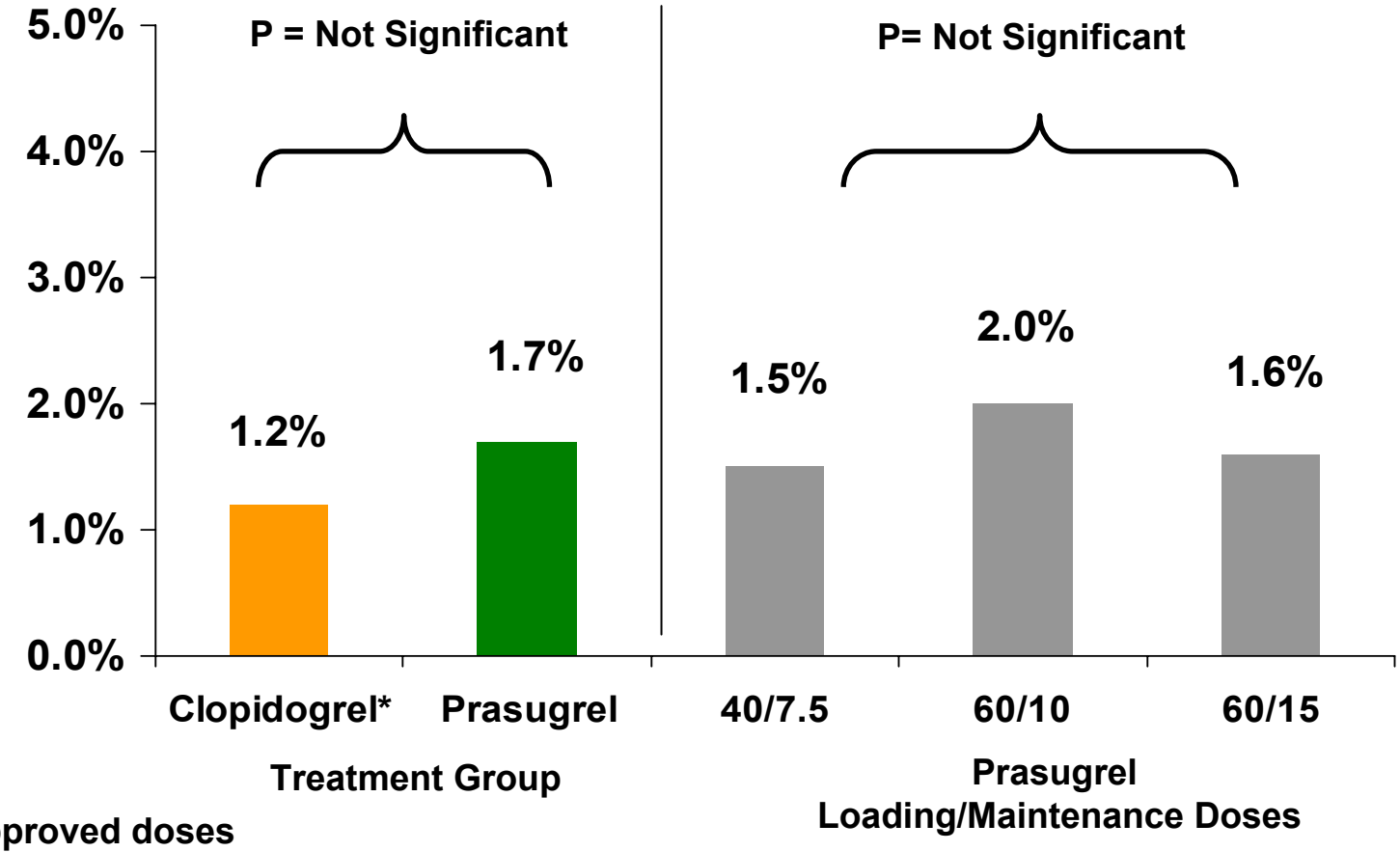


"Superior Responder Rate for Inhibition of Platelet Aggregation With a 60 mg Loading Dose of Prasugrel Compared With a 300 mg Loading Dose of Clopidogrel", John T. Brandt et al., presented at the American College of Cardiology, March 2005.

Prasugrel Phase 2 Safety Study

No Significant Differences in Bleeding Endpoints Measured

Primary Endpoint of JUMBO TIMI-26 Study: Significant Non-CABG Bleeding at 30 days (Major + Minor Bleeds)



* At approved doses

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  - Faster onset of IPA
  - More consistent IPA
- Phase 2 safety study indicated acceptable bleeding profile
- Phase 3 trial currently enrolling 13,000 patients
- Submission anticipated in second half of 2007

Enzastaurin

- **Oral inhibitor of PKC beta enzyme**
- **Dual targeted anti-tumor mechanism**
  - **Promotes apoptosis (cell death)**
  - **Inhibits angiogenesis (proliferation of blood vessels)**
  - **May inhibit additional targets important to tumor growth**
- **Target cancers:**
  - **Glioblastoma multiforme**
  - **Non-Hodgkin's lymphoma**

Enzastaurin

- **Glioblastoma multiforme**
  - **Phase 2 NCI study showed:**
    - **tumor shrinkage in patients taking enzastaurin**
    - **Response rate 20-25%**
    - **Enzastaurin well tolerated**
  - **Glioblastoma pivotal study expected to begin 2006**
  - **U.S. submission anticipated in 2008**
- **Non-Hodgkin's Lymphoma (diffuse large B-cell lymphoma)**
  - **Phase 2 data show prolonged periods of stable disease in enzastaurin treated patients with advanced disease**
  - **Pivotal study in earlier stage of NHL expected to begin 2006**

Inhaled Insulin

Promising Formulation and Device

- Earlier insulin treatment may improve glucose control
- We believe patients will prefer a simple system
- Phase 2 results:
  - Inhaled system provided HbA1C control similar to injectable insulin
  - 80% of patients preferred inhaled system to meal-time injections
- Initiated registration program
  - 400 patient study in non-smoking type 1 diabetics
  - 600 patient study in type 1 or 2 diabetics with asthma or COPD
  - Additional efficacy studies

Arzoxifene

Selective Estrogen Receptor Modulator (SERM)

- **Designed for higher potency & bioavailability**
- **Potential benefits for patients:**
  - **Vertebral and non-vertebral fracture efficacy**
  - **Breast cancer risk reduction**
- **Registration studies fully enrolled**
  - **Osteoporosis prevention and uterine safety study (~330 patients)**
  - **Long-term outcomes study with multiple endpoints…**
    - **vertebral and non-vertebral fracture efficacy**
    - **breast cancer risk reduction**
    - **9,100 patients**
- **Anticipate U.S. submission in 2009**

The Lilly Pipeline

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		Zyprexa *BPD & depot formulation*	**Byetta** *type 2 diabetes*

** Outside US only*

Lilly Oncology

- **Enzastaurin**
- **Survivin ASO**
  - **Demonstrated significant pre-clinical single-agent activity**
  - **Phase 1 study ongoing**
  - **Phase 2 study expected to begin late 2006**
- **Monoclonal antibody to CD20**
  - **Non-Hodgkin's lymphoma**
  - **May demonstrate improvement in survival outcomes**
- **TGF beta inhibitors**
  - **Lead molecule is one of five expected oncology FHD's in 2006**
  - **TGF beta is up-regulated in brain, breast & prostate cancers**

Expect 5 oncology phase 1 starts in both 2006 & 2007

Lilly Neuroscience

- **Research focus:**
  - **Neurology: Alzheimer's, Parkinson's, migraine, pain**
  - **Psychiatric: anxiety, schizophrenia, insomnia, cognition**
- **Pruvanserin (5HT2A receptor antagonist) for insomnia**
  - **Phase 2 study of sleep quality & architecture ongoing**
  - **Exploring potential in depression and anxiety**
- **Gamma secretase inhibitor & A beta antibody**
  - **Phase 1b studies ongoing in Alzheimer's for both molecules**

Lilly Cardiovascular

- **Research focus:**
  - **Atherosclerosis & inflammation of blood vessels**
- **Factor Xa inhibitor**
  - **Prevention of venous and arterial thrombotic disorders**
  - **Acute setting: may be alternative to low-molecular weight heparin**
  - **Chronic use: may replace warfarin without need for monitoring**

Slide Omitted

Clinical data to be presented at medical conference

Lilly

Answers That Matter.

PPAR Alpha Agonist

Atherosclerosis

Phase 1 data show a clear dose-response in reducing fasting and post-prandial triglycerides observed after a single dose

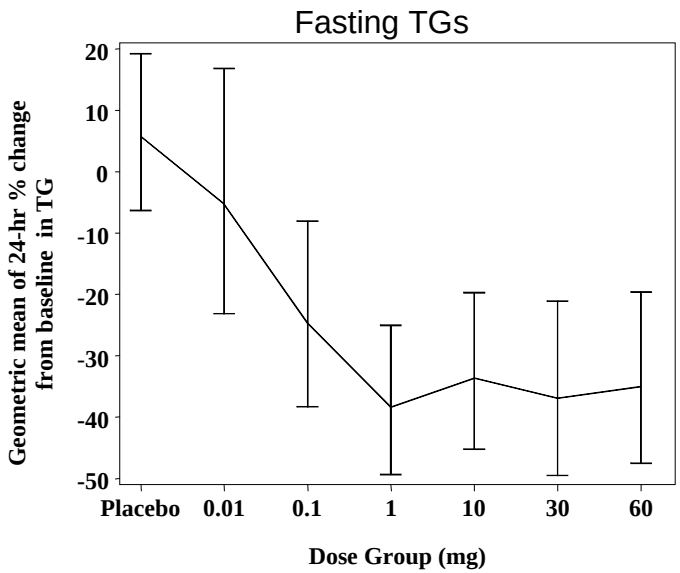

Figure 1. Fasting plasma triglycerides, expressed as % from baseline, 24 hr after a single dose (bars represent 95% confidence interval).

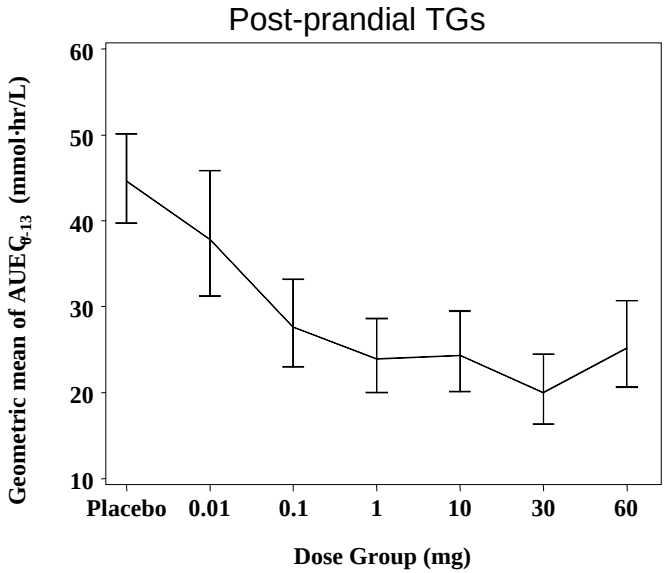

Figure 2. Plasma triglyceride response ($AUC_{0\text{-}13\ hr}$) after high-fat breakfast and lunch, 24 hrs after a single dose (bars represent 95% confidence interval).

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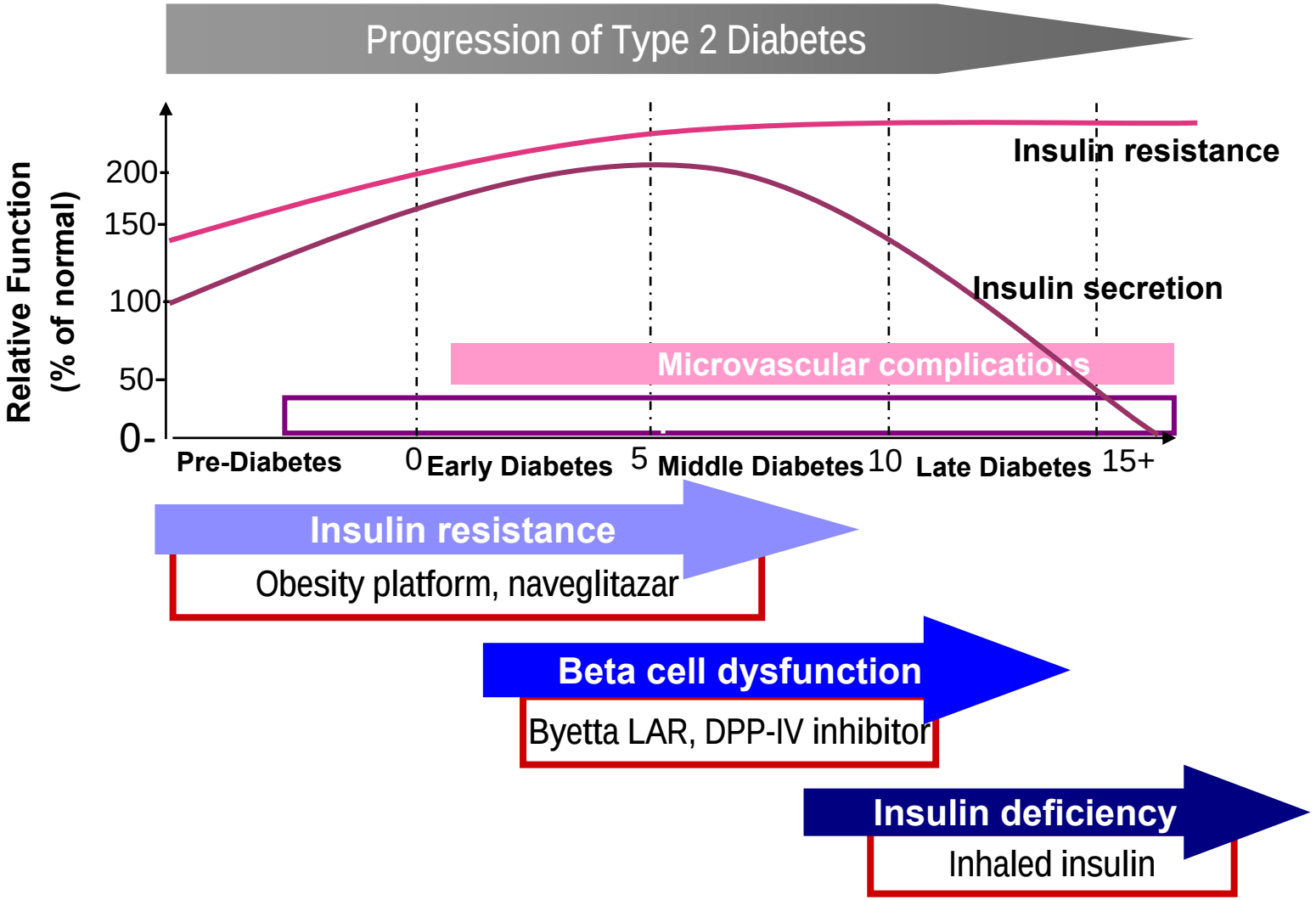
- **Factor Xa inhibitor**
  - **Prevention of venous and arterial thrombotic disorders**
  - **Acute setting: may be alternative to low-molecular weight heparin**
  - **Chronic use: may replace warfarin without need for monitoring**
- **PPAR alpha agonist**
  - **Lowered triglycerides in phase 1 study**
  - **Phase 2 development includes multiple studies;**
    - **effect on HDL and triglycerides**
    - **combination use with statins**
  - **Must complete two-year oncogenicity studies before starting phase 3**

Lilly Diabetes Care Research

Interventions for Each Defect of Diabetes



Lilly Obesity Research

- **~90% of patients with pre-diabetes are obese**
- **Phase 2 compound aimed at craving & addictive behavior**
- **Pursuing a dozen programs with a range of mechanisms**
- **Expect to have at least 5 novel anti-obesity compounds in clinical development by end of 2006**

Byetta
Long-acting Release Formulation

- **Once-weekly injection for type 2 diabetes**
- **Preliminary results of phase 2 study**
  - **A1C levels improved about 2 percentage points vs. placebo**
  - **12 of 14 high-dose patients achieved A1C target of ≤ 7%**
  - **High-dose patients lost an average of 9 lbs vs. placebo**
  - **Both doses well tolerated, mild nausea most common AE**
  - **No severe hypoglycemia reported**
- **Aim to present study results at ADA in 2006**

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** Outside US only*

Lilly R&D Productivity

- Achieving targeted pipeline milestones
- Consistently generating innovative compounds
- Focused on increasing speed and reducing cost
- Using biomarkers for decisions and patient benefit

Sidney Taurel

Chairman and Chief Executive Officer

Lilly

Answers That Matter.

Eli Lilly and Company

Conclusion

- Implement our innovation strategy
- Elevate productivity
- Drive performance

Answers That Matter.