Agenda

2010 Summary, Financial Results and Pipeline Update
  • Phil Johnson, Vice President, Investor Relations

Key 2011 Events and 2011 Financial Guidance
  • Derica Rice, Executive Vice President, Global Services and Chief Financial Officer

Question and Answer Session

Closing Remarks
  • John Lechleiter, Chairman, President and Chief Executive Officer
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 such factors as 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.
2010 Summary

- Strong financial performance with 6% revenue growth leveraged into 8% non-GAAP net income growth
- Substantial progress made toward headcount reduction and cost containment goals
- Nearly $7 billion of operating cash flow easily covered capital expenditures of ~$700 million and the dividend of ~$2.2 billion
- Pipeline disappointments with semagacestat, teplizumab and tasisulam; focus on pipeline led to advancement of 16 new molecules into Phase 1, nine into Phase 2 and two into Phase 3
- Concluded multiple business development deals focused on current or potential near-term revenues
Beyond the Quarterly Financial Results

Key events since the last earnings call

Clinical:
• Initiated Phase 3 clinical programs for our anti-BAFF antibody in both RA and lupus
• Decided to advance mGlu2/3 into Phase 3 for schizophrenia; Phase 3 trials to start in 2011
• Disclosed Phase 2a data in RA for the JAK-1/JAK-2 inhibitor, in-licensed from Incyte

Regulatory:
• FDA approved Cymbalta for the management of chronic musculoskeletal pain
• FDA approved Axiron for replacement therapy in males for certain conditions associated with a deficiency in testosterone; launch to occur mid-2011
• Health Canada approved Byetta to improve glycemic control in patient with type 2 diabetes
• Submitted sNDAs to the FDA for Byetta as add-on therapy to basal insulin and for Cialis for BPH

Legal:
• U.S. District Court ruled that judgment would be entered in Lilly's favor – confirming the validity of Alimta’s compound patent through January 2017
• U.S. CAFC heard Strattera appeal on December 9th – awaiting court’s decision

Business Development:
• Announced and completed Avid Radiopharmaceuticals acquisition and the FDA assigned priority review designation to florbetapir, a beta-amyloid imaging agent
• Announced a global agreement to co-develop and co-commercialize two oral diabetes compounds from Boehringer Ingelheim and two basal analog insulins from Lilly
Comparison Measures
Results shown two ways to aid analysis

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

“Non-GAAP” results
- Start with “Reported” results
- Include adjustments for items such as:
  - Restructuring charges, asset impairments and special charges
  - In-process R&D charges from business development activities
# 2010 Income Statement (Non-GAAP)

## Millions; except per share data

<table>
<thead>
<tr>
<th></th>
<th>Q4 2010</th>
<th>Growth</th>
<th>Year</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$6,187</td>
<td>4%</td>
<td>$23,076</td>
<td>6%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>80.1%</td>
<td>4.2pp</td>
<td>81.1%</td>
<td>0.5pp</td>
</tr>
<tr>
<td>Total Operating Expense*</td>
<td>3,427</td>
<td>8%</td>
<td>11,938</td>
<td>6%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>1,528</td>
<td>15%</td>
<td>6,772</td>
<td>6%</td>
</tr>
<tr>
<td>Other Income / (Deductions)</td>
<td>(39)</td>
<td>(42)%</td>
<td>(5)</td>
<td>(98)%</td>
</tr>
<tr>
<td>Effective Tax Rate</td>
<td>17.0%</td>
<td>(4.0)pp</td>
<td>22.6%</td>
<td>1.6pp</td>
</tr>
<tr>
<td>Net Income</td>
<td>$1,235</td>
<td>24%</td>
<td>$5,241</td>
<td>8%</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$1.11</td>
<td>22%</td>
<td>$4.74</td>
<td>7%</td>
</tr>
</tbody>
</table>

For notes to the 2010 non-GAAP income statement, please see slide 22.

* Includes Research and Development expense and Selling, Marketing and Administrative expense.
# 2010 Income Statement (Reported)

**Millions; except per share data**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2010</th>
<th>Growth</th>
<th>Year</th>
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<td>4.2pp</td>
<td>81.1%</td>
<td>0.5pp</td>
</tr>
<tr>
<td>Total Operating Expense*</td>
<td>3,506</td>
<td>6%</td>
<td>12,180</td>
<td>1%</td>
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<tr>
<td>Operating Income</td>
<td>1,449</td>
<td>20%</td>
<td>6,530</td>
<td>17%</td>
</tr>
<tr>
<td>Other Income / (Deductions)</td>
<td>(39)</td>
<td>(42)%</td>
<td>(5)</td>
<td>(98)%</td>
</tr>
<tr>
<td><em>Effective Tax Rate</em></td>
<td>17.0%</td>
<td>(2.5)pp</td>
<td>22.3%</td>
<td>3.1pp</td>
</tr>
<tr>
<td>Net Income</td>
<td>$1,170</td>
<td>28%</td>
<td>$5,070</td>
<td>17%</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$1.05</td>
<td>27%</td>
<td>$4.58</td>
<td>16%</td>
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</table>

*Includes Research and Development expense, Selling, Marketing and Administrative expense and other charges.
## EPS Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>Q4 2010</th>
<th>Growth</th>
<th>Year</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS (reported)</td>
<td>$1.05</td>
<td>27%</td>
<td>$4.58</td>
<td>16%</td>
</tr>
<tr>
<td>Asset impairments and</td>
<td>0.06</td>
<td></td>
<td>0.13</td>
<td></td>
</tr>
<tr>
<td>restructuring charges</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>(included in asset</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>impairments,</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>restructuring and other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>special charges)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-process research</td>
<td>-</td>
<td></td>
<td>0.03</td>
<td></td>
</tr>
<tr>
<td>and development charge</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>associated with the</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acrux in-licensing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>agreement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS (non-GAAP)</td>
<td>$1.11</td>
<td>22%</td>
<td>$4.74</td>
<td>7%</td>
</tr>
</tbody>
</table>

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

### Q4 2010

<table>
<thead>
<tr>
<th>Pharmaceuticals</th>
<th>Amount</th>
<th>Price</th>
<th>FX Rate</th>
<th>Volume</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>$3,064.4</td>
<td>4%</td>
<td>-</td>
<td>(0)%</td>
<td>4%</td>
</tr>
<tr>
<td>Europe</td>
<td>1,287.6</td>
<td>(2)%</td>
<td>(7)%</td>
<td>4%</td>
<td>(5)%</td>
</tr>
<tr>
<td>Japan</td>
<td>463.2</td>
<td>0%</td>
<td>8%</td>
<td>21%</td>
<td>30%</td>
</tr>
<tr>
<td>ROW</td>
<td>794.1</td>
<td>1%</td>
<td>3%</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>Total Pharma</td>
<td>5,609.3</td>
<td>2%</td>
<td>(1)%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Animal Health</td>
<td>424.3</td>
<td>(0)%</td>
<td>0%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Net Product Sales</td>
<td>6,033.7</td>
<td>2%</td>
<td>(1)%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Collab/Other Revenue</td>
<td>153.3</td>
<td>2%</td>
<td>-</td>
<td>(2)%</td>
<td>0%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$6,187.0</td>
<td>2%</td>
<td>(1)%</td>
<td>3%</td>
<td>4%</td>
</tr>
</tbody>
</table>

### Full Year 2010

<table>
<thead>
<tr>
<th>Pharmaceuticals</th>
<th>Amount</th>
<th>Price</th>
<th>FX Rate</th>
<th>Volume</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>$11,607.2</td>
<td>6%</td>
<td>-</td>
<td>(1)%</td>
<td>5%</td>
</tr>
<tr>
<td>Europe</td>
<td>4,837.5</td>
<td>(3)%</td>
<td>(4)%</td>
<td>3%</td>
<td>(3)%</td>
</tr>
<tr>
<td>Japan</td>
<td>1,565.1</td>
<td>(1)%</td>
<td>7%</td>
<td>26%</td>
<td>32%</td>
</tr>
<tr>
<td>ROW</td>
<td>3,041.1</td>
<td>(1)%</td>
<td>6%</td>
<td>6%</td>
<td>12%</td>
</tr>
<tr>
<td>Total Pharma</td>
<td>21,050.9</td>
<td>2%</td>
<td>0%</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Animal Health</td>
<td>1,391.4</td>
<td>(0)%</td>
<td>1%</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>Net Product Sales</td>
<td>22,442.3</td>
<td>2%</td>
<td>0%</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Collab/Other Revenue</td>
<td>633.7</td>
<td>3%</td>
<td>-</td>
<td>(8)%</td>
<td>(5)%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$23,076.0</td>
<td>2%</td>
<td>0%</td>
<td>3%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Note: Numbers may not add due to rounding.
Effect of Foreign Exchange on 2010 Results
(Non-GAAP)

<table>
<thead>
<tr>
<th>Year-on-Year Growth</th>
<th>Q4 2010</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With FX</td>
<td>w/o FX</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>(14)%</td>
<td>(2)%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>(R&amp;D plus SG&amp;A)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td>15%</td>
<td>3%</td>
</tr>
<tr>
<td>EPS</td>
<td>22%</td>
<td>10%</td>
</tr>
</tbody>
</table>
## Effect of Foreign Exchange on 2010 Results

(Reported)

### Year-on-Year Growth

<table>
<thead>
<tr>
<th></th>
<th>Q4 2010</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With FX</td>
<td>w/o FX</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>(14)%</td>
<td>(2)%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>(R&amp;D, SG&amp;A and other items)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td>20%</td>
<td>8%</td>
</tr>
<tr>
<td>EPS</td>
<td>27%</td>
<td>13%</td>
</tr>
</tbody>
</table>
### Lilly NME Pipeline

**January 24, 2011**

<table>
<thead>
<tr>
<th>New Chemical Entity (NCE)</th>
<th>New Biotech Entity (NBE)</th>
</tr>
</thead>
</table>

#### Movement since Oct 2010 update

- Achieved milestone
- Attrition
- New molecule

#### FDA Approved

- Axiron (testosterone def.)
- Florbetapir (β-amyloid imaging)
- Linagliptin (diabetes)
- Arxxant (Diabetes)
- Liprotamase (EPI)

#### Phase 1

<table>
<thead>
<tr>
<th>Disease</th>
<th>Phase 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancer</td>
<td>IMC-EB10 cancer</td>
</tr>
<tr>
<td>Depression</td>
<td>cancer</td>
</tr>
<tr>
<td>Bipolar disorder</td>
<td>cancer</td>
</tr>
<tr>
<td>Cancer</td>
<td>cancer</td>
</tr>
<tr>
<td>Nephropathy</td>
<td>cancer</td>
</tr>
<tr>
<td>Alcohol depend</td>
<td>cancer</td>
</tr>
<tr>
<td>Alcohol depend</td>
<td>Gem prodrug cancer</td>
</tr>
<tr>
<td>BACE inhibitor Alzheimer’s</td>
<td>TGF β inhibitor cancer</td>
</tr>
<tr>
<td>Anemia</td>
<td>cancer</td>
</tr>
<tr>
<td>Bone healing</td>
<td>cancer</td>
</tr>
<tr>
<td>Cancer</td>
<td>cancer</td>
</tr>
</tbody>
</table>

#### Phase 2

<table>
<thead>
<tr>
<th>Disease</th>
<th>Phase 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancer</td>
<td>TGF β antibody CRD</td>
</tr>
<tr>
<td>Cancer</td>
<td>IMC-3G3 cancer</td>
</tr>
<tr>
<td>Cancer</td>
<td>Cixutumumab cancer</td>
</tr>
<tr>
<td>Cancer</td>
<td>eIF-4E ASO cancer</td>
</tr>
<tr>
<td>Cancer</td>
<td>IMC-18F1 cancer</td>
</tr>
<tr>
<td>Cancer</td>
<td>Basal insulin diabetes</td>
</tr>
<tr>
<td>Cancer</td>
<td>IL-1 β antibody diabetes</td>
</tr>
<tr>
<td>Cancer</td>
<td>osteoporosis</td>
</tr>
<tr>
<td>Cancer</td>
<td>mGlu2/3 pro schizophrenia</td>
</tr>
<tr>
<td>Cancer</td>
<td>agitation in Alz’s</td>
</tr>
<tr>
<td>Cancer</td>
<td>OpRA alcohol depend</td>
</tr>
<tr>
<td>Cancer</td>
<td>JAK-1/JAK-2 RA</td>
</tr>
<tr>
<td>Cancer</td>
<td>IL-17 antibody RA</td>
</tr>
<tr>
<td>Cancer</td>
<td>Chk-1 Inhibitor cancer</td>
</tr>
<tr>
<td>Cancer</td>
<td>Eg5 inhibitor cancer</td>
</tr>
<tr>
<td>Cancer</td>
<td>Survivin ASO cancer</td>
</tr>
</tbody>
</table>

#### Phase 3

<table>
<thead>
<tr>
<th>Disease</th>
<th>Phase 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancer</td>
<td>BI 10773 diabetes</td>
</tr>
<tr>
<td>Cancer</td>
<td>BAFF antibody RA/lupus</td>
</tr>
<tr>
<td>Cancer</td>
<td>Enzastaurin DLBCL</td>
</tr>
<tr>
<td>Cancer</td>
<td>GLP-1 Fc diabetes</td>
</tr>
<tr>
<td>Cancer</td>
<td>Nectatumab NSCLC</td>
</tr>
<tr>
<td>Cancer</td>
<td>NERI depression</td>
</tr>
<tr>
<td>Cancer</td>
<td>Ramucirumab solid tumors</td>
</tr>
<tr>
<td>Cancer</td>
<td>Solanezumab Alzheimer’s</td>
</tr>
<tr>
<td>Cancer</td>
<td>Tasilumab melanoma</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disease</th>
<th>Reg Review</th>
</tr>
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<tbody>
<tr>
<td>Cancer</td>
<td>BI 10773 diabetes</td>
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<td>Solanezumab Alzheimer’s</td>
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<tr>
<td>Cancer</td>
<td>Tasilumab melanoma</td>
</tr>
</tbody>
</table>

* *sold to a third-party*
** **on clinical hold
Key Events in 2011

Launches:
- Cymbalta for management of chronic musculoskeletal pain in early Q1
- Axiron for testosterone deficiency in mid-2011

Potential regulatory actions/approvals:
- Bydureon in the EU
- In the U.S.:
  - Linagliptin for type 2 diabetes
  - Liprotamase, recombinant pancreatic enzyme replacement therapy
  - Florbetapir, a radiopharmaceutical for imaging beta-amyloid in the brain
  - Cialis for BPH
  - Byetta in combination with basal insulin

Expected regulatory submissions:
- Response to FDA complete response letter for Bydureon
- sBLAs for Erbitux in 1st-line mCRC, head and neck cancer and NSCLC

Phase 3 trials:
- Completion of DURATION-6 trial comparing Bydureon to Victoza
- Initial results of Alimta induction followed by Alimta maintenance
- Initiation of trials for:
  - mGlu2/3 for schizophrenia
  - Our novel basal insulin analog
  - Our new insulin glargine product
  - anti-IL-17 antibody for RA
2011 Guidance Framework

Positive EPS impact from growth in rest of the business and productivity efforts

Negative EPS impact of Zyprexa/Gemzar, U.S. health care reform and strategic diabetes alliance with BI

2010 non-GAAP EPS

$4.74

Positive EPS

2011 non-GAAP EPS

$4.15-
$4.30

Negative EPS

QUESTION: How big are the positive and negative factors driving the projected 9%-12% decline in 2011 non-GAAP EPS?
2011 Guidance
Factors driving EPS to increase

- **Japan:**
  - Zyprexa, Alimta and Humalog growth
  - 2010 launches of Cymbalta, Forteo and Byetta
- **Emerging Markets:**
  - Volume growth accelerated from 2009 to 2010 in China, Russia, Turkey, Korea and Mexico
- **Animal Health:**
  - Strong growth in food and companion animal
  - International launches of Comfortis
  - Robust innovation pipeline
- **Outside Japan and Emerging Markets:**
  - Cymbalta growth in Europe; launch of chronic musculoskeletal pain in the U.S.
  - Alimta growth in Europe and U.S.; potential submission of Alimta induction/maintenance
  - Humalog growth in Europe; encouraging share of market and access trends in the U.S.
  - Cialis gained share of market in Europe and U.S.; potential U.S. approval of BPH indication
  - Effient continued uptake
- **Achieving headcount and cost reduction goals**

2010 non-GAAP EPS: $4.74
Positive EPS impact from growth in rest of the business and productivity efforts

2011 non-GAAP EPS: $4.15-$4.30

~15%
2011 Guidance
Factors driving EPS to decrease

- Positive EPS impact from growth in rest of the business and productivity efforts
- EPS impact of decline in Zyprexa and Gemzar outside of Japan
- Incremental impact of U.S. health care reform
- Impact of strategic diabetes alliance with Boehringer Ingelheim

Near-term EPS dilution; however, expect long-term EPS accretion as well as value creation

2010 non-GAAP EPS: $4.74
2011 non-GAAP EPS: $4.15-$4.30

2011 Guidance
2010 non-GAAP EPS
Positive EPS impact from growth in rest of the business and productivity efforts
EPS impact of decline in Zyprexa and Gemzar outside of Japan
Incremental impact of U.S. health care reform
Impact of strategic diabetes alliance with Boehringer Ingelheim
2011 non-GAAP EPS
~15%
(15)% to (17)%
(4.5)% to (5.5)%
(4.5)% to (5.5)%
$4.15-$4.30
## 2011 Guidance

*Millions, except per share amounts*

<table>
<thead>
<tr>
<th>Category</th>
<th>Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>Flat to slightly increasing</td>
</tr>
<tr>
<td>Gross Margin % of Revenue</td>
<td>Declining</td>
</tr>
<tr>
<td>Mktg, Selling &amp; Admin.</td>
<td>Low- to mid-single digit increase</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>Essentially flat</td>
</tr>
<tr>
<td>Other Income/(Expense)</td>
<td>$(50) - $(150)</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>Approximately 21.5%</td>
</tr>
<tr>
<td>EPS (reported)</td>
<td>$3.92 - $4.07</td>
</tr>
<tr>
<td>Reconciling Items (estimated)</td>
<td>$0.23</td>
</tr>
<tr>
<td>(excludes any potential future items)</td>
<td></td>
</tr>
<tr>
<td>EPS (non-GAAP)</td>
<td>$4.15 - $4.30</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$800-$900</td>
</tr>
</tbody>
</table>

For complete reconciliation to reported guidance, please see slide 19 of this presentation and our earnings press release dated Jan 27, 2011.
Earnings per Share Expectations

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share (reported)</td>
<td>$3.92-$4.07</td>
<td>$4.58</td>
<td>(11)%-(14)%</td>
</tr>
<tr>
<td>Asset impairments and restructuring charges</td>
<td>-</td>
<td>0.13</td>
<td></td>
</tr>
<tr>
<td>In-process research and development charges associated with the BI (2011) and Acrux (2010) licensing agreements</td>
<td>0.23</td>
<td>0.03</td>
<td></td>
</tr>
<tr>
<td>EPS (non-GAAP)</td>
<td>$4.15-$4.30</td>
<td>$4.74</td>
<td>(9)%-(12)%</td>
</tr>
</tbody>
</table>

Note: Numbers may not add due to rounding.
Supplementary Slides
Gross Margin % - Moving Annual Total

Pro-forma non-GAAP

Individual quarter GM% of Revenue:
- with FX effect on int'l inv sold:
  - 2009: 77.4%, 82.3%, 83.8%, 82.1%, 81.1%, 75.9%, 79.5%, 82.2%, 82.5%, 80.1%
  - 2010: 78.8%, 77.7%, 79.4%, 81.7%, 78.8%, 79.2%, 80.4%, 81.7%, 80.6%, 80.6%
- w/o FX effect on int'l inv sold:
  - 2009: 78.8%, 77.7%, 79.4%, 81.7%, 78.8%, 79.2%, 80.4%, 81.7%, 80.6%, 80.6%
  - 2010: 78.8%, 77.7%, 79.4%, 81.7%, 78.8%, 79.2%, 80.4%, 81.7%, 80.6%, 80.6%

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.
Notes:

• The fourth-quarter and full-year 2010 financial statements have been adjusted to eliminate a restructuring charge of $79.0 million (pretax), or $0.06 (after-tax), related to severance costs from previously announced strategic actions.

• The year-to-date 2010 financial statements have also been adjusted to eliminate an additional restructuring charge of $113.0 million (pretax), or $0.07 (after-tax). This charge is primarily related to severance costs from previously announced strategic actions that the company is taking to reduce its cost structure and global workforce. In addition, the year-to-date 2010 financial statements have been adjusted to eliminate a charge of $50.0 million (pretax), or $0.03 per share (after-tax), for acquired in-process research and development associated with the in-licensing agreement with Acrux Ltd.

• The fourth-quarter and full-year 2009 financial statements have been adjusted to eliminate an asset impairment and restructuring charge of $37.9 million (pretax), or $0.02 (after-tax). This charge is primarily related to severance costs from previously announced strategic actions. In addition, the fourth quarter and full-year 2009 financial statements have been adjusted to eliminate a charge of $90.0 million (pretax), of $0.05 per share (after-tax) for acquired in-process research and development associated with the licensing agreement with Incyte.

• The year-to-date 2009 financial statements have been adjusted to eliminate an additional special pretax charge of $230.0 million, or $0.13 per share (after-tax), related with several states’ litigation claims involving Zyprexa. In addition, the full-year 2009 financial statements have also been adjusted to eliminate an asset impairment and restructuring charge of $424.8 million (pretax), or $0.26 (after-tax) primarily related to severance costs from previously announced strategic actions.
Comparative EPS Summary 2009/2010

<table>
<thead>
<tr>
<th></th>
<th>1Q09</th>
<th>2Q09</th>
<th>3Q09</th>
<th>4Q09</th>
<th>2009</th>
<th>1Q10</th>
<th>2Q10</th>
<th>3Q10</th>
<th>4Q10</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-GAAP</td>
<td>1.20</td>
<td>1.12</td>
<td>1.20</td>
<td>.91</td>
<td>4.42</td>
<td>1.18</td>
<td>1.24</td>
<td>1.21</td>
<td>1.11</td>
<td>4.74</td>
</tr>
<tr>
<td>Reported</td>
<td>1.20</td>
<td>1.06</td>
<td>.86</td>
<td>.83</td>
<td>3.94</td>
<td>1.13</td>
<td>1.22</td>
<td>1.18</td>
<td>1.05</td>
<td>4.58</td>
</tr>
</tbody>
</table>

Note: Numbers may not add due to rounding.

For complete reconciliation to reported earnings, please see slide 9 of this presentation and our earnings press release dated Jan 27, 2011.
### Q4 Other Income/(Deductions)

<table>
<thead>
<tr>
<th></th>
<th>Millions</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q4 10</td>
<td>Q4 09</td>
<td></td>
</tr>
<tr>
<td>- Interest Expense</td>
<td>($43.2)</td>
<td>($50.2)</td>
<td></td>
</tr>
<tr>
<td>- Interest Income</td>
<td>14.0</td>
<td>13.8</td>
<td></td>
</tr>
<tr>
<td>Interest, net</td>
<td>(29.2)</td>
<td>(36.4)</td>
<td></td>
</tr>
<tr>
<td>- Outlicense of Development Stage Products</td>
<td>1.2</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>- Miscellaneous Income / (Loss)</td>
<td>(11.4)</td>
<td>(31.4)</td>
<td></td>
</tr>
<tr>
<td>Other Income, net</td>
<td>(10.2)</td>
<td>(31.4)</td>
<td></td>
</tr>
<tr>
<td>Net Other Income (Loss)</td>
<td>$(39.4)</td>
<td>$(67.8)</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Numbers may not add due to rounding.
Q4 Zyprexa® Sales Decreased 2%

Millions

U.S. sales increased 4%
International sales decreased 8%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q4 Cymbalta® Revenue Increased 19%

Millions

U.S. sales increased 13%
International revenue increased 43%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q4 Alimta® Sales Increased 9%

U.S. sales increased 3%
International sales increased 13%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q4 Humalog® Sales Increased 3%

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

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q4 Cialis® Sales Increased 6%

U.S. sales increased 14%
International sales increased 1%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q4 Gemzar® Sales Decreased 22%

Millions

U.S. sales decreased 27%
International sales decreased 13%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q4 Humulin® Sales Increased 5%

U.S. sales increased 17%
International sales decreased 2%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q4 Evista® Sales Increased 1%

U.S. sales increased 3%
International sales decreased 2%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q4 Forteo® Sales Increased 6%

U.S. sales increased 2%
International sales increased 13%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q4 Byetta® Worldwide Sales $174.6 Million

Millions

Worldwide sales decreased 14%
Lilly revenue decreased 13%

Note: Quarterly numbers may not add to year-to-date totals due to rounding.
Q4 Strattera® Sales Decreased 4%

U.S. sales decreased 14%
International sales increased 21%

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