Q4 2015 Financial Review

January 28, 2016

Not for promotional use

Lilly

Agenda

Introduction and Key Recent Events

- John Lechleiter, Chairman, President and Chief Executive Officer

Q4 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

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:

- We launched Portrazza™ in the U.S. for first-line squamous non-small cell lung cancer.

Regulatory:

- Along with Incyte, we announced FDA submission of once-daily baricitinib for the treatment of moderately-to-severly active rheumatoid arthritis. Baricitinib was also submitted to the European Medicines Agency for this same indication.
- Within the Boehringer Ingelheim and Lilly Diabetes Alliance:
  - received final FDA approval for Basaglar® (insulin glargine injection) for diabetes. Also submitted an 80U pen for regulatory review;
  - announced FDA accepted the filing of data from the EMPA-REG OUTCOME® study of Jardiance® (empagliflozin). The data were also submitted to European regulators. Jardiance is the only diabetes medicine to have demonstrated a significant reduction in both cardiovascular risk and cardiovascular death in a dedicated outcomes trial; and
  - submitted the fixed-dose combination tablet containing empagliflozin and linagliptin to European regulators.
- Received FDA approval for Humulin® R U-500 KwikPen®.
- Received FDA approval of Portrazza (necitumumab) in combination with gemcitabine and cisplatin for the first-line treatment of metastatic squamous non-small cell lung cancer (NSCLC). In addition, the FDA granted orphan drug designation status to necitumumab for the treatment of squamous NSCLC;

Key Events Since the Last Earnings Call

Regulatory (continued)**:**

- Received European Commission approval, following positive CHMP opinions, for Cyramza® (ramucirumab):
  - in combination with docetaxel for the treatment of adult patients with locally advanced or metastatic NSCLC with disease progression after platinum-based chemotherapy; and
  - in combination with FOLFIRI for the treatment of adult patients with metastatic colorectal cancer with disease progression on or after prior therapy with bevacizumab, oxaliplatin and a fluoropyrimidine.
- Received a positive opinion from Europe's CHMP recommending approval of Portrazza in combination with gemcitabine and cisplatin chemotherapy for the treatment of adult patients with locally advanced or metastatic epidermal growth factor receptor (EGFR) expressing squamous NSCLC who have not received prior chemotherapy for this condition.

Clinical:

- Along with Boehringer Ingelheim, presented additional data from the EMPA-REG OUTCOME study of Jardiance (empagliflozin) in patients with type 2 diabetes at high risk of cardiovascular events:
  - at the American Society of Nephrology meeting presented initial data on renal outcomes showing empagliflozin, when used in addition to standard of care, significantly improved renal outcomes compared to standard of care alone; comprehensive results on renal outcomes are expected to be published in a peer-reviewed scientific journal; and
  - at the American Heart Association meeting presented data that showed reduction in risk for hospitalization for heart failure or cardiovascular death compared with placebo when added to standard of care was consistent across all sub-groups analyzed, including those who had heart failure at baseline and those who did not; comprehensive results on heart failure sub-group analysis were recently published in European Heart Journal.

Key Events Since the Last Earnings Call

Clinical (continued)**:**

- At the 2015 International Diabetes Federation World Diabetes Congress, presented data from the AWARD-8 study showing that treatment with Trulicity® plus a sulfonylurea produced greater reductions in HbA1c that treatment with a sulfonylurea alone
- Along with Incyte Corporation, presented data at the 2015 ACR/ARHP Annual Meeting from Phase 3 rheumatoid arthritis (RA) program for baricitinib:
  - in RA-BEGIN baricitinib demonstrated superiority over methotrexate in improving multiple measures of the signs and symptoms of RA in patients who had limited or no prior treatment with methotrexate and who had never received other conventional or biologic disease-modifying antirheumatic drugs; and
  - in RA-BEAM baricitinib demonstrated superiority over adalimumab in improving multiple measures of the sigs and symptoms of RA in patients who had an inadequate response to treatment with methotrexate.
- At the 2015 ACR/ARPP Annual Meeting, presented data from the SPIRIT-P1 trial showing that patients with active psoriatic arthritis treated with ixekizumab for 24 weeks achieved significant improvements in signs and symptoms of their disease when compared to placebo, while also experiencing significantly less progression of radiographic structural joint damage, reduced disability when performing certain physical functions and improved skin clearance of plaque psoriasis; and
- Announced that the company will cease development of basal insulin peglispro (BIL), a potential treatment for type 1 and type 2 diabetes, in order to focus research and development efforts on other pipeline assets.

Key Events Since the Last Earnings Call

Business Development/Other:

- Announced the extension of an existing collaboration with Merck to evaluate the safety and efficacy of the combination of Lilly's Alimta® (pemetrexed) and Merck's Keytruda® (pembrolizumab) in a pivotal Phase 3 study in first-line nonsquamous NSCLC;
- Announced an immuno-oncology collaboration with Merck to evaluate abemaciclib, Lilly's cyclin-dependent kinase (CDK) 4 and 6 inhibitor, and Merck's Keytruda (pembrolizumab) in a Phase I study across multiple tumor types;
- Announced an agreement with Roche Diagnostics related to Roche's ongoing development of a commercially-scalable cerebrospinal fluid assay for amyloid-beta 1-42;
- Announced an R&D expansion in Indianapolis; new facility to feature a multidisciplinary laboratory to facilitate collaboration across multiple research functions to enhance small molecule R&D;
- Announced the closure of the company's animal health manufacturing facility in Sligo, Ireland. Manufacturing operations and commercialization activity will conclude in Q1 2016 with full closure targeted by the end of 2016. The company has also decided to exit ownership of its manufacturing site in Dundee, Scotland; and
- Repurchased approximately $250 million of stock in Q4 2015; $2.95 billion remains under outstanding $5 billion share repurchase program; also distributed over $500 million to shareholders via the dividend and announced a 2% increase in the dividend for 2016.

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
  - Amortization of intangible assets
  - Inclusion of Novartis Animal Health as if the acquisition occurred on January 1, 2014

2015 Income Statement – Reported

Millions; except per share data

	Q4 2015	Change	2015	Change
Total Revenue	$5,376	5%	$19,959	2%
Gross Margin Percent	74.2%	(1.3)pp	74.8%	(0.1)pp
Total Operating Expense*	3,587	3%	12,232	2%
Operating Income	400	6%	2,689	1%
Other Income / (Expense)	45	(67)%	101	(70)%
Effective Tax Rate	*(7.6)%*	*(24.2)pp*	*13.7%*	*(6.6)pp*
Net Income	**$478**	**12%**	**$2,408**	**1%**
Diluted EPS	**$0.45**	**13%**	**$2.26**	**1%**

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

Reconciliation of GAAP Reported to Non-GAAP Adjusted Information; certain line items (unaudited)

Millions; except per share data

	Q4 2015			
	GAAP Reported	Adjust-ments	Non-GAAP Adjusted	Non-GAAP Adjusted Change
Total Revenue	$5,376	-	$5,376	(0)%
Gross Margin	74.2%	3.1%	77.3%	1.0pp
Total Operating Expense	3,587	(346)	3,241	5%
Operating Income	400	513	913	(12)%
Other Income / (Expense)	45	-	45	NM
Effective Tax Rate	*(7.6)%*	*21.1%*	*13.5%*	*(2.9)pp*
Net Income	$478	$350	$828	(6)%
Diluted EPS	$0.45	$0.33	$0.78	(5)%

Note: Numbers may not add due to rounding; see slide 24 for a complete list of significant adjustments.
NM – not meaningful

Reconciliation of GAAP Reported to Non-GAAP Adjusted Information; certain line items (unaudited)

Millions; except per share data

	2015			
	GAAP Reported	Adjust-ments	Non-GAAP Adjusted	Non-GAAP Adjusted Change
Total Revenue	$19,959	-	$19,959	(4)%
Gross Margin	74.8%	3.3%	78.1%	2.5pp
Total Operating Expense	12,232	(1,012)	11,220	(4)%
Operating Income	2,689	1,682	4,371	10%
Other Income / (Expense)	101	153	253	NM
Effective Tax Rate	*13.7%*	*7.2%*	*20.9%*	*0.3pp*
Net Income	$2,408	$1,248	$3,656	12%
Diluted EPS	$2.26	$1.17	$3.43	13%

Note: Numbers may not add due to rounding; see slide 25 for a complete list of significant adjustments.
NM – not meaningful

EPS Reconciliation

	Q4 2015	Q4 2014	Change	2015	2014	Change
EPS (reported)	**$0.45**	**$0.40**	**13%**	**$2.26**	**$2.23**	**1%**
Novartis Animal Health 2014 results	-	(0.01)		-	(0.07)	
Novartis Animal Health inventory step up	-	-		0.10	-	
Amortization of intangible assets	0.11	0.08		0.39	0.32	
U.S. Branded Prescription Drug Fee	-	-		-	0.11	
Acquired in-process R&D	0.12	0.06		0.33	0.12	
Asset impairment, restructuring and other special charges	0.10	0.34		0.25	0.38	
Net charge related to repurchase of debt	-	-		0.09	-	
Income related to revised diabetes agreement with Boehringer Ingelheim	-	(0.06)		-	(0.06)	
EPS (non-GAAP)	**$0.78**	**$0.82**	**(5)%**	**$3.43**	**$3.03**	**13%**

Note: Numbers may not add due to rounding; see slides 24 and 25 for more details on these significant adjustments.

Effect of Price/Rate/Volume on Revenue

	Q4 2015					
Pharmaceuticals	Amount	Price	FX Rate	Volume	Total	CER
U.S.	$2,438.8	10%	-	4%	14%	14%
EuCan*	942.3	(5)%	(11)%	(0)%	(17)%	(6)%
Japan	559.1	1%	(8)%	16%	8%	16%
Emerging Markets**	623.8	1%	(13)%	(0)%	(12)%	1%
Total Pharma	4,563.9	4%	(6)%	4%	2%	7%
Animal Health	811.7	0%	(5)%	33%	28%	34%
Total Revenue	**$5,375.6**	**3%**	**(6)%**	**7%**	**5%**	**11%**
Non-GAAP:						
Animal Health	811.7	0%	(6)%	(5)%	(11)%	(5)%
Total Revenue	**$5,375.6**	**3%**	**(6)%**	**2%**	**(0)%**	**5%**

* includes Europe and Canada
** now includes Australia/New Zealand
CER = growth using constant exchange rates

Note: Numbers may not add due to rounding. Non-GAAP assumes the Novartis Animal Health acquisition occurred on January 1, 2014.

Effect of Price/Rate/Volume on Revenue

	2015					
Pharmaceuticals	Amount	Price	FX Rate	Volume	Total	CER
U.S.	$8,556.2	5%	-	4%	9%	9%
EuCan*	3,773.8	(4)%	(14)%	1%	(17)%	(3)%
Japan	1,962.2	(0)%	(15)%	13%	(2)%	13%
Emerging Markets**	2,485.5	0%	(12)%	(1)%	(13)%	(1)%
Total Pharma	16,777.7	1%	(7)%	3%	(3)%	5%
Animal Health	3,181.0	2%	(5)%	39%	36%	40%
Total Revenue	**$19,958.7**	**1%**	**(7)%**	**8%**	**2%**	**9%**
Non-GAAP:						
Animal Health	3,181.0	1%	(7)%	(2)%	(7)%	(1)%
Total Revenue	**$19,958.7**	**1%**	**(7)%**	**2%**	**(4)%**	**4%**

* includes Europe and Canada
** now includes Australia/New Zealand
CER = growth using constant exchange rates

Note: Numbers may not add due to rounding. Non-GAAP assumes the Novartis Animal Health acquisition occurred on January 1, 2014.

Effect of Foreign Exchange on 2015 Results

Year-on-Year Growth

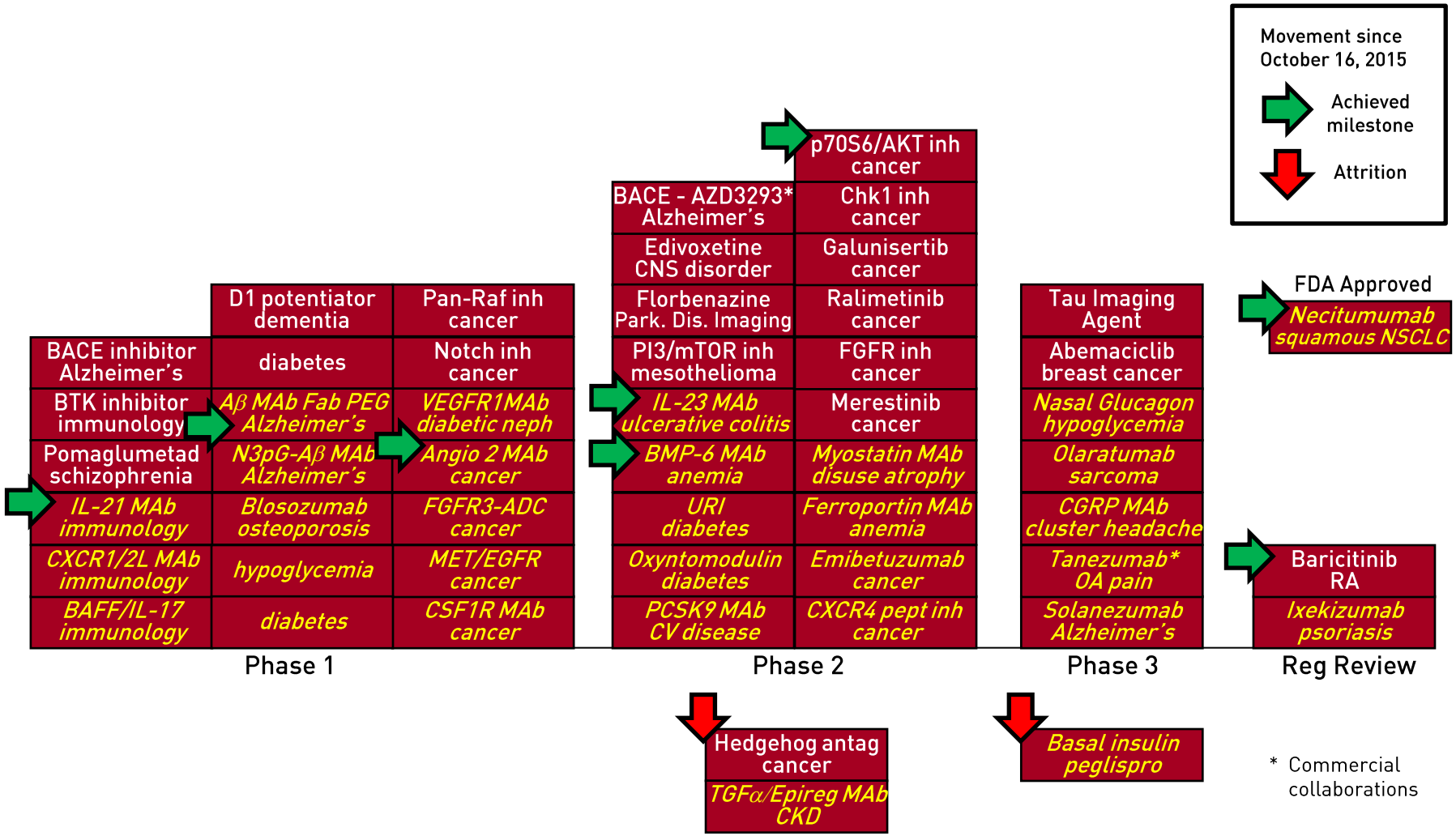
	Q4 2015		2015	
	With FX	w/o FX	With FX	w/o FX
Reported:				
Total Revenue	5%	11%	2%	9%
Cost of Sales	11%	19%	2%	21%
Gross Margin	3%	8%	2%	5%
Operating Expense	3%	6%	2%	6%
Operating Income	6%	27%	1%	1%
EPS	13%	27%	1%	1%
Non-GAAP:				
Total Revenue	(0)%	5%	(4)%	4%
Cost of Sales	(5)%	4%	(14)%	6%
Gross Margin	1%	6%	(0)%	3%
Operating Expense	5%	8%	(4)%	0%
Operating Income	(12)%	(2)%	10%	11%
EPS	(5)%	5%	13%	14%

Lilly NME Pipeline

January 25, 2016

New Chemical Entity (NCE)

New Biotech Entity (NBE)



Lilly Select NILEX Pipeline

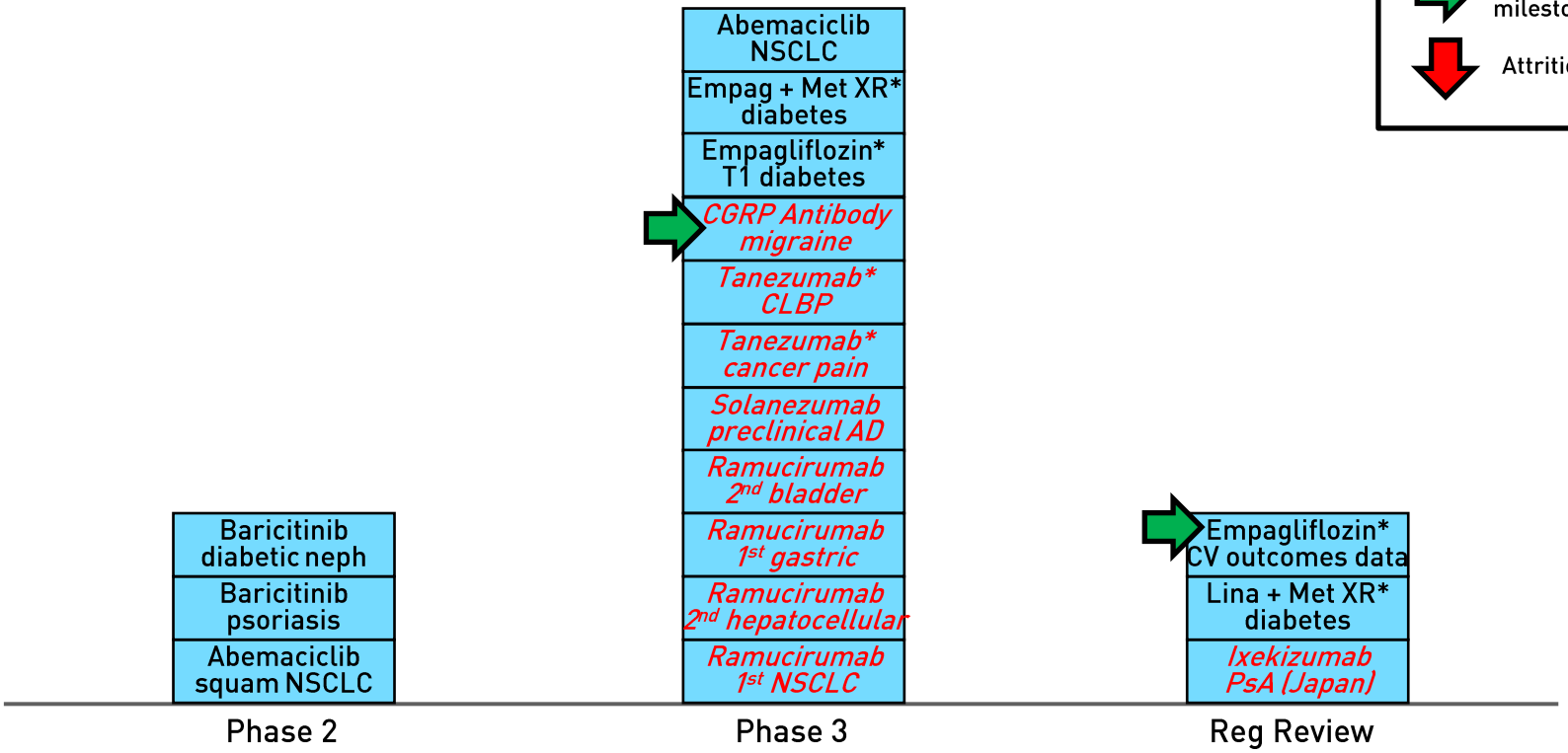
January 25, 2016

Chemical Entity (NCE)
Biotech Entity (NBE)

Select NILEX in Phase 2 development or later for NMEs that have progressed to Phase 3 or launched for a lead indication

Movement since October 16, 2015

- Achieved milestone
- Attrition



* Commercial collaborations

Key Events in 2015

Potential Phase 3 initiations:

- ✓+ Olaratumab for soft tissue sarcoma
- ✓+ Ramucirumab for first-line gastric cancer
- ✓+ Ramucirumab for first-line EGFR mutation positive non-small cell lung cancer
- ✓+ Ramucirumab for second-line urothelial cancer
- ✓+ Ramucirumab for second-line hepatocelluar cancer
- ✓+ CGRP MAb for cluster headache
- ✓+ Tanezumab [1]

Potential Phase 3 data internal readouts:

- ✓+ Jardiance CV outcomes trial for type 2 diabetes [2]
- ✓+ Ixekizumab for psoriatic arthritis
- ✓+ Remaining trials of baricitinib in rheumatoid arthritis (BUILD – Feb; BEGIN – Sept; BEAM – Oct)
- ✓- Evacetrapib ACCELERATE trial (terminated)

Potential Phase 3 data external disclosures:

- ✓+ Ramucirumab for second-line metastatic colorectal cancer
- ✓+ Basal insulin peglispro for type 1 and type 2 diabetes
- ✓+ Jardiance CV outcomes trial for type 2 diabetes [2]
- ✓+ Ixekizumab for psoriasis
- ✓+ Ixekizumab for psoriatic arthritis
- ✓+ Baricitinib in rheumatoid arthritis
- ✓+ Two-year data from the EXPEDITION-EXT (extension) study of solanezumab in Alzheimer's disease

Potential regulatory submissions:

- ✓+ Ramucirumab for second-line metastatic colorectal cancer (US/EU/Japan)
- ✓+ Ramucirumab for second-line NSCLC (Europe/Japan)
- ✓- Basal insulin peglispro for type 1 and type 2 diabetes (terminated)
- ✓+ Empagliflozin/linagliptin FDC for type 2 diabetes [2] (EU)
- ✓+ Ixekizumab for psoriasis (US/EU)
- ✓+ Ixekizumab for psoriasis and psoriatic arthritis (Japan)
- Baricitinib for rheumatoid arthritis (occurred in early 2016)
- Olaratumab for soft tissue sarcoma (US) (rolling submission initiated)

Potential regulatory actions:

- ✓+ Ramucirumab for second-line gastric cancer (Japan)
- ✓+ Ramucirumab for second-line metastatic colorectal cancer (US)
- ✓+ Necitumumab for first-line squamous NSCLC (US)
- ✓+ Dulaglutide for type 2 diabetes (Japan)
- ✓+ Humalog® U-200 Kwikpen for type 1 and type 2 diabetes (US)
- ✓+ Empagliflozin/linagliptin FDC for type 2 diabetes [2] (US)
- ✓+ Empagliflozin/metformin IR FDC for type 2 diabetes [2] (US/EU)
- ✓+ Basaglar (insulin glargine injection) for diabetes (US final approval)

Other:

- ✓+ Complete acquisition of Novartis Animal Health
- ✓+ Partial clinical hold resolution for tanezumab [1]
- Rulings in ongoing Alimta patent litigation:
  - ✓+ European Patent Office (Nov)
  - ✓+ U.S.
  - ✓- Germany
  - ✓+ UK
  - ✓+ Japan

1 in collaboration with Pfizer
2 in collaboration with Boehringer Ingelheim

Key Events in 2016

Potential Phase 3 initiations:

- BACE inhibitor for Alzheimer's disease [1]
- ✓+ CGRP MAb for migraine prevention
- Ixekizumab for axial spondyloarthritis
- Solanezumab for prodromal Alzheimer's disease
- Ultra-rapid insulin for diabetes

Potential Phase 3 data internal readouts:

- Abemaciclib single-agent Phase 2 breast cancer
- CGRP MAb for cluster headache
- Ixekizumab for psoriatic arthritis (SPIRIT-P2)
- Ixekizumab for psoriasis H2H vs ustekinumab (IXORA-S)
- Solanezumab for mild Alzheimer's disease

Potential Phase 3 data external disclosures:

- Abemaciclib single-agent Phase 2 breast cancer
- Baricitinib RA-BEYOND study (long-term extension)
- Linagliptin type 2 diabetes albuminuria study (MARLINA) [2]

Potential regulatory submissions:

- Olaratumab for soft-tissue sarcoma (US/EU)
- ✓+ Baricitinib for rheumatoid arthritis (US✓+/EU✓+/J)
- Empagliflozin/metformin XR [2] (US)

Potential regulatory actions:

- Olaratumab for soft-tissue sarcoma (US)
- Necitumumab for first-line squamous NSCLC (EU)
- ✓+ Cyramza for second-line NSCLC (EU✓+/J)
- ✓+ Cyramza for second-line mCRC (EU✓+/J)
- Ixekizumab for psoriasis (US/EU)
- Ixekizumab for psoriasis and psoriatic arthritis (J)
- Empagliflozin CV outcomes data [2] (US/EU)
- Empagliflozin/linagliptin FDC for type 2 diabetes [2] (EU)
- Linagliptin/metformin XR [2] (US)

Other:

- Pediatric exclusivity for Effient®
- Pediatric exclusivity for Cialis®
- Rulings in ongoing Alimta patent litigation:
  - U.S.
  - UK

1 in collaboration with AstraZeneca
2 in collaboration with Boehringer Ingelheim

2016 Guidance

	Prior	Revised
Total Revenue	$20.2 to $20.7 billion	$20.2 to $20.7 billion
Gross Margin % of Revenue (non-GAAP)	Approx. 77.0%	Approx. 77.0%
Gross Margin % of Revenue (GAAP)	Approx. 74.0%	Approx. 74.0%
Mktg, Selling & Admin.	$6.0 to $6.2 billion	$6.0 to $6.2 billion
Research & Development	$4.8 to $5.0 billion	$4.8 to $5.0 billion
Other Income/(Expense)	$0 - $75 million	$0 - $75 million
Tax Rate (non-GAAP)	Approx. 22.5%	Approx. 22.5%
Tax Rate (GAAP)	Approx. 20.5%	Approx. 21.0%
Earnings per Share (non-GAAP)	$3.45 - $3.55	$3.45 - $3.55
Earnings per Share (GAAP)	$2.92 - $3.02	$2.83 - $2.93
Capital Expenditures	Approx. $1.1 billion	Approx. $1.1 billion

2016 guidance assumes FX rates of:

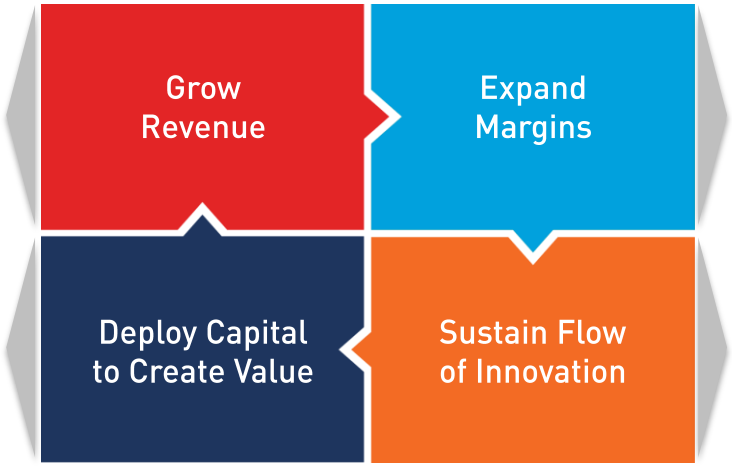
- Euro at 1.05
- Yen at 125
- Pound at 1.51

Summary

- **Strong non-GAAP financial performance in 2015; excluding FX:**
  - Revenue growth of 4%, with growing contribution from recently-launched products;
  - Focus on productivity and cost controls led to flat OPEX; and
  - Generated significant leverage, producing 14% EPS growth.
- **Strong momentum behind innovation-based strategy; continued execution key to creating value for all our stakeholders, including shareholders**
- **In 2015, we made – and in 2016 we expect to continue to make – substantial progress on each of our strategic goals:**

Excluding FX:
- revenue growing in the mid- to high-single digits

Implementing capital strategy:
- increased dividend 2%
- use business development to enhance growth prospects
- return excess cash via on-going share repurchase program

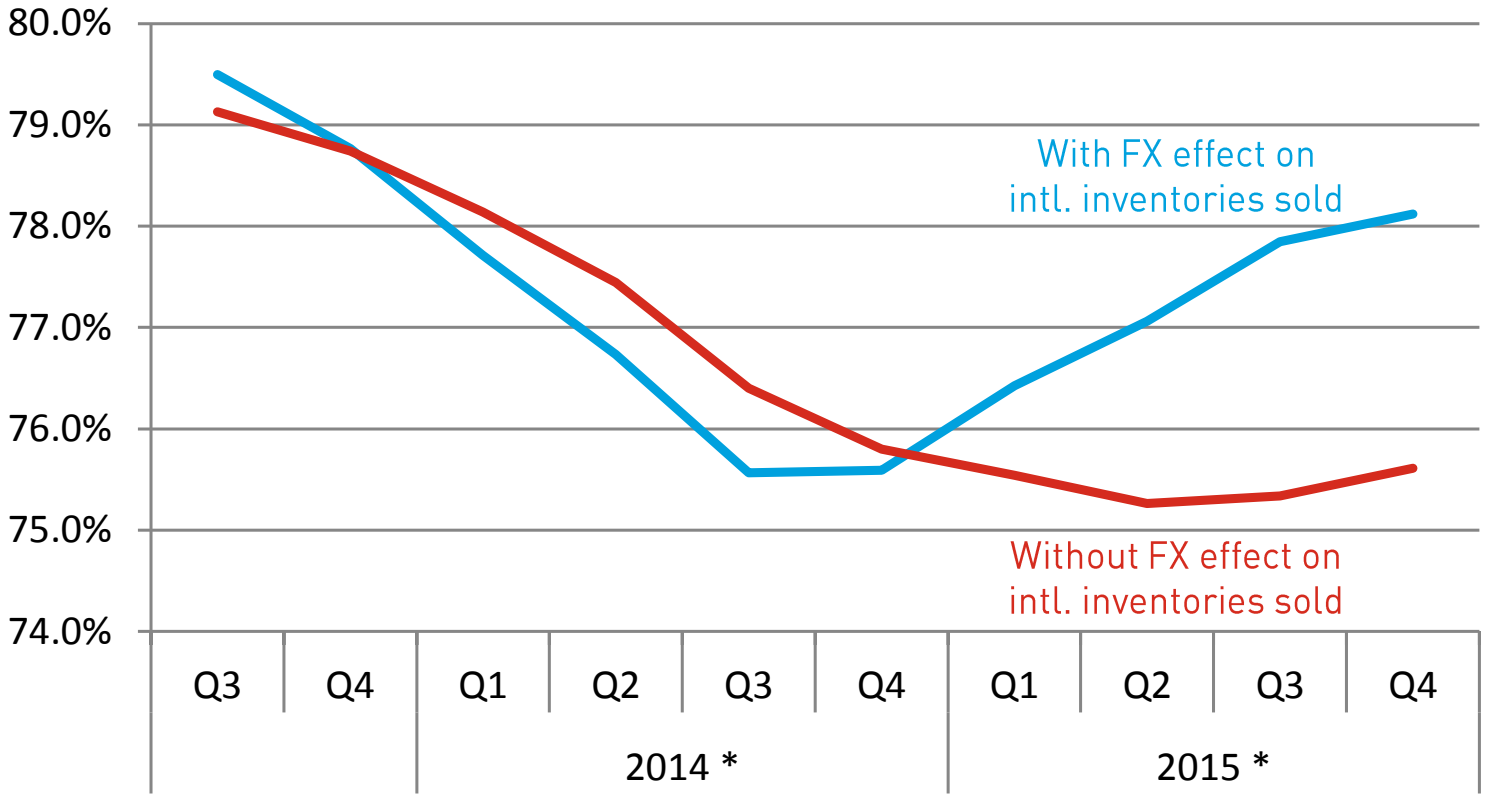


Excluding FX:
- gross margin % increasing
- OPEX % decreasing
- operating margin % increasing

Multiple NME/NILEX:
- Phase 3 initiations
- data readouts
- regulatory submissions
- regulatory actions

Supplementary Slides

Gross Margin % - Moving Annual Total



Individual quarter GM% of Revenue*:

with FX effect on intl inv sold	79.2%	76.1%	74.6%	76.7%	74.8%	76.3%	78.2%	79.2%	77.8%	77.3%
w/o FX effect on intl inv sold	79.0%	77.0%	76.4%	77.2%	74.9%	74.7%	75.3%	76.2%	75.2%	75.7%

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.

* 2014 and 2015 exclude amortization of intangibles from cost of sales and include Novartis Animal Health

Q4 2015 Income Statement Notes

- Q4 2015 non-GAAP information has been adjusted to eliminate:
  - acquired in-process research and development charges, associated primarily with the acquisition of worldwide rights to an intranasal glucagon from Locemia Solutions, totaling $199.0 million (pretax), or $0.12 per share (after-tax);
  - amortization of intangible assets primarily associated with costs of marketed products acquired or licensed from third parties totaling $169.0 million (pretax), or $0.11 per share (after-tax); and
  - costs associated with restructuring to reduce the company's cost structure, asset impairments, and integration costs associated with the acquisition of Novartis Animal Health totaling $144.9 million (pretax), or $0.10 per share (after-tax).

- Q4 2014 non-GAAP information has been adjusted to:
  - include a loss of $10.0 million (pretax), or EPS of ($0.01) (after-tax), to reflect the results of Novartis Animal Health as if the acquisition and the financing for the acquisition had occurred as of January 1, 2014;
  - eliminate amortization of intangible assets primarily associated with costs of marketed products acquired or licensed from third parties totaling $134.7 million (pretax), or $0.08 per share (after-tax); and
  - eliminate expense totaling $401.0 million (pretax), or $0.34 per share (after-tax), related to asset impairments primarily associated with the closure of a manufacturing site in Puerto Rico, severance costs related to ongoing cost containment efforts to reduce the Company's cost structure and global workforce, and costs for the then-pending acquisition of Novartis Animal Health;
  - eliminate expense totaling $105.2 million (pretax), or $0.06 per share (after-tax), related to the revised diabetes agreement with Boehringer Ingelheim, and the acquired in-process research and development charge for the collaboration agreement with Adocia; and
  - eliminate income totaling $92.0 million (pretax), or $0.06 per share (after-tax), related to the revised diabetes agreement with Boehringer Ingelheim.

2015 Income Statement Notes

- Full-year 2015 non-GAAP information has been adjusted to eliminate:
  - inventory step-up costs associated with the acquisition of Novartis Animal Health totaling $153.0 million (pretax), or $0.10 per share (after-tax);
  - amortization of intangible assets primarily associated with costs of marketed products acquired or licensed from third parties totaling $626.2 million (pretax), or $0.39 per share (after-tax);
  - acquired in-process research and development costs totaling $535.0 million (pretax), or $0.33 per share (after-tax), comprised of a $200.0 million payment to Pfizer following the FDA decision allowing the resumption of the Phase 3 clinical program for tanezumab, a $149.0 million payment to Locemia Solutions associated with the acquisition of worldwide rights to an intranasal glucagon, a $56.0 million payment to Innovent associated with a collaboration to develop potential oncology therapies, a $50.0 million payment to Hanmi Pharmaceutical Co., Ltd. related to an exclusive license and collaboration agreement for Hanmi's oral Bruton's tyrosine kinase (BTK) inhibitor, a $30.0 million payment to BioNTech AG related to a research collaboration to discover novel cancer immunotherapies, and a $50.0 million in payments for other technology collaborations;
  - a net charge associated with debt extinguishment of $152.7 million (pretax), or $0.09 per share (after-tax); and
  - costs associated with restructuring to reduce the company's cost structure, asset impairments, and integration costs associated with the acquisition of Novartis Animal Health totaling $367.7 million (pretax), or $0.25 per share (after-tax).
- Full-year YTD 2014 non-GAAP information has been adjusted to:
  - include a loss of $121.6 million (pretax), or EPS of $0.07 (after-tax), to reflect the results of Novartis Animal Health as if the acquisition and the financing for the acquisition had occurred as of January 1, 2014;
  - eliminate a charge of $119.0 million (pretax), or EPS of $0.11 (after-tax), associated with the U.S. Branded Prescription Drug fee;
  - eliminate acquired in-process research and development costs totaling $200.2 million (pretax), or EPS of $0.12 (after-tax), comprised of $55.2 million associated with revisions to the agreement between Lilly and Boehringer Ingelheim, $50.0 million related to the collaboration with Adocia, $50.0 million related to an agreement with AstraZeneca to co-develop and commercialize AZD3293, and $45.0 million related to the collaboration with Immunocore;
  - eliminate amortization of intangible assets primarily associated with costs of marketed products acquired or licensed from third parties totaling $530.2 million (pretax), or $0.32 per share (after-tax);
  - eliminate expense totaling $468.7 million (pretax), or $0.38 per share (after-tax), associated with severance costs related to ongoing cost containment efforts to reduce the company's cost structure and global workforce, asset impairments primarily associated with the closure of a manufacturing site in Puerto Rico, and integration costs for the acquisition of Novartis Animal Health; and
  - eliminate income totaling $92.0 million (pretax), or $0.06 per share (after-tax), related to the revised diabetes agreement with Boehringer Ingelheim.

Comparative EPS Summary 2014/2015

	1Q14	2Q14	3Q14	4Q14	2014	1Q15	2Q15	3Q15	4Q15	2015
Non-GAAP	0.70	0.68	0.66	0.75	2.78	0.87	0.90	0.89	0.78	3.43
Reported	0.68	0.68	0.47	0.40	2.23	0.50	0.56	0.75	0.45	2.26

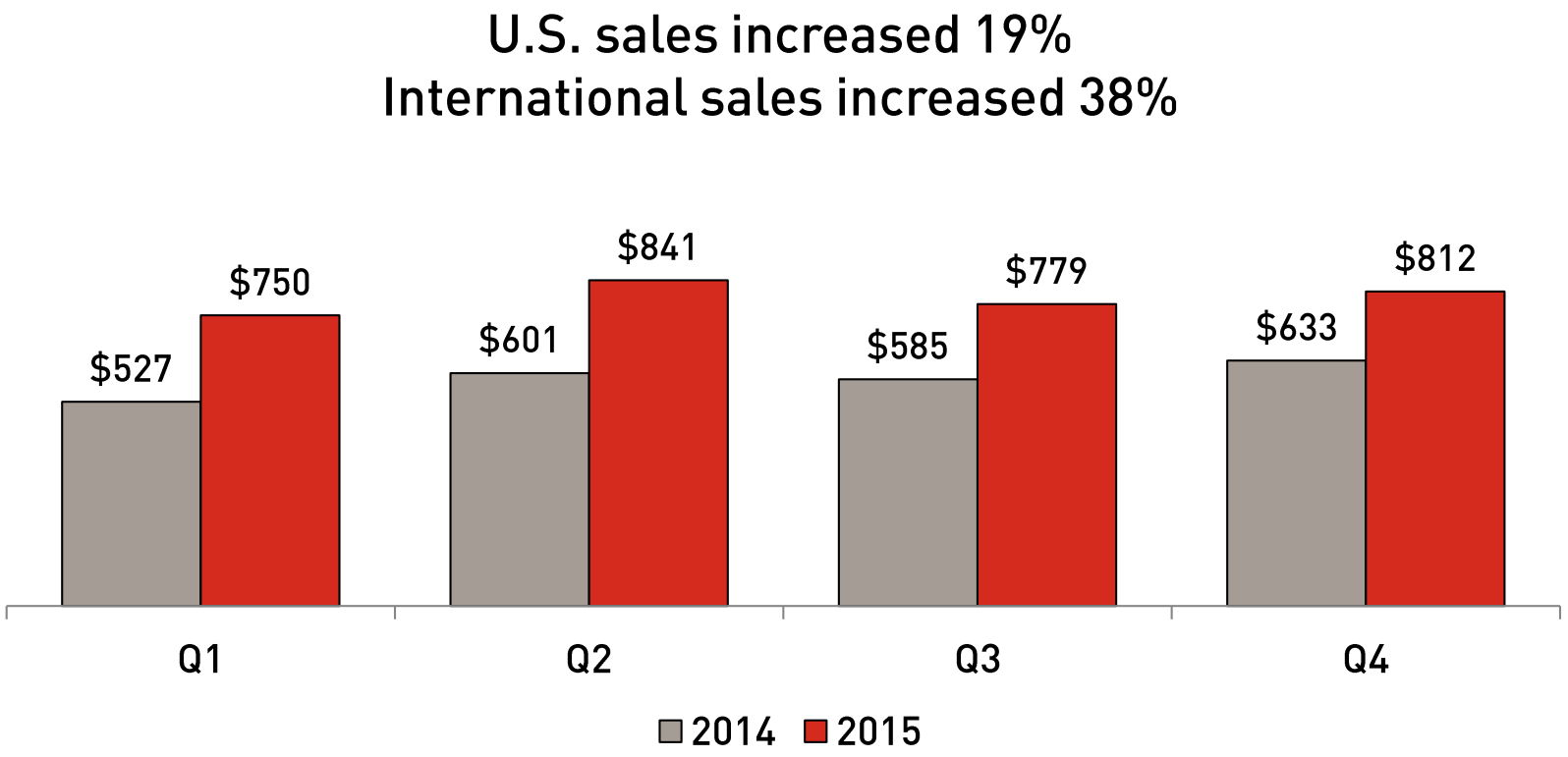
Note: Numbers may not add due to rounding.

For a complete reconciliation to reported earnings, see slides 24 and 25 and our earnings press release dated January 28, 2016.

Q4 Animal Health Sales Increased 28%

As reported

Millions

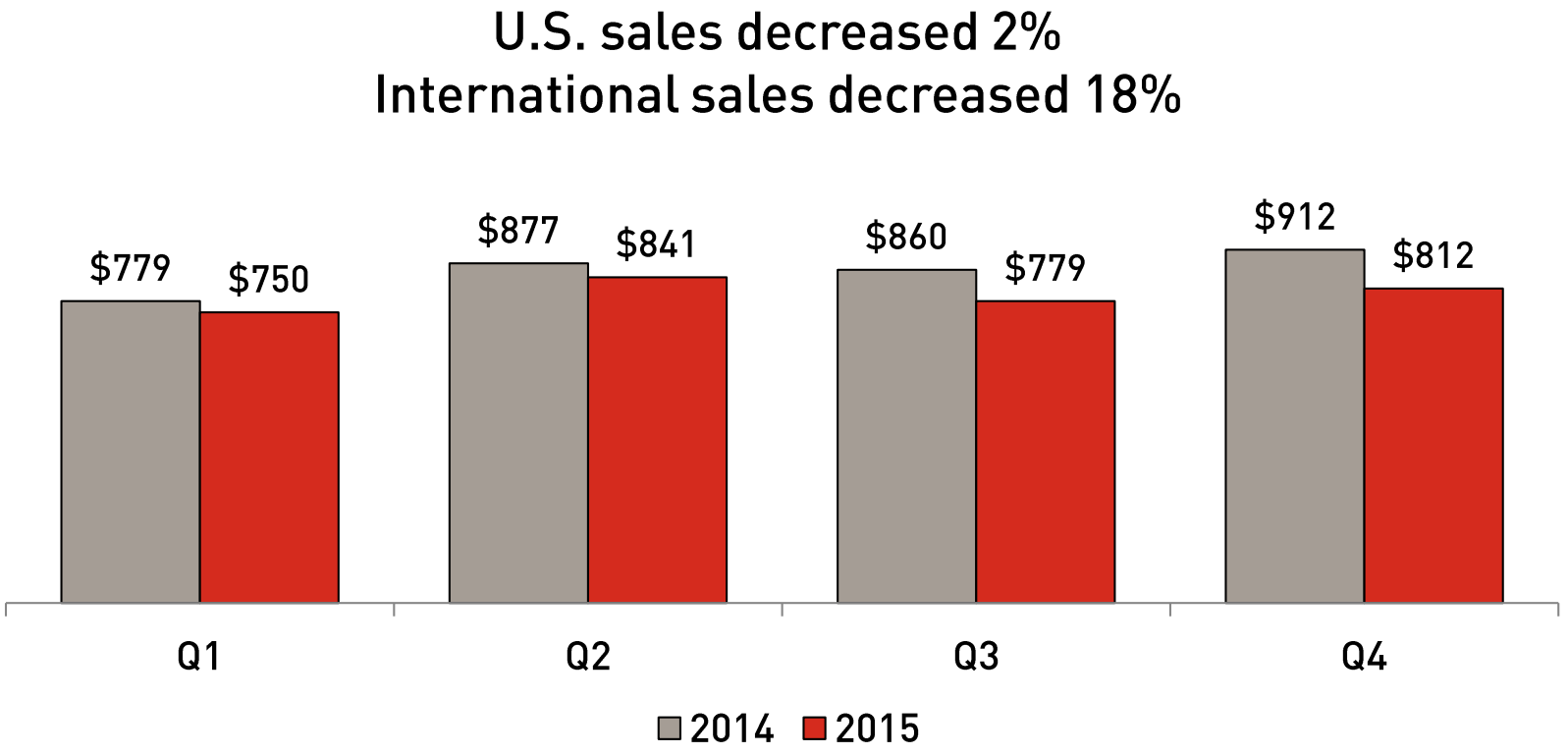


Note: Quarterly numbers may not add to year-to-date totals due to rounding.

Q4 Animal Health Sales Decreased 11%

Stated as if Novartis Animal Health had been acquired on 1/1/2014

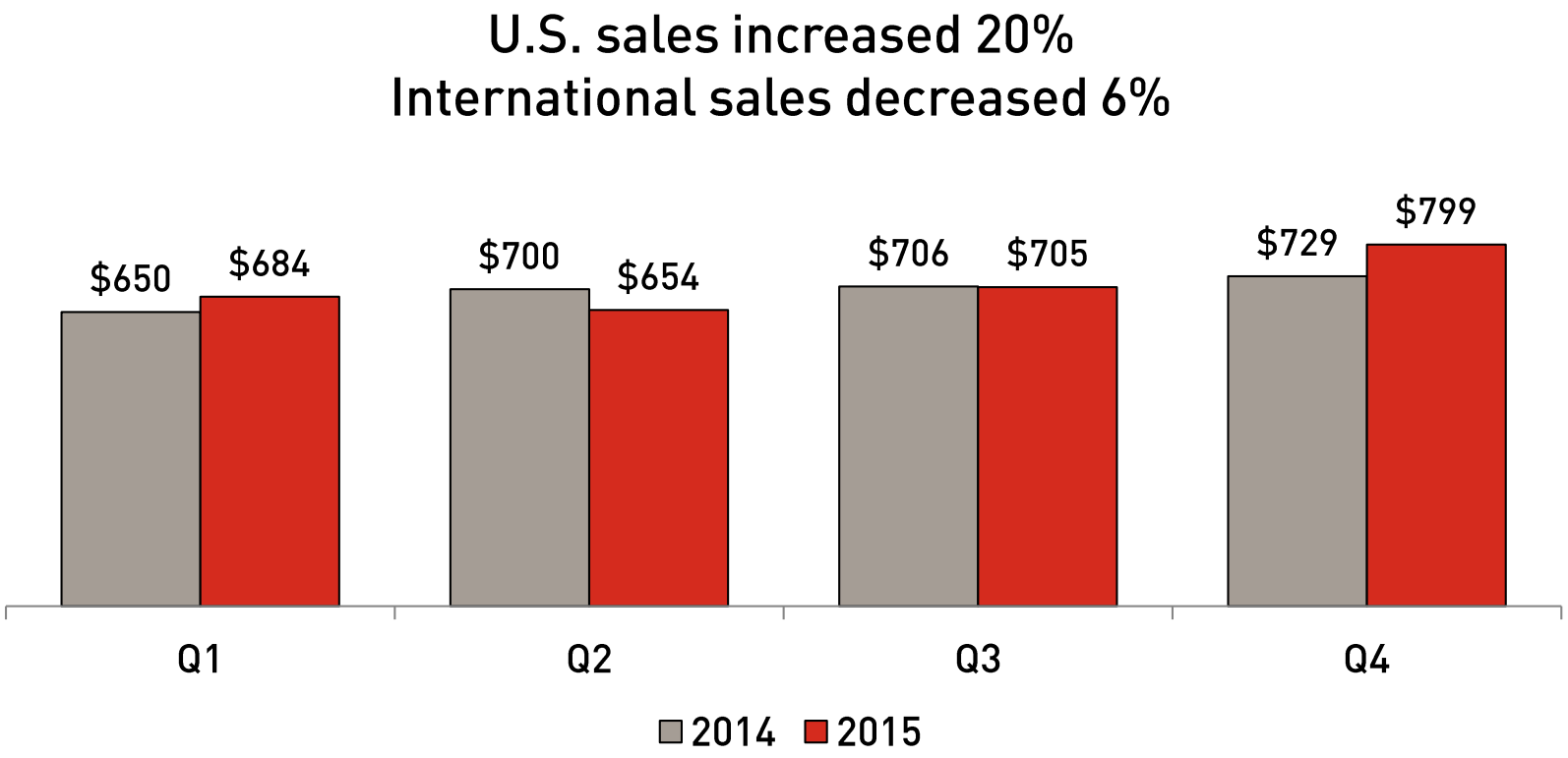
Millions



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

Q4 Humalog Sales Increased 10%

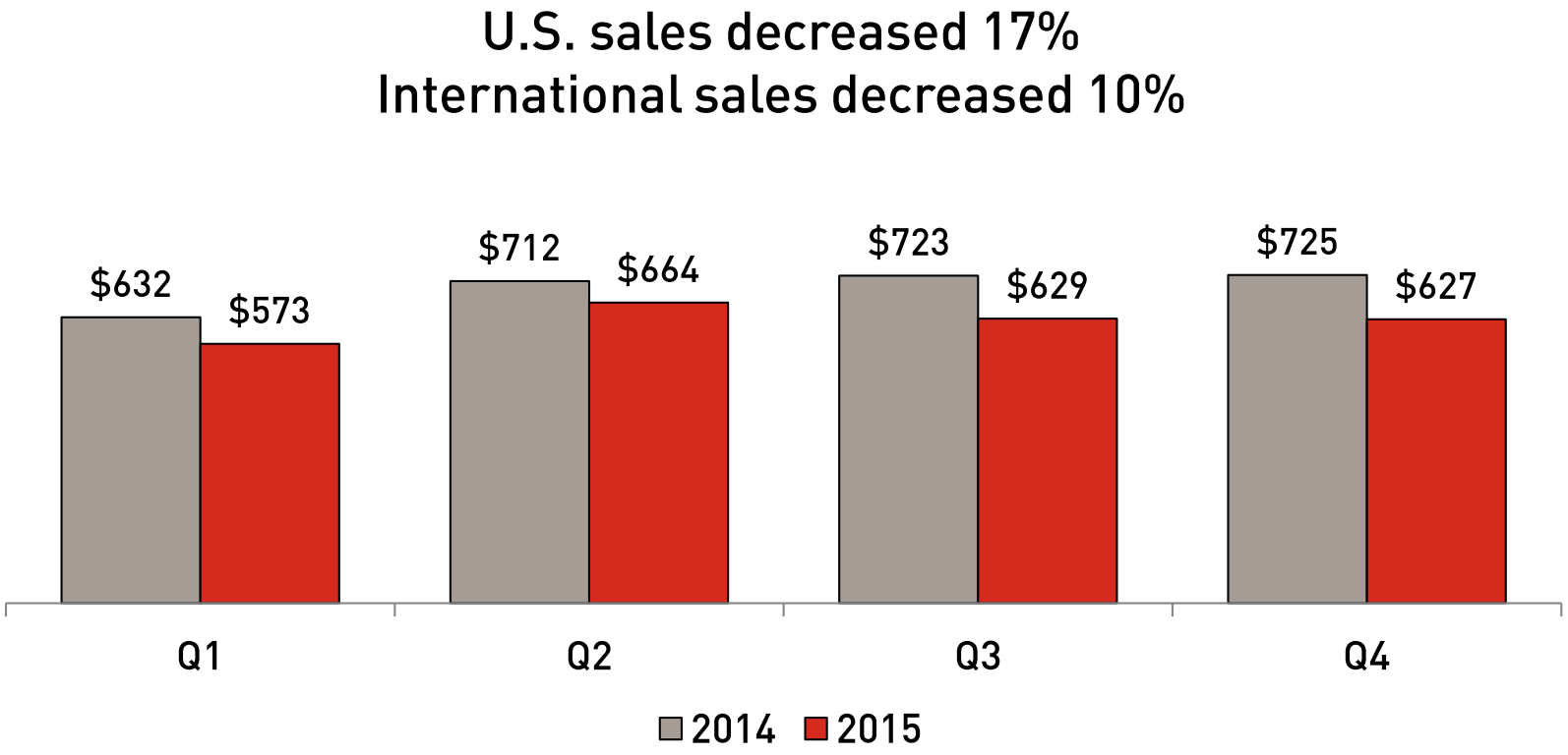
Millions



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

Q4 Alimta Sales Decreased 13%

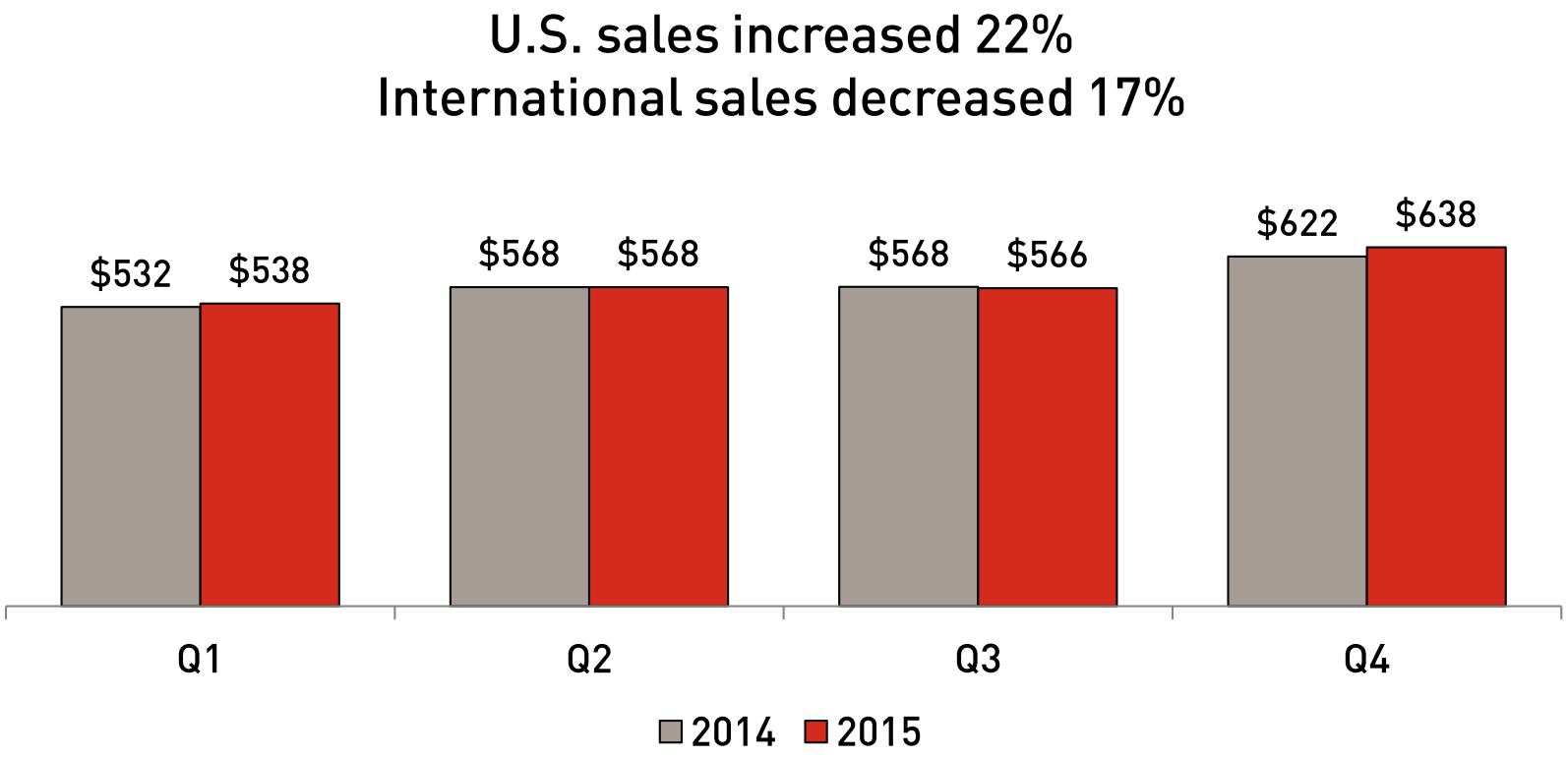
Millions



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

Q4 Cialis Sales Increased 3%

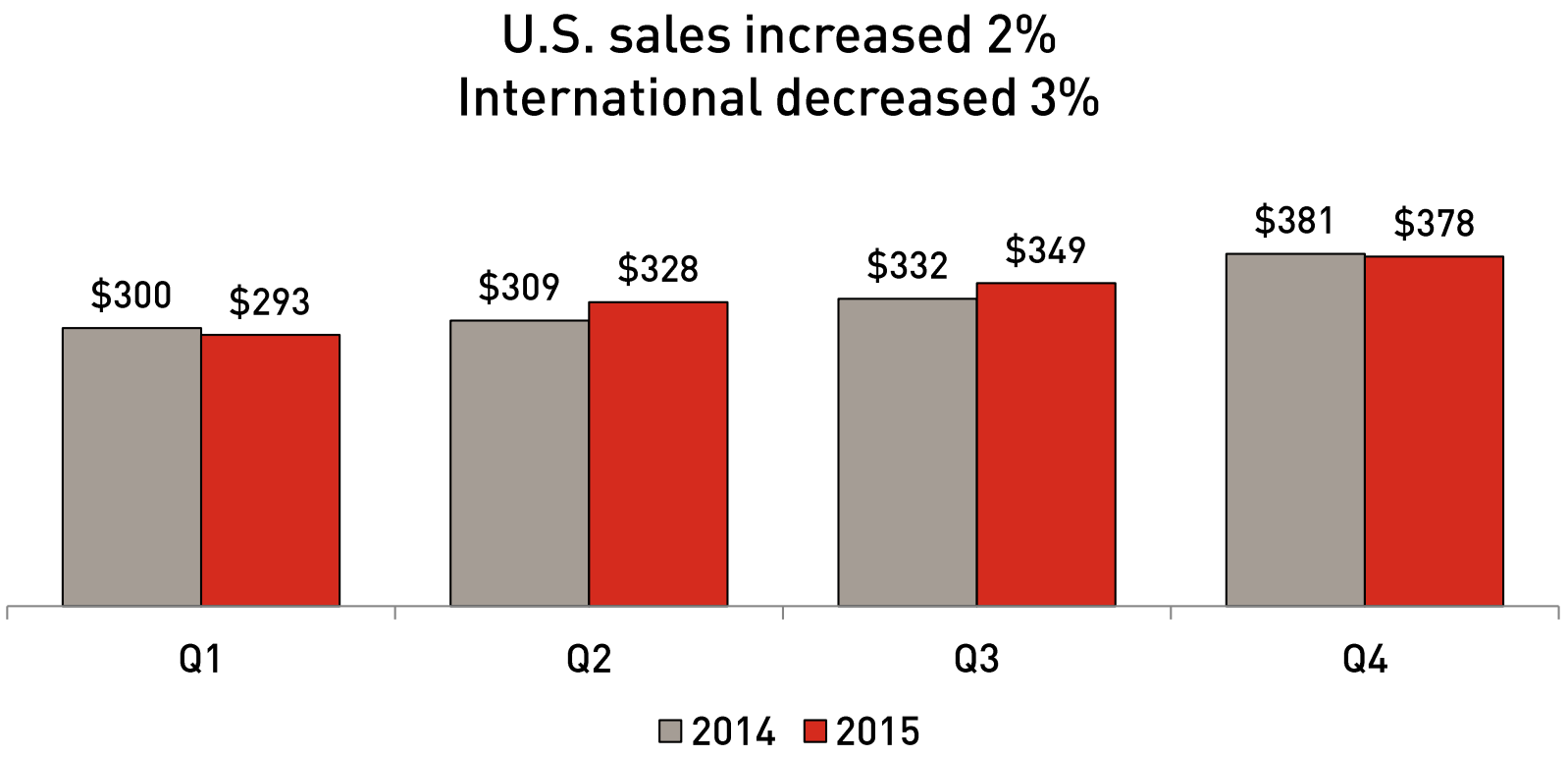
Millions



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

Q4 Forteo® Sales Decreased 1%

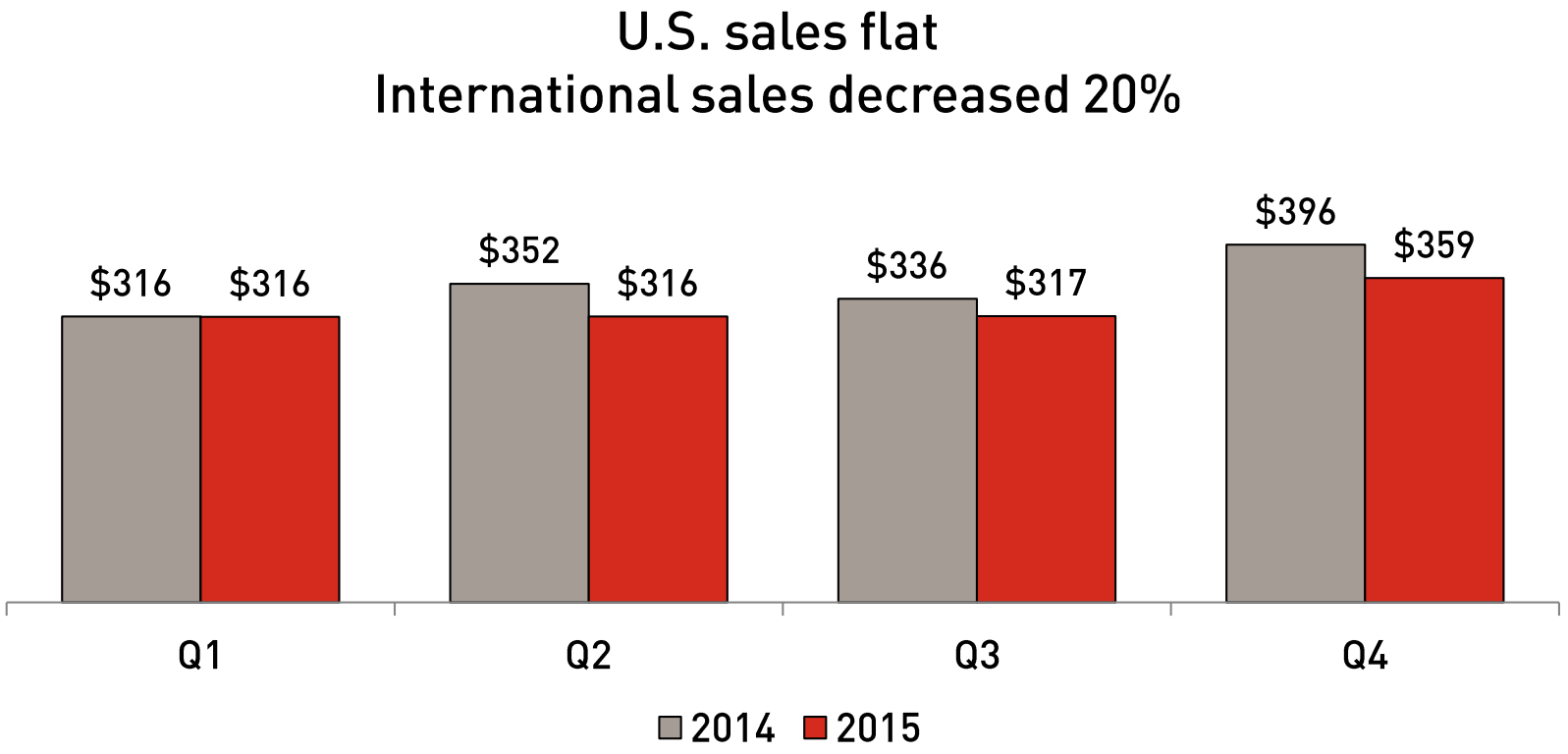
Millions



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

Q4 Humulin Sales Decreased 9%

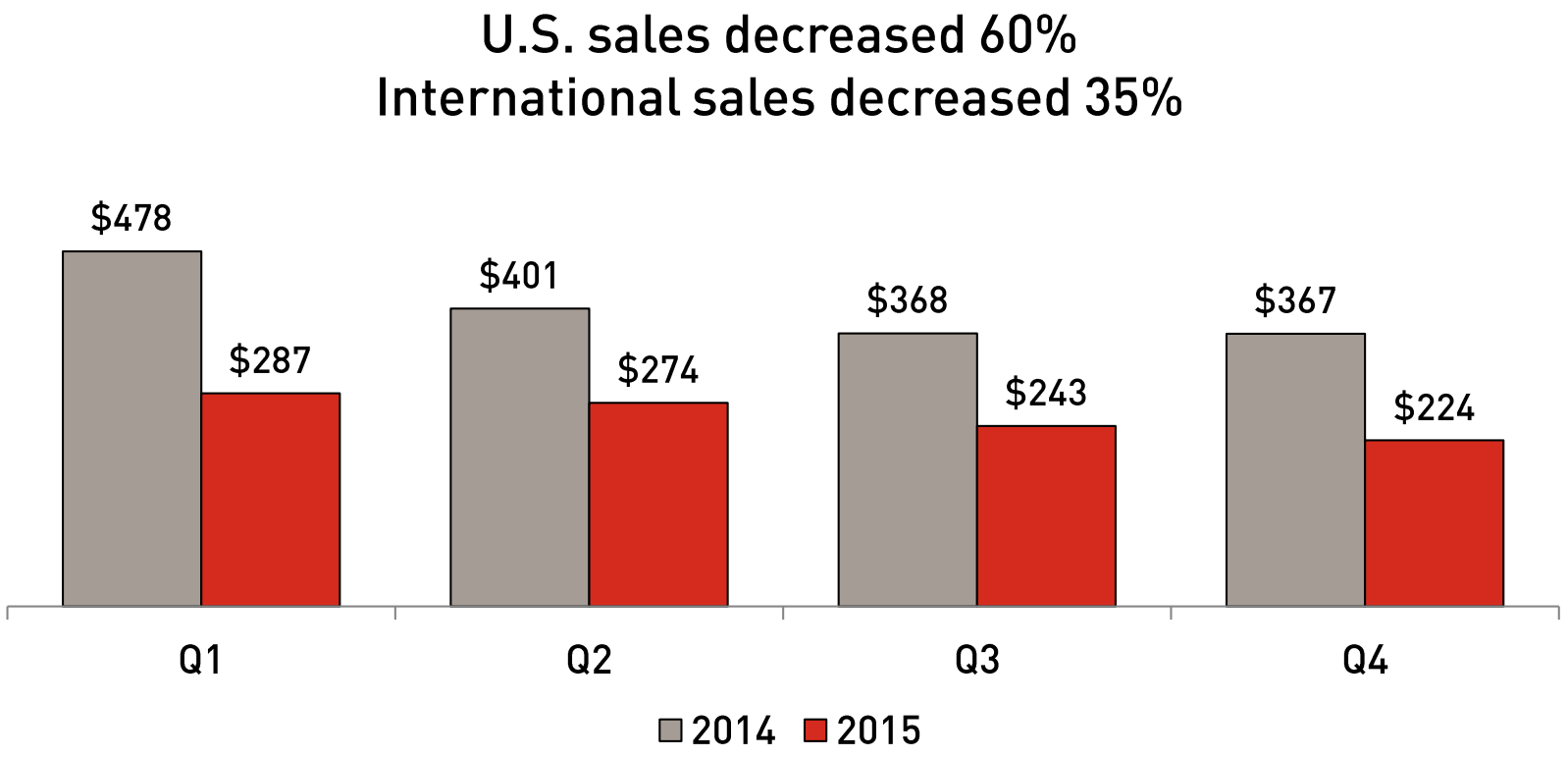
Millions



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

Q4 Cymbalta® Sales Decreased 39%

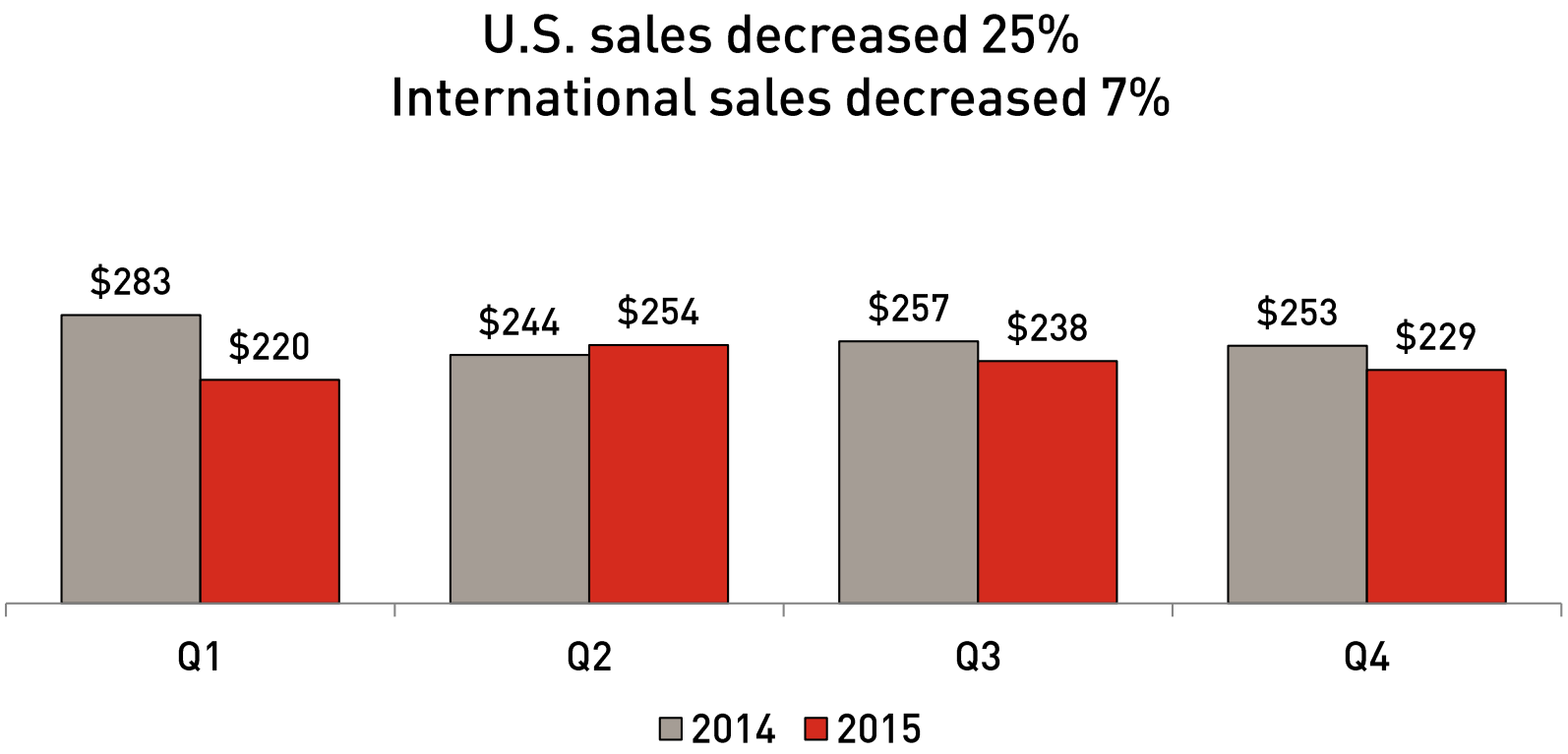
Millions



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

Q4 Zyprexa® Sales Decreased 9%

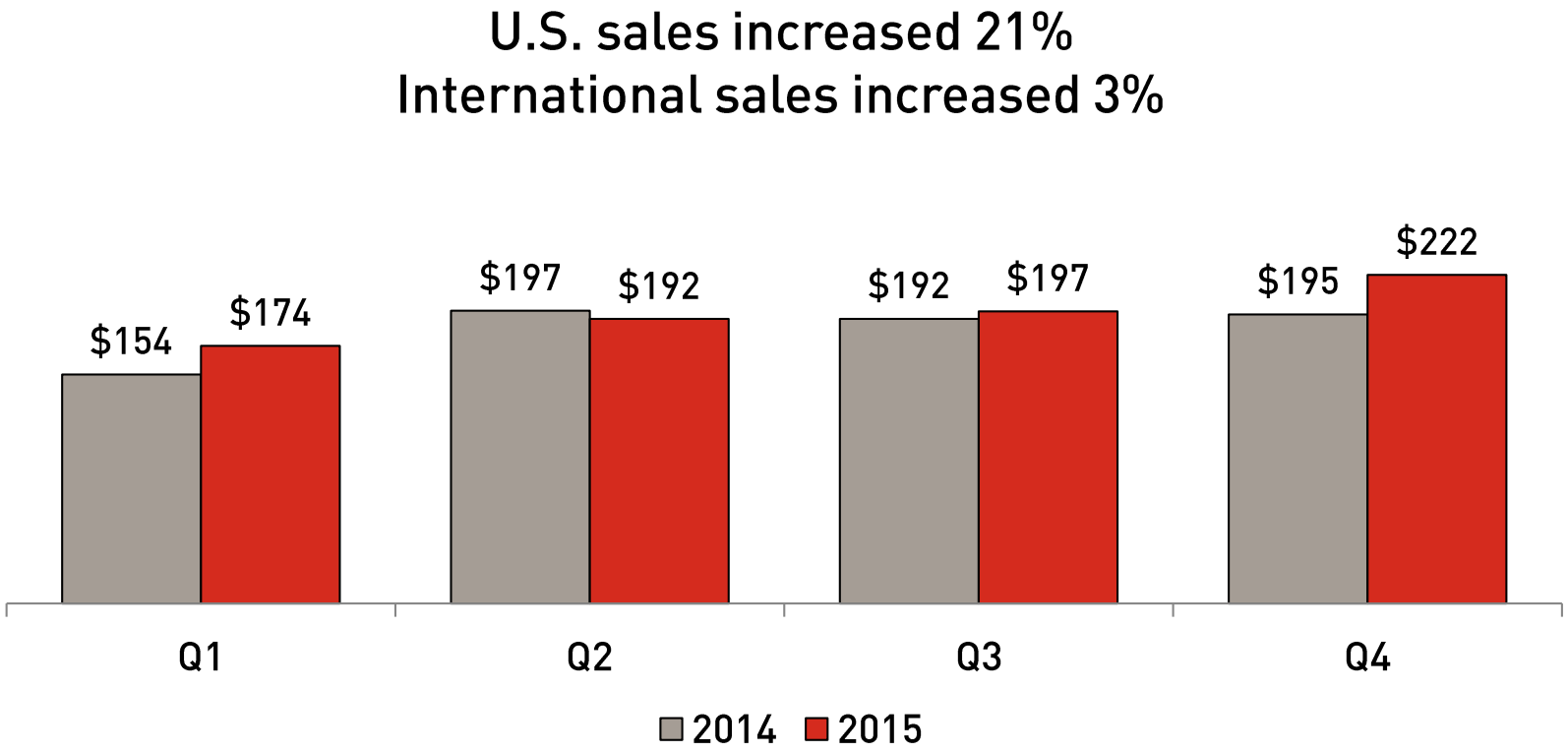
Millions



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

Q4 Strattera® Sales Increased 14%

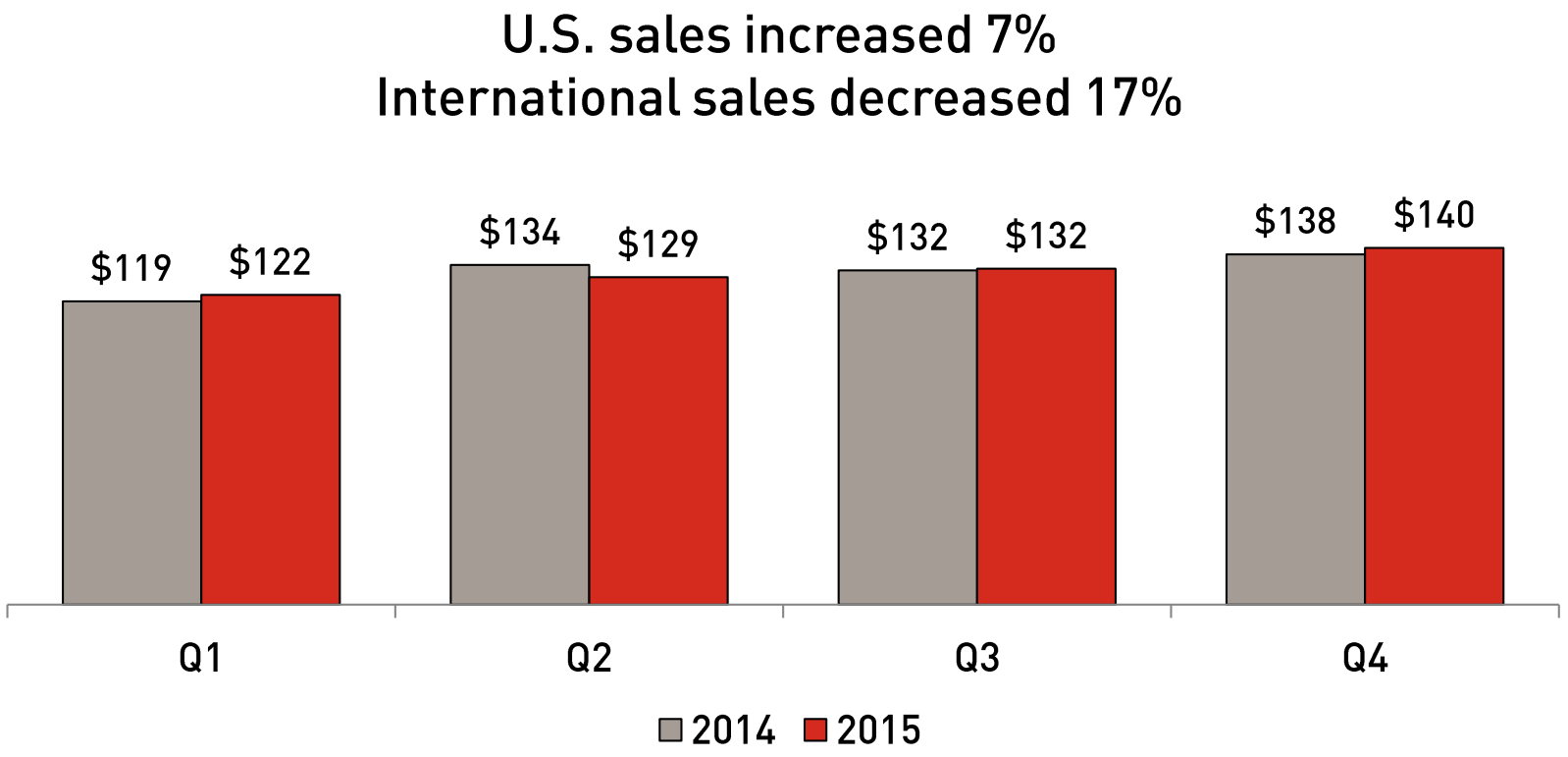
Millions



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

Q4 Effient Sales Increased 2%

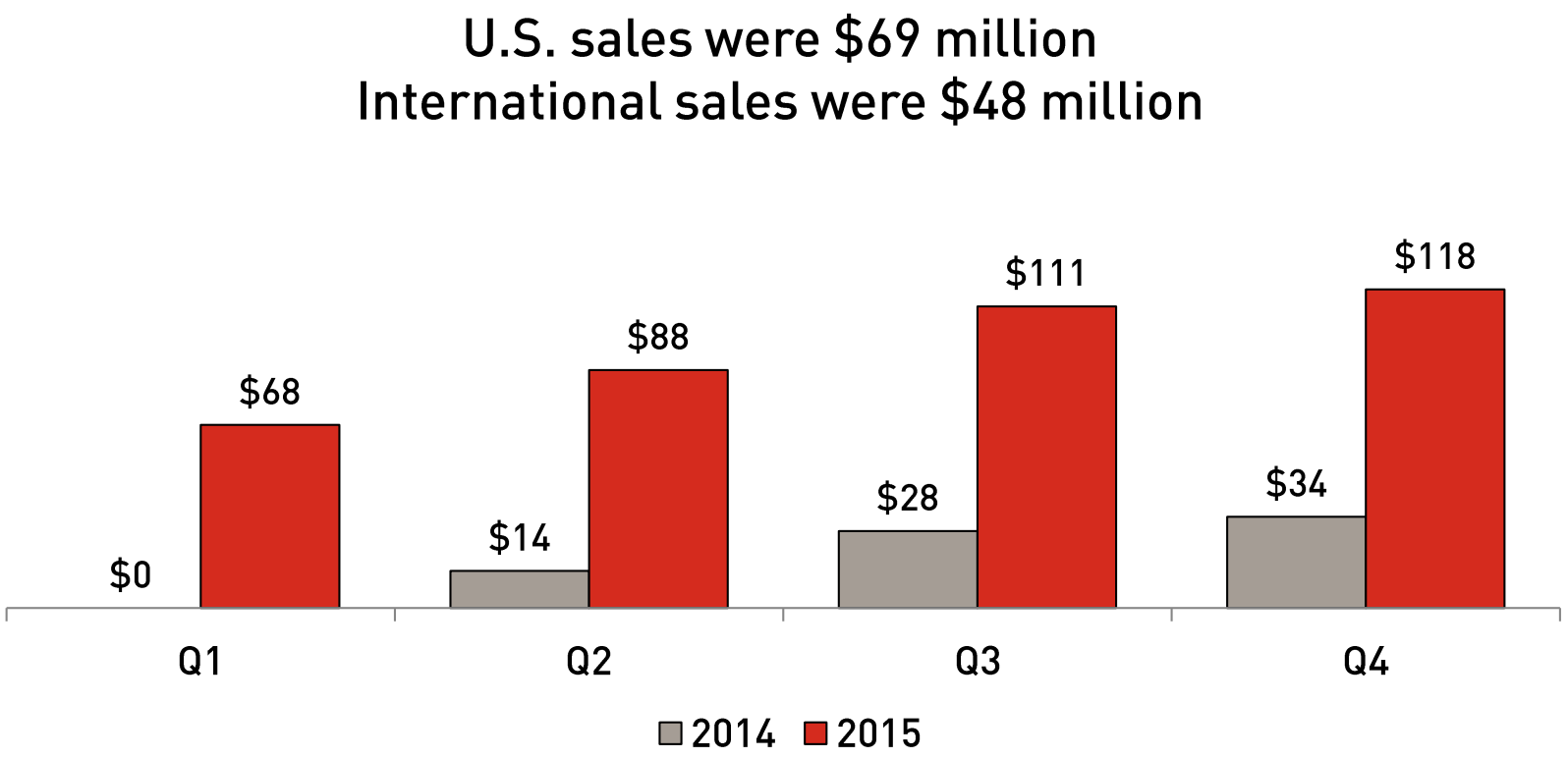
Millions



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

Q4 Cyramza Sales Were $118 Million

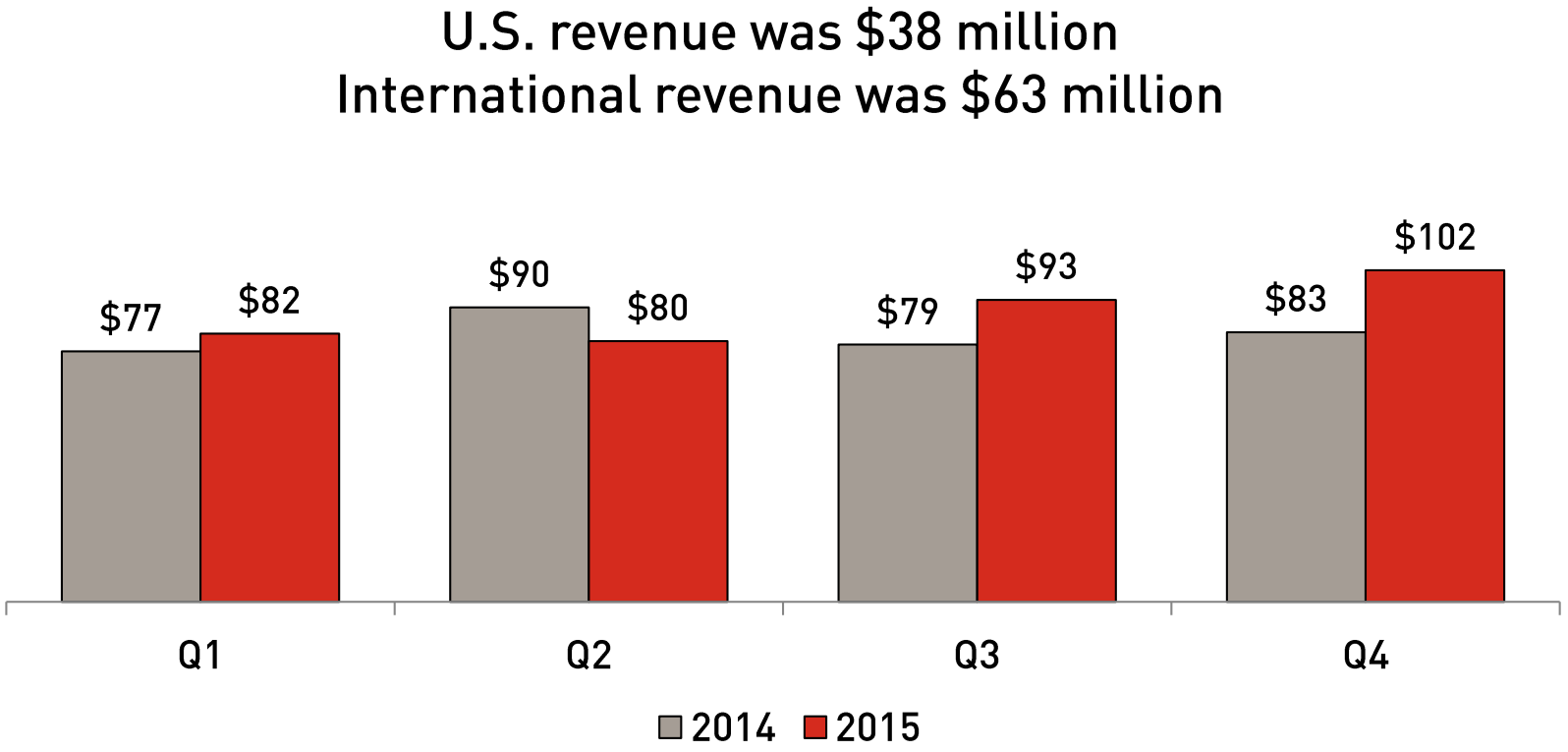
Millions



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

Q4 Trajenta® Revenue Was $102 Million

Millions

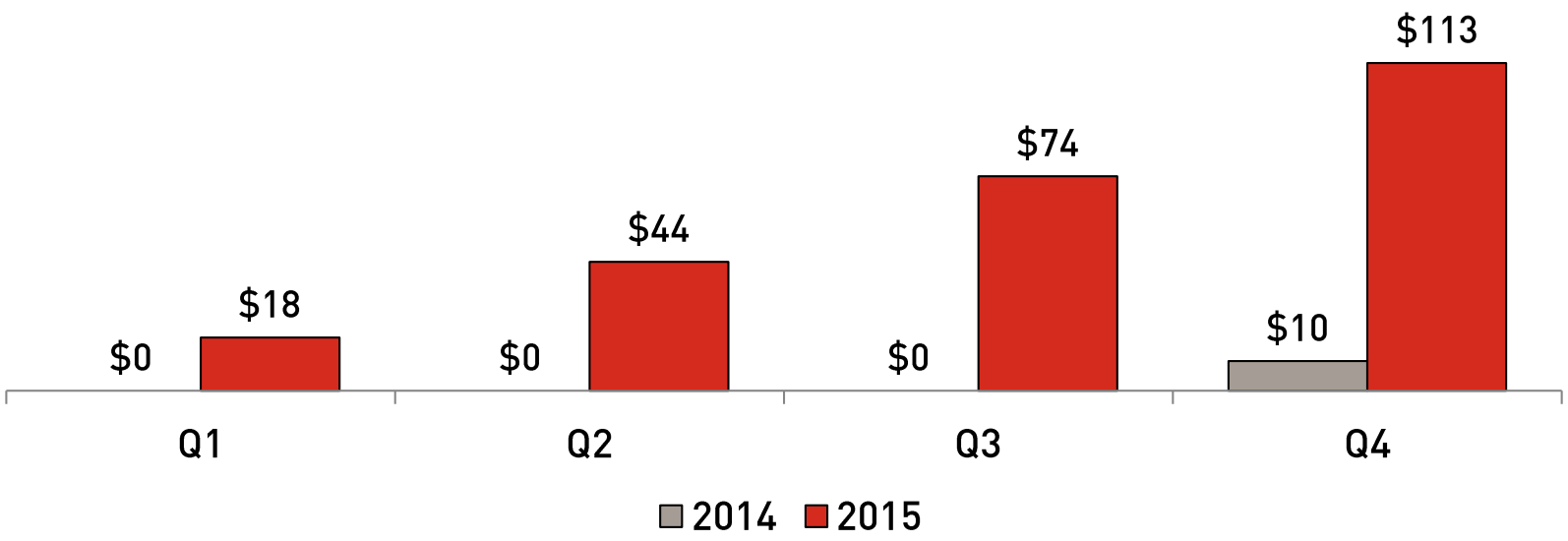


Note: Quarterly numbers may not add to year-to-date totals due to rounding.

Q4 Trulicity Sales Were $113 Million

Millions

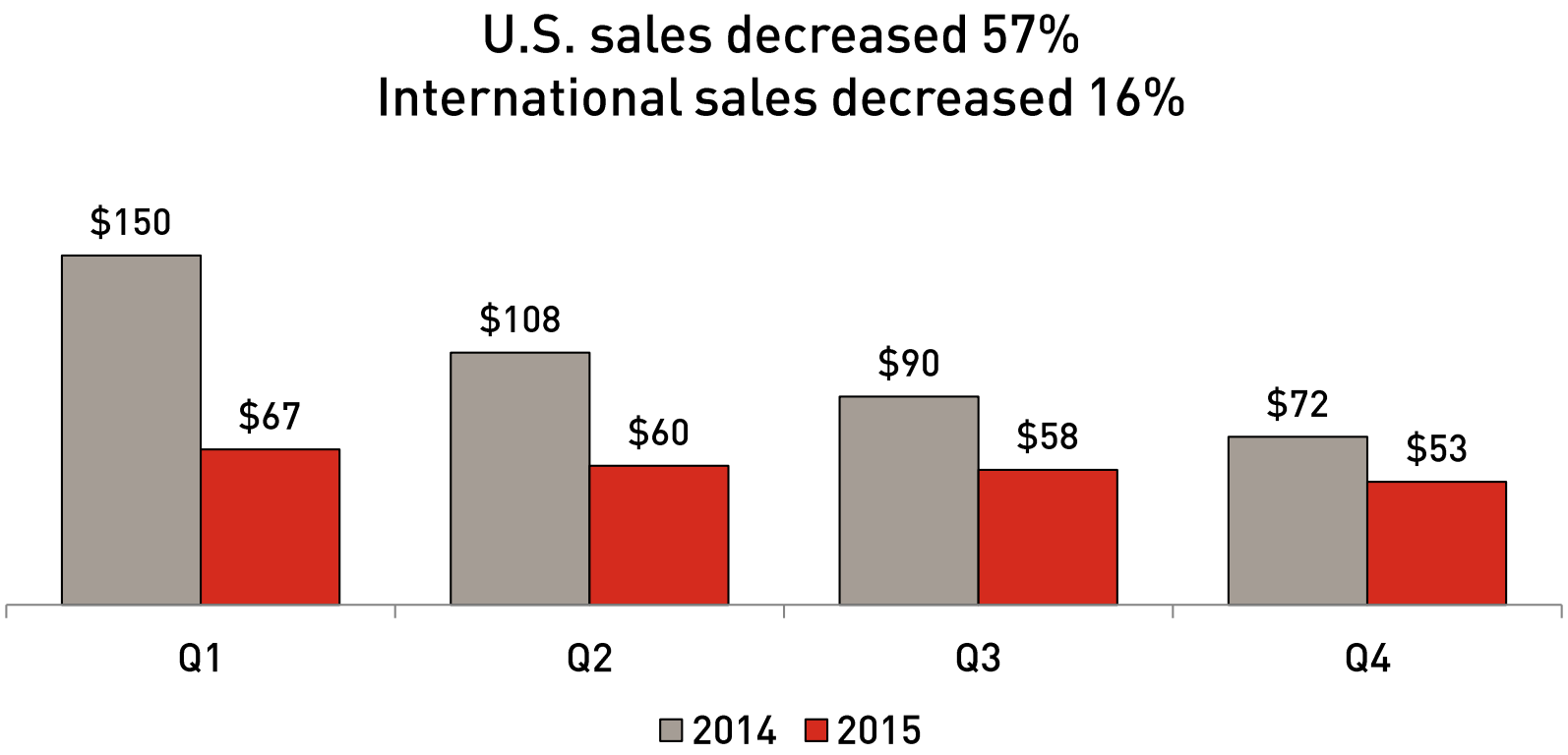
U.S. sales were $92 million
International sales were $20 million



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

Q4 Evista® Sales Decreased 27%

Millions



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