Eli Lilly, Bio-Medicines

Rob Brown

Chief Marketing Officer, Eli Lilly and Company

Senior Vice President, Eli Lilly Bio-Medicines

Report to Acrux Investment Community

Eli Lilly and Company
August 23, 2011

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 change 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.

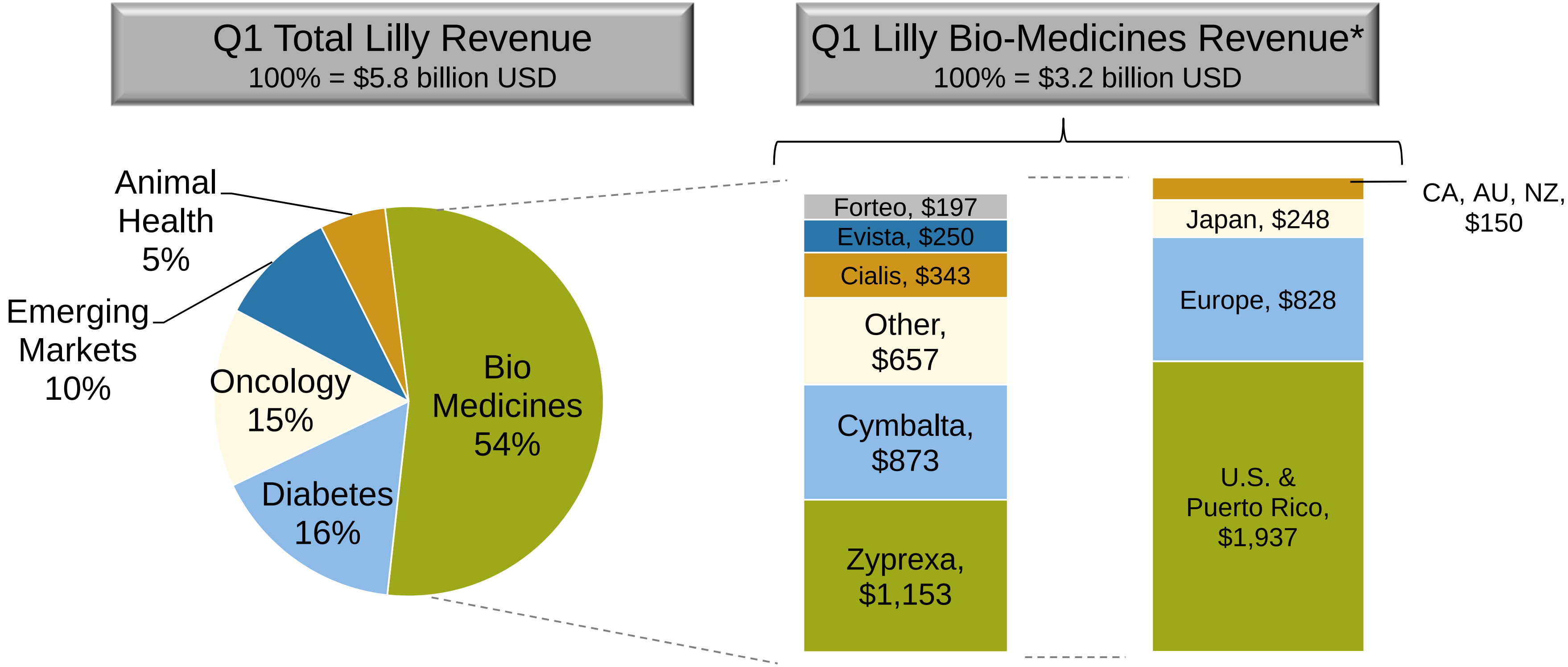
Axiron

Axiron® (testosterone) topical solution

- Lilly is committed to men's health and is well positioned to appropriately support the global launch and growth of Axiron
- Cialis and Axiron are synergistic products for men's health sales forces around the globe to promote
- The testosterone therapy market is over $1.5 billion US dollars and grew at approximately 26% in 2010
- Axiron is in a unique position to take advantage of the growing testosterone therapy market in the US
- Strong launch performance in the US market

Bio-Medicines Business Performance

Strong execution



- **Strong** financial performance
- **Volume** driven sales growth in Q1 2011 and in 2010
  - 11% sales growth, excluding Zyprexa (8% inclusive of Zyprexa)
- Poised to capitalize on **recent launches** and **longer patent life assets**
- Leverage **growth in Japan** – a key countercyclical growth driver

* Lilly sells the products listed in other countries and other products in the countries listed

Lilly Bio-Medicines NME Pipeline (as of June 16, 2011)

Priority #1 – Deliver the pipeline

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

- **Prioritized** investments in Neuroscience & Autoimmune
- **Opportunistic** investments in Cardiovascular, Urology, Bone, Muscle & Joint
- **Significant contributor** to Lilly's Phase 3 NME goals (10 NMEs by 2011)
- Expect significant **Phase 3 disclosures starting in 2012**
- **Expect 50% of revenue** to come from biologics by the end of this decade

Phase 2

mGlu2 PotCys migraine prev	ER beta BPH
AMPA agitation in Alz's	OpRA alcohol depend
JAK1/JAK2* RA	*IL-17 MAb RA/Psoriasis*
Evacetrapib atherosclerosis	SARM/Tadalafil erectile dys
CB-2 osteoarthritis	*Sclerostin MAb osteoporosis*

Phase 3

Prasugral ** ACS Med Mgmt
Duloxetine Peds
mGlu2/3 pro schizophrenia
NERI depression
Solanezumab Alzheimer's
BAFF MAb RA/Lupus

Reg Review

Tadalafil *** BPH/ED
Florbetapir β-amyloid imaging
Liprotamase EPI

* In collaboration with Incyte
** In collaboration with Daiichi Sankyo
*** In the US only

Lilly is committed to Men's Health

Cialis® (tadalafil) tablets

Axiron® (testosterone) topical solution CIII

Note (s): Axiron is not approved in Australia.

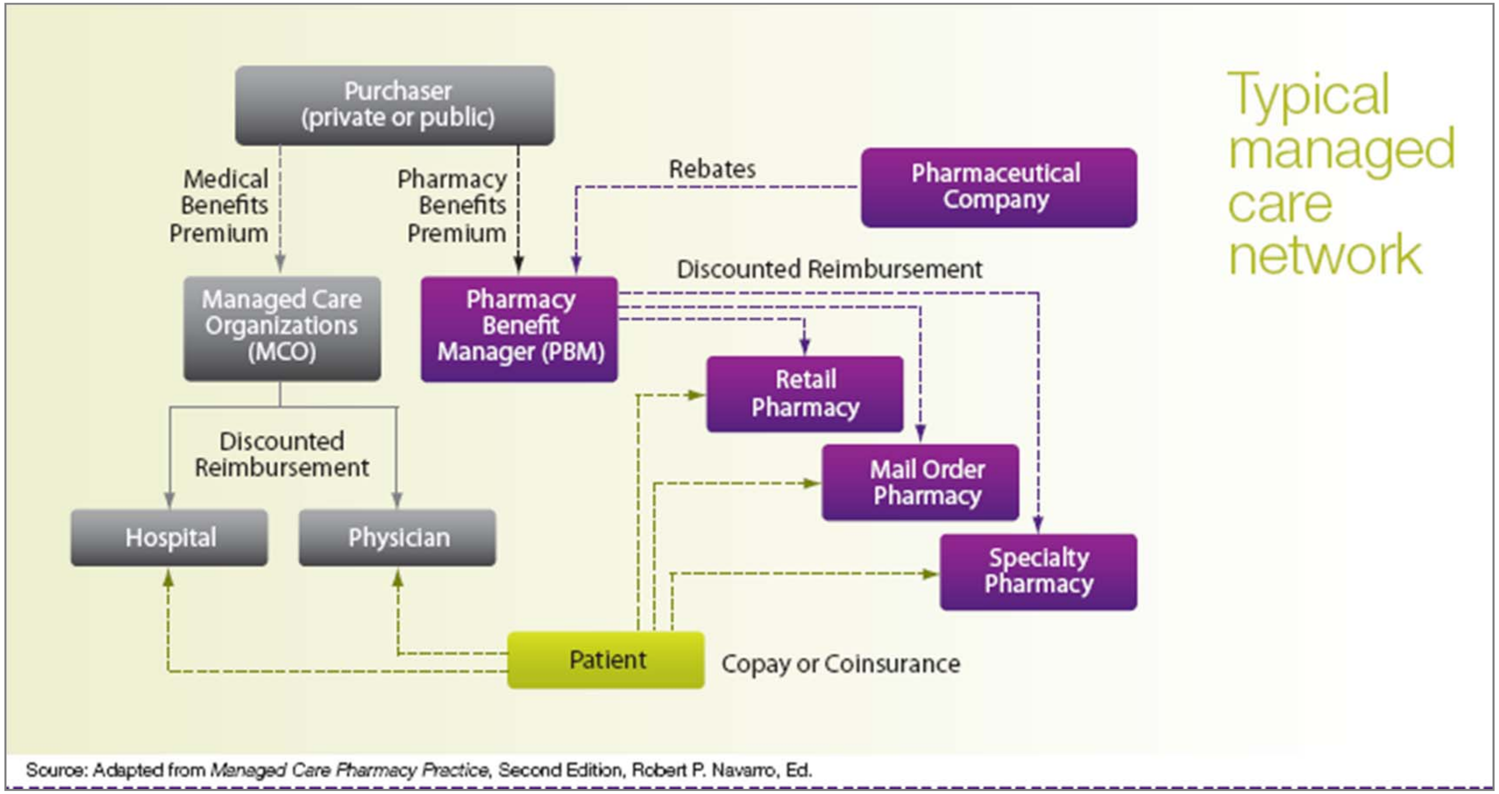
US Market Understanding

Performance Measures

- **TRx** = Total Prescriptions = NPA measure representing the total (new + refill) prescriptions dispensed by the pharmacist.
- **NRx** = New Prescriptions = NPA measure representing the new prescriptions dispensed by the pharmacist .
- **NTBRx** = New To Brand = The volume of Rxs that are associated with first-time use of a product. It reports prescriptions for patients that are starting therapy with a product for the first time within 12 month. More specifically, it includes:
  - **New to Therapy:** This is the first prescription dispensed for the patient during a 12 month period.
  - **Switch to Therapy:** The patient is new to the product but has previously taken at least one other product in the therapy class during the past 12 months.

Note (s): NPA = National Prescription Audit. It's standardized (syndicated) national prescription data. No vouchers are removed, and scripts do not need to be normalized.

US Market Understanding
Payer Environment

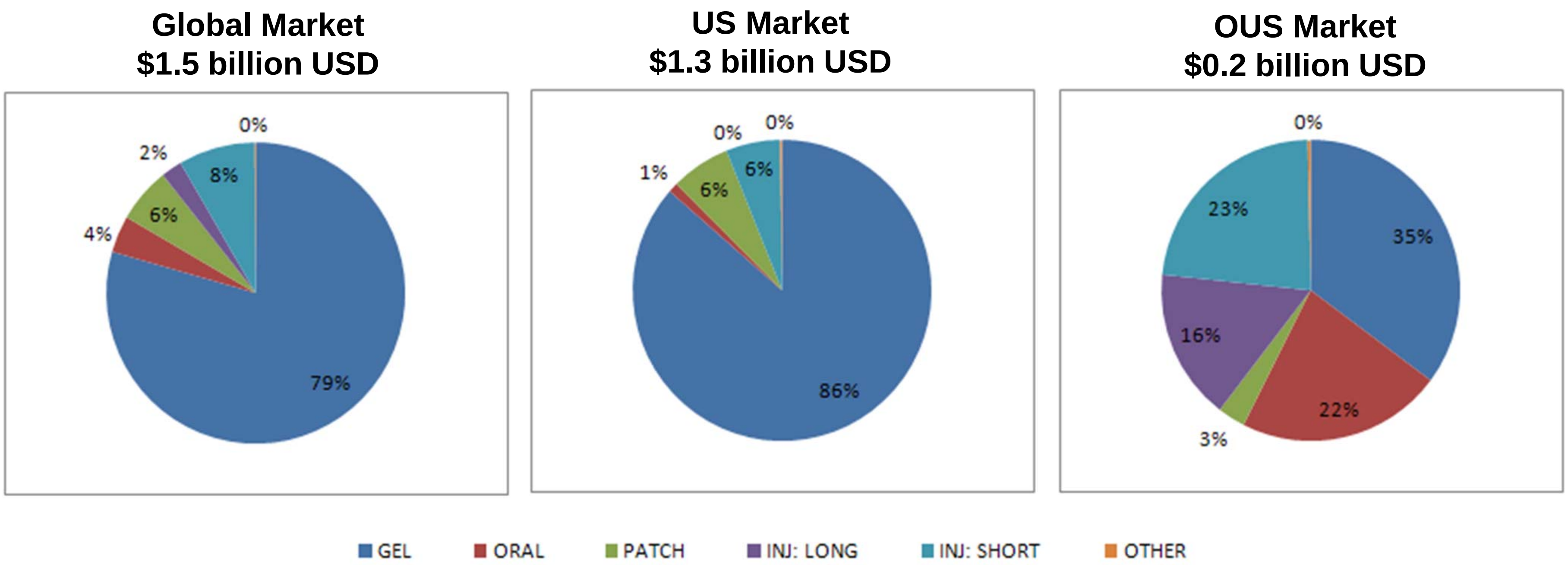


Note: Most payers wait about 9-12 months post launch to review & add new products.

Testosterone Market

Topical therapy makes up the majority of global market

Male Hormone Replacement Therapy Market 2010



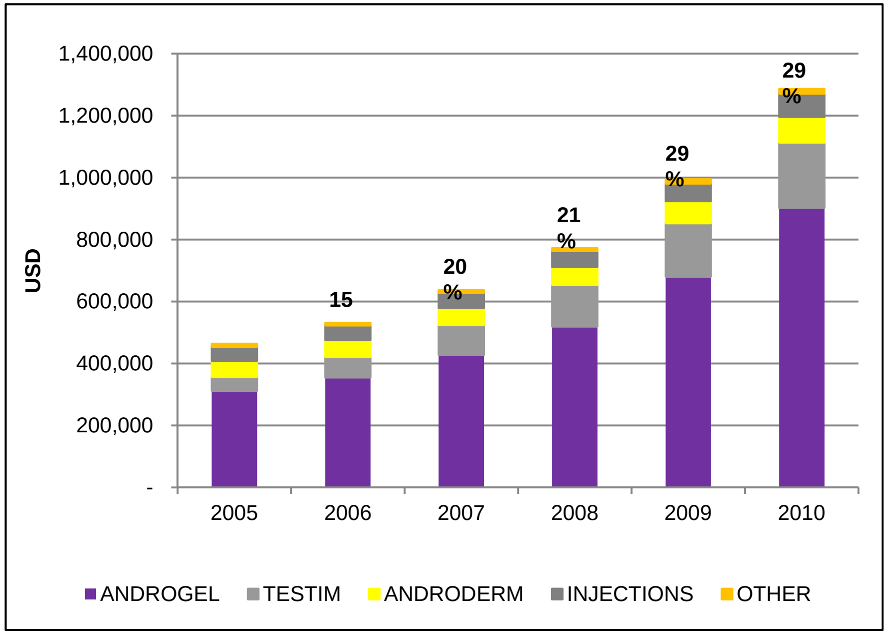
- **85% of market is in the US**
- **In 2001, US testosterone sales were approximately $0.2 billion USD**

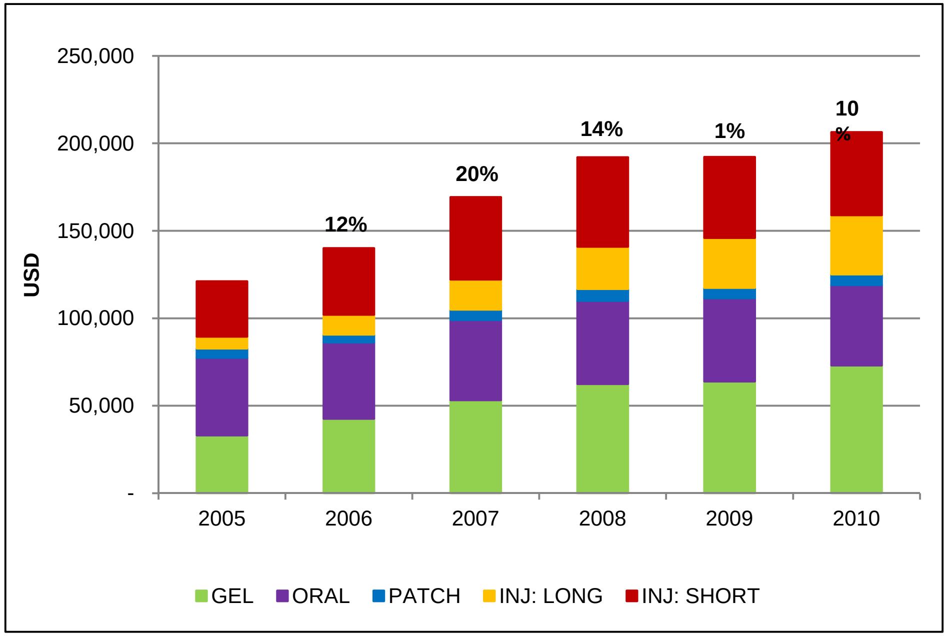
Source: IMS data

Testosterone Market is Growing
Global 5 year CAGR = 17.4%

Male Hormone Replacement Therapy Market

US Market 2005 - 2010	OUS Market 2005 - 2010





- 5 Year CAGR = 19.3%
- Topical therapies driving market growth
- Androgel has majority of $ SOM

- 5 Year CAGR = 8.8%
- Long term injections and topical therapies driving market growth

Source: IMS data
Note (s): The products referred to have regulatory approval in the US and some are not approved in Australia.

Market Changing Rapidly

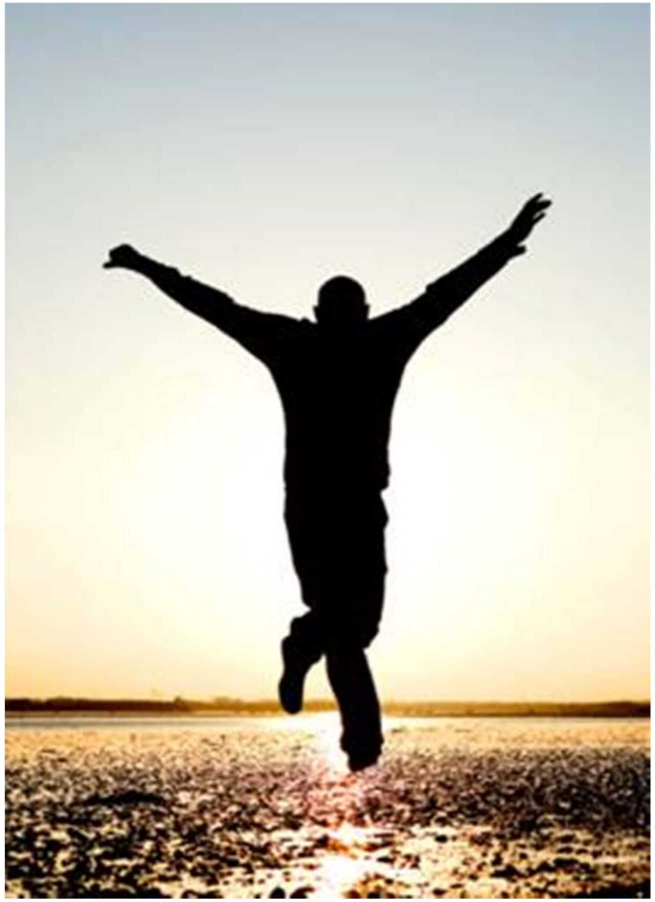
3 new products in US testosterone market in short period

- **3 new products launched in US**
  - Fortesta (Feb 2011)
  - Axiron (April 2011)
  - Androgel 1.62% (May 2011)
- **The low testosterone market is rapidly changing…**

….for Patients
… for Providers
… for Payers

US Axiron Launch

Testosterone market - $1.5 billion USD/year and growing



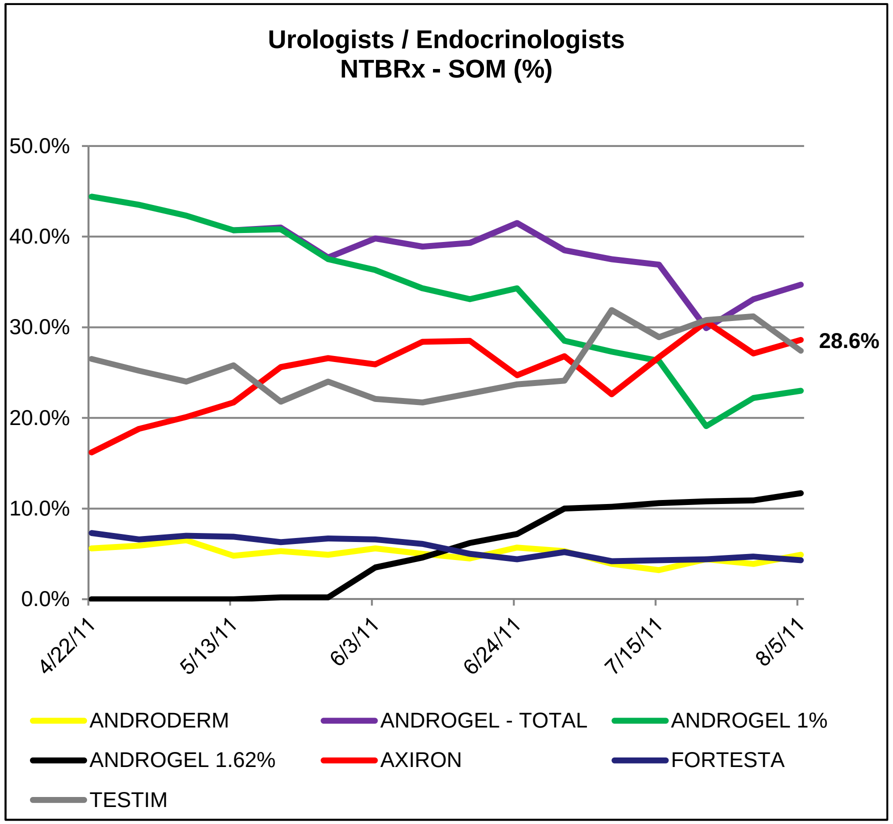
- **Launched to US specialists in April 2011 and primary care in June 2011 with a strategy focusing on**:
  - Articulating the right patient to health care providers
  - Removing barriers to trial
  - Patient support
- **Market research with US health care providers suggests our launch approach is successful**
- **Regulatory actions expected in select EU countries, Canada and Australia**

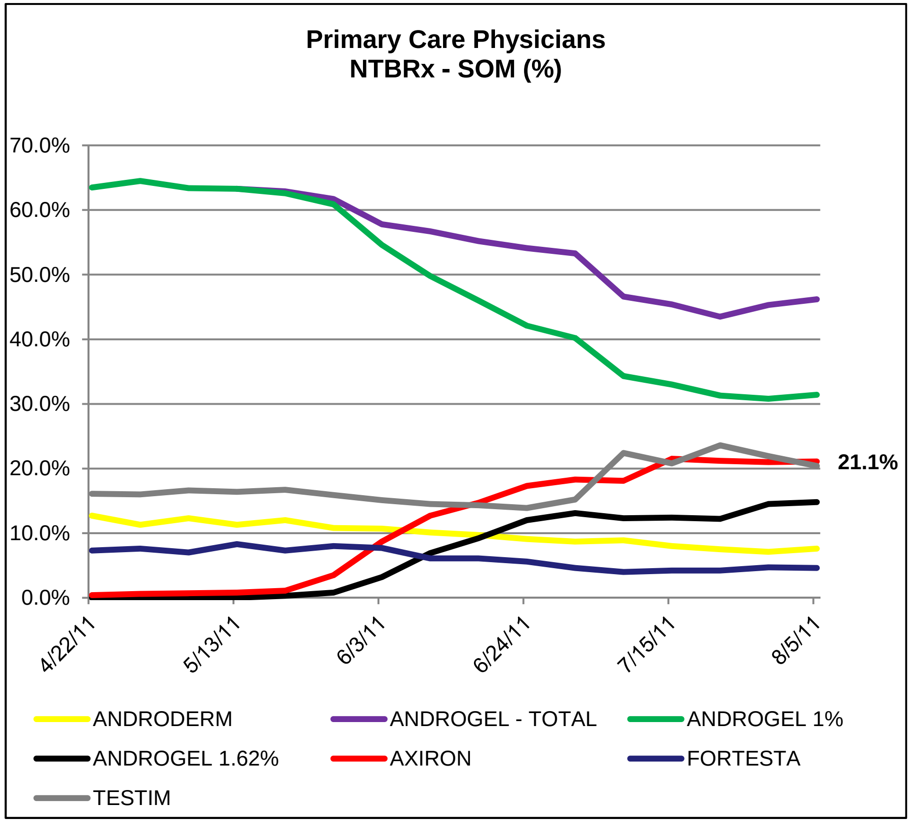
Axiron – Strong Initial US Uptake

Early uptake with specialists is a leading indicator

Axiron®
(testosterone)
topical solution ©

US Male Hormone Replacement Therapy Market



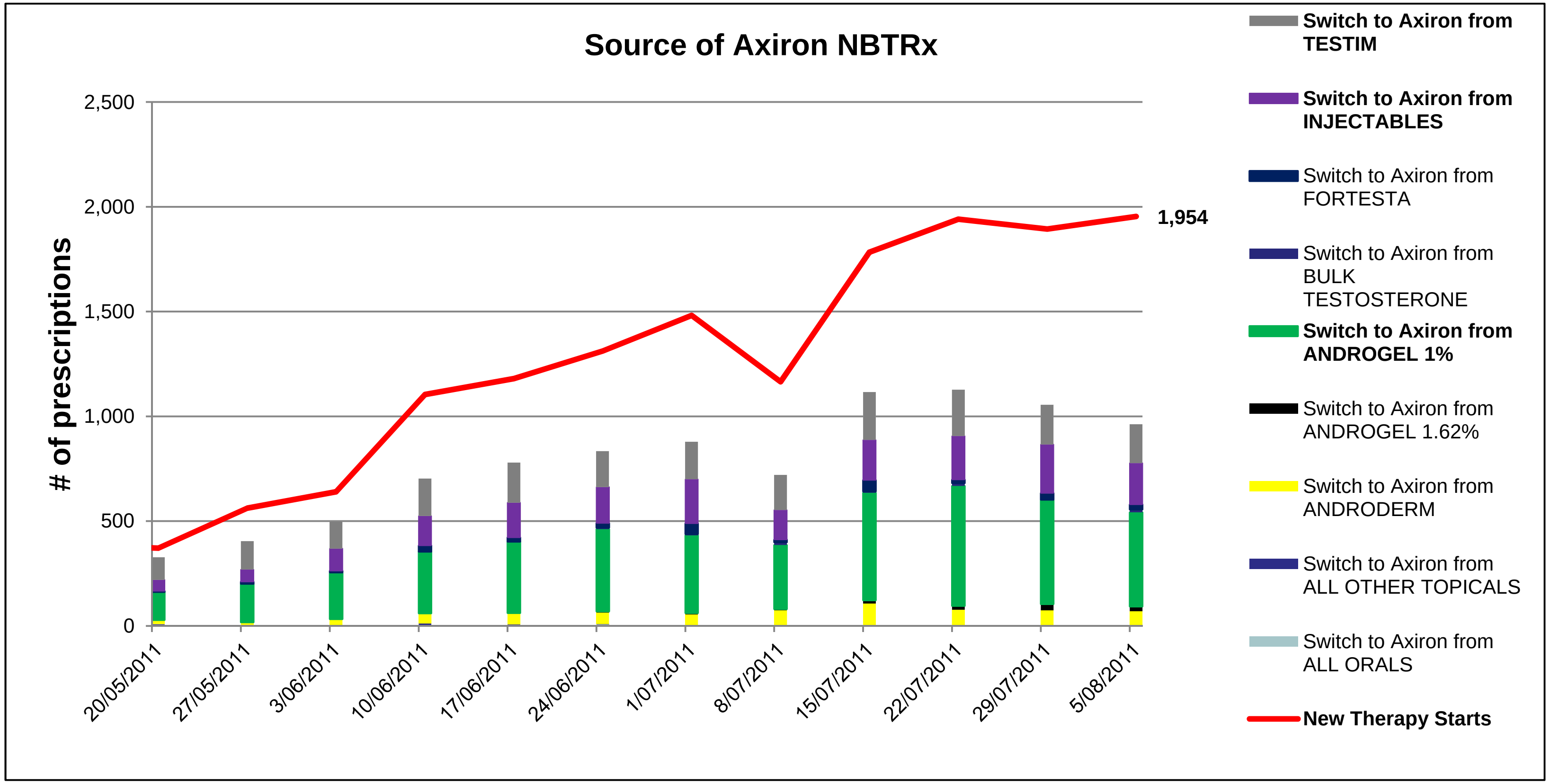


Source: IMS data
Note (s):
* The products referred to have regulatory approval in the US and some are not approved in Australia.
* NTB – new-to-brand

US Axiron Business = New+Switch

The majority of the business is new patients

US Male Hormone Replacement Therapy Market



Source: IMS data
Note (s):
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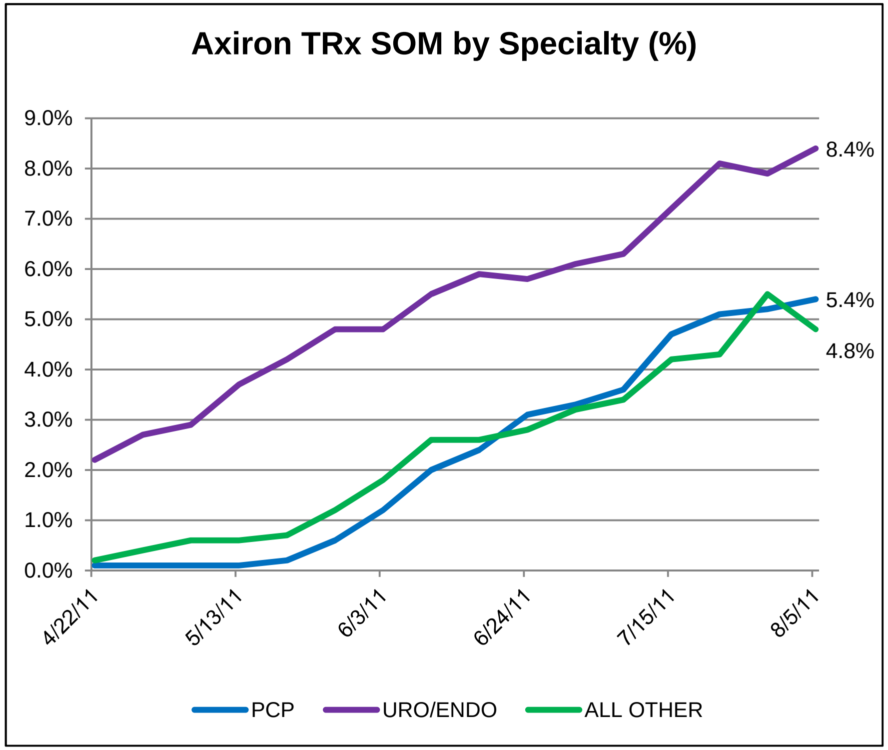
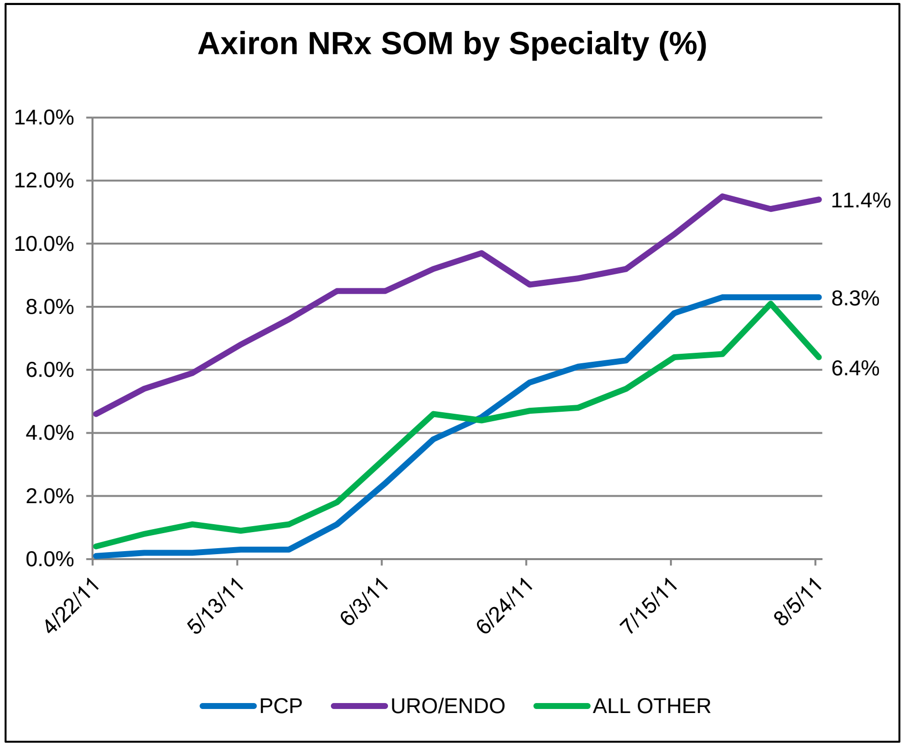
Market TRx / NRx SOM by Specialty

Early uptake with specialists is a leading indicator

Axiron® (testosterone) topical solution

US Male Hormone Replacement Therapy Market



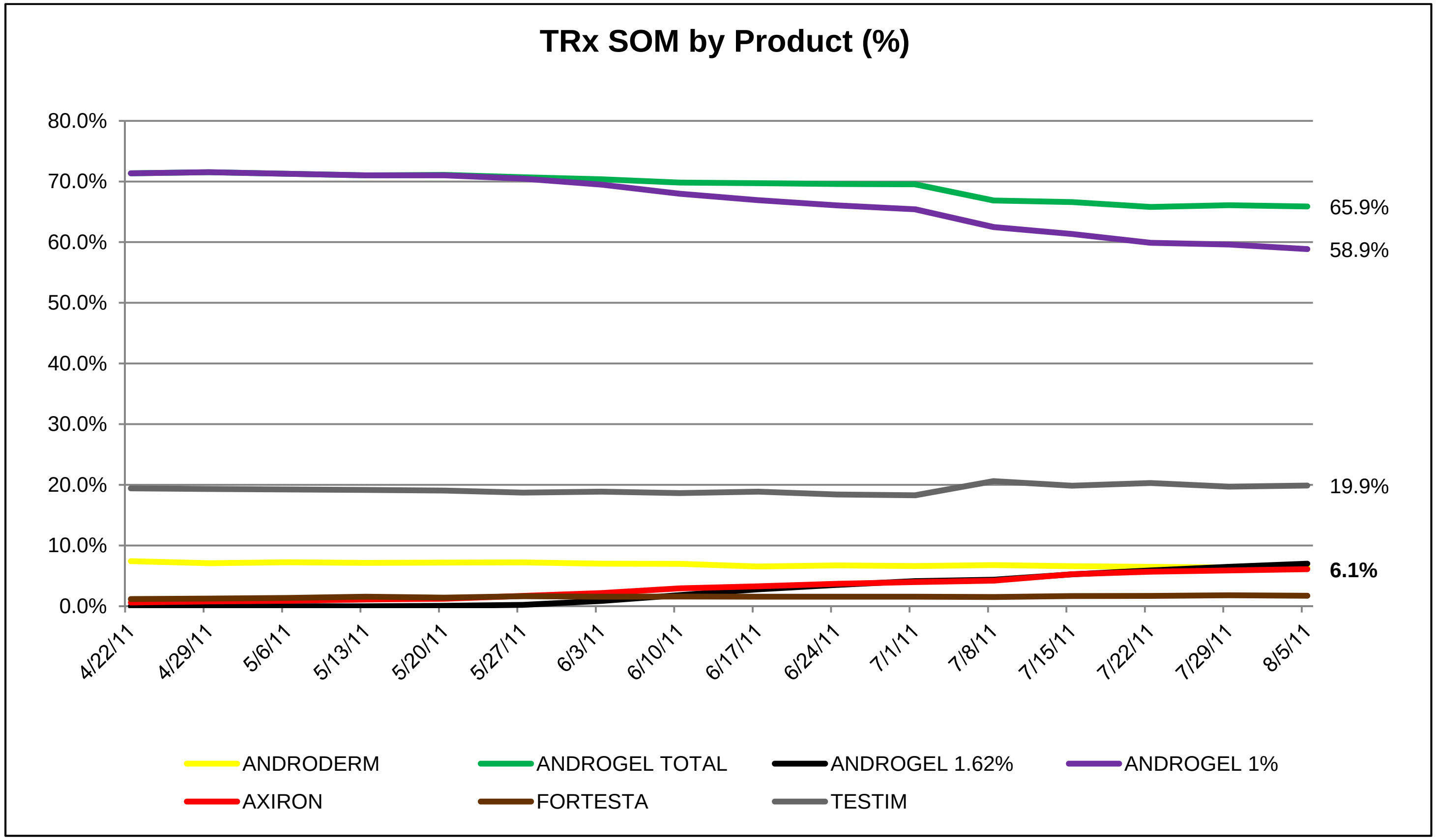


Source: IMS data

US Market TRx SOM by Product

Axiron = 6.1%

US Male Hormone Replacement Therapy Market



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Axiron®

(testosterone)
topical solution CIII