

# Eli Lilly and Co.

Eli Lilly and Co., Lilly Corporate Center, Indianapolis, 46285 (www.lilly.com) discovers, develops, manufactures and sells pharmaceutical products for humans and animals. The company reported 2010 net income of \$5.1 billion, or \$4.58 per diluted share, on revenue of \$23.1 billion. That compares with 2009 net income of \$4.3 billion, or \$3.94 per diluted share, on \$21.8 billion in revenue. The company's shares trade on the New York Stock Exchange under the ticker symbol LLY. Information for Proxy Corner was taken from Yahoo! Finance and from the company's proxy statement dated March 7, 2011.

<b>VALUE</b>	<b>3/7/2011</b>	<b>3/9/2010</b>
Shares of common stock outstanding	1.16 billion	1.10 billion
Market value of one common share	\$34.67	\$35.06
Market value of common stock	\$40.2 billion	\$38.6 billion

## **NOTEWORTHY CONTROL**

### **Lilly Endowment Inc.**

Number of common shares: 135,670,804  
Percentage of common shares: 11.7

### **BlackRock Inc.**

Number of common shares: 60,655,191  
Percentage of common shares: 5.3

### **Capital World Investors**

Number of common shares: 59,387,000  
Percentage of common shares: 5.1

### **PRIMECAP Management Co.**

Number of common shares: 62,331,633  
Percentage of common shares: 5.4

## **EXECUTIVE COMPENSATION**

	<b>Total '09 compensation</b>	<b>Salary Bonus</b>	<b>Stock and option grants (1)</b>	<b>All other pay (2)</b>	<b>% change (3)</b>
<b>John C. Lechleiter</b> chairman, CEO	\$12,747,000	<u>\$1,500,000</u> \$0	\$8,175,000	\$3,072,000	-22.2%
<b>Jan Lundberg</b> president, Lilly Research Laboratories	\$9,468,735	<u>\$946,401</u> \$1,000,000	\$6,225,000	\$1,294,334	NA
<b>Bryce D. Carmine</b> president, Lilly Bio-Medicines	\$5,484,281	<u>\$947,083</u> \$0	\$3,270,000	\$1,267,198	-20.3%
<b>Derica W. Rice</b> chief financial officer	\$5,502,790	<u>\$955,000</u> \$0	\$3,270,000	\$1,277,790	-17.4%
<b>Robert A. Armitage</b> general counsel	\$4,017,650	<u>\$836,817</u> \$0	\$2,180,000	\$1,000,833	-19.2%

(1) Grant date fair value of stock and options awards, as calculated in company's proxy statement.

(2) Includes non-equity incentive plan compensation, above-market or preferential earnings on deferred compensation and all other annual compensation.

(3) Change vs. previous year. Stock awards were lower in 2010 because the company decided in 2009 to switch from awards based on one year of performance to awards based on two years of. It issued each executive both a one- and a two-year stock award in 2009, which boosted compensation during that year.

## **DIRECTORS**

### **John C. Lechleiter, 57**

**Occupation:** chairman, president and CEO of the company

**Other directorships:** Nike Inc.

**Number of common shares:** 376,859

**Previous year:** 273,942

### **Ralph Alvarez, 55**

**Occupation:** retired president, McDonalds Corp.

**Other directorships:** Lowe's Cos.

**Number of common shares:** 8,455

**Previous year:** 4,040

### **Sir Winifred Bischoff, 69**

**Occupation:** chairman, Lloyds Banking Group  
**Other directorships:** The McGraw-Hill Cos. Inc.

**Number of common shares:** 28,656

**Previous year:** 23,260

### **R. David Hoover, 65**

**Occupation:** chairman, Ball Corp.

**Other directorships:** Ball Corp., Energizer Holdings Inc., Qwest Communications International Inc.

**Number of common shares:** 11,506

**Previous year:** 6,748

### **Dr. Franklyn G. Prendergast, 66**

**Occupation:** director of Mayo Clinic Center for Individualized Medicine and professor at Mayo Medical School

**Number of common shares:** 40,178

**Previous year:** 34,071

### **Kathi P. Seifert, 60**

**Occupation:** chairwoman, Katapult LLC, retired executive vice president, Kimberly-Clark Corp.

**Other directorships:** Supervalu Inc., Revlon Consumer Products Corp., Lexmark International Inc., Appleton Papers Inc.

**Number of common shares:** 39,072

**Previous year:** 33,212

### **Michael L. Eskew, 61**

**Occupation:** retired chairman and CEO, United Parcel Service Inc.

**Other directorships:** 3M Corp., IBM Corp.

**Number of common shares:** 8,826

**Previous year:** 3,511

### **Alfred G. Gilman, 69**

**Occupation:** chief scientific officer, Cancer Prevention and Research Institute of Texas  
**Other directorships:** Regeneron Pharmaceuticals Inc.

**Number of common shares:** 35,577

**Previous year:** 27,822

### **Karen N. Horn, 67**

**Occupation:** retired managing director of Marsh Inc.

**Other directorships:** T. Rowe Price Mutual Funds, Simon Property Group Inc., Norfolk Southern Corp.

**Number of common shares:** 48,527

**Previous year:** 41,975

### **Martin S. Feldstein, 71**

**Occupation:** professor of economics at Harvard University

**Number of common shares:** 25,732

**Previous year:** 20,499

### **J. Erik Fyrwald, 51**

**Occupation:** president and CEO, Nalco Co.

**Number of common shares:** 30,088

**Previous year:** 24,525

### **Ellen R. Marram, 64**

**Occupation:** president, Barnegat Group LLC  
**Other directorships:** Ford Motor Co., The New York Times Co.

**Number of common shares:** 25,732

**Previous year:** 20,449

### **Douglas R. Oberhelman, 58**

**Occupation:** CEO, Caterpillar Inc.

**Other directorships:** Caterpillar Inc.

**Number of common shares:** 8,455

**Previous year:** 4,040