

**Hospira, Inc.**  
Options Expense  
(Unaudited)  
(dollars in millions)

	Pro-forma Expense (a)					Actual Expense Recorded (b)				
	Q1 '05	Q2 '05	Q3 '05	Q4 '05	2005	Q1 '06	Q2 '06	Q3 '06	Q4 '06	2006
COGS	\$ 0.8	\$ 2.4	\$ 1.2	\$ 1.1	\$ 5.5	\$ 1.0	\$ 2.9	\$ 1.5	\$ 1.5	\$ 6.9
R&D	0.4	1.1	0.8	0.9	3.2	0.7	1.6	1.4	1.5	5.2
SG&A	1.8	4.3	3.4	4.8	14.3	4.8	8.6	5.3	5.1	23.8
PRETAX IMPACT	3.0	7.8	5.4	6.8	23.0	6.5	13.1	8.2	8.1	35.9
TAX	(0.6)	(2.7)	(1.8)	(2.3)	(7.4)	(1.7)	(3.3)	(2.1)	(2.2)	(9.3)
NET INCOME IMPACT	<u>\$ 2.4</u>	<u>\$ 5.1</u>	<u>\$ 3.6</u>	<u>\$ 4.5</u>	<u>\$ 15.6</u>	<u>\$ 4.8</u>	<u>\$ 9.8</u>	<u>\$ 6.1</u>	<u>\$ 5.9</u>	<u>\$ 26.6</u>

(a) Represents *pro-forma* expense impact, not recorded in the income statement, tax-effected based on the statutory tax rate.

(b) Represents actual expense recorded in the income statement in accordance with SFAS No. 123R, tax-effected based on the effective tax rate excluding the impact of unusual items.