

**Hospira, Inc.**  
**Reconciliation of Earnings Per Share and Stock Option Expense Impact on Diluted Adjusted Earnings Per Share**  
**(Unaudited)**

	<u>Three Months Ended September 30</u>			<u>Nine Months Ended September 30</u>		
	<u>2006</u>	<u>2005</u>	<u>% Change</u>	<u>2006</u>	<u>2005</u>	<u>% Change</u>
Diluted Earnings Per Common Share - GAAP	\$ 0.35	\$ 0.37	(5.4)	\$ 1.18	\$ 1.30	(9.2)
Adjustments:						
Non-recurring transition costs	0.02	0.04		0.14	0.14	
Charges related to manufacturing optimization initiatives	0.08	0.01		0.23	0.01	
Gain on sale of Donegal, Ireland facility	-	-		(0.04)	-	
Tax Impact of earnings repatriation related to The American Jobs Creations Act	-	0.06		-	0.06	
Reduction of obligation related to the 2005 sale of Salt Lake City, Utah manufacturing plant	-	-		(0.01)	-	
Obligation related to the sale of Salt Lake City, Utah manufacturing plant	-	-		-	0.06	
Asset impairment charge related to the sale of Salt Lake City, Utah manufacturing plant	-	-		-	0.01	
Subtotal of Adjustments	<u>0.10</u>	<u>0.11</u>	(9.1)	<u>0.33</u>	<u>0.29</u>	13.8
Diluted Earnings per Common Share - Adjusted (2006 Stock Option Expense included)	<u>\$ 0.45</u>	<u>\$ 0.48</u>	(6.3)	<u>\$ 1.51</u>	<u>\$ 1.59</u>	(5.0)
2006 Options Expense	<u>0.04</u>	<u>n/a</u>		<u>0.13</u>	<u>n/a</u>	
Diluted Earnings Per Common Share - Adjusted (2006 Stock Option Expense excluded)	<u>\$ 0.49</u>	<u>\$ 0.48</u>	2.1	<u>\$ 1.64</u>	<u>\$ 1.59</u>	3.1

*Adjustment figures may not add to subtotal amounts due to rounding.*