

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

	<u>Three Months Ended December 31</u>			<u>Twelve Months Ended December 31</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	\$ 0.30	\$ 0.16	87.5	\$ 1.48	\$ 1.46	1.4
Adjustments:						
Non-recurring transition costs	0.02	0.07		0.16	0.22	
Charges related to manufacturing optimization initiatives	0.07	0.09		0.30	0.10	
Gain on sale of Donegal, Ireland facility	-	-		(0.04)	-	
Tax impact of earnings repatriation related to The American Jobs Creations Act	-	-		-	0.06	
Reduction of obligation related to the 2005 sale of Salt Lake City, UT manufacturing plant	(0.03)	-		(0.03)	-	
Obligation related to the sale of Salt Lake City, UT manufacturing plant	-	-		-	0.06	
Integration costs of Mayne Pharma and BresaGen	0.01	-		0.01	-	
Acquired in-process research and development -- BresaGen	0.06	-		0.06	-	
Asset impairment charge related to the sale of Salt Lake City, UT manufacturing plant	-	-		-	0.01	
Subtotal of Adjustments	<u>0.13</u>	<u>0.16</u>	(18.8)	<u>0.46</u>	<u>0.45</u>	2.2
Diluted Earnings per Common Share - Adjusted (2006 Stock Option Expense included)	<u>\$ 0.43</u>	<u>\$ 0.32</u>	34.4	<u>\$ 1.94</u>	<u>\$ 1.91</u>	1.6
2006 Options Expense	<u>0.04</u>	<u>n/a</u>		<u>0.17</u>	<u>n/a</u>	
Diluted Earnings Per Common Share - Adjusted (2006 Stock Option Expense excluded)	<u>\$ 0.47</u>	<u>\$ 0.32</u>	46.9	<u>\$ 2.11</u>	<u>\$ 1.91</u>	10.5