



**Raymond James 34th Annual  
Institutional Investors Conference**

**Thomas Werner, CFO  
March 5, 2013**



# Safe Harbor



This material contains forward-looking statements within the meaning of the U.S. federal securities laws. Hospira intends these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the federal securities laws. In some cases, you can identify these statements by our use of forward-looking words such as “may,” “will,” “should,” “anticipate,” “estimate,” “expect,” “plan,” “believe,” “predict,” “potential,” “project,” “intend,” “could” or similar expressions. In particular, statements regarding our plans, strategies, prospects, and goals; expectations regarding our business and the industries and markets in which we operate, and statements related to the progress of our quality, modernizing and streamlining initiatives are forward-looking statements. You should be aware that these statements and any other forward-looking statements in this material only reflect our expectations and are not guarantees of performance. These statements involve risks, uncertainties and assumptions. Many of these risks, uncertainties and assumptions are beyond our control and may cause actual results and performance to differ materially from our expectations. Important factors that could cause our actual results to be materially different from our expectations include progress on our quality, modernizing and streamlining initiatives, and the factors, risks and uncertainties described under the headings “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Hospira’s latest Annual Report on Form 10-K, filed with the Securities and Exchange Commission, and incorporated by reference. Accordingly, you should not place undue reliance on the forward-looking statements contained in this material. These forward-looking statements speak only as of the date on which the statements were made. Hospira undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

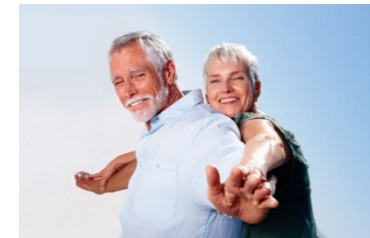
## Hospira Overview

Reinforcing the Foundation

Tapping into Growth Opportunities

Looking Forward

Summary



# Hospira At a Glance



## Hospira is the World's Leading Provider of Injectable Drugs and Infusion Technologies

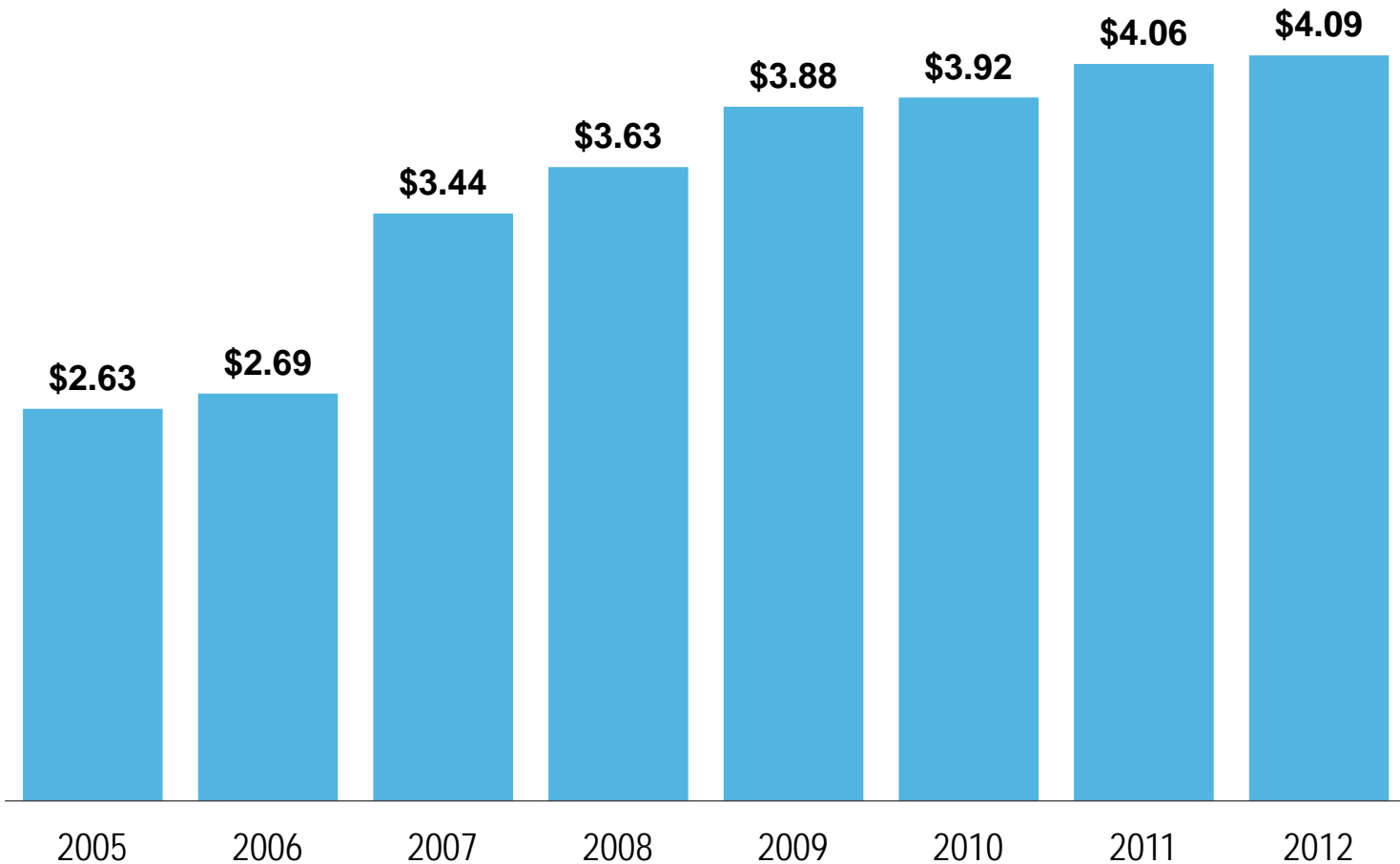
- Global specialty pharmaceutical / medication management company
- Market leadership positions in:
  - generic injectable pharmaceuticals globally
  - biosimilars in Europe and Australia
  - medication management systems globally
- 70+ years experience; public since 2004
- 2012 annual revenues of \$4.1B



# Hospira Sales Profile



## Annual Net Sales (\$B)



# Hospira Addresses Critical Healthcare Needs



## Key Products

### Specialty Injectable Pharmaceuticals (SIP)

- Industry leader globally
- portfolio of ~200 products
- many differentiated formats



### Medication Management Systems (MMS)

- ~575,000 installed devices
- IV Clinical Integration leader



## Customers

**Hospitals  
and alternate  
healthcare providers**



## Critical Needs

### To reduce:

- costs
- medication errors
- infections

### To improve:

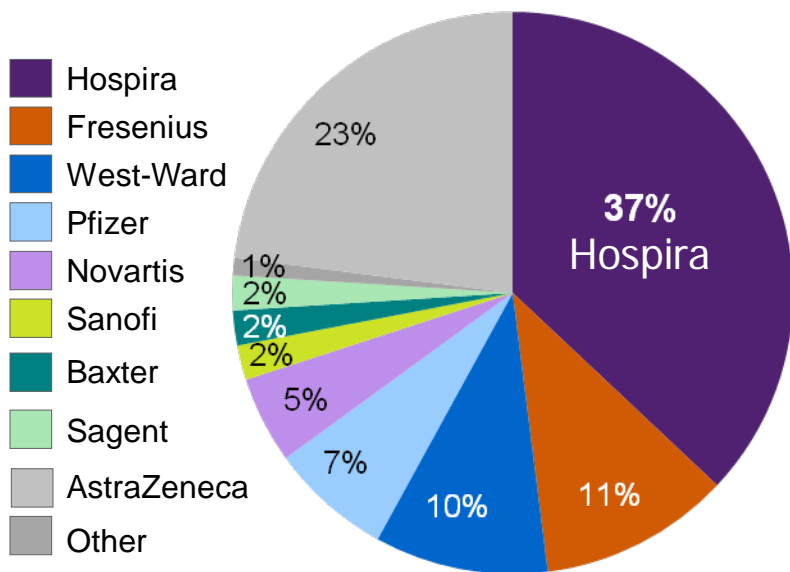
- patient safety
- worker safety
- productivity



# Global Leadership Position



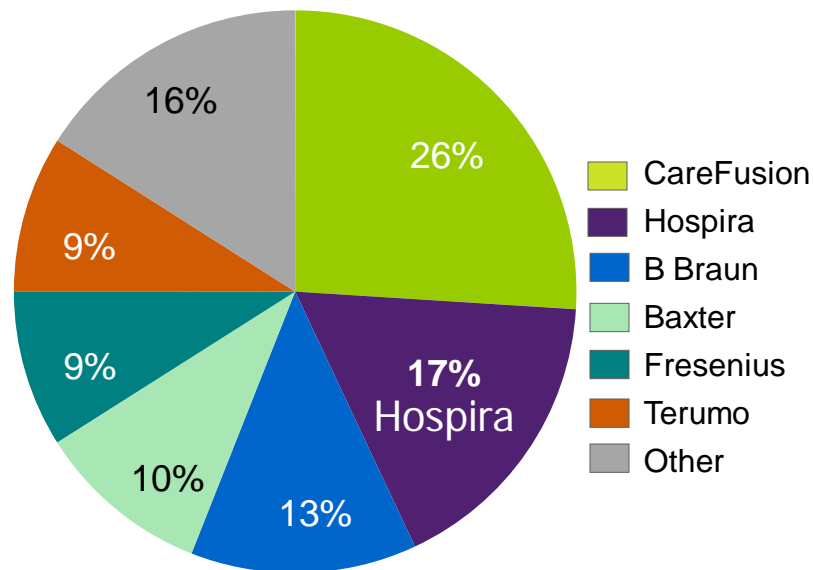
## #1 in Generic Injectables



**Global Generic Injectable Market (Units)\***



## #2 in Devices



**Global Devices (MMS) (Units)**

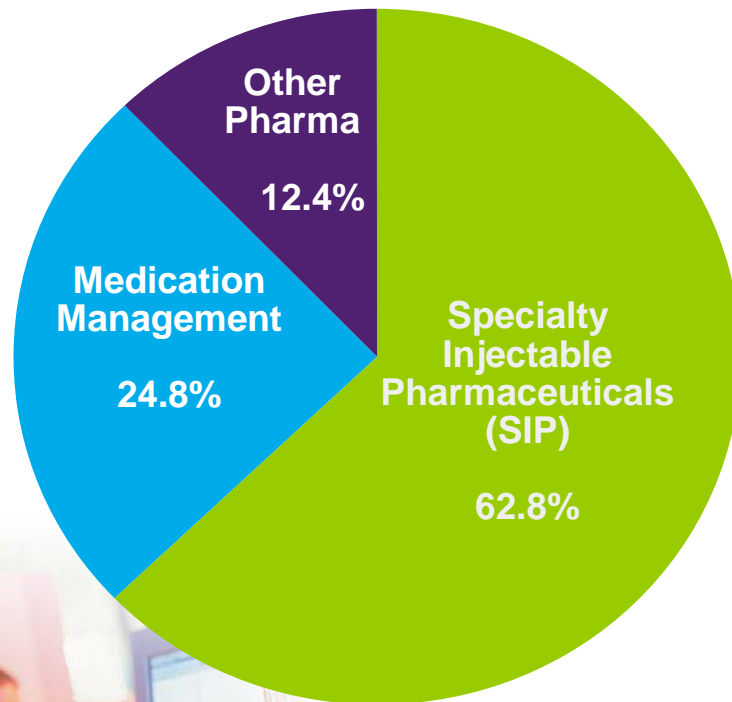


\* Source: Generic Injectables – IMS NSP and MIDAS data for MAT June 2012. Market share represents the market of genericized products in which Hospira participates for the U.S., EU5, Australia, Japan, Korea and Canada. Devices and Sets – US MDI data for 1H 2012. Ex-US data based upon previous analysis. Latin America not included in the share calculation and EMEA represented only by the EU5. MAT 2012 data refers to a rolling 12 month total from July 1, 2011 to June 30, 2012.

# Hospira Product Categories



**2012 Net Sales**  
**\$4.1B**



## Specialty Injectable Pharmaceuticals (SIP)

- Generic Injectables
- Proprietary drugs
- Biosimilars

## Medication Management

- Medication Management Systems (MMS): smart infusion devices, dedicated administration sets and software and services
- Gravity administration sets

## Other Pharma

- Large-volume solutions
- One2One™ contract manufacturing services



# Significant Competitive Advantages



- ✓ Dedicated focus on the generic injectable market
  - one of industry's broadest injectable portfolios
  - largest global market share
  - differentiated product portfolio with proprietary formats
  
- ✓ A recognized leader in biosimilars with years of experience
  
- ✓ Specialized manufacturing expertise and facilities
  - additional low-cost capacity coming on line
  - costly to duplicate
  
- ✓ Strong client and GPO relationships
  
- ✓ Expertise and proven track record in complex Paragraph IV patent challenges



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# Driving Operational and Quality Excellence: We Remain Firmly Committed to Reinforcing the Foundation



- We are **strengthening our foundation** and preparing the organization to support our growth plans
- We are **making sustainable change** in our process and quality procedures across our global manufacturing footprint
- We are **investing in the future** in processes, people, capacity expansion and modernization
- Quality improvement and remediation efforts **will position us favorably for long-term success**
  - Industry-wide heightened regulatory focus on compliance is driving increased competitive barriers to entry



# Driving Operational and Quality Excellence: Pharma



- We have made significant progress:
  - In surfacing issues and driving to resolution
  - In fostering open and frequent communication with CDER, the pharma side of the FDA
  - Responding to FDA observations and met commitments outlined in our action plans
  - Hiring excellent talent in our quality and operations organizations both at the corporate and plant levels
  - Implementing modernization efforts
  - Driving consistency and standardization holistically across our plants

# Driving Operational and Quality Excellence: Device



- Device business remains an important contributor to Hospira's value proposition
- Working to build same level of open communication and cooperation with CDRH, the device side of FDA, we have established with pharma side of the agency; and working to better understand and address their concerns
- Completed assessment phase of comprehensive device review in 2012; have begun initiating appropriate corrective actions
- Looking holistically across our device portfolio to determine which pumps better meet customer needs and FDA expectations
- In the process of developing a longer-term Medication Management Systems (MMS) strategy and communicating this strategy to the FDA

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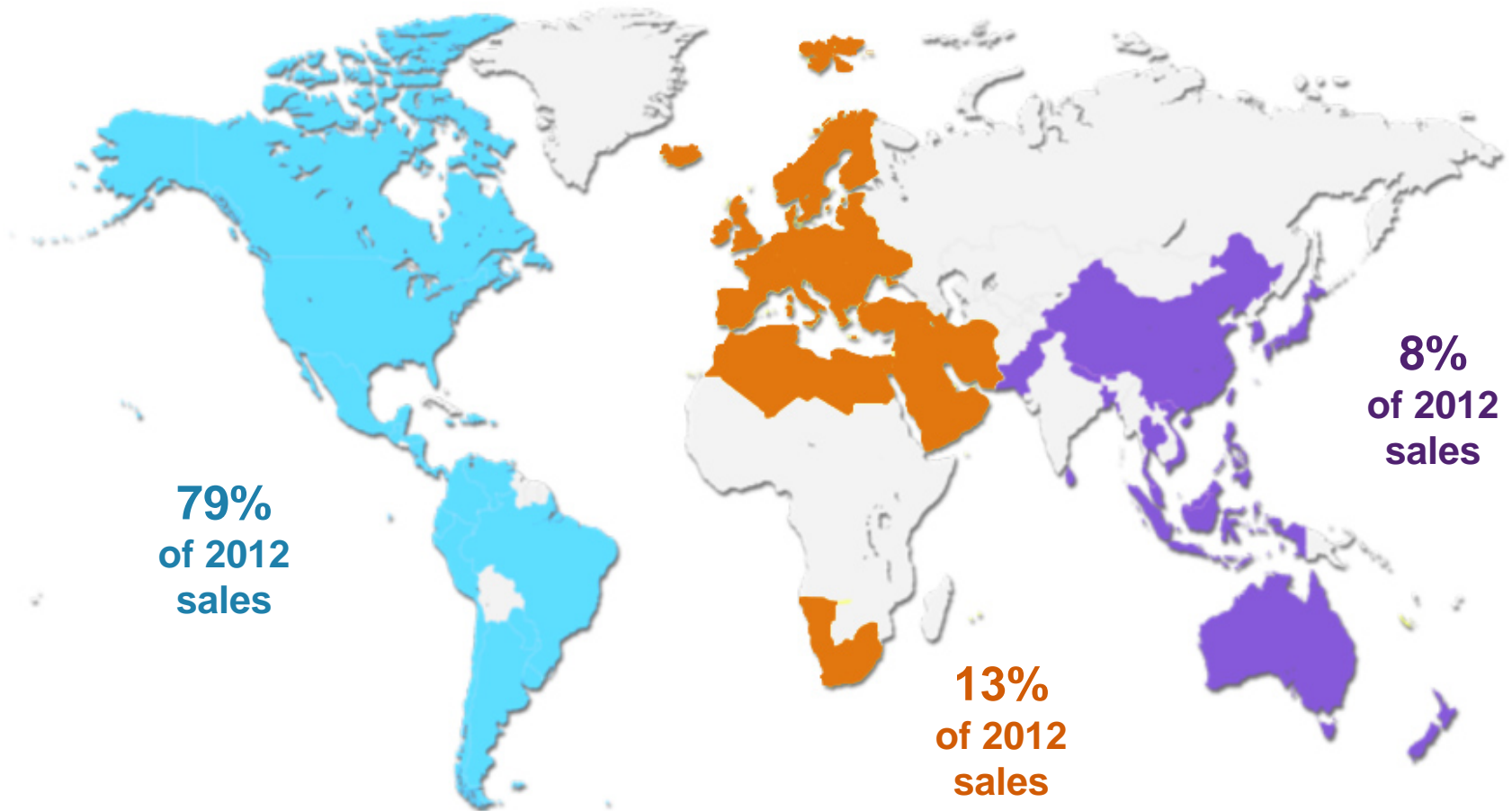
# Geographic Footprint: Room to Grow



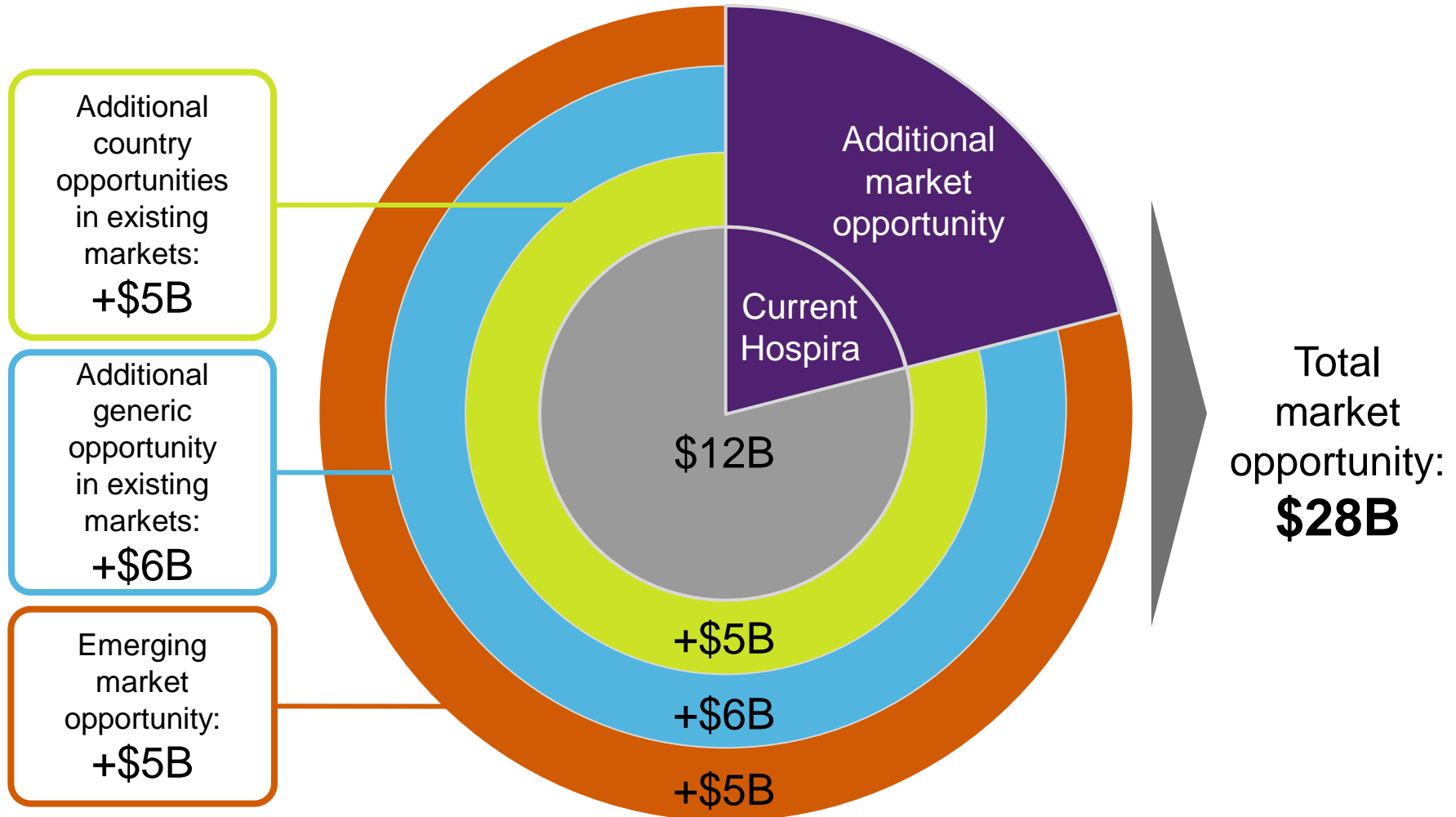
The Americas

EMEA

APAC



# Hospira Has Tremendous Opportunity to Increase Our Participation in the Generic Injectable Market

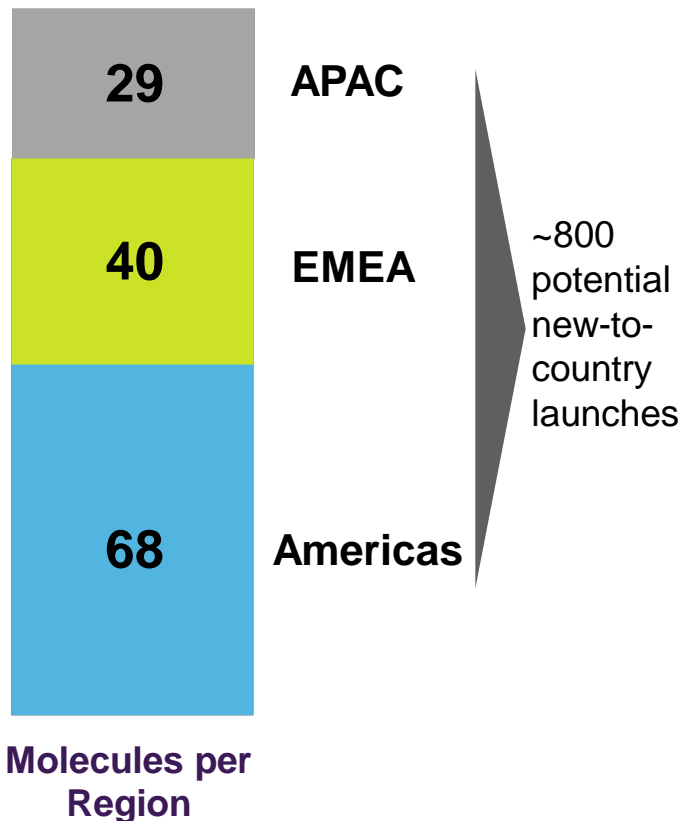


# Robust SIP Pipeline

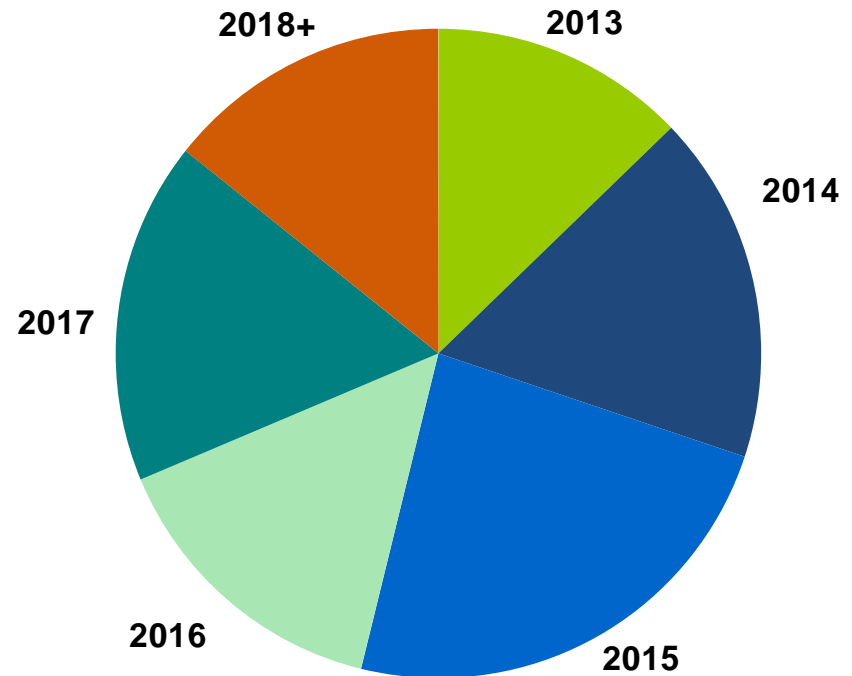


Total of 80 Molecules with LMV\* of \$18B

80 Molecules



Launch Timeline by LMV\*



Small-Molecule Generic Pipeline LMV\* by Planned Launch Year

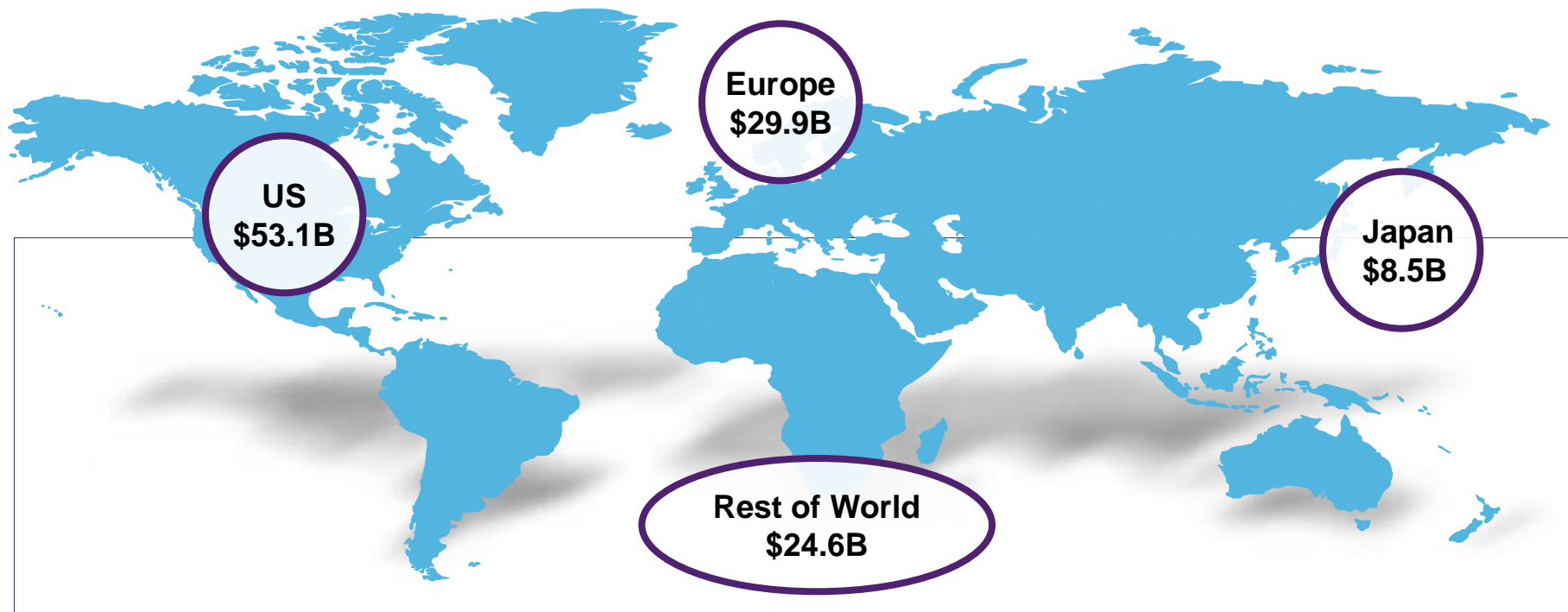
The pipeline is as of December 31, 2012 and consists of targeted molecules under patent protection and generic molecules that expand Hospira's portfolio, as well as Hospira's growth initiative molecules. The pipeline includes molecules launching in all respective markets in each region where Hospira plans to launch the product.

\* LMV (local market value) refers to IMS 2011 sales of equivalent products already being sold in market, whether patented or generic. LMV is not a forecast of Hospira's expected net sales. LMV source: IMS 2011, Hospira analysis.

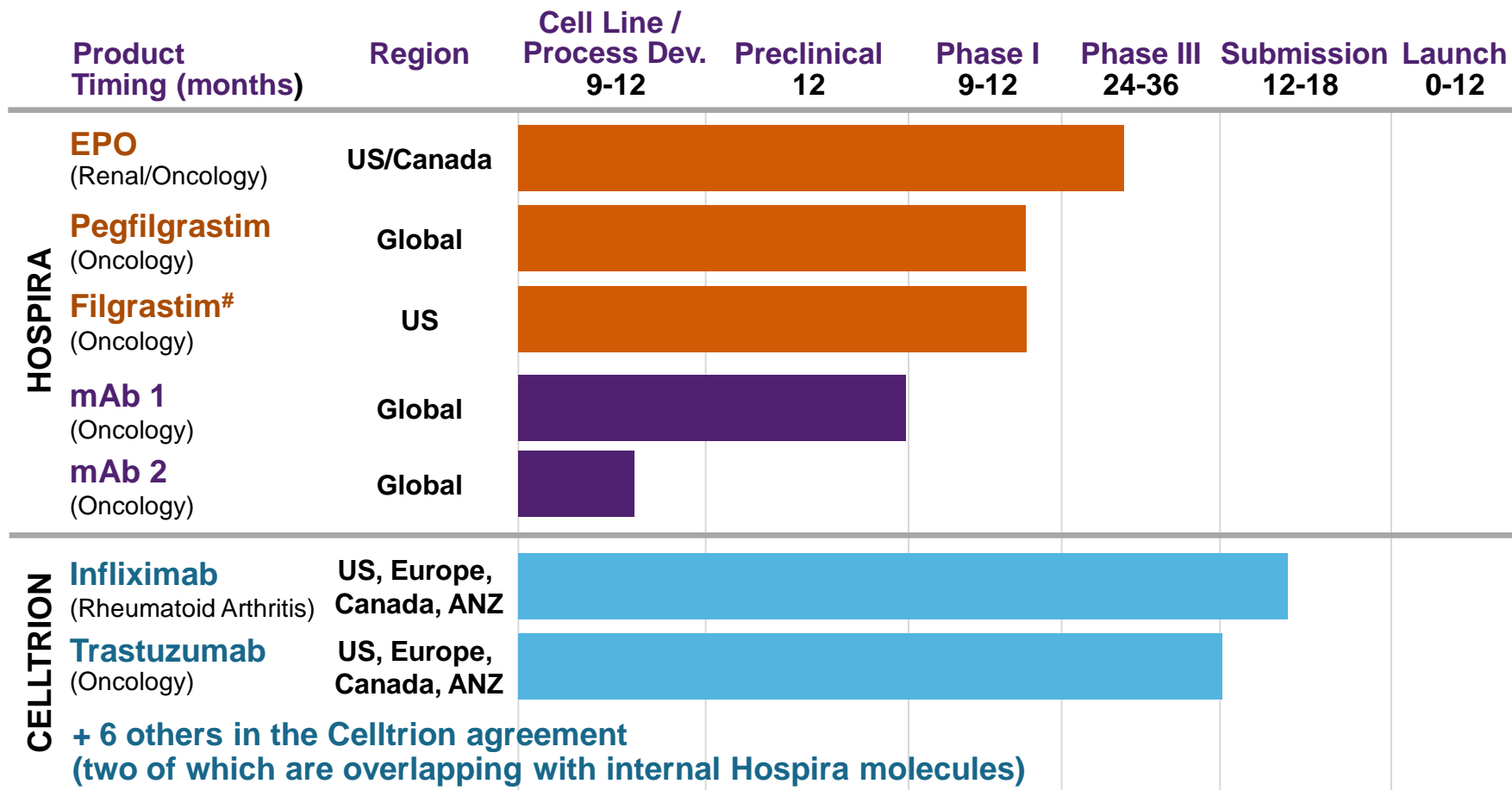
# Biosimilars: Another Compelling Growth Opportunity



**Global Biologics Total \$116B; Growing at 6.3% Per Year**



# Hospira Has One of the Industry's Largest Biosimilar Pipelines



LMV\* of \$40B

The biosimilar pipeline is as of December 31, 2012. # Finalizing regulatory strategy with FDA including bridging of European data.  
 \* LMV (local market value) refers to IMS 2011 sales of equivalent products already being sold in the market, whether patented or generic.  
 LMV is not a forecast of Hospira's expected net sales. LMV Source: IMS; Hospira analysis, Celltrion.

# IV Clinical Integration (IVCI): Next-Wave Opportunity



## IVCI Supports Improved Patient Outcomes, Workflow and Cost Savings

- Facilitates seamless communication between hospital EMR systems, pumps and other devices
- Connects the pump, order, patient and record
- Customer demand is building
- Supporting technology in place in most hospitals

### Seamless, Streamlined Workflow

#### Auto-Programming



Autoprograms pharmacy orders to the pump

#### Auto-Documentation



Documents actual infusion events and data in real time

Hospira is the early IVCI leader among smart pump providers – the first provider with live clinical integration sites

# Growth Expansion Initiatives: 2012 Progress



## Exceeded our goal for new-to-country submissions

- filed more than 100 new-to-country submissions in 2012

## Building presence in emerging and target markets

- China: transitioned from distributor to direct sales presence
- Japan: announced partnership with Mochida Pharmaceutical to distribute and co-promote generic oncology portfolio in Japan

## Moving forward with biosimilars

- filed dossier with European health authority for biosimilar infliximab
- continued progress on our Phase III trials for biosimilar EPO in the U.S.

## Realizing SIP and MMS opportunities

- re-launched oncolytic oxaliplatin in August
- submitted pediatric extension to U.S. FDA for Precedex™
- in 2013: announced a partnership with Q Core for exclusive rights to their Sapphire™ line of pumps; adds to our line of ambulatory devices

## Investing to support growth initiative and cost position

- advanced build-out of Vizag, India greenfield manufacturing facility
- pending acquisition of beta-lactam API facilities from Orchid

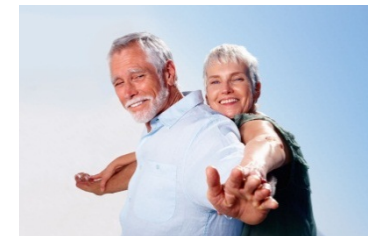
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# Driving to Our Vision



## Remediate & Invest

- Focus on manufacturing quality initiatives
- Surface/remediate issues
- Build open and constructive communication with FDA
- Launch new products
- Invest in global expansion
- Continue OUS biosimilar launches; work toward US biosimilar market formation
- Lead IV Clinical Integration
- Build international partnerships & relationships
- Improve pricing
- Finalize/implement new MMS strategy

## Supply & Share Recovery, Margin Expansion

- Recapture lost market share
- Launch first wave of SIP global expansion products
- Drive international penetration
- Maintain leadership in mature SIP and MMS markets
- Continue OUS biosimilar launches
- Complement Precedex offering
- First US biosimilar launch(es)
- Lead IV Clinical Integration
- India operations on-line
- Vertically integrate API in select molecules
- Improve pricing

## Global Leadership

- Hold #1 SIP position in all focus markets
- Be a global leader in MMS
- Be a top 3 global biosimilars company
- Hold a world-class cost position across SIP portfolio
- Lead IV Clinical Integration
- Drive MMS in emerging markets

# Investing For The Future: Margin Expansion Opportunities

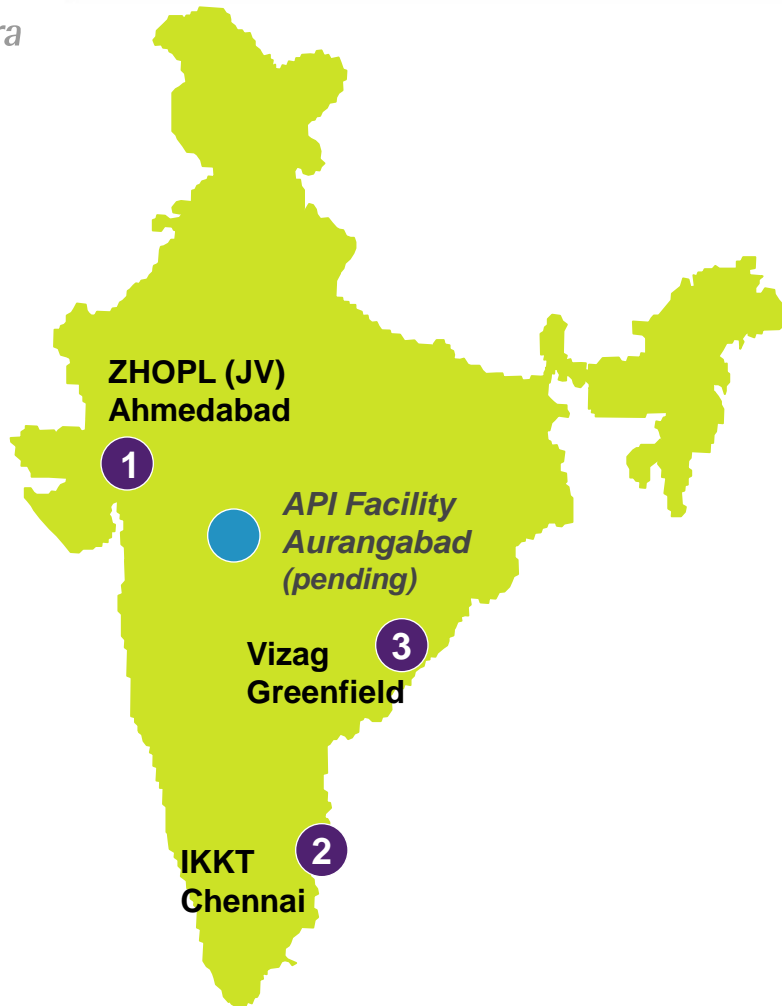


We have significant opportunity to grow our margins

Investment will drive margin expansion

- improved manufacturing efficiency, which leads to first-pass quality;
- optimization of technology enhancements at plants
- increased pricing aligned with product value
- recovery of market share positions
- biosimilars
- focused vertical integration of selective API
- new high-quality / lower-cost plant in India

# Hospira's Manufacturing Capacity Initiatives: India will Serve as a Key Strategic Location for Hospira



## 1. ZHOPL (JV)

- Cytotoxic molecules
- Currently expanding capacity

## 2. HSP India (IKKT)

- Cephalosporins, penicillins and carbapenem antibiotics
- R&D center of excellence

## 3. Vizag

- Terminal sterilization and aseptic process manufacturing
- Significant capacity for future growth

Pending acquisition of API manufacturing & R&D facilities in India will support our penicillin and carbapenem manufacturing operations

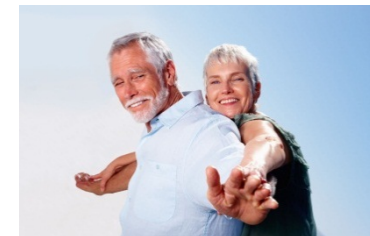
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# The Hospira Investment Story



## Opportunity

### Large, growing global markets

- Our markets are large and expanding
- Significant international and emerging market opportunity

## Position

### Leveraging leadership position and strengthening our foundation

- #1 leader in SIP; #2 in MMS and a top 3 biosimilars company
- Significant channel strength and share requiring high levels of expertise and investment
- Strengthening our quality and operational foundation

## Growth

### Long-term growth potential

- Multiple growth drivers
- Positioned to benefit from healthcare megatrends



# Our Mandate is Clear



## Hospira is the World's Leading Provider of Injectable Drugs and Infusion Technologies

