

# Consolidated Balance Sheets

ELI LILLY AND COMPANY AND SUBSIDIARIES  
(Dollars in millions, shares in thousands)

	December 31	2013	2012
<b>Assets</b>			
<i>Current Assets</i>			
Cash and cash equivalents (Note 7)	\$	3,830.2	\$ 4,018.8
Short-term investments (Note 7)		1,567.1	1,665.5
Accounts receivable, net of allowances of <b>\$100.3 (2013)</b> and \$108.5 (2012)		3,434.4	3,336.3
Other receivables		588.4	552.0
Inventories (Note 6)		2,928.8	2,643.8
Prepaid expenses and other		755.8	822.3
Total current assets		13,104.7	13,038.7
<i>Other Assets</i>			
Investments (Note 7)		7,624.9	6,313.9
Goodwill and other intangibles, net (Note 8)		4,331.1	4,752.7
Sundry		2,212.5	2,533.4
Total other assets		14,168.5	13,600.0
Property and equipment, net (Note 9)		7,975.5	7,760.2
Total assets	\$	35,248.7	\$ 34,398.9
<b>Liabilities and Equity</b>			
<i>Current Liabilities</i>			
Short-term borrowings and current maturities of long-term debt (Note 10)	\$	1,012.6	\$ 11.9
Accounts payable		1,119.3	1,188.3
Employee compensation		943.9	940.3
Sales rebates and discounts		1,941.7	1,777.2
Dividends payable		523.5	541.4
Income taxes payable (Note 14)		254.4	143.5
Deferred income taxes (Note 14)		792.8	1,048.0
Other current liabilities		2,328.4	2,738.9
Total current liabilities		8,916.6	8,389.5
<i>Other Liabilities</i>			
Long-term debt (Note 10)		4,200.3	5,519.4
Accrued retirement benefits (Note 15)		1,549.4	3,012.4
Long-term income taxes payable (Note 14)		1,078.7	1,334.3
Other noncurrent liabilities		1,863.0	1,369.4
Total other liabilities		8,691.4	11,235.5
Commitments and contingencies (Note 16)			
<i>Eli Lilly and Company Shareholders' Equity</i> (Notes 11 and 12)			
Common stock—no par value			
Authorized shares: 3,200,000			
Issued shares: <b>1,117,628 (2013)</b> and 1,146,493 (2012)		698.5	716.6
Additional paid-in capital		5,050.0	4,963.1
Retained earnings		16,992.4	16,088.2
Employee benefit trust		(3,013.2)	(3,013.2)
Accumulated other comprehensive loss (Note 17)		(2,002.7)	(3,797.1)
Cost of common stock in treasury, <b>833 shares (2013)</b> and 2,850 shares (2012)		(93.6)	(192.4)
Total Eli Lilly and Company shareholders' equity		17,631.4	14,765.2
Noncontrolling interests		9.3	8.7
Total equity		17,640.7	14,773.9
Total liabilities and equity	\$	35,248.7	\$ 34,398.9

# Consolidated Statements of Cash Flows

ELI LILLY AND COMPANY AND SUBSIDIARIES  
(Dollars in millions)

	Year Ended December 31	2013	2012	2011
<b>Cash Flows from Operating Activities</b>				
Net income	\$	4,684.8	\$ 4,088.6	\$ 4,347.7
<b>Adjustments to Reconcile Net Income to Cash Flows from Operating Activities</b>				
Depreciation and amortization		1,445.6	1,462.2	1,373.6
Change in deferred income taxes		285.9	126.0	(268.5)
Stock-based compensation expense		144.9	141.5	147.4
Impairment charges, indefinite lived intangibles		—	205.0	151.5
Acquired in-process research and development, net of tax		37.1	—	252.2
Income related to termination of the exenatide collaboration with Amylin (Note 4)		(495.4)	(787.8)	—
Other operating activities, net		25.1	120.5	(17.8)
Changes in operating assets and liabilities, net of acquisitions:				
Receivables—(increase) decrease		(152.7)	361.8	(188.8)
Inventories—(increase) decrease		(286.5)	(307.9)	203.1
Other assets—(increase) decrease		116.5	231.0	642.7
Accounts payable and other liabilities—(increase) (decrease)		(70.3)	(336.1)	591.4
<b>Net Cash Provided by Operating Activities</b>		<b>5,735.0</b>	<b>5,304.8</b>	<b>7,234.5</b>
<b>Cash Flows from Investing Activities</b>				
Purchases of property and equipment		(1,012.1)	(905.4)	(672.0)
Disposals of property and equipment		179.4	22.0	25.3
Proceeds from sales and maturities of short-term investments		3,320.1	2,547.5	1,807.9
Purchases of short-term investments		(1,531.0)	(2,172.4)	(2,058.8)
Proceeds from sales and maturities of noncurrent investments		11,235.0	4,355.7	2,138.5
Purchases of noncurrent investments		(14,041.9)	(7,618.6)	(4,459.4)
Purchase of product rights		(24.1)	(138.8)	(632.9)
Purchases of in-process research and development		(57.1)	—	(388.0)
Cash paid for acquisitions, net of cash acquired		(43.7)	(199.3)	(307.8)
Net change in loan to collaboration partner (Note 4)		—	165.0	(165.0)
Proceeds from prepayment of revenue-sharing obligation (Note 4)		—	1,212.1	—
Other investing activities, net		(97.4)	(100.6)	(112.2)
<b>Net Cash Used for Investing Activities</b>		<b>(2,072.8)</b>	<b>(2,832.8)</b>	<b>(4,824.4)</b>
<b>Cash Flows from Financing Activities</b>				
Dividends paid		(2,120.7)	(2,187.4)	(2,180.1)
Net change in short-term borrowings		—	—	(134.1)
Repayments of long-term debt		(10.5)	(1,511.1)	(61.7)
Purchases of common stock		(1,698.1)	(721.1)	—
Other financing activities, net		—	—	6.0
<b>Net Cash Used for Financing Activities</b>		<b>(3,829.3)</b>	<b>(4,419.6)</b>	<b>(2,369.9)</b>
Effect of exchange rate changes on cash and cash equivalents		(21.5)	43.9	(110.9)
<b>Net decrease in cash and cash equivalents</b>		<b>(188.6)</b>	<b>(1,903.7)</b>	<b>(70.7)</b>
Cash and cash equivalents at beginning of year		4,018.8	5,922.5	5,993.2
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$</b>	<b>3,830.2</b>	<b>\$ 4,018.8</b>	<b>\$ 5,922.5</b>

See notes to consolidated financial statements.