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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 11-K

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Section

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- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2008

OR

- TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-31946

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**HOSPIRA
401(k) RETIREMENT SAVINGS PLAN**

- B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**Hospira, Inc.
275 North Field Drive
Lake Forest, IL 60045**

**FINANCIAL STATEMENTS AND
AUDITOR'S REPORT
HOSPIRA 401(k) RETIREMENT SAVINGS PLAN
DECEMBER 31, 2008 AND 2007**

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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To the Participants, Plan Administrator, and Board of Review
Hospira 401(k) Retirement Savings Plan

We have audited the accompanying statements of net assets available for benefits of Hospira 401(k) Retirement Savings Plan (the "Plan") as of December 31, 2008 and 2007, and the related statement of changes in net assets available for benefits for the year ended December 31, 2008. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2008 and 2007, and the changes in net assets available for benefits for the year ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2008 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Chicago, Illinois
June 23, 2009

Hospira 401(k) Retirement Savings Plan
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2008 and 2007
(Dollars in thousands)

	<u>2008</u>	<u>2007</u>
Assets		
Cash	\$ -	\$ 507
Investments, at fair value (see Notes B and C)	896,787	1,112,992
Due from brokers	<u>23</u>	<u>-</u>
Net Assets Available for Benefits at Fair Value	896,810	1,113,499
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>7,190</u>	<u>(452)</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 904,000</u></u>	<u><u>\$1,113,047</u></u>

The accompanying notes are an integral part of these statements.

Hospira 401(k) Retirement Savings Plan
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Year ended December 31, 2008
(Dollars in thousands)

Contributions	
Employer	\$ 37,257
Participant	<u>46,587</u>
Total contributions	83,844
Investment income (loss)	
Net depreciation in fair value of investments	(229,455)
Interest and dividends	<u>17,737</u>
Net investment loss	(211,718)
Benefits paid to participants	80,956
Other expenses	<u>217</u>
NET DECREASE IN NET ASSETS	(209,047)
Net assets available for benefits	
Beginning of year	<u>1,113,047</u>
End of year	<u><u>\$ 904,000</u></u>

The accompanying notes are an integral part of this statement.

Hospira 401(k) Retirement Savings Plan
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE A - DESCRIPTION OF THE PLAN

The following description of the Hospira 401(k) Retirement Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan operates as a cash or deferred arrangement 401(k) plan and was established effective May 1, 2004 in connection with the spin off of Hospira, Inc. ("Hospira") from Abbott Laboratories ("Abbott"). Employees of Hospira who were previously participants in the Abbott Laboratories Stock Retirement Plan automatically became participants in the Plan. Those employees' corresponding accounts and assets were transferred to the Plan. For those transferred participant accounts that were invested in Abbott stock at the time of the transfer, such amounts may continue to be invested in Abbott stock or be redirected by the participant to the other investment options described below. Participants may not, however, direct the investment of additional amounts into Abbott stock after the transfer. Additionally, as of December 1, 2005, Fiduciary Counselors Inc. was appointed as an independent fiduciary responsible for monitoring the suitability of both Abbott and Hospira stock under the Plan.

Effective April 1, 2007, Mayne Pharma (USA) Inc. adopted and became an employer under the Plan. On October 17, 2007, the Mayne Pharma (USA) Inc. Savings and Investment Plan was merged with and into the Plan. The total value of transferred assets was approximately \$6,025,000.

In general, United States employees not covered by a collective bargaining agreement of Hospira may voluntarily participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. Mercer Trust Company ("Mercer") served as trustee of the Plan's trust, the Hospira 401(k) Retirement Savings Trust (the "Trust"), until July 2, 2007, at which time JPMorgan Chase Bank, N.A. ("JPMorgan") became the successor trustee. Three Hospira officers served as co-trustees of the trust until July 2, 2007 when, where applicable, their functions were assumed by the Employee Benefit Board of Review of Hospira, Inc.

Contributions and Vesting

Employer Contributions

Employer contributions to the Plan are made each payroll period and are equal to 5% of a participant's eligible compensation for participants who contribute at least 2% but less than 3% of their eligible compensation and are equal to 6% of a participant's eligible compensation for any participant who contributes at least 3% of his or her compensation. In addition, for any

Hospira 401(k) Retirement Savings Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2008 and 2007

NOTE A - DESCRIPTION OF THE PLAN - Continued

Contributions and Vesting - Continued

Employer Contributions - Continued

participant who, as of December 31, 2004, is both age 40 or older and employed by Hospira, an additional employer contribution shall be made each Plan year through 2009 for those participants who contribute at least 2% of their compensation, at a uniform percentage rate of eligible compensation to be determined by the Plan administrator, up to a maximum aggregate percentage amount of 15% for all Plan years. Employer contributions are invested each pay period according to the employee's investment elections.

Employee Contributions

Employees are eligible to make contributions on any entry date following their date of hire. Eligible employees electing to participate must contribute from 2% to 25% of their eligible compensation in multiples of one percent to the Plan, subject to certain limitations. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions subject to certain limitations of the United States Internal Revenue Code ("IRC"). Eligible compensation is an employee's regular base pay, including overtime as well as sales bonuses, sales incentives, and sales commissions. Participants may choose to make their contributions from either pre-tax compensation (not to exceed 10% of compensation for highly compensated employees), after-tax compensation (not to exceed 25% of compensation), or both. The pre-tax contributions are a pay conversion feature, which is a salary deferral option under the provisions of Section 401(k) of the IRC. Participant contributions may be invested in any or all of the investment options.

Eligible hired or rehired employees who have not provided their elections to participate in the Plan within 60 days of employment are automatically enrolled in the Plan and have their compensation automatically reduced for pre-tax contributions by a percentage elected by the administrator. In addition, participants contributing at least 3% in pre-tax contributions and reaching the statutory pre-tax limit will automatically have 3% of such contributions converted to after-tax contributions in order to still receive the employer contribution through the remainder of the Plan year. Those participants contributing only 2% in pre-tax contributions will have only 2% automatically converted to after-tax contributions. Total participant pre-tax and after-tax contributions may not exceed 25% of the participant's eligible compensation or IRS limits.

Hospira 401(k) Retirement Savings Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2008 and 2007

NOTE A - DESCRIPTION OF THE PLAN - Continued

Contributions and Vesting - Continued

Participants may direct the trustee to sell all or a portion of the Hospira common stock held in their accounts and reinvest the proceeds in any of the investment options available to the participants.

Participants are 100% vested in their accounts, including Employer contributions.

Distributions

Upon retirement, termination or death, participants or their beneficiaries receive a distribution in cash, to the extent they hold Hospira and/or Abbott stock in whole shares or as direct rollovers, as applicable. Also, upon retirement, participants may elect to defer distribution to a future date, but distribution must be made before April 1 following the year the participant reaches age 70-1/2 or upon death, if earlier. Interest, dividends and other earnings will continue to accrue on such deferred amounts. Participants are permitted to withdraw their after-tax contributions and rollover contributions in shares or in cash, subject to certain limitations.

Participant Accounts

Each participant's account is credited with participant contributions, employer matching contributions, and allocations of fund earnings or losses. Certain participant accounts are subject to short-term trading fees and/or investment service fees.

Loans to Participants

Participants may borrow from their accounts amounts not to exceed the lesser of the current market value of the aggregated assets allocated to their pre-tax account, rollover account and employer contribution account or 50% of all of their Plan accounts up to \$50,000, subject to Internal Revenue Service ("IRS") and Department of Labor's limitations and restrictions. Participants pay interest on such borrowings at an interest rate to be determined by the Plan's administrator. Loans, limited to one per participant, must be repaid within five years (or the employee's anticipated retirement date, if sooner) unless the loan is used for the purchase of the primary residence of the employee, in which case the repayment period can be extended beyond five years. Participants may have two loans outstanding if one of the loans is for purchasing a primary residence. Participants are not permitted to refinance loans. Repayment is made through periodic payroll deductions but may be repaid in a lump sum at any time. For employees leaving Hospira during the repayment period, the balance of the outstanding loan may continue to be repaid over the original loan period under the same terms.

Hospira 401(k) Retirement Savings Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2008 and 2007

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

As described in Financial Accounting Standards Board ("FASB") Staff Position, FSP AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (the "FSP"), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Plan invested in investment contracts through the Hospira Stable Value Fund through July 1, 2007, and thereafter in the JPMorgan Stable Value Fund. As required by the FSP, the Statements of Net Assets Available for Benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract-value basis.

Adoption of New Accounting Standard

In September 2006, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 157, *Fair Value Measurements* ("SFAS 157") which defines fair value, establishes a framework for measuring fair value under current accounting pronouncements that require or permit fair value measurement and enhances disclosures about fair value measurements. Effective January 1, 2008 the Plan adopted SFAS 157. In accordance with SFAS No. 157, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for the asset or liability. Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Adoption of SFAS 157 did not have a material impact on the Plan's financial statements.

SFAS No. 157 establishes a three-tiered hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under SFAS No. 157 are as follows:

Hospira 401(k) Retirement Savings Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2008 and 2007

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Adoption of New Accounting Standard – Continued

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including:

1. Quoted prices for similar assets or liabilities in active markets.
2. Quoted prices for identical or similar assets or liabilities in inactive markets.
3. Inputs other than quoted prices that are observable for the assets or liabilities (including volatilities).

Level 3 inputs are unobservable for the asset or liability (including the entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability) and significant to the fair value measurement.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Investment Valuation

In accordance with SFAS No. 157, Plan management uses the following methods and significant assumptions to estimate fair value of investments:

Mutual funds: Valued at the net asset value ("NAV") of shares held by the Plan at year end, which is obtained from an active market.

Common stock: Valued at the closing price reported on the active market on which the security is traded.

Hospira 401(k) Retirement Savings Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2008 and 2007

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Investment Valuation – Continued

Collective trust funds: Valued at the NAV provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV's unit price is quoted on a private market that is not active.

Guaranteed investment contracts ("GICs"): Valued by discounting the related cash flows based on current yields of similar instruments with comparable durations.

Short-term investment fund: Valued using \$1 for the money market's NAV.

Wrapped bond fund: Valued based on the representative quoted market prices of the bonds or bond fund and active market quotes for government issued securities. The fair values of the associated wrap contracts, are determined using the market approach discounting methodology which incorporates the difference between current market level rates for contract level wrap fees and the wrap fee being charged, the difference is calculated as a dollar value and discounted by the prevailing interpolated swap rate as of period end.

Participant loans: Valued at their outstanding balances, which approximates fair value.

The following table presents the Plan's investments by level within the fair value hierarchy as of December 31, 2008 (dollars in thousands):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 149,503	\$ -	\$ -	\$ 149,503
Common stock	385,503	-	-	385,503
Collective trust funds	-	179,785	-	179,785
JPMorgan Stable Value				
Guaranteed investment contracts	-	-	45,528	45,528
Wrapped bonds and bond fund	395	73,659	197	74,251
Short-term investment fund	-	28,073	-	28,073
Participant loans	-	-	34,144	34,144
Total assets at fair value	<u>\$ 535,401</u>	<u>\$281,517</u>	<u>\$ 79,869</u>	<u>\$ 896,787</u>

Hospira 401(k) Retirement Savings Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2008 and 2007

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Investment Valuation – Continued

The following table includes a summary of changes in the fair value of the Plan's Level 3 investments for the year ended December 31, 2008 (dollars in thousands):

	Wrapped Bond Fund	Guaranteed Investment Contracts	Participant Loans
Balance, beginning of year	\$ -	\$ 79,191	\$ 33,950
Net appreciation in fair value	197	6,185	-
Purchases, sales, issuances, and settlements (net)	-	(39,848)	194
Balance, end of year	<u>\$ 197</u>	<u>\$ 45,528</u>	<u>\$ 34,144</u>

Investment Income

Net realized and unrealized appreciation (depreciation) is recorded in the accompanying statement of changes in net assets available for benefits as net depreciation in fair value of investments.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Administrative Expenses

Hospira pays most of the usual and reasonable expenses of the Plan and the Plan administrator. Participants are charged transaction fees for loan and withdrawal processing. Fund investment fees are charged against the net assets of the respective fund.

Payment of Benefits

Benefits are recorded when paid.

Hospira 401(k) Retirement Savings Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2008 and 2007

NOTE C - INVESTMENT CONTRACTS WITH INSURANCE COMPANIES

The Plan has entered into benefit-responsive investment contracts with various financial services institutions through the Hospira Stable Value Fund until July 2, 2007, and the JPMorgan Stable Value Fund thereafter (collectively the "Stable Value Funds"). The contracts are held in the Stable Value Funds in a separate account and the Hospira Stable Value Fund was managed by Putnam and the JPMorgan Stable Value Fund is managed by JPMorgan. The account is credited with participant contributions to the Stable Value Funds and earnings on the underlying investments and charged for Plan withdrawals and administrative expenses charged by Putnam until July 2, 2007, and JPMorgan thereafter.

The Plan has entered into traditional GIC contracts through the Stable Value Funds. The GIC issuers are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The Plan has no reserves against contract value for credit risk of the contract issuers or otherwise. The crediting interest rates are fixed rates on fixed maturity contracts.

The Plan has also entered into synthetic investment contracts (synthetic GICs) through the JPMorgan Stable Value Fund. A synthetic GIC is a wrap contract paired with an underlying investment or investments, usually a portfolio, owned by the Plan, of high-quality, intermediate term fixed income securities. The JPMorgan Stable Value Fund purchases wrapper contracts from financial services institutions. Synthetic GICs credit a stated interest rate for a specified period of time. Investment gains and losses are amortized over the expected duration through the calculation of the applicable interest rate on a prospective basis. Synthetic GICs provide for a variable crediting rate, which typically resets at least quarterly, and the issuer of the wrap contract provides assurance that future adjustments to the crediting rate can not result in a crediting rate less than zero. The crediting rate is primarily based on the current yield-to-maturity of the covered investments, plus or minus amortization of the difference between the market value and contract value of the covered investments over the duration of the covered investments at the time of computation. The crediting rate can be adjusted periodically and is adjusted quarterly, but in no event is the crediting rate less than 0%.

Certain events limit the ability of the Plan to transact at contract value with the issuers. Such events include the following: (i) amendments to the Plan documents (including complete or partial plan termination or merger with another plan); (ii) changes to Plan's prohibition on competing investment options or deletion of equity wash provisions; (iii) bankruptcy of the Plan sponsor or other Plan sponsor events (e.g., divestitures or spin-offs of a subsidiary) which cause a significant withdrawal from the Plan or (iv) the failure of the Trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan administrator does not believe that the occurrence of any such value event, which would limit the Plan's ability to transact at contract value with participants, is probable.

Hospira 401(k) Retirement Savings Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2008 and 2007

NOTE C - INVESTMENT CONTRACTS WITH INSURANCE COMPANIES - Continued

The traditional GICs do not permit the insurance companies to terminate the agreement prior to the scheduled maturity dates. However, the synthetic GICs generally impose conditions on both the Plan and the issuer. If an event of default occurs and is not cured, the non-defaulting party may terminate the contract. The following may cause the Plan to be in default: a breach of material obligation under the contract; a material misrepresentation; or a material amendment to the Plan agreement. The issuer may be in default if it breaches a material obligation under the investment contract; makes a material misrepresentation; has a decline in its long term credit rating below a threshold set forth in the contract; is acquired or reorganized and the successor issuer does not satisfy the investment or credit guidelines applicable to issuers. If, in the event of default of an issuer, the Plan were unable to obtain a replacement investment contract, all of the synthetic GIC contracts have been negotiated to have "contingency coverage," that would allocate the book and market value proportionately among the remaining wrap providers in the event that another book value wrap contract is terminated for any reason. All other terms and conditions of the remaining contracts, including fees, would continue to apply without amendment.

The Plan may seek to add additional issuers over time to diversify the Plan's exposure to such risk, but there is no assurance that the Plan may be able to do so. The combination of the default of an issuer and an inability to obtain a replacement agreement could render the Plan unable to achieve its objective of maintaining a stable contract value. The terms of an investment contract generally provide for settlement of payments only upon termination of the contract or total liquidation of the covered investments. Generally, payments will be made pro-rata, based on the percentage of investments covered by each issuer.

Contract termination occurs whenever the contract value or market value of the covered investments reaches zero or upon certain events of default. If the contract terminates due to issuer default (other than a default occurring because of a decline in its rating), the issuer will generally be required to pay to the Plan the excess, if any, of contract value over market value on the date of termination. If a synthetic GIC terminates due to a decline in the ratings of the issuer, the issuer may be required to pay to the Plan the cost of acquiring a replacement contract (i.e., replacement cost) within the meaning of the contract. If the contract terminates when the market value equals zero, the issuer will pay the excess of contract value over market value to the Plan to the extent necessary for the Plan to satisfy outstanding contract value withdrawal requests. Contract termination also may occur by either party upon election and notice.

As described in Note B, because the GICs and synthetic GICs in the Stable Value Funds are fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the GICs in the Stable Value Funds. Contract value, as reported to the Plan by Putnam until July 2, 2007, and JPMorgan thereafter, represents

Hospira 401(k) Retirement Savings Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2008 and 2007

NOTE C - INVESTMENT CONTRACTS WITH INSURANCE COMPANIES - Continued

contributions made under the contracts, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment in the Stable Value Funds at contract value.

	<u>2008</u>	<u>2007</u>
Average yields:		
Based on actual earnings	5.13%	5.18%
Based on interest rate credited to participants	3.60	4.92

NOTE D - INVESTMENTS

The following investments represented 5% or more of the Plan's net assets at December 31, 2008 and 2007 (dollars in thousands):

	<u>2008</u>	<u>2007</u>
Abbott common stock	\$287,693	\$349,367
Hospira common stock	97,810	166,987
JPMorgan Intermediate Bond Fund*	73,452	n/a
American Funds EuroPacific Growth Fund	53,253	70,937
JPMorgan SmartRetirement 2020	n/a	56,859

*Contract value of JPMorgan Intermediate Bond Fund, the wrapped bond fund, is \$82,639 at December 31, 2008.

During 2008, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows (dollars in thousands):

Mutual funds	\$ (84,079)
Collective funds	(71,784)
Common stock	<u>(73,592)</u>
Net depreciation	<u>\$(229,455)</u>

Hospira 401(k) Retirement Savings Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2008 and 2007

NOTE E - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investments securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

NOTE F - RELATED-PARTY TRANSACTIONS

Certain Plan assets were invested in investments managed by an affiliate of Mercer through July 2, 2007, and, after July 2, 2007, certain Plan assets are managed by JPMorgan and its affiliates; therefore, these transactions qualify as party-in-interest. A significant portion of the Plan's assets is invested in Hospira common stock.

NOTE G - PLAN TERMINATION

Although it has not expressed any intent to do so, Hospira has the right to discontinue its contributions or terminate the Plan in accordance with ERISA and the IRC. In the event that the Plan is terminated, the trustee would distribute to each participant the value of their account as determined by the terms of the Plan.

NOTE H - TAX STATUS

The IRS has determined and informed the company, by a letter dated November 6, 2008, that the Plan is designed in accordance with applicable sections of the IRC. The Plan has been amended since the applicable date of the determination letter. However, the Plan administrator believes that the Plan, in all material respects, is designed and is currently being operated in accordance with the applicable requirements of the IRC.

Hospira 401(k) Retirement Savings Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2008 and 2007

NOTE I - RECONCILIATION TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2008 and 2007 (dollars in thousands):

	<u>2008</u>	<u>2007</u>
Net assets available for benefits per the financial statements	\$904,000	\$1,113,047
Adjustment from contract value to fair value for interest in synthetic GICs relating to fully benefit-responsive investment contracts	<u>(8,390)</u>	<u>(97)</u>
Net assets available for benefits per the Form 5500	<u>\$895,610</u>	<u>\$1,112,950</u>

The following is a reconciliation of net decrease per the statement of changes in net assets available for benefits for the year ended December 31, 2008 to the Form 5500 (dollars in thousands):

Net decrease per the financial statements	\$(209,047)
Current year adjustment from contract value to fair value for interest in synthetic GICs relating to fully benefit responsive investment contracts	(8,390)
Prior year adjustment from contract value to fair value for interest in synthetic GICs relating to fully benefit responsive investment contracts	<u>97</u>
Net loss per the Form 5500	<u>\$(217,340)</u>

Investments in synthetic GICs (wrapped contracts) are required to be reported at fair value on the Form 5500, while traditional GICs are required to be reported at contract value. As of December 31, 2008 and 2007, the Plan held synthetic GICs and traditional GICs.

SUPPLEMENTAL SCHEDULE

Hospira 401(k) Retirement Savings Plan
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
As of December 31, 2008
(Dollars in thousands)

Identity of party involved/ description of asset	Rate	Maturity	Cost (a)	Current value
Abbott Laboratories, common shares,				\$ 287,693
*Hospira, Inc., common shares				97,810
Mutual funds				
Lord Abbett Affiliated, Class Y				12,338
Western Asset Core Plus Bond Portfolio				25,602
American Funds Growth Fund of America, Class R5				35,123
American Funds EuroPacific Growth Fund, Class R5				53,253
Buffalo Small Cap,				11,405
AllianceBernstein Small-Mid Cap Value, Class I				11,782
Collective Funds				
*JPMorgan SmartRetirement 2010, Class C				13,098
*JPMorgan SmartRetirement 2015, Class C				18,619
*JPMorgan SmartRetirement 2020, Class C				31,661
*JPMorgan SmartRetirement 2025, Class C				25,711
*JPMorgan SmartRetirement 2030, Class C				22,863
*JPMorgan SmartRetirement 2035, Class C				12,552
*JPMorgan SmartRetirement 2040, Class C				10,270
*JPMorgan SmartRetirement 2045, Class C				5,572
*JPMorgan SmartRetirement 2050, Class C				2,968
*JPMorgan SmartRetirement Income, Class C				1,673
SSgA S&P 500 Fund, Class C				34,798
*JPMorgan Stable Value, guaranteed investment contracts				
Genworth Financial	4.13	01/02/09		1,802
Genworth Financial	4.28	03/02/09		1,086
Hartford Life Ins. Co.	4.16	03/02/09		720
Jackson National Life Insurance Co.	4.12	05/15/09		3,539
Jackson National Life Insurance Co.	4.34	04/15/10		3,536
Jackson National Life Insurance Co.	4.55	02/16/10		2,324

Hospira 401(k) Retirement Savings Plan
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR) - (Continued)
As of December 31, 2008
(Dollars in thousands)

Identity of party involved/ description of asset	Rate	Maturity	Cost (a)	Current value
*JPMorgan Stable Value, guaranteed investment contracts - Continued				
Metropolitan Life Ins. Co.	3.96	10/30/09		3,020
Metropolitan Life Ins. Co.	3.98	02/13/09		1,090
Monumental Life Insurance Co.	4.39	06/30/09		3,637
Monumental Life Insurance Co.	4.53	07/01/10		3,532
Principal Life Insurance Co.	5.63	05/30/11		3,457
Principal Life Insurance Co.	4.32	02/16/10		3,545
Prudential Asset Management Co.	4.20	11/30/09		3,557
Prudential Asset Management Co.	4.42	08/15/10		3,506
Security Life of Denver	4.23	09/30/09		5,977
*JPMorgan Stable Value, wrapped bonds and bond fund				
JPMorgan Chase Bank Intermediate Bond Fund				73,452
U.S. Treasury note	4.88	06/30/09		153
U.S. Treasury note	2.88	06/30/10		67
U.S. Treasury note	2.38	08/31/10		41
U.S. Treasury note	2.00	09/30/10		103
U.S. Treasury note	1.50	10/31/10		31
JPMCB Liquidity Fund				207
Natixis Financial wrap contract	3.49			-
Royal Bank of Canada wrap contract	3.49			138
State Street Bank wrap contract	3.49			59
*JPMorgan Stable Value, short-term investment fund				
JPMCB Liquidity Fund				28,073
*Loans to participants, 4.0% to 9.5%				
				<u>34,144</u>
				<u><u>\$ 895,587</u></u>

*Represents a party-in-interest.

(a) Cost information omitted as all investments are fully participant directed.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Hospira 401(k) Retirement Savings Plan
(Name of Plan)



Kenneth F. Meyers,
Senior Vice President of Organizational
Transformation and People Development

Date: June 23, 2009

Index to Exhibit

EXHIBIT
NUMBER

23.1

Grant Thornton LLP Consent of Independent Registered Public
Accounting Firm



Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Audit • Tax • Advisory

Grant Thornton LLP

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Chicago, IL 60604-2687

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We have issued our report dated June 23, 2009, with respect to the financial statements and supplemental schedules of Hospira 401(k) Retirement Savings Plan on Form 11-K for the year ended December 31, 2008. We hereby consent to the incorporation by reference of said report in the Registration Statements of Hospira, Inc. on Form S-8 (File Numbers 333-120074 and 333-115058, effective October 29, 2004 and April 30, 2004, respectively).

Grant Thornton LLP

Chicago, Illinois

June 23, 2009