



Elanco Animal Health Announces Pricing of \$2.0 Billion of Senior Notes

August 15, 2018

INDIANAPOLIS, Aug. 14, 2018 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) today announced that its subsidiary, Elanco Animal Health Incorporated, has priced a private offering of \$2.0 billion of senior notes (the "Offering"), consisting of \$500 million aggregate principal amount of 3.912 percent senior notes due August 27, 2021; \$750 million aggregate principal amount of 4.272 percent senior notes due August 28, 2023; and \$750 million aggregate principal amount of 4.900 percent senior notes due August 28, 2028.

Elanco will place the net proceeds of the Offering into escrow, to be released upon either the completion of its previously announced, anticipated initial public offering (IPO) or a special mandatory redemption, which would occur if the IPO does not take place, or Lilly otherwise determines that the IPO will not take place, by June 30, 2019. Elanco intends to pay the net proceeds of the Offering as part of the consideration to Lilly. The Offering is expected to close on or about August 28, 2018, subject to customary closing conditions.

The notes are being offered in a private placement to qualified institutional buyers in accordance with Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and to certain non-United States persons in offshore transactions in accordance with Regulation S under the Securities Act. The notes have not been registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons absent registration under, or an applicable exemption from, the registration requirements of the Securities Act.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of any securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Eli Lilly and Company

Lilly is a global healthcare leader that unites caring with discovery to make life better for people around the world. We were founded more than a century ago by a man committed to creating high-quality medicines that meet real needs, and today we remain true to that mission in all our work. Across the globe, Lilly employees work to discover and bring life-changing medicines to those who need them, improve the understanding and management of disease, and give back to communities through philanthropy and volunteerism.

About Elanco Animal Health

Founded in 1954, Elanco provides comprehensive products and knowledge services to improve animal health and food-animal production in more than 90 countries around the world. We value innovation, both in scientific research and daily operations, and strive to cultivate a collaborative work environment for more than 5,800 employees worldwide. Together with our customers, we are committed to raising awareness about global food security, and celebrating and supporting the human-animal bond. Our worldwide headquarters and research facilities are located in Greenfield, Indiana.

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This press release contains forward-looking statements that are based on management's current expectations, but actual results may differ materially due to various factors. These statements relate to the closing of the Offering and the use of proceeds therefrom, including in connection with Elanco's previously announced, anticipated IPO. There are significant risks and uncertainties relating to Offering and the potential IPO. Some of these risks include market conditions and closing conditions for the Offering. In addition, there can be no guarantees that the IPO will be consummated on the timeline anticipated or at all or that Lilly will achieve the anticipated benefits of the IPO. Lilly's ability to consummate and achieve the anticipated benefits of the Offering and the potential IPO may be materially affected by such factors as changes to the business, results of operation or financial condition of Elanco or Lilly, changes in the animal health or pharmaceutical industries, adverse market or macroeconomic conditions and other factors outside Lilly's control that could affect the advisability, pricing and timing of the potential Elanco IPO. For additional information about the factors that affect Lilly's business, please see its latest Form 10-Q and Form 10-K filed with the SEC. Lilly undertakes no duty to update forward-looking statements, except as may be required by law.

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