Lilly Announces Final Results of Elanco Exchange Offer

March 13, 2019

INDIANAPOLIS, March 13, 2019 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) today announced the final results of its offer for shareholders to exchange their shares of Lilly common stock for shares of Elanco Animal Health Incorporated (NYSE: ELAN) previously owned by Lilly, which expired at 12:00 midnight, New York City time, at the end of the day on March 8, 2019.

Because the exchange offer was oversubscribed, Lilly accepted only a portion of the shares of its common stock that were validly tendered and not validly withdrawn, on a pro rata basis in proportion to the number of shares tendered. Shareholders who owned fewer than 100 shares of Lilly common stock, or an "odd-lot," who validly tendered all of their shares, were not subject to proration, in accordance with the terms of the exchange offer. The final proration factor of 13.5970839 percent was applied to all other shares of Lilly common stock that were validly tendered and not validly withdrawn to determine the number of such shares that have been accepted from each tendering shareholder.

"We're pleased with the results of the exchange offer, and proud of what we accomplished with Elanco in our 64 years together. We wish Elanco and its employees continued success as they move into the future," said David A. Ricks, Lilly's chairman and CEO. "For Lilly, we believe this full separation will strengthen our focus: to create medicines that make life better for people around the world."

Based on the final count by the exchange agent, Computershare Trust Company, N.A., the final results of the exchange offer are as follows:

- Total number of shares of Lilly common stock validly tendered and not validly withdrawn: 467,055,775
- Shares tendered that were subject to proration: 465,325,822
- "Odd-lot" shares tendered that were not subject to proration: 1,729,953
- Total number of shares of Lilly common stock accepted: 65,000,775

Shares of Lilly common stock tendered but not accepted for exchange will be returned to the tendering shareholders in book-entry form promptly. In addition, the exchange agent will promptly credit shares of Elanco common stock for distribution in the exchange offer in book-entry form to accounts maintained by the Elanco transfer agent for tendering shareholders whose shares of Lilly common stock were accepted in the exchange offer. Checks in lieu of fractional shares of Elanco common stock will be delivered after the exchange agent has aggregated all fractional shares and sold them in the open market.

Goldman Sachs & Co. LLC, J.P. Morgan and Morgan Stanley served as the dealer managers for the exchange offer.

About Eli Lilly and Company

Lilly is a global healthcare leader that unites caring with discovery to create medicines that 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. C-LLY

About Elanco

Established in 1954, Elanco provides comprehensive products and knowledge services to improve animal health and food-animal production in more than 70 countries around the world. Elanco supports the beef, dairy, poultry, swine and aquaculture industries, and offers a robust product portfolio for companion animals.

This press release does not constitute an offer of any securities for sale.

Cautionary Statement Regarding Forward-Looking Statements

This communication contains certain statements about Eli Lilly and Company ("Lilly") and Elanco Animal Health Incorporated ("Elanco") that are "forward-looking statements" within the meaning of Section 27A of the United States Securities Act of 1933, as amended, and Section 21E of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements are based on current expectations and assumptions regarding Lilly's and Elanco's respective businesses, the economy and other future conditions. In addition, the forward-looking statements contained in this communication may include statements about the expected effects on Lilly and Elanco of the exchange offer, the anticipated timing and benefits of the exchange offer, Lilly's and Elanco's anticipated financial results, and all other statements in this communication that are not historical facts.

Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and are detailed more fully in Lilly's and Elanco's respective periodic reports filed from time to time with the Securities and Exchange Commission (the "SEC"), the Registration Statement, including the prospectus forming a part thereof, and other exchange offer documents filed by Elanco and Lilly with the SEC. Such uncertainties, risks and changes in circumstances could cause actual results to differ materially from those expressed or implied in such forward-looking statements. Forward-looking statements included herein are made as of the date hereof, and neither Lilly nor Elanco undertakes any obligation to update publicly such statements to reflect subsequent events or circumstances, except to the extent required by applicable securities laws. Investors should not put undue reliance on forward-looking statements.

Additional Information and Where to Find It:

Elanco has filed with the SEC a Registration Statement on Form S-4, including the prospectus forming a part thereof, and Lilly has filed with the SEC a Schedule TO, which more fully describe the terms and conditions of the exchange offer.

Holders of Lilly common stock may obtain copies of the prospectus, other related documents, and any other information that Lilly and Elanco file electronically with the SEC free of charge at the SEC's website at www.sec.gov. Holders of Lilly common stock will also be able to obtain a copy of the prospectus by clicking on the appropriate link on lillyexchangeoffer.com. Related documents may also be obtained for free, as applicable, from Lilly at www.lilly.com or Elanco at www.elanco.com.

Lilly has retained Georgeson LLC as the information agent for the exchange offer. If you have any questions about the terms of the exchange offer or how to participate, you may contact the information agent at 1-800-676-0194 (toll-free for shareholders, banks and brokers) or +1-781-575-2137 (all others outside the U.S.).

Refer to:J. Scott MacGregor; jsmacgregor@lilly.com; 317-440-4699 (Media)
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