



Lilly Announces Sale of Legacy Antibiotics Brands and Manufacturing Facility in China

April 23, 2019

INDIANAPOLIS, April 22, 2019 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) today announced that it has entered into an agreement to sell the rights in China for two legacy Lilly antibiotic medicines, Ceclor® and Vancocin®, as well as a manufacturing facility in Suzhou, China that produces Ceclor, to Eddingpharm, a China-based specialty pharmaceutical company.

Under the terms of the agreement, Lilly will receive a deposit of \$75 million, followed by a payment of \$300 million upon successful closing of the transaction. As part of the transaction, all employees at the Ceclor manufacturing facility and certain employees from shared functions will be offered the opportunity to remain at the facility and continue to work with Eddingpharm. Lilly will provide ongoing services to Eddingpharm for a period of time to ensure continuity of product supply and support the smooth transition of the facility.

"Lilly remains committed to improving the health of people in China," said Julio Gay-Ger, President and General Manager of Lilly China. "This transaction will enable Lilly China to better focus our resources on the exciting new therapies that we are launching in our core therapeutic areas, so that we can bring more life-changing medicines to patients in China."

Mr. Xin Ni, CEO of Eddingpharm, said: "Ceclor and Vancocin have been on the Chinese market for more than two decades, treating numerous patients and earning the trust of patients and physicians alike. We are very proud to acquire these two brands and to carry on their legacy. We look forward to maintaining high standards of operation, supplying products with the best quality, and serving more patients in need in China."

The transaction is expected to close in either the latter part of 2019 or early 2020, subject to customary closing conditions and regulatory approval. The transaction will not be reflected in Lilly's reported results and financial guidance until closing.

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. To learn more about Lilly, please visit us at www.lilly.com and <http://newsroom.lilly.com/social-channels>. C-LLY

Lilly Forward-Looking Statement

This press release contains forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995) about the benefits to Lilly from the sale of assets to Eddingpharm, and reflects Lilly's current beliefs. However, as with any such undertaking, there are substantial risks and uncertainties. Among other things, there can be no guarantee that the sale of assets to Eddingpharm will be completed in the anticipated timeframe or at all, or that Lilly will realize the expected benefits of the transaction. For a further discussion of these and other risks and uncertainties that could cause actual results to differ from Lilly's expectations, please see Lilly's most recent Forms 10-K and 10-Q filed with the U.S. Securities and Exchange Commission. Lilly undertakes no duty to update forward-looking statements.

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