



Lilly Announces Cash Tender Offer for Up to \$2.0 Billion Aggregate Principal Amount of Its Outstanding Debt Securities

October 24, 2019

INDIANAPOLIS, Oct. 24, 2019 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) announced today that it has commenced a cash tender offer for up to \$2.0 billion aggregate principal amount (the "tender cap") of specified series of its outstanding debt. Pursuant to the tender offer, Lilly is offering to purchase, under certain conditions and subject to certain limitations, its 3.950% Notes due 2047, 3.700% Notes due 2045, 3.875% Notes due 2039, 7.125% Notes due 2025, 6.77% Notes due 2036, 5.950% Notes due 2037, 5.55% Notes due 2037, 5.50% Notes due 2027, 4.650% Notes due 2044, 3.100% Notes due 2027, 2.750% Notes due 2025, 3.375% Notes due 2029, 3.950% Notes due 2049, 4.150% Notes due 2059 and 2.350% Notes due 2022 (collectively, the "notes").

The early tender date is 5:00 p.m., New York City time, on November 6, 2019, unless extended. The expiration date of the tender offer is 11:59 p.m., New York City time, on November 21, 2019, unless extended or earlier terminated. The terms, conditions and limitations of the tender offer are described in the Offer to Purchase dated as of today's date.

Holders of notes must validly tender and not validly withdraw their notes before the early tender date to be eligible to receive the total consideration (as described below). Tendered notes may only be withdrawn prior to 5:00 p.m., New York City time, on November 6, 2019. Notes tendered after the withdrawal date and before the expiration date may not be withdrawn, except in certain limited circumstances where additional withdrawal rights are required by law.

The table below sets forth certain information regarding the notes and the tender offer.

| Title of Security | CUSIP No. | Principal Amount Outstanding | Acceptance Priority Level | Reference U.S. Treasury Security | Bloomberg Reference Page | Fixed Spread |
|--------------------------------|------------|------------------------------|---------------------------|----------------------------------|--------------------------|--------------|
| 3.950% Notes due 2047 | 532457 BR8 | \$750,000,000 | 1 | 2.875% due May 15, 2049 | FIT1 | 75 bps |
| 3.700% Notes due 2045 | 532457 BJ6 | \$800,000,000 | 2 | 2.875% due May 15, 2049 | FIT1 | 75 bps |
| 3.875% Notes due 2039 | 532457 BS6 | \$850,000,000 | 3 | 2.875% due May 15, 2049 | FIT1 | 57 bps |
| 7.125% Notes due 2025 | 532457 AM0 | \$252,166,000 | 4 | 1.500% due September 30, 2024 | FIT1 | 45 bps |
| 6.77% Notes due 2036 | 532457 AP3 | \$194,960,000 | 5 | 2.875% due May 15, 2049 | FIT1 | 75 bps |
| 5.950% Notes due 2037 | 532457 BC1 | \$296,134,000 | 6 | 2.875% due May 15, 2049 | FIT1 | 75 bps |
| 5.55% Notes due 2037 | 532457 BA5 | \$529,306,000 | 7 | 2.875% due May 15, 2049 | FIT1 | 70 bps |
| 5.50% Notes due 2027 | 532457 AZ1 | \$445,783,000 | 8 | 1.625% due August 15, 2029 | FIT1 | 45 bps |
| 4.650% Notes due 2044 | 532457 BG2 | \$88,016,000 | 9 | 2.875% due May 15, 2049 | FIT1 | 85 bps |
| 3.100% Notes due 2027 | 532457 BP2 | \$750,000,000 | 10 | 1.625% due August 15, 2029 | FIT1 | 35 bps |
| 2.750% Notes due 2025 | 532457 BH0 | \$800,000,000 | 11 | 1.50% due September 30, 2024 | FIT1 | 25 bps |

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|--------------------------------|------------|-----------------|-------------------|--------------------------------|------|---------|
| 3.375% Notes due 2029 | 532457 BV9 | \$1,150,000,000 | 12 | 1.625% due August 15, 2029 | FIT1 | 60 bps |
| 3.950% Notes due 2049 | 532457 BT4 | \$1,500,000,000 | 13 ⁽¹⁾ | 2.875% due May 15, 2049 | FIT1 | 85 bps |
| 4.150% Notes due 2059 | 532457 BU1 | \$1,000,000,000 | 14 ⁽²⁾ | 2.875% due May 15, 2049 | FIT1 | 105 bps |
| 2.350% Notes due 2022 | 532457 BQ0 | \$750,000,000 | 15 ⁽³⁾ | 1.375% due October 15, 2022 | FIT1 | 20 bps |

(1) The maximum principal amount of 3.950% Notes due 2049 that will be purchased by Lilly is \$200,000,000 (the "3.95% note cap").

(2) The maximum principal amount of 4.150% Notes due 2059 that will be purchased by Lilly is \$200,000,000 (the "4.15% note cap").

(3) The maximum principal amount of 2.350% Notes due 2022 that will be purchased by Lilly is \$250,000,000 (the "2.35% note cap" and together with the 3.95% note cap and the 4.15% note cap, the "note caps").

Subject to the tender cap, tendered notes will be accepted in the order of the acceptance priority levels set forth in the table above, except that the aggregate principal amount of the 3.950% Notes due 2049 accepted will not exceed the 3.95% note cap, the aggregate principal amount of the 4.150% Notes due 2049 accepted will not exceed the 4.15% note cap, and the aggregate principal amount of the 2.350% Notes due 2022 accepted will not exceed the 2.35% note cap. Lilly reserves the right, but is not obligated, to increase the tender cap or the note caps. Tenders of 3.950% Notes due 2047, 3.875% Notes 2039, 3.700% Notes due 2045, 5.950% Notes due 2037, 5.50% Notes due 2027, 5.55% Notes due 2037, 4.650% Notes due 2044, 3.100% Notes due 2027, 2.750% Notes due 2025, 3.375% Notes due 2029, 3.950% Notes due 2049, 4.150% Notes due 2059 and 2.350% Notes due 2022 will be accepted only in principal amounts equal to \$2,000 and integral multiples of \$1,000 in excess thereof. Tenders of 6.77% Notes due 2036 and 7.125% Notes due 2025 will be accepted only in principal amounts equal to \$1,000 and integral multiples thereof.

The total consideration for each \$1,000 principal amount of notes tendered and accepted for payment by Lilly pursuant to the tender offer will be determined in the manner described in the Offer to Purchase by reference to a fixed spread specified in the table above for each series of the notes and over the yield based on the bid-side price of the U.S. Treasury Security specified in the table above, as calculated by Citigroup Global Markets Inc., Morgan Stanley & Co. LLC, BNP Paribas Securities Corp. and J.P. Morgan Securities LLC for the tender offer at 10:00 a.m., New York City time, on November 7, 2019. Holders of notes who validly tender their notes after the early tender date will, if such notes are accepted by Lilly, receive the tender consideration, which is equal to the total consideration minus \$30 per \$1,000 principal amount of notes tendered by such holders and accepted for purchase by Lilly. Accrued and unpaid interest up to, but excluding, the applicable settlement date will be paid in cash on all validly tendered notes accepted and purchased by Lilly in the tender offer.

Lilly reserves the right, but is under no obligation, at any point following the early tender date and before the expiration date of the tender offer, to accept for purchase any notes validly tendered (and not validly withdrawn) at or prior to the early tender date. The initial settlement date will be determined at Lilly's option and is currently expected to occur on November 8, 2019. Regardless of whether Lilly chooses to exercise its option to have an initial settlement date, Lilly will purchase any remaining notes that have been validly tendered (and not validly withdrawn) by the expiration date of the tender offer and accepted for purchase (subject to the tender cap, the note caps, and the application of the acceptance priority levels), promptly following the expiration date of the tender offer.

All notes validly tendered and not validly withdrawn before the early tender date having a higher acceptance priority level will be accepted (subject to the tender cap and the note caps) before any tendered notes having a lower acceptance priority level, and all notes validly tendered after the early tender date having a higher acceptance priority level will be accepted (subject to the tender cap and the note caps) before any notes tendered after the early tender date having a lower acceptance priority level. However, notes validly tendered and not validly withdrawn on or before the early tender date will be accepted for purchase (subject to the tender cap and the note caps) in priority to other notes tendered after the early tender date, even if such notes tendered after the early tender date have a higher acceptance priority level than notes tendered prior to the early tender date.

Notes accepted for purchase in accordance with the terms and conditions of the tender offer may be subject to proration (rounded down to avoid the purchase of notes in a principal amount other than in integral multiples of \$1,000), so that Lilly will only accept for purchase notes in an aggregate principal amount up to the tender cap, including the maximum amount of 3.950% Notes due 2049 that may be purchased pursuant to the 3.95% note cap, 4.150% Notes due 2059 that may be purchased pursuant to the 4.15% note cap, and 2.350% Notes due 2022 that may be purchased pursuant to the 2.35% note cap. If purchasing all of the tendered notes of a series of notes of an applicable acceptance priority level on any settlement date would cause the tender cap and the note caps to be exceeded, the amount of that series of notes purchased on that settlement date will be prorated based on the aggregate principal amount of that series of notes tendered in respect of that settlement date such that the tender cap and the note caps will not be exceeded. Furthermore, if the tender offer is fully subscribed as of the early tender date, holders who validly tender notes after the early tender date will not have their notes accepted for payment.

The offer for each series of notes is conditioned upon the satisfaction of certain conditions, including the completion of an offering of debt securities by Lilly on terms and conditions satisfactory to Lilly that results in the receipt of net proceeds that, when taken together with cash on hand, is sufficient to pay the consideration for all tendered notes validly tendered (and not validly withdrawn) and accepted for purchase by Lilly, plus related accrued and unpaid interest and fees and expenses. The offer is not conditioned on a minimum principal amount of notes being tendered nor the consummation of any other offer. The offer with respect to one or more series of the notes may be amended, extended, terminated or withdrawn separately.

Lilly has retained Citigroup Global Markets Inc. and Morgan Stanley & Co. LLC to serve as lead dealer managers for the tender offer and BNP Paribas Securities Corp. and J.P. Morgan Securities LLC to serve as co-dealer managers. Lilly has retained Global Bondholder Services Corporation to serve as tender agent and information agent for the tender offer.

Requests for documents relating to the tender offer may be directed to Global Bondholder Services Corporation by telephone at (866) 470-3900, by email at contact@qbcs-usa.com or in writing at 65 Broadway, Suite 404, New York, NY 10006. Questions regarding the tender offer may be directed to Citigroup Global Markets Inc. at (212) 723-6106 or to Morgan Stanley & Co. LLC at (800) 624-1808.

This press release is for informational purposes only and is not a tender offer to purchase or a solicitation of acceptance of a tender offer, which may be made only pursuant to the terms of the Offer to Purchase. In any jurisdiction where the laws require the tender offer to be made by a licensed broker or dealer, the tender offer will be deemed made on behalf of Lilly by the dealer managers, or one or more registered brokers or dealers under the laws of such jurisdiction. In addition, this press release is not an offer to sell or the solicitation of an offer to buy any securities. No offer, solicitation, purchase or sale will be made in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Any such securities will be offered only by means of a prospectus, including a prospectus supplement relating to such securities, meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

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. F-LLY

This press release contains management's current intentions and expectations for the future, all of which are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The word "expect", "believe", "target" and similar expressions are intended to identify forward-looking statements, including but not limited to statements about the terms and conditions of, and the completion of, the tender offer. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the control of Lilly, that may cause its actual results to differ materially from those indicated in its forward-looking statements. For a further discussion of these risks and uncertainties, please see Lilly's latest Form 10-K and subsequent filings with the Securities and Exchange Commission, including Form 10-Qs and Form 8-Ks. You should not place undue reliance on forward-looking statements, which speak only as of the date of this release. Except as is required by law, Lilly expressly disclaims any obligation to publicly release any revisions to forward-looking statements to reflect events after the date of this release.

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The Lilly logo is rendered in a vibrant red, cursive script font. The letters are fluid and interconnected, with a prominent 'L' at the beginning and a long, sweeping tail on the 'y' that extends downwards and to the right.

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