

[EXCERPTS FROM ELANCO ANIMAL HEALTH INCORPORATED'S Q4 2018 WEBCAST ON FEBRUARY 6, 2019]

Comments from Jeffrey N. Simmons, President, Director & Chief Executive Officer:

Operationally, we are ready and we are excited to take on the next phase in our journey to becoming a fully independent company from Lilly. As Lilly stated earlier today, they intend to divest their remaining ownership in Elanco through an exchange offer in the first half of this year which could begin as early as the coming days.

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So, we've been prepared as we've been very open about the news that's come out here this morning that they plan to exit with an exchange offer. We've been preparing with them, in sync with Lilly and I think this is a vote of their confidence that we're ready for this separation and we are ready. We've been prepared. So we've got, of course, in place very solid transitional service agreements with Lilly that will go beyond this exit and we are prepared with our materials and with everything internally to start the process that would happen when this final notification, the tender is offered, we'll be ready to do that.

And my message to all of the employees is we're in execution mode and nothing changes for any Elanco employee. It will not cause disruption or any change to our execution. For them, everything stays the same. They execute our strategy, deliver the value that we're supposed to deliver to customers and you as investors. So, no change. We're ready and we'll be ready and we're working very closely with Lilly. I feel very good about the TSAs and the synergy between the companies.

#### **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*

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*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**

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