



January 1, 2015

## Lilly Finalizes Novartis Animal Health Acquisition

INDIANAPOLIS, Jan. 1, 2015 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) today announced that it has completed the acquisition of Novartis Animal Health, which will further position Lilly's Elanco as a global leader in the animal health industry. The transaction, first announced on April 22, has received clearance under the Hart-Scott-Rodino Antitrust Improvements Act. As part of the approval, certain animal health assets in the U.S. relating to the Sentinel<sup>®</sup> canine parasiticide franchise will be divested to Virbac, as has been previously announced. All other closing conditions have also been met.

The combined organization will increase Elanco's product portfolio, expand its global commercial presence and deliver more innovation to customers. The acquisition also augments Elanco's manufacturing and R&D capabilities with a total of 17 manufacturing sites and 14 R&D locations in the newly combined organization. Further, Elanco will have a more balanced and diversified business with revenues more evenly split between food animal and companion animal, as well as stronger geographic representation.

"As a top-tier animal health company, we are better positioned to help our customers respond to the changing external environment and meet increasing demands for animal protein, as well as growing desires for pet ownership," said Jeff Simmons, senior vice president of Eli Lilly and Company and president of Elanco Animal Health. "Our combination will deliver a more comprehensive suite of existing solutions, but will also allow us to dedicate greater resources to new product discovery and development."

Under the terms of the agreement, Lilly acquired the Novartis Animal Health business in an all-cash transaction of approximately \$5.4 billion, including anticipated tax benefits. Lilly funded this acquisition with approximately \$3.4 billion of cash-on-hand and \$2.0 billion in debt. The impact of the acquisition, which closed on January 1, 2015, will be reflected in Lilly's first quarter 2015 financial statements.

### About Elanco

Elanco is a global, innovation-driven company that develops and markets products and services to improve animal health and protein production in more than 70 countries. Elanco employs more than 7,000 people worldwide, with offices in more than 40 countries, and is a division of Eli Lilly and Company, a leading global pharmaceutical corporation. Additional information about Elanco is available at [www.elanco.com](http://www.elanco.com).

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

*This press release contains forward-looking statements about the benefits of the acquisition of Novartis Animal Health and the potential of the combined businesses. This release reflects Lilly's current beliefs; however, as with any such undertaking, there are substantial risks and uncertainties in the process of implementing the transaction and in the commercialization of these products. The company cannot guarantee that the company will achieve the expected benefits of the transaction. There is no guarantee that the commercial assets acquired will continue to be commercially successful, or that any acquired pipeline assets will yield commercially successful products. For further discussion of these and other risks and uncertainties, please see Lilly's latest Forms 10-K and 10-Q filed with the U.S. Securities and Exchange Commission. The company undertakes no duty to update forward-looking statements.*

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