

The following is the text of the website that is being maintained at <http://www.lillyexchangeoffer.com> in connection with the offer by Eli Lilly and Company to exchange up to an aggregate of 293,290,000 shares of common stock of Elanco Animal Health Incorporated, which are owned by Lilly, for shares of common stock of Lilly, as described in further detail in the Prospectus (as defined below).



## Exchange Offer

Last Updated: March 7, 2019

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## Eli Lilly and Company Investor Information

**The final exchange ratio is 4.5121 shares of Elanco common stock for each share of Lilly common stock validly tendered and not validly withdrawn and accepted pursuant to the terms of the exchange offer (as defined below).**

On February 8, 2019, Eli Lilly and Company, an Indiana corporation ("Lilly"), commenced an offer to exchange (the "exchange offer") up to an aggregate of 293,290,000 shares of Lilly common stock, no par value ("Elanco common stock"), of Elanco Animal Health Incorporated, an Indiana corporation ("Elanco"), for outstanding shares of common stock of Elanco Animal Health Incorporated ("Elanco common stock") that are validly tendered and not validly withdrawn, as described in further detail in the Prospectus, dated March 5, 2019 (the "Prospectus").

Pursuant to the exchange offer, for each \$100 of Lilly common stock accepted in the exchange offer, you will receive approximately \$107.53 of Elanco common stock, subject to an upper limit of 4.5262 shares of Elanco common stock per share of Lilly common stock. The exchange offer does not provide for a lower limit or minimum exchange ratio.

The value of Lilly common stock and Elanco common stock for purposes of calculating the exchange ratio was determined by Lilly by reference to the simple arithmetic average of the daily volume-weighted average prices ("VWAPs") of Lilly common stock (the "Average Lilly Price") and Elanco common stock (the "Average Elanco Price") on the New York Stock Exchange ("NYSE") during the three consecutive trading days ending on and including the second trading day preceding the expiration date of the exchange offer (the "Averaging Dates" and this three-day period, the "Averaging Period"). The Averaging Dates were March 4, March 5 and March 6, 2019. If Lilly decides to extend the exchange offer, the Averaging Dates will be reset to the period of three consecutive trading days ending on and including the second trading day preceding such extended expiration date, as it may be extended.

The number of shares of Lilly common stock that will be accepted if the exchange offer is completed will depend on the final exchange ratio and the number of shares of Lilly common stock validly tendered and not validly withdrawn.

Lilly has provided on this website the daily VWAP of both Lilly common stock and Elanco common stock for each day during the exchange offer. Prior to the Averaging Period commencing on the third trading day of the exchange offer, the website also provided indicative exchange ratios that were calculated based on the indicative per-share values of Lilly common stock and Elanco common stock on that day, calculated as though that day were the last day of the Averaging Period. The indicative exchange ratio also reflected the upper limit that would have been in effect, had such day been the last day of the Averaging Period.

During the Averaging Period, the website provided indicative exchange ratios calculated as follows: (i) on the first day of the Averaging Period, the indicative exchange ratio was calculated based on the daily VWAPs of Lilly common stock and Elanco common stock for that first day of the Averaging Period and (ii) on the second day of the Averaging Period, the indicative exchange ratio was calculated based on the simple arithmetic average of the daily VWAPs of Lilly common stock and Elanco common stock for the first and second days of the Averaging Period. The website did not provide an indicative exchange ratio on the third day of the Averaging Period and no indicative exchange ratios will be provided on the third day of the Averaging Period, as those additional days of the exchange offer after the Averaging Period will not affect the exchange ratio.

The exchange offer will expire and withdrawal rights shall terminate at 12:00 midnight, New York City time, at the end of the day on March 8, 2019, unless the exchange offer is extended or terminated, except with respect to shares of Lilly common stock held through The Lilly Employee 401(k) Plan, The Savings Plan for Lilly Affiliate Employees and The Elanco US Inc. 401(k) Plan (the "Savings Plans"), which cannot be withdrawn after 4:00 p.m., New York City time, on March 7, 2019 (unless extended). If the exchange offer is extended, and if administratively feasible, the deadline for receipt of instructions to withdraw or change previously submitted instructions with respect to shares held through the Savings Plans may also be extended.

If the exchange offer is oversubscribed and Lilly cannot accept all tenders of Lilly common stock at the exchange ratio, then all shares of Lilly common stock that are validly tendered and not validly withdrawn will generally be accepted for exchange on a pro rata basis in proportion to the number of shares tendered, which is referred to as "proration."

who beneficially own "odd-lots" (fewer than 100 shares in the aggregate) of Lilly common stock and who validly tender all their shares will not be subject to proration. Shares of Lilly common stock tendered on behalf of participants in the Savings Plans (each of which holds more than 100 shares of Lilly common stock) will be subject to proration, even if the individual participant holds more than 100 shares.

The completion of the exchange offer is subject to certain conditions as specified in the Prospectus. Lilly may waive any or all of the conditions to the exchange offer, subject to certain exceptions.

The information on this website is being provided solely in connection with the exchange offer and should not be used for any other purpose. You should refer to the Prospectus for additional information about the exchange offer. A copy of the Prospectus, the Instruction Booklet to the Letter of Transmittal, forms of a Notice of Guaranteed Delivery and a Withdrawal, the Lilly and Elanco press releases announcing the exchange offer and information for Savings Plan participants are available through the links below.

<b>Date:</b>	March 6, 2019
<b>Lilly Common Stock Daily VWAP:</b>	126.6254
<b>Elanco Common Stock Daily VWAP:</b>	29.6129
<b>Indicative Exchange Ratio:</b>	N/A
<b>Upper Limit:</b>	4.5262 x
<b>Upper Limit in Effect:</b>	No
<b>Final Exchange Ratio:</b>	4.5121 x

### Table of Historical Indicative Calculated Per-Share Values

The table below shows daily VWAPs for shares of Lilly common stock and shares of Elanco common stock. Prior to the Averaging Period, beginning on the third trading day of the exchange offer period, the table showed historical indicative calculated per-share values of Lilly common stock and Elanco common stock and the corresponding indicative exchange ratio, calculated as though that day were the last day of the Averaging Period. The indicative exchange ratio also reflected whether the upper limit would have been in effect if that day had been the last day of the Averaging Period. On each date before the Averaging Period, the information in the table was updated by 4:30 p.m., New York City time.

During the Averaging Period, the table below provided indicative exchange ratios calculated as follows: (i) on the first day of the Averaging Period, the indicative exchange ratio was calculated based on the daily VWAPs of Lilly common stock and Elanco common stock for that first day of the Averaging Period and (ii) on the second day of the Averaging Period, the indicative exchange ratio was calculated based on the simple arithmetic average of the daily VWAPs of Lilly common stock and Elanco common stock for the first and second days of the Averaging Period. The table did not provide an indicative exchange ratio on the third day of the Averaging Period and no indicative exchange ratios will be provided for the remaining days of the Averaging Period, as those additional days of the exchange offer after the Averaging Period will not affect the exchange ratio.

Prior to and during the Averaging Period, the data based on which the daily VWAP was determined only took into account adjustments made to reported trades included in the New York City time.

		Lilly Common Stock		Elanco Common Stock		Exchange Ratio	
Day	Date	Daily VWAP	Indicative Calculated Per-Share Value	Daily VWAP	Indicative Calculated Per-Share Value	Indicative Exchange Ratio - Number of Shares of Elanco Common Stock to be Exchanged Per Share of Lilly Common Stock Tendered <sup>(1)</sup>	Exc Up
1	February 8, 2019	119.6579	N/A *	29.527	N/A *	- *	
2	February 11, 2019	118.0854	N/A *	29.7132	N/A *	- *	
3	February 12, 2019	119.3267	119.0233	29.2164	29.4855	4.3405	
4	February 13, 2019	119.4364	118.9495	29.2986	29.4094	4.3490	
5	February 14, 2019	120.5047	119.7559	29.5042	29.3397	4.3889	
6	February 15, 2019	122.1900	120.7104	29.5564	29.4531	4.4069	
7	February 19, 2019	122.3484	121.6810	29.4719	29.5108	4.4336	
8	February 20, 2019	122.5437	122.3607	29.3433	29.4572	4.4665	
9	February 21, 2019	122.7603	122.5508	29.1029	29.3060	4.4965	

10	February 22, 2019	124.0433	123.1158	29.1965	29.2142	4.5262	
11	February 25, 2019	123.9638	123.5891	29.0575	29.1190	4.5262	
12	February 26, 2019	124.5610	124.1894	29.0164	29.0901	4.5262	
13	February 27, 2019	125.5536	124.6928	29.5737	29.2159	4.5262	
14	February 28, 2019	126.4753	125.5300	30.2202	29.6034	4.5262	
15	March 1, 2019	128.3517	126.7935	31.0070	30.2670	4.5045	
16	March 4, 2019	127.0574	127.0574	30.6927	30.6927	4.4512	
17	March 5, 2019	128.0981	127.5778	30.6764	30.6846	4.4707	
18	March 6, 2019	126.6254	127.2603	29.6129	30.3273	4.5121	

(1) Subject to proration. See the section in the Prospectus titled "The Exchange Offer—Terms of the Exchange Offer—Proration; Odd-Lots."

\*No indicative calculated per-share values or indicative exchange ratios are provided for the first two trading days of the exchange offer period as such values require daily VWAP data for three trading days.

Source: Bloomberg Finance L.P.

### Bloomberg Screen Images of Lilly and Elanco VWAPs

The screen images below depict the daily VWAP on the New York Stock Exchange as published by Bloomberg Finance L.P. on Bloomberg pages "LLY UN<Equity>AQR" and "ELAN UN<E Screen images used with the permission of Bloomberg Finance L.P.

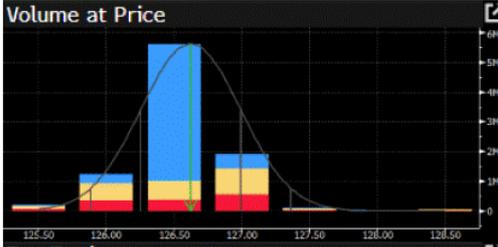
GRAB

LLY UN Equity US 98 Actions 99 Settings Price and Volume Dashboard

09:31 03/06/19 - Price Filter - Calculation Bloomberg Definition  
 16:01 03/06/19 - Vol Filter - Amount @ Part%

Calculation	WVAP	Volume	Value Traded	Trades	Avg Size	Std Dev
Bloomberg	126.6254	9,118,091	1.155BLN	23,609	386	0.369021
Custom	126.6254	9,118,091	1.155BLN	23,609	386	0.369021

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Transaction Cost Analysis

Avg Exec Px	126.6800	Amount	Buy
Benchmark	Price	CPS	BPS
Arrival	128.6450	1.96	152.7
WVAP	126.6254	-0.05	-4.3
PWP	20%	--	--
TWAP	1 min	126.5672	-0.11 -8.9
Day WVAP	126.6254	-0.05	-4.3
Prev Close	128.4900	1.81	140.9

Top Trades

Date	Time	Volume	Price	Exch
03/06	16:00:13	4,263,791	126.68 ↑	N
	09:31:27	55,014	128.70 ↑	N
	15:59:53	30,302	126.70	N
	15:48:15	4,000	126.59	N

Trade Summary Matrix

Price Buckets	Trades	Volume
Totals	23,609	9,118,091
128.5	22	57,841
128.0	94	10,597
127.5	512	92,632

Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2019 Bloomberg Finance L.P.  
 SN 247718 H014-3680-0 06-Feb-19 16:10:53 EST GMT-5:00

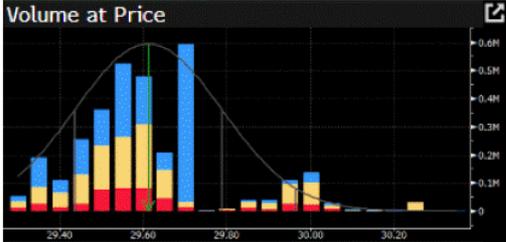
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ELAN UN Equity US 98 Actions 99 Settings Price and Volume Dashboard

09:30 03/06/19 - Price Filter - Calculation Bloomberg Definition  
 16:01 03/06/19 - Vol Filter - Amount @ Part%

Calculation	WVAP	Volume	Value Traded	Trades	Avg Size	Std Dev
Bloomberg	29.6129	3,167,423	93.797MLN	6,104	519	0.175842
Custom	29.6129	3,167,423	93.797MLN	6,104	519	0.175842

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### Transaction Cost Analysis

Avg Exec Px: 29.7000 Amount: Buy

Benchmark	Price	CPS	BPS
Arrival	30.2350	0.53	176.9
WVAP	29.6129	-0.09	-29.4
PWP	20%	--	--
TWAP	1 min	29.5672	-0.13 -44.9
Day WVAP	29.6129	-0.09	-29.4
Prev Close	30.4600	0.76	249.5

### Top Trades

Date	Time	Volume	Price	Exch
03/06	16:00:28	537,838	29.70 ↑	N
	09:30:18	28,552	30.25 ↓	N
	12:49:16	19,900	29.55 ↑	N
	11:18:15	15,500	29.58	N

### Trade Summary Matrix

Price Buckets	Trades	Volume
Totals	6,104	3,167,423
30.35	1	100
30.30	0	0
30.25	3	29,852

Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2019 Bloomberg Finance L.P.  
 SN 247718 H014-3680-0 06-Feb-19 16:11:30 EST GMT-5:00

## Other Related Information

 Prospectus	 Instruction Booklet to Letter of Transmittal*	 Notice of Guaranteed Delivery
 Notice of Withdrawal	 Lilly Press Release – Exchange Launch	 Elanco Press Release – Exchange La

## Information for Savings Plan Participants

 Notice to Savings Plan Participants*	 Savings Plan Exchange Offer Guide	 Elanco Stock Fund Fact Sheet
 Withdrawal Form for Savings Plan Participants		

\*Please contact us at the telephone numbers provided to obtain a replacement Letter of Transmittal or Savings Plan Election Form.

## Exchange Offer Election Website for Savings Plan Participants and Applicable Registered Shareholders

For Savings Plan participants and applicable registered shareholders, the Exchange Offer Election Website is available at [www.lillyexchange.com](http://www.lillyexchange.com). The Exchange Offer Website may be used only if you've received an Account Code and Control Code by mail.

The information agent for the exchange offer is:



1290 Avenue of the Americas, 9th Floor  
New York, NY 10104

1-800-676-0194 (toll-free for all shareholders, banks and  
brokers in the United States)

+1-781-575-2137 (all others outside of the United States)

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## 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 ("Act"). Forward-looking statements are based on current expectations and assumptions regarding Lilly's and Elanco's respective businesses, the economy and other future events. 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, 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. These uncertainties, risks and changes 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 Registrars, 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.*

## Important Notices and Additional Information

*This communication is for informational purposes only and is neither an offer to sell or the solicitation of an offer to buy any securities nor a recommendation as to whether you should participate in the exchange offer. 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. The exchange offer will be made solely by the prospectus. The prospectus contains important information about the exchange offer, Lilly, Elanco and related matters, and Lilly will deliver the prospectus to holders of Lilly common stock. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROSPECTUS, AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, WHEN THEY BECOME AVAILABLE, CAREFULLY AND TO MAKE ANY INVESTMENT DECISION, BECAUSE THEY CONTAIN IMPORTANT INFORMATION. None of Lilly, Elanco or any of their respective directors or officers or other persons appointed with respect to the exchange offer makes any recommendation as to whether you should participate in 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 at the SEC's website at [www.sec.gov](http://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 [www.lillyexchangeoffer.com](http://www.lillyexchangeoffer.com). Related documents may also be obtained for free, as applicable, from Lilly at [www.lilly.com](http://www.lilly.com) or Elanco at [www.elanco.com](http://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, 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.).*