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Lilly Reaches Agreement with U.S. Securities and Exchange Commission

INDIANAPOLIS, Dec. 20, 2012 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) today announced that it has reached an agreement with the U.S. Securities and Exchange Commission (SEC) to settle issues regarding compliance with the U.S. Foreign Corrupt Practices Act (FCPA). The settlement relates to an investigation by the SEC of certain activities of four Lilly affiliates — Brazil, China, Poland and Russia — from 1994 through 2009. Lilly was first notified of the investigation in August 2003. Without admitting or denying the allegations, Lilly has consented to pay a civil settlement amount of \$29.4 million and agreed to have an independent compliance consultant conduct a 60-day review of the company's internal controls and compliance program related to the FCPA. The company believes that this civil settlement brings resolution to issues from the past and is in the best interest of the company.

"Lilly requires our employees to act with integrity with all external parties and in accordance with all applicable laws and regulations," said Anne Nobles, Lilly's chief ethics and compliance officer and senior vice president of enterprise risk management. "Since ours is a business based on trust, we strive to conduct ourselves in an ethical way that is beyond reproach. We have cooperated with the U.S. government throughout this investigation and have strengthened our internal controls and compliance program globally, including significant investment in our global anti-corruption program."

The SEC noted that since the time of the conduct alleged in its complaint, Lilly has made improvements to its global anti-corruption compliance program, including: enhancing anti-corruption due diligence requirements for relationships with third parties; implementing compliance monitoring and corporate auditing specifically tailored to anti-corruption; enhancing financial controls and governance; and expanding anti-corruption training throughout the organization.

Lilly, a leading innovation-driven corporation, is developing a growing portfolio of pharmaceutical products by applying the latest research from its own worldwide laboratories and from collaborations with eminent scientific organizations. Headquartered in Indianapolis, Ind., Lilly provides answers — through medicines and information — for some of the world's most urgent medical needs. Additional information about Lilly is available at www.lilly.com. C-LLY

Some statements in this press release may be forward-looking statements, including but not limited to statements regarding the final resolution of the FCPA investigation and the efficacy of the Lilly's internal controls to prevent future legal, regulatory, or compliance issues. These statements are subject to risks and uncertainties that may cause actual results to differ materially from anticipated results. For further discussion of risks and uncertainties affecting the company's business, see Lilly's filings with the United States Securities and Exchange Commission. Lilly undertakes no duty to update forward-looking statements.

Refer to: Mark E. Taylor (317) 276-5795

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