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## Lilly Declares Third-Quarter 2012 Dividend, Resumes Share Repurchase Program

INDIANAPOLIS, June 19, 2012 /PRNewswire/ -- The board of directors of Eli Lilly and Company (NYSE: LLY) has declared a dividend for the third quarter of 2012 of \$0.49 a share on outstanding common stock. The dividend is payable September 10, 2012 to shareholders of record at the close of business on August 15, 2012.

The Lilly board of directors has also authorized the resumption of a share repurchase program that was started in 2000, under which the company has thus far purchased \$2.58 billion of shares of a total authorization of \$3.0 billion. The company expects to complete this program by purchasing the remaining \$420 million in shares by the end of 2012. The company also anticipates resuming systematic share repurchases following the completion of the current program. The size and timing of these additional share repurchases will be subject to board approval and will be balanced with other cash flow considerations, including the funding of the company's dividend, capital expenditures, potential business development opportunities and worldwide macroeconomic conditions.

"At Lilly, we're committed to providing a positive return to our shareholders through both a healthy dividend and stock price appreciation. Based on current market valuations and our confidence in Lilly's future, we believe that now is an excellent opportunity to resume buying back Lilly shares even as we maintain the dividend at least at its current level," said John Lechleiter, Ph.D., Lilly chairman, president, and chief executive officer.

All purchases under the share repurchase program will be made on the open market at prevailing prices. Purchases will be made over a period to be determined by management of the company. Shares acquired will be retired. As of March 31, 2012 there were 1,116,982,662 shares of stock outstanding on a diluted basis.

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](http://www.lilly.com). F-LLY

This press release contains forward-looking statements that are based on management's current expectations, but actual results may differ materially due to various factors. There is no guarantee the company will be able to complete its planned 2012 share repurchases or will continue repurchasing shares in 2013 or beyond. There are significant risks and uncertainties in pharmaceutical research and development. There can be no guarantees with respect to pipeline products that the products will receive the necessary clinical and manufacturing regulatory approvals or that they will prove to be commercially successful. Pharmaceutical products can develop unexpected safety or efficacy concerns. The company's results may also be affected by such factors as competitive developments affecting current products; market uptake of recently launched products; the timing of anticipated regulatory approvals and launches of new products; regulatory actions regarding currently marketed products; issues with product supply; regulatory changes or other developments; regulatory compliance problems or government investigations; patent disputes; changes in patent law or regulations related to data-package exclusivity; other litigation involving current or future products; the impact of governmental actions regarding pricing, importation, and reimbursement for pharmaceuticals, including U.S. health care reform; changes in tax law; asset impairments and restructuring charges; acquisitions and business development transactions; and the impact of exchange rates and global macroeconomic conditions. For additional information about the factors that affect the company's business, please see the company's latest Form 10-Q and Form 10-K filed with the U.S. Securities and Exchange Commission. The company undertakes no duty to update forward-looking statements.

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