



October 16, 2014

Lilly Announces Plan to Realign Puerto Rico Manufacturing Operations

Manufacturing at Guayama will conclude while investments continue in Carolina

INDIANAPOLIS, Oct. 16, 2014 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) today announced plans to conclude production and pursue a sale of one of its three manufacturing plants in Puerto Rico. The manufacturing site, located in Guayama, Puerto Rico, will remain in operation until the end of 2015. All of the approximately 100 full-time non-contracted employees currently working in Guayama will be offered employment at Lilly's Carolina (Puerto Rico) location.

"The decision to conclude operations at Guayama is based upon the evolution of the company's pipeline, which includes a growing insulin and biologics portfolio, coupled with a less capacity-intensive small molecule portfolio," said Paul Ahern, Ph.D., senior vice president of Global Active Pharmaceutical Ingredient and Dry Products Manufacturing. "The utilization of the site has been impacted by patent expirations on the medicines produced there. As we assessed our long-term capacity needs, the company made the business decision to conclude manufacturing at the site."

"Our employees at Guayama have demonstrated strong, sustained performance throughout the years and have produced lifesaving medicines for patients around the world," said Maria Crowe, president for Lilly's Global Manufacturing Operations. "For nearly 50 years, Puerto Rico has served as a major manufacturing location for Lilly, and it will remain so in the future. We have talented and experienced colleagues in Puerto Rico, and we are pleased to be able to maintain employment opportunities for the Lilly employees affected by this decision."

As a result of this action, the company expects to record a charge of approximately \$170 million (pre-tax) or approximately \$0.16 per share (after tax) in the fourth-quarter of 2014.

While Lilly will initiate efforts to sell the Guayama site, the company will continue to invest in two manufacturing plants at Carolina. In November 2013, Lilly announced a \$200 million investment to increase capacity in its Carolina-based insulin active ingredient manufacturing plant. In July 2014, Lilly announced an additional \$40 million in investments to increase capabilities at its Carolina-based drug product site as part of a rebalancing of Lilly's oral solid dosage network.

Lilly began manufacturing operations in Puerto Rico in 1965 and employs approximately 1,600 employees on the island.

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 and <http://newsroom.lilly.com/social-channels>. C-LLY

This press release contains forward-looking statements about the company's manufacturing sites in Guayama and Carolina, Puerto Rico. It reflects Lilly's current beliefs; however, planning and implementing pharmaceutical manufacturing site closures and expansions entail substantial risks and uncertainties. There is no guarantee that the Lilly will be able to complete the proposed projects as planned or that the financial impacts will be as planned. For further discussion of these and other risks and uncertainties, please see Lilly's latest Forms 10-Q and 10-K filed with the U.S. Securities and Exchange Commission. Lilly undertakes no duty to update forward-looking statements except as required by law.

Refer to: (787) 257-6240; encarnacioncy@lilly.com; Cynthia Encarnacion (Puerto Rico)

(317) 433-9899; egs@lilly.com; Edward Sagebiel (Indianapolis)



Logo - <http://photos.prnewswire.com/prnh/20031219/LLYLOGO>

SOURCE Eli Lilly and Company

News Provided by Acquire Media