



Elanco Animal Health

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FOR IMMEDIATE RELEASE

December 4, 2015

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Reorganization of Elanco's R&D sites in Switzerland Moves Forward

At the end of the consultation period started on 21 October, 2015 and after careful examination of all formal proposals, Elanco announced it will move forward with its proposal to transition a set of core capabilities to Elanco's regional headquarters in Basel, and its facilities in St. Aubin will be closed. In total, 27 employees will be offered the opportunity to transfer to new laboratories in Basel. In addition, at least five new positions will be created in Basel and offered to qualified employees from St. Aubin on a priority basis. For all other employees, the company has developed a robust social plan. As of today, Elanco has identified appropriate locations for a vast majority of the animals which are affected by the closure of the site in St. Aubin, including adoption by employee pet owners.

In October 2015, Elanco communicated its intention to restructure its sites in Switzerland. By the end of the subsequent consultation procedure with employees and local authorities, few formal proposals were received. After a careful examination of these proposals, Elanco determined that the presented options did not adequately address the company's stated criteria needed to maintain long-term activities in St. Aubin. The proposals did not achieve the company's desire to increase knowledge sharing and create greater collaboration among its scientific staff, while streamlining operations and decreasing global complexity.

Therefore, the company has informed employees and the relevant authorities of its decision – based on the original intention – to concentrate a set of core capabilities at its site in Basel and to close the Elanco facilities in St. Aubin. Approximately 80 full-time positions are affected. In total, 27 employees will be offered the opportunity to transfer to new laboratories in Basel. The final number of employees accepting the transfer to Basel will be known in December. Elanco hopes all offered employees will seek to continue their important research efforts. For all other employees, the company has developed a comprehensive social plan, including garden leave, severance payment, outplacement assistance services and even early retirement for some employees. Elanco is committed to treating affected employees with the utmost respect and integrity.

As part of its commitment to animal well-being and the future of the animals on site, Elanco has been working closely with the local government authorities and scientific experts to ensure the welfare of the animals in accordance with all appropriate laws. As of today, Elanco has identified appropriate locations for the vast majority of the animals, including all companion animals and livestock, as well as the fish. Employee pet owners will also be allowed to adopt a number of the cats and dogs on-site. Elanco will continue to work diligently with local authorities to finalize solutions for the limited remaining animals.

Elanco anticipates the operations in St. Aubin will cease by the end of the year. Some employees will remain on the site during the early part of 2016 to prepare the facilities for sale.

The reorganization of its R&D sites in Switzerland allows Elanco to consolidate strategic R&D functions and core capabilities into one location to foster greater collaboration. These moves will produce more effective scientific collaboration and knowledge-sharing that will result in more innovation and more effective identification of new veterinary medicines for its customers and stakeholders.

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About Elanco

Elanco provides comprehensive products and knowledge services to improve animal health and food-animal production in more than 70 countries around the world. We value innovation, both in scientific research and

daily operations, and strive to cultivate a collaborative work environment for more than 6,500 employees worldwide. Together with our customers, we are committed to raising awareness about global food security, and celebrating and supporting the human-animal bond. Founded in 1954, Elanco is a division of Eli Lilly and Company. Our worldwide headquarters and research facilities are located in Greenfield, Indiana. Visit us at Elanco.com and EnoughMovement.com.