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**Refer to:** (317) 276-5795 – Mark E. Taylor (Lilly)  
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**Elanco Animal Health Announces Lilly's Agreement to Acquire ChemGen Corp.  
*Deal Will Provide Elanco with Feed Enzyme Products; Underscores Commitment to Animal Productivity***

Greenfield, IN – Elanco, the animal health division of Eli Lilly and Company (NYSE: LLY), today announced that Lilly has signed an agreement to acquire ChemGen, Corp., a privately held bioscience company specializing in the development and commercialization of innovative feed enzyme products that improve the efficiency of poultry, egg, and meat production. Feed enzymes are naturally occurring digestive enhancers that can help animals unlock and better use nutrients in the feed that were otherwise unavailable.

The acquisition will provide Elanco with a portfolio of leading feed enzyme products, as well as a pipeline of innovative compounds in development. ChemGen will continue research and administrative operations at its current location in Gaithersburg, Maryland and manufacturing activities at its facility in Terre Haute, Indiana, as well as its present sales and field service operations. Upon closing of the transaction, ChemGen will become a wholly owned subsidiary of Lilly and an operating unit of Elanco.

“Meeting the growing demand for food is one of the most critical issues of our time. The acquisition of ChemGen and its premiere enzyme business further underscores Elanco’s commitment to provide our customers with leading animal productivity solutions,” said Jeff Simmons, senior vice president of Eli Lilly and Company and president of Elanco Animal Health. “This acquisition allows Elanco to leverage our expertise in developing trusted, science-based solutions into the enzyme space, which is an emerging field with significant growth potential. ChemGen’s strong presence in the poultry and swine markets in North America and Asia is well suited to Elanco’s existing business, while Elanco’s presence in Latin America and Europe represent growth opportunities. Given Elanco’s global footprint, customer relationships,

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and market knowledge, we are well positioned to continue to grow product sales, as well as expand to new customers and geographies.”

William Weldon, vice president of Elanco research and development added, “Meeting the growing demand for food requires us to develop and commercialize technology that improves the ability of livestock to get the most out of every pound of feed and natural resources used in production. Elanco is excited to combine our experience and approach in product development, fermentation and protein production with ChemGen’s expertise in the development and commercialization of feed enzymes.”

Bernie Treidl, president of ChemGen said, “Enzymes are naturally-occurring proteins that have been widely used and accepted in many industries for decades. ChemGen has been at work over the past 25 years improving the manufacturing and delivery process of enzymes for feed uses. Our focus at ChemGen is to develop innovative feed enzyme products, which aligns well with Elanco’s goal of using technology solutions to meet the world’s growing demand for food. My team at ChemGen looks forward to joining Elanco and working together to meet that goal.”

The transaction is expected to close in the first quarter of 2012, contingent upon clearance under the Hart-Scott-Rodino Anti-Trust Improvements Act and other customary closing conditions. Financial terms of the transaction were not disclosed. JPMorgan served as financial advisor to Lilly, while Houlihan Lokey served as financial advisor to ChemGen.

### **About Elanco**

Elanco is a global, innovation-driven company that develops and markets products to improve animal health and protein production in more than 75 countries. Elanco employs more than 2,500 people worldwide, with offices in more than 40 countries, and is a division of Eli Lilly and Company, a leading global pharmaceutical corporation. Additional information about Elanco is available at [www.elanco.com](http://www.elanco.com).

### **About Eli Lilly and Company**

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.,

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Lilly provides answers – through medicines and information – for some of the world's most urgent medical needs. C-LLY

This press release contains forward-looking statements about the benefits of the acquisition of ChemGen by Lilly, and the potential of the combined businesses, including ChemGen's feed enzyme products and pipeline assets. This release reflects Lilly's current beliefs, assuming that the transaction is successfully closed; however, as with any such undertaking, there are substantial risks and uncertainties in the process of implementing the transaction and in the development of these products. There is no guarantee Lilly will realize the expected benefits of the transaction, that the commercial assets acquired will continue to be commercially successful, that pipeline assets will be approved by relevant regulatory authorities on the anticipated timelines or at all, or that the acquired pipeline will yield commercially successful products. For further discussion of these and other risks and uncertainties, please see Lilly's latest Forms 10-K and 10-Q filed with the U.S. Securities and Exchange Commission. The company undertakes no duty to update forward-looking statements.

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