



Elanco Announces Acquisition of Posilac(R) Dairy Business

Deal Provides Strategic Fit with Lilly's Animal Health Division

GREENFIELD, Ind., Aug 20, 2008 /PRNewswire-FirstCall via COMTEX News Network/ -- Elanco, a division of Eli Lilly and Company (NYSE: LLY), today announced that Lilly has signed an agreement to acquire the worldwide rights to the dairy cow supplement, Posilac(R) (sometribove), as well as the product's supporting operations, from Monsanto Company (NYSE: MON).

"Global dairy demand is increasing, outstripping supply, and consumers are seeing rapidly rising prices," said Jeff Simmons, president, Elanco. "With the purchase of Posilac, Elanco can enhance its overall product portfolio and work together with the industry to provide dairy farmers more options and give consumers affordable choices. Critically, we remain focused on the health and care of the cow in working with farmers to increase global milk supply.

"With our rich history and experience in the dairy industry, Elanco is the ideal steward of this vital technology," Simmons said. "Elanco remains committed to using science to address the growing need for safe, affordable food; and to choices for consumers, retailers and producers."

Elanco has exclusively sold sometribove outside of the United States for a decade. Posilac has been safely used for more than 14 years.

Under the terms of the agreement, Lilly will acquire all rights to the Posilac brand, as well as the product's U.S. sales force and its manufacturing facility in Augusta, Georgia. In return, Monsanto will receive a \$300 million upfront payment, as well as contingent consideration. The Posilac dairy business manufacturing and sales teams will be integrated into the Elanco business. The transaction is expected to close near the beginning of the fourth quarter of 2008, contingent upon clearance under the Hart-Scott-Rodino Anti-Trust Improvements Act and other customary closing conditions. Lilly confirmed that the acquisition will not result in a change to the company's full-year 2008 financial guidance, as detailed in its second quarter 2008 financial results press release issued July 24, 2008.

About Posilac(R)

Posilac (rbST) is approved by numerous regulatory authorities worldwide to help dairy farmers improve milk productivity. BST (bovine somatotropin) is a natural protein produced in all cattle, helping adult cows produce milk. Milk from cows receiving Posilac is unchanged from milk from cows not receiving this supplement.

Since it received U.S. FDA approval in 1994, Posilac has become a leading dairy animal supplement in the United States and many other countries. Supplementing dairy cows with Posilac enhances milk production and serves as an important tool to help dairy producers improve the efficiency of their operations and produce more milk more sustainably.

About Elanco

Elanco is a global innovation-driven company that develops and markets products to improve animal health and food animal production in more than 100 countries. Elanco employs more than 2,000 people worldwide, with offices in more than 30 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.

About Eli Lilly and Company

Lilly, a leading innovation-driven corporation, is developing a growing portfolio of first-in-class and best-in-class 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. C-LLY

(Logo: <http://www.newscom.com/cgi-bin/prnh/20080820/CLW019LOGO>)

SOURCE Eli Lilly and Company

Copyright (C) 2008 PR Newswire. All rights reserved

News Provided by COMTEX