



Answers That Matter.

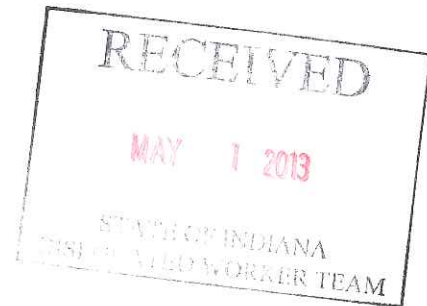
Lilly USA, LLC

Indianapolis, Indiana 46221

April 26, 2013

Via Overnight Delivery

Ms. Jennifer Long
Rapid Response Disclosed Worker Program Director
Dislocated Worker Unit
Indiana Department of Workforce Development
10 North Senate Avenue
Indianapolis, IN 46204-2277



Re: Notice of Reductions in Force

Dear Ms. Long:

On behalf of Lilly USA, LLC ("Lilly" or the "Company"), headquartered at Lilly Technology Center - South, Indianapolis, IN 46221, this letter is intended to serve as the required notification under the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101, *et seq.*, ("WARN") of the upcoming reductions in force that will affect certain field-based sales personnel employed by Lilly in two separate Business Units. Lilly's field-based sales personnel work out of their homes throughout the United States. In accordance with the provisions of 20 C.F.R. § 639.3(i)(6), Lilly considers its Lilly Technology Center - South site to be their single site of employment for WARN purposes. This notice is being provided as the reductions in force, in the aggregate, will likely constitute a "mass layoff" within the meaning of WARN.

The reductions in force are expected to be permanent. They will affect employees in Lilly's Bio-Medicines Business Unit Sales Organization and, separately, in Lilly's Diabetes Business Unit Sales Organization. At least with respect to the Bio-Medicines Sales Organization, the planned action arises from anticipated patent expirations and other market and operating conditions and the need for Lilly to transform its operations to compete in a new business environment today and in the future.

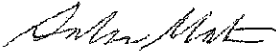
There are two categories of affected employees: (i) individuals employed on a full-time equivalent basis; and (ii) individuals employed on a fixed duration contract basis. None of the affected employees will have the right to bump or displace other employees from other jobs. However, and except for the category of individuals employed by Lilly on a fixed duration contract basis, the affected employees are each provided with a 12-week reallocation period in which they may post for open, available positions. The 60-day WARN notice period runs concurrently with the 12-week reallocation period.

The expected date of the first separations that will likely give rise to the "mass layoff" within the meaning of WARN is June 30, 2013. On that date, the employment of any individual in the Bio-Medicines Sales Organization who is still employed on a fixed duration contract basis will be terminated. Thereafter, on July 15, 2013, the 12-week reallocation period ends for individuals employed on a full-time equivalent basis either in the Bio-Medicines Sales Organization or in the Diabetes Sales Organization. Such individuals were placed on reallocation status effective April 23, 2013. On July 15, 2013, the employment of any such employee who has not obtained other Lilly employment will terminate. The field-based sales employees are not represented by any union.

Pursuant to 20 C.F.R. § 639.7(f), a list of the job titles of the positions to be affected and the number of affected employees in each job classification is maintained and is available upon request made to the undersigned. It is expected that the employment of up to one thousand, six hundred and twenty-four employees will be terminated in connection with the "mass layoff". At present, the number of affected employees includes approximately: (i) one thousand, two hundred forty-five individuals employed by Lilly on a full-time equivalent basis (not fixed duration employees), of which approximately five hundred sixty will have opportunities to be placed in open roles and, if so placed, will not be terminated; and (ii) three hundred seventy-nine individuals employed by Lilly on a fixed duration contract basis, of which approximately ninety-seven are working under contracts that were set to expire by their terms prior to June 30, 2013, but that Lilly chose to extend beyond their original end date until June 30, 2013.

If you have any questions, please contact me at (317) 651-8159 for further information.

Sincerely,



Sabrina M. Martin
Sr. Director, Human Resources