



Eli Lilly and Company

James B. Lootens
Direct Dial: 317.276.5835
E-mail: lootens.j.b@lilly.com

Lilly Corporate Center
Indianapolis, Indiana 46285
U.S.A.
+1.317.276.2000
www.lilly.com

November 3, 2014

Mr. Timothy Smith
Walden Asset Management
One Beacon Street
Boston, Massachusetts 02108

Dear Tim:

Our CEO, Dr. John Lechleiter, has asked me to respond to your recent correspondence regarding Eli Lilly and Company's connection with the American Legislative Exchange Council (ALEC). As always, we appreciate you sharing your concerns. I apologize for the delay in the response.

Lilly is committed to discovering and developing life-saving medicines and to ensuring that patients have access to our medicines. Accordingly, we work with a number of think tanks and policy groups, specifically because of their policy work in areas that affect medical innovation, health care, biopharmaceuticals, and fiscal policy. These organizations have a wide range of political and ideological positions on multiple topics, many of which are not at all related to our business. Therefore, it is not surprising that these groups sometimes take positions that we do not align with or support, particularly in areas outside of health care policy.

In the case of ALEC, our involvement is limited to the Health and Human Services Task Force, which works to promote free-market, pro-patient health care reforms at the state level. Access to health care is obviously very important to our business, and we believe that our active participation in the health care debate benefits both the patients we serve and our shareholders. We do not participate in other ALEC task forces, and thus have no involvement in ALEC initiatives on other topics, including those referenced in your letter.

As you know, our board's Public Policy and Compliance Committee oversees the company's public policy and political involvement. The committee is aware of Lilly's ongoing work the ALEC Health and Human Services Task Force. We will continue to keep them apprised of our work with ALEC and other policy organizations and will incorporate their input and feedback as we establish our priorities for our policy involvement in the future.

If you have any questions or would like to arrange a phone call to discuss this or any other issues, please don't hesitate to contact me.

Very truly yours,

James B. Lootens
Secretary and Deputy General Counsel

JBL/mat