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Lilly Opens Expanded Lilly Singapore Center for Drug Discovery

LSCDD becomes site for greater regional collaboration in Drug Discovery and Research

SINGAPORE, 14th October 2008 - Eli Lilly and Company (NYSE: LLY) today announced the opening of its expanded state-of-the-art research facility, Lilly Singapore Centre for Drug Discovery (LSCDD), at The Biopolis. The project, a partnership with the Singapore Economic Development Board (EDB), will fuel drug discovery and research efforts in Singapore and the region, through a new collaborative R&D model.

The expanded LSCDD has added discovery research and integrated informatics to the Center. The first new Unit, Drug Discovery Research, focuses on the identification and development of new medicines. Here, Oncology and Diabetes Research Teams utilize epigenetics, which refers to changes in gene expression caused by environmental factors rather than changes in the underlying DNA sequence, and adult stem cells as key cutting-edge approaches for novel drug development.

The second additional unit, Integrative Informatics, focuses on the integration of heterogeneous datasets, algorithm development, statistical analysis, and integrated data analysis workflows. The outcomes of which eventually get wrapped up into state of the art software tools for global implementation and usage by scientists and clinicians across all therapy areas at Lilly.

“The Lilly Singapore Centre for Drug Discovery is the world’s first Centre to conduct drug discovery through this integrated approach of Discovery Research, Integrated Informatics and Bioinformatics. The Centre is a result of our strategic desire to expand our Research and Development activities in Asia Pacific and gain better access to

regional talent,” said Jonathon D. Sedgwick, Managing Director and Chief Scientific Officer of Lilly Singapore Centre for Drug Discovery.

In 2001, Eli Lilly and Company was the first pharmaceutical company to establish a research centre in Singapore. Originally established as a Systems Biology Unit, the LSCDD was primarily focused on biomarker identification in oncology. Since then, the LSCDD has grown and is driving a substantial amount of Lilly’s global cancer biomarker discovery and development.

“Lilly is a key partner in Singapore’s biomedical sciences sector. Lilly has set up Singapore’s first corporate R&D centre, which has grown into a key R&D site for the company, given its complete suite of capabilities that include upstream research, translational drug discovery research teams and Phase 1 clinical trials. This growth has mirrored, and is supported by, Singapore’s progress in developing critical infrastructure and capabilities for end-to-end drug discovery and development, especially the translational link between bench and bed,” said Mr. Beh Kian Teik, Director, Biomedical Sciences, Singapore Economic Development Board.

“At a strategic level, LSCDD is about expanding into Asia to leverage talent and to establish collaborations with others to support our drug discovery efforts. Our expanded location now at the Biopolis, where other industry peers and academic institutions reside will help us to achieve this goal,” said Sedgwick. “It is a model Lilly has created, called FIPNet, Lilly’s Fully Integrated Pharmaceutical Network”.

Sedgwick further explained, “For many years, most pharmaceutical companies have been following an integrated model known as FIPCO (Fully Integrated Pharmaceutical Company) in which ownership of all aspect of research efforts is typical. In contrast, the FIPNet model is all about focusing on networking and outsourcing as well as collaboration and risk sharing.

“LSCDD, especially the drug development activities, will operate exclusively through FIPNet and partner in areas that, while essential for the drug discovery process, are not essential for Lilly to own. This will allow Lilly to take advantage of a flexible cost structure and help speed the medicines in our pipeline to patients,” added Sedgwick.

The FIPNet model links activities between partners but does not require materials, compounds, or back end detailed information, to always go back to the central unit. Hubs, such as LSCDD, will generate collaboration and local decision-making. The vision is that ultimately, the contract research organizations, pharma and biotech firms that Lilly works with will interact directly to achieve defined milestones. An additional concept of the FIPNet model is to spread the financial risk, as well as reward, associated with drug discovery among the different partners.

In addition to regional ambitions, Lilly, through LSCDD, intends to give back to the local scientific community.

“We will be placing internally developed informatics tools in the public domain and participate in the training of the next generation of scientists living in Singapore. In the coming years, we will build a very experienced workforce who will be very valuable to the global scientific community,” concluded Sedgwick.

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. Additional information about Lilly is available at www.lilly.com.

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