



Lilly Announces Completion of SGX Acquisition

INDIANAPOLIS, Ind., Aug 20, 2008 /PRNewswire-FirstCall via COMTEX News Network/ -- Eli Lilly and Company (NYSE: LLY) today announced that it has completed the acquisition of SGX Pharmaceuticals, Inc. (Nasdaq: SGXP), a San Diego-based biotechnology company focused on drug discovery and development in the area of oncology. The completion of the deal followed today's Special Stockholders Meeting, in which a majority of SGX stockholders voted in favor of the merger agreement with Lilly. Under the agreement, Lilly will today acquire all of the outstanding shares of SGX common stock at a price of \$3.00 per share. All other closing conditions have also been met.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20031219/LLYLOGO>)

The deal, valued at a total purchase price of \$64 million, will allow Lilly to integrate SGX's structure-guided drug discovery platform into its drug discovery efforts. It will also give Lilly access to FAST(TM), SGX's fragment-based, protein structure guided drug discovery technology, and to a portfolio of pre-clinical oncology compounds focused on a number of high-value kinase targets.

"We are pleased to complete the acquisition of SGX and are excited to bring the scientific and technological expertise of SGX into Lilly's research organization," remarked Steven M. Paul, M.D., executive vice president, science and technology for Lilly. "We will leverage the combined resources of both companies to strengthen our structural biology capabilities and seek out innovative therapies for patients."

The impact of the acquisition, including a one-time charge to earnings for acquired in-process research and development, will be reflected in Lilly's third quarter 2008 financial results.

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. C-LLY

This press release contains forward-looking statements that are based on management's current expectations; however, they are subject to significant risks and uncertainties. Actual results may differ materially and will depend on, among other things, realization of anticipated operational efficiencies following the merger with SGX. There is no guarantee Lilly will realize the expected benefits, or that SGX's technology or pipeline will yield commercially successful pharmaceutical products. For additional information about the factors that affect the company's business, please see the company's latest Form 10-K filed February 2008. The company undertakes no duty to update forward-looking statements.

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