



Lilly CEO Says Industry, Public Policy Must Pave Way For Innovation

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- Lechleiter Delivers Keynote Address at 2011 Pharma Summit

A new approach to research, along with public policies that support medical innovation, will help biopharmaceutical companies address stubborn diseases with potentially devastating personal and financial consequences, such as cancer and Alzheimer's disease, according to John Lechleiter, Ph.D., chairman, president and CEO of Eli Lilly and Company (NYSE: LLY).

Lechleiter made his remarks Thursday in London during a keynote address at The Economist's 2011 Pharma Summit: Reinventing Pharma for a New Generation. During his talk, Lechleiter said two imperatives are needed to secure the future of the research-based pharmaceutical industry: changing the way companies conduct research, and public policies that promote an environment in which medical innovation can flourish.

The burden of several diseases is soaring in many countries, including the U.K.

According to the Alzheimer's Research Trust, for instance, more than 800,000 people in the U.K. are directly affected by dementia at a cost of 23 billion pounds Sterling per year.

And yet, just when the world desperately needs more new medicines for diseases like Alzheimer's, "our industry is taking too long, we're spending too much, and we're producing far too little," Lechleiter told the audience.

Lechleiter said the case for biopharmaceutical research and new medications is compelling. Specifically, he noted that:

- Innovative medicines have proven themselves time and again to be the most effective way to reduce costs and improve quality in health care.
- Treatments for diseases that remain unconquered, like cancer and Alzheimer's, most likely will come from laboratories of biopharmaceutical companies.
- Even diseases that are being treated today, like diabetes, require better solutions.

"Ironically, the crisis in our innovation model comes at a time when we have vastly more scientific knowledge and data than ever before," Lechleiter said. "But unless we change the way we do research, we won't translate this knowledge into advances for patients. In the face of diminishing results, we can't simply perform the same old rituals and hope for a different outcome."

Specifically, Lechleiter stressed the need for research-based pharmaceutical companies to be more networked, global, and entrepreneurial to bring innovative medicines to patients faster and at lower costs. Such a global network is enabling Lilly to strengthen its own R&D capabilities, while attracting molecules, funding, and expertise from partners - creating shared investment, risk, and reward, along with greater efficiencies.

Lechleiter said the new approach to research will be successful only if matched with regulations that support an environment of innovation.

"Even as we rebuild our R&D engine, we must build an environment where pharmaceutical innovation can thrive," he said. "As pressures on health care systems around the world continue to grow, we will continue to make the case that innovation is imperative, and to advocate for reforms that promote innovation rather than penalize it."

Currently, government leaders in the U.K. are debating health care reform options to ease the stress on tightening budgets. Lechleiter said the new approach to research will be successful only if matched with regulations that support an environment of innovation.

Biopharmaceutical research, Lechleiter said, has also preserved jobs in the U.K. and other developed countries. In the U.K., there are 72,000 direct jobs in the biopharmaceutical sector and 200,000 indirect jobs. At 12 million pounds each day, the biopharmaceutical industry invests more in R&D than any other sector in the U.K.

Equally important have been the medical advances: in the U.K. alone, average life expectancy increased by 30 years from 1901 to 1999.

"Indeed, encouraging medical innovation needs to be a key purpose of health care reforms in both the United States and the United Kingdom," Lechleiter said. "We must continually make the case for innovation through our words, but more importantly, through our actions and the value we bring to patients through innovative medicines."

About Eli Lilly and Company

Lilly, a leading innovation-driven corporation, is developing a growing portfolio of 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

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