Statement of Eli Lilly and Company on Dr. David Egilman Settlement:

Egilman Admits Wrongdoing in Illegally Releasing Documents to New York Times and Resolves Case to Avoid Possible Civil and Criminal Sanctions

INDIANAPOLIS, Sept 07, 2007 /PRNewswire-FirstCall via COMTEX News Network/ --

Eli Lilly and Company has entered into a settlement agreement with Dr. David Egilman, a former plaintiffs' expert witness in the Zyprexa(R) product liability lawsuits, in which Dr. Egilman admitted violating a protective order in the Zyprexa litigation and illegally passing confidential Lilly documents to an Alaska attorney in a failed attempt to evade the protective order. Dr. Egilman acknowledged that his selective leaks of these documents, excerpts of which were published and discussed in a series of articles in The New York Times, presented an incomplete picture of Lilly's activities.

"Dr. Egilman has now confirmed in writing what Lilly has been saying since the Times published these documents: he was selective in which documents he released and they unfairly portrayed Lilly's activities in its interactions with doctors, patients and the Food and Drug Administration," said Michael J. Harrington, deputy general counsel, Eli Lilly and Company. "We hope that putting this issue behind us will help to ensure vulnerable patients will not be deterred from treatment based on misleading and inaccurate information. Our intent all along has been simply to have a fair legal process," he added.

Lilly, in return, agreed to forego seeking criminal and civil penalties against Dr. Egilman for his illegal activities.

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In this agreement, Dr. Egilman acknowledged that:
-- He requested that Lilly enter into this agreement to resolve this
   dispute;
-- He accepted responsibility for his violation of the protective order
   covering documents that Lilly provided in discovery;
-- He intentionally and illegally provided to attorney James Gottstein an
   incomplete subset of material that was covered by a confidentiality
   agreement - as it had been produced by Lilly in good faith in the
   process of discovery in the Zyprexa litigation - with the understanding
   that Gottstein would pass it on to Alex Berenson of The New York Times;
-- He knew that these materials painted an incomplete picture of the
   issues related to Zyprexa;
-- He did nothing to provide Gottstein or Berenson with information on the
   health benefits of Zyprexa; and
-- He knew from experience that this illegal dissemination of materials
   would benefit the plaintiffs in the Zyprexa litigation.
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Today's agreement applies only to Dr. Egilman. Under it, Dr. Egilman agreed to pay Lilly $100,000.00, which will be donated by Lilly to a charity of its choosing, specifically the International Center for Clubhouse Development. The International Center for Clubhouse Development is a global resource offering communities around the world a more holistic, inspiring and cost-effective solution for issues facing people living with mental illness. The organization's web site is located at www.iccd.org.

On February 13, 2007, the Honorable Jack B. Weinstein, Senior Judge of the United States District Court for the Eastern District of New York, issued a permanent injunction against Dr. Egilman and Mr. Gottstein, who, according to the judge, conspired with Berenson of the Times to leak selective confidential Lilly documents to the newspaper.

The Judge's order recognized that the "selective out-of-context" disclosure "may lead to confusion in the patient community and undeserved reputational harm" to Lilly. In addition, it reaffirmed the validity of the confidentiality order, as well as Lilly's designation of its documents as confidential.

Zyprexa Background

Zyprexa is indicated in the United States for the short- and long-term treatment of schizophrenia, acute mixed and manic episodes of bipolar I disorder, and maintenance treatment of bipolar disorder. Since Zyprexa was introduced in 1996, it has been prescribed to approximately 22 million people worldwide.

Zyprexa is not approved for the treatment of patients with dementia- related psychosis. Elderly patients with dementia-related psychosis treated with atypical antipsychotic drugs are at an increased risk of death compared with those patients taking a placebo.

In addition, compared to elderly patients with dementia-related psychosis taking a placebo, there was a significantly higher incidence of cerebrovascular adverse events in elderly patients with dementia-related psychosis treated with Zyprexa.

Hyperglycemia, in some cases extreme and associated with ketoacidosis or hyperosmolar coma or death, has been reported in patients treated with atypical antipsychotics, including Zyprexa.

As with all antipsychotic medications, a rare and potentially fatal condition known as NMS has been reported with Zyprexa. If signs and symptoms appear, immediate discontinuation is recommended. Clinical manifestations of NMS are hyperpyrexia, muscle rigidity, altered mental status and evidence of autonomic instability (irregular pulse or blood pressure, tachycardia, diaphoresis and cardiac dysrhythmia). Additional signs may include elevated creatinine phosphokinase, myoglobinuria (rhabdomyolysis), and acute renal failure.

Also, as with all antipsychotic treatment, prescribing should be consistent with the need to minimize Tardive Dyskinesia (TD). The risk of developing TD and the likelihood that it will become irreversible are believed to increase as the duration of treatment and the total cumulative dose of antipsychotic increase. The syndrome may remit, partially or completely, if antipsychotic treatment is withdrawn.

The most common treatment-emergent adverse event associated with Zyprexa in placebo-controlled, short-term schizophrenia and bipolar mania trials was somnolence. Other common events were dizziness, weight gain, personality disorder (COSTART term for nonaggressive objectionable behavior), constipation, akathisia, postural hypotension, dry mouth, asthenia, dyspepsia, increased appetite and tremor.

Full prescribing information, including a boxed warning, is available at www.zyprexa.com.

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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Zyprexa(R) (olanzapine, Lilly)

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