



Lilly to Acquire Avid Radiopharmaceuticals

Avid's Amyloid Plaque Imaging Agent, Florbetapir, Was Recently Submitted to FDA

INDIANAPOLIS and PHILADELPHIA, Nov. 8, 2010 /PRNewswire-FirstCall/ -- Eli Lilly and Company (NYSE: LLY) today announced that it has signed a definitive merger agreement to acquire Avid Radiopharmaceuticals, Inc., a privately held company developing novel molecular imaging compounds intended for the detection and monitoring of chronic human diseases. Avid's lead program in development is florbetapir F 18 (18F-AV-45), a molecular imaging agent under investigation for detecting the presence of amyloid plaque in the brain. Beta-amyloid plaque is a defining pathology of Alzheimer's disease. A marketing application for florbetapir has recently been submitted to the U.S. Food and Drug Administration (FDA). The acquisition of Avid also provides Lilly with a diagnostics development platform covering several disease areas, including Parkinson's disease and diabetes.

"The acquisition of Avid Radiopharmaceuticals aligns well with Lilly's innovation-based strategy, offers a potential near-term revenue opportunity, leverages our neuroscience expertise and will immediately bolster our diagnostics capabilities," said John Lechleiter, Ph.D., Lilly chairman and chief executive officer. "We look forward to partnering with Avid's experts during the regulatory process for florbetapir, and are intent on gaining FDA approval for this promising diagnostic intended to help clinicians and researchers identify the presence of beta-amyloid plaque in the brain."

"We are very excited to join the great scientific team at Lilly and continue our work to develop new molecular imaging agents capable of changing the medical management of significant chronic human diseases," said Daniel M. Skovronsky, M.D., Ph.D., Avid's founder and chief executive officer. "We've had a productive and long-standing relationship with Lilly, and believe in their approach to providing improved outcomes for individual patients."

Under the terms of the agreement, Lilly will acquire all outstanding shares of Avid for an upfront payment of \$300 million, subject to adjustment based on existing cash on hand at closing. Avid stockholders will also be eligible for up to \$500 million in additional payments contingent upon potential future regulatory and commercial milestones for florbetapir. Upon completion of the acquisition, Avid will continue to operate from its facility in Philadelphia, Pennsylvania. Avid will provide uninterrupted support for ongoing academic clinical trials, including the Alzheimer's Disease Neuroimaging Initiative (ADNI), as well as ongoing clinical trials for other pharmaceutical companies. The transaction is contingent upon clearance under the Hart-Scott-Rodino Antitrust Improvements Act and other customary closing conditions, including requisite approval of Avid stockholders. Barclays Capital served as exclusive financial advisor to Lilly, while Morgan Stanley & Co. Incorporated served as exclusive financial advisor to Avid.

"The acquisition of Avid supports our efforts to provide patients and physicians with diagnostics that enable speed of intervention, improve diagnosis accuracy and inform therapeutic choice," said Tiffany Olson, Lilly's vice president of diagnostics research and development. "In addition to florbetapir, we look forward to supporting the continued clinical development of Avid's earlier-phase diagnostics pipeline."

About Alzheimer's disease

Alzheimer's disease is a chronic neurodegenerative condition that currently affects over 5 million Americans. Alzheimer's is a fatal form of dementia that causes progressive decline in memory and other aspects of cognition. It occurs when neurons in the brain begin dying prematurely. Researchers do not know exactly what causes Alzheimer's, but one hypothesis is that the amyloid beta protein plays an important role. Currently, Alzheimer's disease cannot be definitively diagnosed until after death, when a brain autopsy is performed. Accurate diagnosis during life can be challenging.

About florbetapir

Florbetapir, used with positron emission tomography (PET) technology is being assessed for the ability to detect beta-amyloid plaque deposits in living patients. Florbetapir was the first beta-amyloid imaging compound to enter multi-center, IND clinical studies in the U.S., and has now been studied in more than a dozen trials in over 700 subjects ranging from cognitively normal individuals to those with Alzheimer's dementia. In addition to the pivotal Phase III Image-to-Autopsy study, other clinical studies are also being conducted in the E.U., North and South America, Australia and Asia.

About Avid Radiopharmaceuticals, Inc.

Avid Radiopharmaceuticals is a leader in the development of molecular imaging products with the potential for more effective detection, diagnosis and monitoring of major chronic human diseases. Based in Philadelphia, PA, the company is a pioneer in the development of molecular imaging. In addition to florbetapir, Avid is currently conducting Phase I and II trials with 18F-AV-133 for imaging the vesicular monoamine transporter (VMAT2) in diseases involving dopaminergic degeneration (Parkinson's disease and Dementia with Lewy Bodies) and beta cell dysfunction (Type I and Type II Diabetes Mellitus). More information about Avid is available at www.avidrp.com.

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. Additional information about Lilly is available at www.lilly.com. C-LLY

This press release contains forward-looking statements about the benefits of a merger between Lilly and Avid and the potential of Avid's product pipeline. It reflects Lilly's and Avid's current beliefs, assuming that the transaction is successfully closed; however, as with any such undertaking, there are substantial risks and uncertainties in the process of implementing the transaction and in drug development. There is no guarantee that the merger will close, that Lilly will realize the expected benefits of the transaction, or that florbetapir will be approved by the FDA on the anticipated timeline or at all, that florbetapir will be commercially successful, or that Avid's pipeline will yield commercially successful diagnostic radiopharmaceutical products. For further discussion of these and other risks and uncertainties, please see Lilly's latest Forms 10-Q and 10-K filed with the U.S. Securities and Exchange Commission. The companies undertake no duty to update forward-looking statements.

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