



Eli Lilly and Company to Open a Diabetes-Focused Research Center in China

INDIANAPOLIS, Nov. 2, 2010 /PRNewswire via COMTEX News Network/ -- Eli Lilly and Company (NYSE: LLY) announced today plans to open a research center focused on diabetes in China, where the incidence of the disease has reached epidemic proportions.

The center, to open in Shanghai in the second half of 2011, will focus on discovering new medicines to treat diabetes, and reflects both Lilly's longstanding leadership in this disease area and the priority Lilly places on improving the health of the Chinese people.

"We are establishing this research center, first and foremost, to meet the growing unmet medical needs of those living in China with diabetes," said Jan Lundberg, Ph.D., executive vice president, science and technology, and president, Lilly Research Laboratories. "This center will complement our existing network of collaborations in China and also will enable us to further gain the insights of China's talented scientists inside and outside of Lilly as we further explore a disease state in need of new and innovative therapies."

According to a recent article in *The New England Journal of Medicine*, an estimated 92 million people in China - almost 10 percent of the adult population - have diabetes(1), a number that is expected to increase in the coming decade due in large part to longer life expectancy, dietary changes and lack of exercise. Left untreated or undertreated, diabetes can lead to debilitating or potentially fatal complications, including heart disease, stroke, nerve damage, lower limb amputation, vision loss and kidney disease.

"Our strategy in China, and throughout the world, is to bring innovation to patients," said Jacques Tapiero, senior vice president and president of Lilly's emerging markets business area. "By establishing a diabetes research center in China, Lilly will be better able to discover medicines that are well suited to the particular needs of patients with diabetes in China."

In another timely example of Lilly's commitment to diabetes research, the company said today that it is working with the China Diabetes Society (CDS) and the European Foundation for the Study of Diabetes (EFSD) to support collaborative diabetes programs between Chinese and European academic centers. Lilly has committed a total of 1.8 million Euros over three years (approximately \$2.5 million or \$16.6 million renminbi) to this effort.

More on the Diabetes Research Center in China

- Heading up the center will be Bei Betty Zhang, Ph.D., a native of Shanghai and an internationally-recognized diabetes expert who also serves as vice president of research for Lilly Research Laboratories in China. Zhang is a graduate of Fudan University in Shanghai and completed her doctorate at the Indiana University School of Medicine and postdoctoral fellowship at Stanford University School of Medicine, USA.
- The center will initially employ approximately 100 scientists and support staff, the majority of whom will be hired from within China.
- The center will focus on seeking to discover compounds with novel mechanisms of action leading to breakthrough therapies for diabetes. Its work will be complementary to Lilly's global diabetes R&D efforts.
- Scientists at the research center hope to discover medicines that better control blood glucose levels without hypoglycemia (low blood sugar), along with diabetes therapies that address co-morbid conditions such as cardiovascular disease and obesity.

"What we are saying in announcing the establishment of this center is that we are committed to innovation, we are committed to diabetes, and we are committed to improving outcomes for individual patients with diabetes," said David Moller, M.D., vice president of endocrine and cardiovascular research and clinical investigation at Lilly. "Given key differences in the molecular basis of diabetes in Chinese and other Asian populations, a major focus at this center will be on discovering therapies that target critical aspects of the disease."

Deepening Lilly's Presence in China

Lilly has been consistently building its organization in China since the early 1990s. Lilly's China operations and R&D efforts are based in Shanghai, and the company also has manufacturing facilities in Suzhou in addition to more than 30 offices throughout the country.

"Lilly's presence in China spans every aspect of our business, from R&D to manufacturing to sales and marketing, and Lilly China is one of the leading and the fastest growing multinational biopharmaceutical companies in China," said Eric Baclet, president of Lilly China. "Our new research facility is another dimension of our long term and multi-faceted approach in China."

- Since the late 1990s, Lilly has invested more than 2 billion renminbi (nearly \$300 million) across its value chain in China.
- Lilly is the first and, to date, the only global pharmaceutical company to create a venture capital fund focused on the biopharmaceutical industry in China. This fund, known as Lilly Asian Ventures, has made six investments and deployed more than 250 million renminbi (\$40 million) since being established in 2007.
- Lilly has a history of strategic collaborations with companies and academic institutions in China, including Shanghai ChemExplorer Company Ltd., which is a contract research organization providing exclusive chemistry services to Lilly. "Lilly's diabetes-focused research center will further enhance our presence in China, a key component of which is integrating Chinese companies and talent into our efforts to make a difference for patients," said Tony Zhang, Ph.D., Lilly's vice president of global external research and development-Asia.

About Lilly

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.

This press release contains forward-looking statements about Lilly's new research center to be established in China and reflects Lilly's current beliefs. As with any pharmaceutical research, there are substantial risks and uncertainties in the process of development and commercialization. There is no guarantee that this research facility will produce any potential medicines, or that any such compounds will be proven safe and effective for the treatment of diabetes or any other indication. There is also no guarantee that any such compound will be approved for marketing in China or any other country or achieve commercial success. For further discussion of these and other risks and uncertainties, see Lilly's filings with the United States Securities and Exchange Commission. Lilly undertakes no duty to update forward-looking statements.

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(1) Prevalence of Diabetes among Men and Women in China. *The New England Journal of Medicine*. Volume 362, 1090-1101; March 25, 2010

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