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Lilly and AstraZeneca to Develop Second Potentially Disease-Modifying Treatment for Alzheimer's Disease

INDIANAPOLIS, Dec. 9, 2016 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) and AstraZeneca announced a worldwide agreement to co-develop MEDI1814, an antibody selective for amyloid-beta 42 (A β 42), which is currently in Phase 1 trials as a potential disease-modifying treatment for Alzheimer's disease (AD). This agreement builds on the [existing collaboration](#) related to AZD3293, a BACE inhibitor in two pivotal Phase 3 trials.

The build-up of plaques in the brain containing the peptide amyloid-beta (A β) is one of the characteristics of AD. MEDI1814 binds selectively to A β 42, a form of A β which is particularly associated with the disease. Binding dose-dependently reduces levels of this peptide, potentially slowing the progression of AD.

"At Lilly, we recognize the significant burden Alzheimer's disease places on patients, caregivers and our society, and we remain committed to finding ways to change the course of the disease," said Jan Lundberg, Ph.D., executive vice president of science and technology and president of Lilly Research Laboratories. "We are pleased to be expanding our alliance with AstraZeneca to further build our pipeline of potential medicines and diagnostic agents. AstraZeneca brings capabilities and expertise and most importantly shares our passion to bring new medicines to patients suffering from this debilitating illness."

"We are excited to build on an already productive collaboration with Lilly, which combines the expertise of our two companies, with a new program focused on the amyloid-beta pathway," said Mene Pangalos, executive vice president, IMED Biotech Unit and Business Development, AstraZeneca. "MEDI1814 has a unique mechanism among antibodies in clinical development and could provide a distinct approach to treating Alzheimer's disease."

Under the terms of the new agreement, Lilly will make a \$30 million upfront payment to AstraZeneca. Lilly will recognize the upfront of \$30 million (pretax), or approximately \$0.02 per share (after-tax), as a charge to earnings in the fourth quarter of 2016.

About Eli Lilly and Company

Lilly is a global healthcare leader that unites caring with discovery to make life better for people around the world. We were founded more than a century ago by a man committed to creating high-quality medicines that meet real needs, and today we remain true to that mission in all our work. Across the globe, Lilly employees work to discover and bring life-changing medicines to those who need them, improve the understanding and management of disease, and give back to communities through philanthropy and volunteerism. To learn more about Lilly, please visit us at www.lilly.com and newsroom.lilly.com/social-channels.

This press release contains forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995) about the benefits of Lilly's worldwide agreement to co-develop and commercialize MEDI1814 with AstraZeneca. It reflects Lilly's current belief, however, as with any such undertaking, there are substantial risks and uncertainties in implementing the transaction and in drug development. Among other things, there can be no guarantee that Lilly will realize the expected benefits of the transaction, that the molecule will be approved on the anticipated timeline or at all, or that the potential product will be commercially successful. For further discussion of these and other risks and uncertainties, see Lilly's most recent Form 10-K and Form 10-Q filings with the United States Securities and Exchange Commission. Except as required by law, Lilly undertakes no duty to update forward-looking statements to reflect events after the date of this release.

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