# Lilly Completes Final Phase of Its Indianapolis Biotechnology Complex

## Completion honors Lilly's commitment to the community and its biotech pipeline

INDIANAPOLIS, May 12, 2008 /PRNewswire-FirstCall via COMTEX News Network/ -- Eli Lilly and Company (NYSE: LLY) announced today completion of the final phase of its $1 billion effort to further strengthen the company's biotechnology research and development capabilities.

At a ceremony at its Indianapolis operations, Lilly officials, along with participation by Indianapolis Mayor Gregory Ballard, dedicated the final and largest phase of the company's biotech operations - the Bioproduct Research and Development Laboratory (known as K362), which has now become Lilly's headquarters for biotechnology research and development. The 475,000 square foot, 4-story laboratory is home to nearly 500 scientists and research support staff who are conducting cutting-edge research in molecular and cell biology, analytical science, and engineering. In these labs, Lilly scientists will research and develop the next generation of biopharmaceuticals that will follow currently marketed Lilly biopharmaceuticals such as Xigris(R) for the treatment of severe sepsis and Forteo(R) for the treatment of osteoporosis. Biopharmaceutical products differ from traditional chemical-based pharmaceuticals in that scientists utilize cellular or biocellular processes to make biopharmaceuticals rather than relying on chemical processes.

The final phase dedicated today marks the completion of the third of three facilities that make up Lilly's Indianapolis-based biotechnology complex. The first phase of construction, completed in October 2006, was a state-of-the-art bioproduct pilot manufacturing plant (known as K360). The 250,000-square-foot facility employs scientists and engineers who model manufacturing processes to eventually scale up commercial production of future Lilly biopharmaceuticals. The staff in K360 helps ensure a seamless transition from development to full-scale manufacturing - a notoriously complex process in biotechnology - giving Lilly speed to market and cost advantages over its biotech competitors.

The second phase, also opened in the fall of 2006, is a 10,000-square-foot research support facility (known as K361) that houses support staff members. In total, buildings K360 and K361 are home to nearly 300 scientists and support staff.

"This completed biotechnology complex gives us the ability to capitalize on the synergies of being colocated with our drug discovery in Indianapolis," said, Steven Paul, M.D., executive vice president of science and technology and president of Lilly Research Laboratories. "This is a state-of-the-art facility that allows us to move products through the pipeline with increased efficiencies, high quality and cost savings. This facility basically allows us to quadruple the throughput of our biotechnology pipeline."

"The company's investment in these facilities "gives Lilly a line of sight from discovery through development and into manufacturing, uniquely positioning us as a biopharmaceutical leader in the industry," said Bill Heath, Ph.D., vice-president of product research and development.

"Lilly is an incredible asset to our community," said Mayor Greg Ballard. "The company's decision to keep nearly 800 high-tech, high-paying jobs in Indianapolis is tremendous for our city and underscores the growing life sciences sector here in Indiana. As a Fortune 500 company, Lilly has played and will continue to play an important role in that sector's growth in Indianapolis."

Lilly has been a leader in biopharmaceuticals since 1922, when the company was the first to make and market insulin. Today Lilly is the fifth largest biotechnology company in the world as measured by total sales. Approximately 30 percent (eight medicines) of Lilly's total drug portfolio are biotech medicines in several therapeutic categories, representing about $4.4 billion of the company's 2007 sales. Biotech medicines also represented one-third of the company's drug pipeline at the end of 2007.

AME

The construction of the three buildings in Indianapolis that make up the Biotechnology Complex, along with Lilly's acquisition in 2004 of Applied Molecular Evolution - a San Diego-based operation that conducts protein optimization research accounts for a total biotech capital investment of approximately $1 billion.

Kinsale

On April 9, 2008, Lilly Chief Executive Officer John Lechleiter traveled to Ireland for the groundbreaking of the Kinsale biopharmaceutical manufacturing facility. The Kinsale facility will scale up the manufacturing of the biopharmaceuticals discovered in Indianapolis to treat illnesses such as cancer, diabetes and Alzheimer's disease. The 400 million Euro investment will bring an additional 200 jobs to the area. Lilly currently employs more than 400 people at the Kinsale site, which the company opened in 1981.

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 .

(Logo: http://www.newscom.com/cgi-bin/prnh/20031219/LLYLOGO )

C-LLY

SOURCE Eli Lilly and Company