

Lilly Unveils Ambitious Partnership for Tuberculosis Drug Discovery

Independent, not-for-profit research organization will focus on early-phase drug discovery; partners will contribute funding, expertise, laboratories and compound libraries

SEATTLE, June 13, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- Eli Lilly and Company (NYSE: LLY) today announced the creation of an ambitious public-private partnership to conduct early-phase discovery research of new medicines urgently needed to treat tuberculosis (TB), including emerging resistant strains. The partnership will be a not-for-profit, drug-research organization based in Seattle, which will draw upon resources from some of the nation's leading tuberculosis and infectious diseases drug researchers and organizations. Details of the Lilly Not-For-Profit Partnership for TB Early Phase Drug Discovery were unveiled today at the Third Annual Pacific Health Summit in Seattle.

"Today, we are taking an important step toward the discovery of new and improved treatments for tuberculosis," said Gino Santini, senior vice president of corporate strategy and business development at Lilly. "We recognize that new drug research is needed to help save the millions of lives that today are being lost to TB. By merging the resources of the public and private sectors -- both scientific and financial -- this partnership will serve as a catalyst to advance the early discovery of new medicines for this ancient killer."

TB is a contagious disease of global proportions, killing someone every 20 seconds. Today's TB drugs are more than 40 years old and must be taken for at least six to nine months for drug-susceptible tuberculosis. For multi-drug and extensively-drug resistant strains of TB (MDR-TB and XDR-TB), treatment length can be up to two years. Patients who do not, or are unable to, adhere to lengthy treatment regiments breed drug resistance. This mounting resistance to today's drugs, coupled with a growing number of patients co-infected with TB and HIV, is making the pandemic more threatening and deadlier.

The target growth for the new drug research organization will be to staff up to 25 full-time, highly-skilled drug researchers. This will include a board of directors and steering committee comprised of representatives from Lilly and partnering organizations. It will seek grants and contracts for additional funding with the ultimate goal of becoming self-sustaining. Any profits from research would be returned to the 501(c) (3) organization.

After acquiring ICOS Corporation (ICOS) earlier this year, Lilly officials met with ICOS researchers who wanted to apply their experience to discovering drugs for neglected diseases. Lilly embraced the concept and began forming a public-private research organization aimed at early drug discovery for tuberculosis and filling the gaps in current TB research. The new organization will emphasize the screening of well-characterized chemical libraries and improving access to medicinal chemistry, both of which have been identified as important missing elements in current TB research.

Lilly is committing \$15 million to catalyze the partnership over the next five years. As part of its commitment, Lilly will fund the leasing of laboratory space to host the partnership's drug researchers. Lilly also will equip the facility with high-tech machinery and biological tools used for drug screening and testing.

Further, the company will open its library of more than 500,000 Lilly medicinal compounds to researchers, who will test and screen them for possible TB treatments. In addition, a high-level Lilly Chemistry Advisory Committee will provide expertise to the research staff.

The initiative will tightly integrate medicinal chemistry expertise from the pharmaceutical industry with academic expertise in chemistry, microbiology and TB, particularly basic biology genetics and molecular biology. The National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH), and the Foundation for the NIH will partner with the Lilly Not-For-Profit Partnership for TB Early Phase Drug Discovery to facilitate the identification and further development of the most promising drug leads for TB. NIAID's current domestic and international investment in TB research is \$120 million, with \$42 million of that invested in more than 70 projects focused on TB drug development.

Other partners contributing to the effort include Afya World Medicines, Inc., the Infectious Disease Research Institute, Jubilant Biosys, Merck and Company, the Seattle Biomedical Research Institute, and the University of Washington Department of Global Health.

"The emergence of TB strains resistant to all existing antibiotics and the spread of these strains to otherwise healthy individuals

demands an urgent response," said Gail Cassell, Ph.D., D.Sc., Lilly's vice president of scientific affairs and distinguished research scholar, a leading authority in infectious diseases research. Cassell will lead the company's effort.

"Drug development for any disease is challenging, but this is particularly true for TB, because the organism is complex. One new drug is not enough. At least four new antibiotics are needed, because TB treatment requires a combination of antibiotics," said Cassell. "The magnitude of the challenge and the urgency of the need require global collaboration and the talents of some of the world's leading researchers and scientific organizations."

Cassell noted that the partnership's discovery research is meant to enhance the early stage pipeline of The Global Alliance for TB Drug Development (TB Alliance), a not-for-profit, product-development partnership accelerating the discovery and development of new TB drugs. The TB Alliance, which operates with funding from the Bill & Melinda Gates Foundation, and the governments of the Netherlands, UK, Ireland and the United States, will have representation on the governing committees of the partnership to ensure coordination of efforts.

Today's announcement brings Lilly's financial support to fight TB to \$135 million. The Lilly MDR-TB Partnership, started in 2003 and funded with an eight-year, \$120 million contribution, is dedicated to the prevention, diagnosis and treatment of multi-drug resistant tuberculosis around the world. For its role in conceiving and executing the Lilly MDR-TB partnership. Lilly was recognized today by The Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria with an award of excellence.

About Eli Lilly and Company

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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