Lilly and Glenmark Pharmaceuticals Announce License Agreement

Lilly to Acquire Next Generation Molecule GRC 6211 for the Potential Treatment of Pain, Including Osteoarthritic Pain

INDIANAPOLIS and MUMBAI, India, Oct 30, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- Eli Lilly and Company (NYSE: LLY) today announced that it has entered into an agreement with Glenmark Pharmaceuticals S.A. (GPSA) a wholly owned subsidiary of Glenmark Pharmaceuticals Limited India (GPL). Under the terms of the agreement, Lilly will acquire the rights to a portfolio of transient receptor potential vanilloid sub-family 1 (TRPV1) antagonist molecules, including a clinical compound, GRC 6211. GRC 6211 is currently in early clinical Phase II development as a potential next-generation treatment for various pain conditions, including osteoarthritic pain.

Under the terms of the agreement, Glenmark will receive an upfront fee of $45 million and could receive up to an additional $215 million in potential development and sales milestones for the initial indication, as well as royalties on sales if GRC 6211 is successfully commercialized. If other indications are successfully developed, Glenmark would be entitled to additional milestones up to $90 million. Lilly will have marketing rights for North America, Europe and Japan, while Glenmark will retain the marketing rights in all other countries. Further Glenmark will have the right to co- promote GRC 6211 in the United States. Other terms of the deal were not disclosed.

"This agreement is further evidence of Lilly's commitment to seek out novel treatments for important medical conditions, such as osteoarthritic pain," commented William Chin, M.D., Lilly vice president, discovery research and clinical investigation. "We believe that TRPV1 represents a promising pathway for pain research. GRC 6211 has shown good potential in early-phase development and will be a strong addition to our own internal pipeline of potential pain molecules."

According to Glenn Saldanha, Managing Director and CEO of GPL, "This agreement further validates that Indian companies have the ability to do world class innovative R&D and Glenmark's leadership in the Indian drug discovery arena. We have made excellent progress in our TRPV1 program at Glenmark and are very excited to be partnering with Lilly, a world-class research-driven global pharmaceutical company."

The agreement became effective in the fourth quarter of 2007. At closing, Lilly would expect a charge to earnings for acquired in-process research and development. The amount of the charge has not yet been determined, but is estimated to be $0.02 per share. Lilly's fourth-quarter and full-year pro forma adjusted earnings per share guidance remain unchanged at $0.86 to $0.91 and $3.50 to $3.55, respectively. On a reported basis, including the charge for this transaction with Glenmark, as well as the other charges in the tables below, Lilly now expects its fourth-quarter earnings per share to be in the range of $0.81 to $0.86 and its full-year earnings per share to be in the range of $2.74 to $2.79. See the reconciliations below for further detail.

Q4 Earnings per Share Reconciliation	Q4 2007 Expectations	Q4 2006 Results	% Growth
E.P.S. (reported)	$.81 to $.86	$.12	NM
Eliminate estimated in-process research & development charge associated with Glenmark in-licensing	.02		
Eliminate estimated in-process research & development charge associated with MacroGenics in-licensing	.03	-	
Eliminate product liability charge	-	.42	
Eliminate asset impairments, restructuring and other special charges	-	.31	

Include pro forma as if the ICOS acquisition was completed on January 1, 2006	-	(.03)	
E.P.S. (pro forma adjusted)	$.86 to $.91	$.82	5% to 11%

Full-Year Earnings per Share Reconciliation	2007 Expectations	2006 Results	% Growth
E.P.S. (reported)	$2.74 to $2.79	$2.45	12% to 14%
Eliminate estimated in-process research & development charge associated with Glenmark in-licensing	.02		
Eliminate estimated in-process research & development charge associated with MacroGenics in-licensing	.03	-	
Eliminate product liability charge	-	.42	
Eliminate asset impairments and restructuring charges associated with previously announced manufacturing decisions	.08	.31	
Eliminate special charges related to adjustment to insurance recoverable	.06	-	
Eliminate in-process research & development charges associated with ICOS, Hypnion, and Ivy acquisitions and OSI in-licensing	.58	-	
Include pro forma as if the ICOS acquisition was completed on January 1, 2006	(.01)	(.15)	
E.P.S. (pro forma adjusted)	$3.50 to $3.55	$3.03	16% to 17%

About TRPV1

TRPV1 is a member of the TRPV family of ion channel proteins. It is expressed in human pain pathways and in sensory neurons that mediate nociceptive signaling. Research on TRPV1 supports the potential for antagonists of this ion channel to be effective in various pain conditions. The goal of the partnership is to advance GRC 6211 and other promising drug candidates to ultimately provide novel therapies for painful conditions and other diseases and disorders.

About Lilly

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.

About Glenmark

Glenmark Pharmaceuticals Ltd. is a research-led, global, fully integrated pharmaceutical company headquartered in Mumbai, India. The Company is a leader in India in the discovery of new molecules. Glenmark has 11 lead molecules at various stages of development in NCE & NBE research. Three of the leads are in Phase II whereas eight other leads are into the pre-clinical and discovery stages in the broad areas of inflammation, metabolic disorders and oncology. Additional information about Glenmark is available at www.glenmarkpharma.com.

This news release contains forward-looking statements. These statements are subject to known and unknown risks and

uncertainties that may cause actual future experience and results to differ materially from the statements made. Factors that might cause such a difference include, among others, the completion of clinical trials, the FDA and other foreign review processes and other governmental regulation, Lilly's and Glenmark's abilities to successfully develop and commercialize drug candidates, competition from other pharmaceutical companies, the ability to effectively market products, and other factors described in Lilly's most recent filings with the Securities and Exchange Commission. Lilly undertakes no duty to update forward looking statements.

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