



Lilly and BioMS Medical Announce Global Licensing and Development Agreement

Lilly to Acquire Exclusive Rights to Novel Late-Stage Molecule for the Treatment of Multiple Sclerosis

INDIANAPOLIS and EDMONTON, Alberta, Dec 17, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- Eli Lilly and Company (NYSE: LLY) and BioMS Medical Corp. (TSX: MS) today announced that the two companies have entered into a licensing and development agreement granting Lilly exclusive worldwide rights to BioMS Medical's lead multiple sclerosis (MS) compound, MBP8298. The compound is currently being evaluated in two pivotal phase III clinical trials in secondary progressive MS (SPMS) and one phase II clinical trial in relapsing-remitting MS (RRMS).

Under the terms of the agreement, Lilly and BioMS Medical will collaborate on the development of MBP8298 and will also share in certain development costs with Lilly being responsible for future R&D, manufacturing and marketing activities. BioMS Medical will receive an upfront payment of \$87 million, as well as potential development and sales milestones up to \$410 million and escalating royalties on sales commensurate with the current stage of development of the product if MBP8298 is successfully commercialized. BioMS Medical will continue to oversee the current clinical trials. Other terms of the deal were not disclosed.

"Lilly is pleased to add yet another promising late-stage compound to our portfolio," said Dr. William W. Chin, M.D., vice president of discovery research and clinical investigation for Lilly. "Multiple sclerosis is a disease with significant unmet patient needs. MBP8298 has shown potential in slowing the progression of secondary progressive MS, and thus may provide an effective therapeutic option for patients with this debilitating disease. We are also hopeful that MBP8298 may prove beneficial in treating patients with relapsing remitting MS. We intend to fully leverage our expertise in neuroscience to continue the development of this novel molecule."

"We are very pleased to collaborate with Lilly on the worldwide development of MBP8298," said Kevin Giese, President and CEO at BioMS Medical. "Lilly's well established leadership in the neurology arena and considerable resources, expertise and proven ability to launch first-in-class drugs will help MBP8298 to realize its full development and commercial potential."

The transaction is expected to become effective in the first quarter of 2008, contingent upon clearance under the Hart-Scott-Rodino Anti-Trust Improvements Act, if required. At closing, Lilly would expect a charge to earnings for acquired in-process research and development. The exact amount of the charge has not yet been determined, but is estimated to be \$0.05 per share. Lilly's 2008 pro forma adjusted earnings per share guidance remains unchanged at \$3.85 to \$4.00. On a reported basis, including the charge for this transaction with BioMS Medical, Lilly now expects its 2008 earnings per share to be in the range of \$3.80 to \$3.95. See the reconciliation below for further detail.

Reconciliation of 2008 Earnings Per Share Expectations:

2008 2007

	Expectations -----	Expectations -----	% Growth -----
E.P.S. (reported)	\$3.80 to \$3.95	\$2.74 to \$2.79	36% to 44%
Eliminate estimated in-process research and development charge associated with BioMS Medical in-licensing	.05		
Eliminate asset impairments and restructuring charges associated with previously announced manufacturing decisions	-	.08	
Eliminate special charges related to adjustment to insurance recoverable	-	.06	

Eliminate in-process research & development charges associated with ICOS, Hynion, and Ivy acquisitions and OSI, Glenmark and MacroGenics in-licensing transactions	-	.63	
Include pro forma as if the ICOS acquisition was completed on January 1, 2006	-	(.01)	

E.P.S. (pro forma adjusted)	\$3.85 to \$4.00	\$3.50 to \$3.55	8% to 14%

About MBP8298

MBP8298 is a synthetic peptide that consists of 17 amino acids having a sequence identical to that of a portion of human myelin basic protein (MBP). MBP8298 is being developed for the potential treatment of multiple sclerosis (MS), an autoimmune disease caused by immune attack against normal components of the central nervous system. The sequence of MBP8298 is associated with the autoimmune process in MS patients with certain immune response genes (HLA types DR2 and/or DR4); MS patients having these genes represent 65 to 75 percent of all MS patients.

The apparent mechanism of action of MBP8298 is the induction or restoration of immunological tolerance with respect to ongoing immune attack as a result of high doses of peptide delivered periodically by the intravenous route. The potential benefit of MBP8298 for any individual patient is therefore expected to be related to the role this peptide plays in that patient's immune system. The degree of immunomodulation achieved will depend on the relationship among the peptide, HLA molecules and T cells.

The results of phase II and long-term follow-up treatment of MS patients with MBP8298, published in 2006 in the European Journal of Neurology (EJN), showed that MBP8298 safely delayed median time to disease progression for five years (versus placebo) in progressive MS patients with HLA types DR2 and/or DR4. Thus, MBP8298 has the potential to be used as a tailored therapy for patients genetically determined to express the appropriate HLA molecules.

MBP8298 is being developed in three late-stage clinical trials:

- MAESTRO-01: A pivotal phase II/III trial for secondary progressive MS (SPMS) patients in Canada and Europe.
- MAESTRO-03: A pivotal phase III trial for SPMS patients in the United States.
- MINDSET-01: A phase II trial for relapsing-remitting MS (RRMS) patients in Europe.

About Multiple Sclerosis

Multiple sclerosis (MS) is thought to affect as many as 2.5 million people worldwide, including approximately 75,000 in Canada, 400,000 in the United States and more than 500,000 in Europe. It is a disease that affects more women than men, with onset typically occurring between 20 and 50 years of age. MS is caused by damage to myelin, the protective sheath surrounding nerve fibers in the central nervous system, which interferes with messages from the brain to the body. Symptoms of MS may include vision problems, loss of balance, numbness, difficulty walking and paralysis. Approximately 40 percent of all MS patients have the secondary progressive form of the disease.

BioMS Medical Conference Call

BioMS Medical management will host a conference call at 8:30 a.m. (EST) on Tuesday December 18, 2007 to discuss the global licensing and development agreement with Lilly. Participants may listen via an audio web cast, accessible through the Company's website at www.biomsmedical.com or via telephone. The telephone conference number is 416-644-3420 or toll-free at 1-800-731-6941.

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 BioMS Medical Corp.

BioMS Medical is a biotechnology company engaged in the development and commercialization of novel therapeutic technologies. BioMS Medical's lead technology, MBP8298, is for the treatment of multiple sclerosis and is being evaluated in two pivotal phase III clinical trials for secondary progressive MS patients, MAESTRO-01 in Canada and Europe and MAESTRO-03 in the United States. It additionally is being evaluated for relapsing remitting MS patients in a Phase II trial in Europe entitled MINDSET-01. Additional information about BioMS Medical is available at www.biomsmedical.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 BioMS Medical'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. C-LLY

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