



Lilly Announces Changes in Key Leadership Roles

Lechleiter Aims to Reduce Bureaucracy, Streamline Decision Making

INDIANAPOLIS, May 21, 2008 /PRNewswire-FirstCall via COMTEX News Network/ -- Eli Lilly and Company (NYSE: LLY) today announced changes across its executive leadership structure as the company continues to position itself to compete and win in a challenging business environment.

"Earlier this year I asked each of our senior leaders to look closely at their respective areas to determine if they were optimally structured to meet the demands of our business and our company goals," said John C. Lechleiter, Ph.D., who assumed the role of Lilly president and chief executive officer on April 1, 2008. "As a result of this thorough review, we are implementing a number of changes that will minimize bureaucracy by reducing the number of layers of management, will speed decision-making by clarifying roles and accountabilities, and will allow us to respond more quickly to critical business needs."

Continued Lechleiter, "These changes represent important elements in enabling the implementation of our strategy. In some cases, they have resulted in staffing changes, with new leaders in key roles."

Changes in management structure and key leadership roles across several areas of the company have recently been announced to employees, with most changes becoming effective during the second quarter. Highlights of the executive level changes include the following:

Lilly Research Laboratories (LRL):

The executive leadership structure of the company's research and development organization, Lilly Research Laboratories (LRL), will undergo changes designed to reduce bureaucracy and clarify accountabilities. Two senior leaders in the LRL organization have announced their intent to depart from the company, which has also led to changes in the management structure.

Tim Franson, M.D., vice president of global regulatory affairs, will retire from the company after 22 years of service. Franson is a diplomat of the American Board of Internal Medicine, a Fellow of the American College of Physicians and the Infectious Diseases Society of America, and played a leadership role on behalf of both Lilly and the industry in the reshaping of the Prescription Drug User Fee Act. He has held roles of increasing responsibility throughout his career at Lilly, including positions in medical (both in the U.S. and in Europe), health economics research and decision sciences, clinical research, and regulatory affairs. He has held his current position since 2003.

Alan Breier, M.D., vice president of medical and chief medical officer, has been appointed full professor in the department of psychiatry at the Indiana University School of Medicine after an 11-year career at Lilly. Breier, who joined Lilly in 1997 from the National Institutes of Health (NIH), has published more than 235 scientific articles in areas related to the cause and treatment of severe mental illnesses, and last year was honored by the American Psychiatric Association for excellence in medical student education. Breier has held a variety of leadership roles at Lilly on the Zyprexa(R) product team as well as in medical, and has served as the chief medical officer since 2003.

"Both Tim and Alan have provided exceptional leadership on behalf of our company and wise counsel to me personally. Their contributions to our organization and to the patients we serve have been very significant, and they will both be missed. Our deepest thanks and best wishes go with both of them as they embark on new endeavors," said Steve Paul, M.D., executive vice president of science and technology and president of LRL.

The primary change to the LRL structure is the creation of a combined global regulatory, medical and patient safety organization, which will create a single point of accountability for regulatory and medical affairs. Tim Garnett, M.D., currently vice president of global patient safety, will assume the role of vice president and chief medical officer and will lead this new organization.

In related changes in LRL, Jen Stotka, M.D., has been named to the role of vice president of global regulatory affairs and Don Therasse, M.D., will assume the role of vice president of global patient safety. Both will report to Garnett.

International Operations:

Karim Bitar has been named president, European operations. Bitar has over 12 years of experience with Lilly, and has held a variety of international roles, including, most recently, general manager of Lilly Italy.

The company has also consolidated and streamlined its European infrastructure from four areas of responsibility down to two. Philippe Pruffer will assume the role of vice president and area director of European mid-size as well as central and eastern European markets. In addition, the markets of Africa, the Middle East, and the Commonwealth of Independent States (CIS) will be combined with the Asian markets (other than China and Japan) and will be led by Eberhard Ludewigs, who will serve as vice president and area director of this expanded region.

Newt Crenshaw, currently president and general manager of Lilly Japan, will assume the newly-created role of vice president of policy, pricing, reimbursement and access, and international corporate affairs. Crenshaw will be based in Indianapolis and will report directly to Alex Azar, senior vice president of corporate affairs. Replacing Crenshaw in Japan will be Alfonso (Chito) Zulueta, currently Lilly's area director for Asia.

Lilly USA Operations:

The company's leadership structure in the U.S. market is also being changed, with four divisional vice president roles being replaced by two new vice president positions with significantly expanded responsibilities. These new roles are built around the company's main customer groups; health care professionals (e.g. physicians) and institution-based customers (e.g. hospitals, specialists and third-party payors).

Enrique Conterno, currently vice president of Lilly's U.S. neuroscience business, will become vice president for health care professional markets. In this role he will lead all Lilly USA efforts aimed at health care professionals, and he will also have therapeutic responsibility for the neuroscience, diabetes and osteoporosis brands. Jack Bailey, currently vice president of U.S. sales and marketing, business-to-business, will become vice president for account-based markets, and he will have responsibility for institution-based customers. Bailey will also have therapeutic responsibility for the oncology, endocrine and cardiovascular brands.

Global Marketing and Sales:

Bryce Carmine, executive vice president of global marketing and sales, has implemented changes to the company's sales and marketing operations. In addition, Rich Pilnik, currently vice president and chief marketing officer, has announced his retirement from the company.

Pilnik is concluding a 25 year career with Lilly which began as an associate in marketing. Pilnik has held a variety of sales and marketing positions with the company, including as general manager of Lilly Mexico and area director for Latin America and Canada. Pilnik has twice served as the company's chief marketing officer, from 1998 to 2001 and from 2006 to present. From 2001 to 2006 he served as president of Lilly Europe.

"I want to express my personal gratitude to Rich for his significant contributions during his time with Lilly," said Carmine. "Rich has brought great enthusiasm and commitment in creating a strong marketing and sales organization. He has provided sound leadership in various geographies around the world, including Latin America and Europe, and the company enjoyed some of its highest growth in these regions under Rich's leadership. We wish him well in his well-deserved retirement."

The company's global marketing and international marketing organizations are being consolidated, and Dan Hasler, currently vice president of global brands, will assume the role of vice president of this expanded organization. In addition, Nancy Lilly, currently vice president of U.S. sales and marketing for specialty products, is being named to the role of vice president of new product planning and market analytics. In this role she will be responsible for leading new product planning, market research, global pricing and business development.

Transitions for all of the executive leadership and organizational changes will begin immediately, and the new structure will be fully in place by July 1, 2008.

Concluded Lechleiter, "These leadership changes will help to strengthen key aspects of Lilly's operations as we also develop the next generation of leadership for the company. I am excited about the improved focus on the customer that these changes will bring, and I am confident that each of these leaders will better enable us to remain a strong and successful 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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