



Eli Lilly and Company Opens Eco-Friendly Biotechnology Center on the West Coast Designed to Speed and Enhance Innovation

Lilly Has Biotech Discovery Research and Development Centers on Both Coasts and in the Midwest

SAN DIEGO, Oct 29, 2009 /PRNewswire-FirstCall via COMTEX News Network/ -- As part of its strategy to discover and develop more biotechnology medicines, Eli Lilly and Company today officially opened a new state-of-the-art biotechnology center on the West Coast. The facility, known as the "Lilly Biotechnology Center - San Diego," is opening three months after Lilly announced it is moving its ImClone research headquarters (which specializes in developing cancer biologics) into a new biopharmaceutical research cluster in New York, and just one year after Lilly completed construction of its biotechnology research and development complex at company headquarters in Indianapolis, Indiana.

"We are moving full speed ahead toward building a biotechnology powerhouse," said John Lechleiter, Ph.D., Lilly chairman and chief executive officer. "The science, technology and talent at our new center in San Diego will help bring novel biotech medicines to patients faster and more efficiently, and reinforces Lilly's commitment and contributions to San Diego's burgeoning bioscience industry."

Lilly's latest biotechnology center is located within an extensive hub of life science activity near the University of California, San Diego and other prominent biomedical research institutes, which is consistent with Lilly's FIPNet strategy to leverage external resources and knowledge to advance its pipeline.

Of the nearly 200 scientists based at the center, more than half are from Applied Molecular Evolution (AME), a wholly-owned Lilly subsidiary that discovers, engineers and develops biotechnology-based therapies built specifically from human proteins. Additionally, the center is the work base for scientists from discovery chemistry research and technology (DCRT), a division within Lilly that includes scientists from what was previously known as SGX Pharmaceuticals. (Lilly acquired SGX in 2008 and incorporated it into DCRT.)

Lilly's West Coast Biotechnology Center Enhances Company's Focus on Innovation

"The results of Lilly's transformation into a biopharmaceutical powerhouse are quite evident and very exciting, with over 50 percent of our mid to late-stage pipeline now consisting of biologics-potential medicines for a range of diseases, including diabetes, cancer, autoimmune diseases, musculoskeletal disorders and Alzheimer's disease," said Steve Paul, M.D., executive vice president, science and technology, and president, Lilly Research Laboratories.

AME, in collaboration with Indianapolis-based biotechnology research efforts, has made important contributions to building Lilly's biotechnology portfolio. Specifically, AME has helped develop eight of the approximately 60 molecules in Lilly's current clinical pipeline. Additionally, it has helped design and engineer four molecules that are currently in pre-clinical development.

At the new San Diego biotechnology facility, the scientists from AME and DCRT-San Diego are drawing on each other's expertise to further speed and enhance innovation. For example, DCRT-San Diego group is a world leader in pioneering strategies that use protein-crystal structures to aid in the design of new molecular entities. This technically complex effort requires expertise in small molecules and structural biology, which is being applied, through collaboration with AME, to the discovery and development of innovative biologic therapies (large molecules).

"We are optimizing the synergies between AME and DCRT-San Diego by co-locating them," said Tom Bumol, Ph.D., vice president of biotechnology discovery research at Lilly and head of the new West Coast site. "We in the scientific community have only scratched the surface of what is possible for biologic drug design, and collaborations such as this taking place at our new center will help lead to the next generation of biotechnology-based treatments for patients."

Work at the new biotechnology center is mostly focused on discovering, engineering and conducting Phase I and II clinical trials on potential biologic medicines, with an emphasis on cancer, diabetes and autoimmune diseases, areas of medicine that hold potential promise for biologic drug development.

Autoimmune diseases are diseases in which the immune system attacks the body's own tissues; examples include rheumatoid arthritis, psoriasis and multiple sclerosis. Recently, Lilly established a new therapeutic platform dedicated specifically to discovering and developing potential new therapies for autoimmune diseases. Of the five molecules that Lilly currently has in its

in clinical pipeline for autoimmune diseases, three are humanized antibodies that were designed and engineered by scientists now based at the Lilly Biotechnology Center -San Diego: IL-23 antibody (LY2525623), slated to enter Phase II development for psoriasis within the next few months; IL-1b antibody (LY2189102), for which, in Q3 of this year, a Phase II trial was begun for type 2 diabetes; and IL-17 antibody (LY2439821), in Phase II development for rheumatoid arthritis and psoriasis.

"We want to continue this positive innovation trend in autoimmunity, cancer, diabetes, as well as other diseases for which there is an unmet need," said Bumol. "In doing so, we are leveraging our deep therapeutic expertise, as well as our small molecule and biotech capabilities."

An Environmentally-Friendly Building

The Lilly Biotechnology Center is located within a 450,000-foot facility known as Campus Pointe, which was developed, and is owned and managed, by Veralliance Properties of San Diego. Veralliance has partnered with Prudential Real Estate Investors on the development. Lilly is leasing approximately a quarter of Campus Pointe from Veralliance.

Campus Pointe is in the final stages of review to become California's first LEED (Leadership in Energy and Environmental Design)-certified Core and Shell facility at the Platinum level. The Platinum certification, if granted, would mean that the building has met the highest level of criteria set by the U.S. Green Building Council for environmental responsibility through site sustainability, water efficiency, energy usage and indoor environmental quality, and material utilization.

"There are currently 11 LEED-certified Core and Shell Platinum projects worldwide, but none in California," said Tom Lunneberg, principal of Innovative Energy Solutions, a consulting firm specializing in energy efficiency for commercial buildings and headquartered in Carlsbad, California. "Campus Pointe could become the first Platinum Core and Shell project in California, and would be one of only eight in the United States."

Environmentally-responsible features of Campus Pointe include:

- Renewable energy production through use of solar array.
- Optimal indoor air quality through enhanced HVAC commissioning and carbon dioxide monitoring
- Water-saving features, including low-flow fixtures, reclaimed water for both landscaping and the building's cooling system, and drought-tolerant landscaping
- Renovation of an existing building (vs. building a new one) and use of recycled materials in the process. Also, many of the site's existing trees were preserved in the re-development.

- Certified, renewable wood products throughout.

In addition, Campus Pointe has parking for hybrid vehicles and is immediately accessible to public transportation.

"Campus Pointe was conceived as an opportunity to set a new development standard for life science and office projects by providing a highly amenitized space while sparingly drawing on our planet's natural resources," said Daniel Ryan, president of Veralliance.

About Lilly

Lilly, a leading innovation-driven corporation, is developing a growing portfolio of 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.

This press release contains forward-looking statements about several investigational compounds for the treatment of autoimmune diseases and reflects Lilly's current beliefs. However, as with any pharmaceutical product under development, there are substantial risks and uncertainties in the process of development and regulatory review. There is no guarantee that these compounds will receive regulatory approval, or that the regulatory approval will be for the indications anticipated by the company. There is also no guarantee that these compounds will prove to be commercially successful. For further discussion of these and other risks and uncertainties, see Lilly's filings with the United States Securities and Exchange Commission. Lilly undertakes no duty to update forward-looking statements.

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