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**ELI LILLY AND COMPANY UNVEILS GLOBAL PARTNERSHIP TO BATTLE
ONE OF THE DEADLIEST INTERNATIONAL PUBLIC HEALTH THREATS**

***\$70 Million Initiative Is First of Its Kind, Comprehensive Effort to Fight Spread of
Multi-Drug Resistant Tuberculosis***

June 5, 2003 (Geneva, Switzerland) — Eli Lilly and Company (NYSE: LLY) today unveiled a global effort with the World Health Organization (WHO), the U.S. Department of Health and Human Services' Centers for Disease Control and Prevention (CDC), Brigham and Women's Hospital (BWH), an affiliate of Harvard Medical School, and Purdue University to increase the number of trained personnel and drugs available to treat the expanding crisis of Multi-Drug Resistant Tuberculosis (MDR-TB).

As part of this pioneering effort, Lilly will:

- Transfer its technology to manufacture two antibiotics necessary for treatment of MDR-TB to nations where the disease is most prevalent;
- Establish a Center of Excellence for the training of medical personnel in the treatment of MDR-TB to help prevent further spread of the disease;
- Lead an effort to establish a comprehensive surveillance program to monitor the development of resistance against the antibiotics used to treat MDR-TB;

- Invest in facilities improvements that will enable the company to double its current production of one of the essential drugs used to treat MDR-TB, and;
- Provide both Lilly antibiotics at a fraction of their cost to WHO Green Light Committee approved DOTS-Plus treatment programs around the world.

The company's total contribution to this effort is valued at \$70 million (USD) through 2006.

“Lilly has been a global healthcare leader for more than 125 years. This initiative addresses a serious and growing healthcare need while establishing a model for bringing together public and private organizations for a greater good,” said Sidney Taurel, Lilly chairman, president and CEO. “Through this innovative application of resources and expertise, and in concert with the WHO, CDC, Harvard, and Purdue University, Lilly is determined to provide answers that matter.”

“The partnership and cooperation that Eli Lilly and Company is showing with this project will strengthen global efforts to address Multi-Drug Resistant Tuberculosis,” U.S. Health and Human Services Secretary Tommy G. Thompson said. “This initiative is one of the few multi-dimensional efforts that involves aspects of disease prevention, treatment and surveillance, drug supply and the sharing of formerly proprietary technology and information with foreign companies to address a growing public health threat. Lilly is to be commended for its leadership in this innovative public-private initiative.”

What is MDR-TB?

MDR-TB is a type of tuberculosis (TB) that often develops in patients who do not complete the proper treatment for TB. This can occur when a physician does not prescribe proper

treatment regimens or when a patient is unable to adhere to therapy with first-line drugs.

Once a strain of MDR-TB develops, it can be spread to others just as “normal” TB.

However, MDR-TB is most likely to occur among patients in developing nations where trained medical personnel and drug supplies are limited. Each year, there are roughly 400,000 new cases of MDR-TB in more than 100 countries. The WHO estimates that the average MDR-TB patient infects up to 20 other people in his or her lifetime.

“Though little known, MDR-TB represents one of the most severe threats to public health today. Without proper treatment and surveillance now, MDR-TB can easily become a global health emergency in years to come,” said David Heymann, M.D., executive director of communicable diseases at the WHO. “Eli Lilly and Company has offered an effective model that leverages the capabilities of organizations best able to ensure the diagnosis, treatment and surveillance of MDR-TB in areas of the world where it is most prevalent and prevent a more widespread outbreak of this dangerous disease. This public-private enterprise represents a new paradigm for addressing global public health problems.”

“MDR-TB is especially threatening because without proper treatment, super-resistant strains can emerge for which there currently is no cure,” said Jim Yong Kim, M.D., Ph.D., chief of the Division of Social Medicine and Health Inequalities at Harvard Medical School’s Brigham and Women’s Hospital. “Without proper treatment, the limited drugs available to treat MDR-TB will become obsolete, putting the world at risk for an even greater health catastrophe. Fortunately, this initiative will provide physicians and healthcare personnel with the valuable training and increased drug supply essential to effectively treating and containing the spread of MDR-TB.”

Manufacturing technology transfer

To help fight this global public health concern, Lilly will give manufacturing firms in China, India and South Africa the technology to convert existing facilities in those countries to produce *capreomycin* and *cycloserine*, the two antibiotics used to treat MDR-TB. Facilities in China and South Africa will receive technology to produce *capreomycin*. Those in India and South Africa will be provided with the technology to produce *cycloserine*. Lilly also is currently pursuing opportunities to convert facilities in Russia for the production of these two drugs.

Purdue University will assume a significant role in the program to develop training and provide certification of sound business management and good manufacturing practices for each of the facilities receiving Lilly's drug manufacturing technology. Purdue, one of just five universities in the U.S. to blend pharmaceutical education and drug manufacturing, will also be given the manufacturing technologies that will allow it to produce *cycloserine*, serving as a laboratory for Purdue's international training program.

Finally, Lilly has committed to making available up to 10 full-time staff members over a four-year period to offer technical assistance and training necessary to complete the technology transfer and ensure the long-term success of the manufacturing partnerships.

Prevention, treatment and surveillance

Over the past five years, Lilly has provided support to Dr. Kim and Paul Farmer, M.D., Ph.D., incoming chief of the Division of Social Medicine and Health Inequalities at Harvard Medical School's Brigham and Women's Hospital, for their treatment of patients with MDR-TB in Peru. Their groundbreaking work, published in the *New England Journal of Medicine*

(NEJM, 348; 2, 119-128), has convincingly established that MDR-TB can be effectively treated. Based upon such experience, as well as that in other countries, the WHO has promoted a DOTS-Plus strategy, including *Capastat*® (*capreomycin*) and *Seromycin*® (*cycloserine*) for treatment of MDR-TB. DOTS-Plus is an extension of the WHO's DOTS program (Directly Observed Therapy – Short course), an intensive six-month regimen for the treatment of “normal” TB. DOTS-Plus is an 18 to 24-month treatment protocol, requiring often daily dosing of *Capastat*® and three-times daily dosing of *Seromycin*®.

As a part of this initiative, the Eli Lilly and Company Foundation will provide essential funding to Brigham and Women's Hospital's Division of Social Medicine and Health Inequalities for the establishment of a Center of Excellence in Training Healthcare Workers in Diagnosis, Treatment and Management of MDR-TB in Boston, Massachusetts. This funding will also enable Harvard to bring best practices in treatment to MDR-TB “hotspots,” such as Tomsk, Russia, where it will establish a center for training healthcare workers to properly diagnose, treat and manage the illness. This center will be the only one of its kind in Russia to offer clinical training to physicians, nurses, and other healthcare workers in aspects of MDR-TB treatment. Reported cases of TB, the precursor to development of MDR-TB, have doubled in Russia since 1990, surpassing former peaks in the 1970s. The disease's incidence among those in direct contact with TB patients increased from 263 per 100,000 in 1985 to 702 per 100,000 in 1997. New TB infections among children in Russia have also doubled between 1986 and 1998.

Importantly, Lilly is also leading an endeavor to establish a surveillance program for MDR-TB in the Russian cities Moscow, Novosibirsk and Tomsk. The program, which will be

established in partnership with the WHO, CDC, Harvard and Purdue, will be laboratory- and epidemiology-based and supported by electronic laboratory and field information systems.

Lilly will also provide funding to support the International Council of Nurses (ICN) in developing, jointly with other partners, guidelines and best practices for nurses in treating TB and MDR-TB. These guidelines will be disseminated for training to nursing associations around the world.

Finally, in an effort to prevent further global outbreaks of MDR-TB, Lilly and the other members of the initiative will work with governments to encourage them to adopt the WHO's protocols for treating TB and MDR-TB. The vast majority of TB cases originate in countries that have not adopted the DOTS program.

Increased supply and discounted price

In addition to the increased supply created by the transfer of manufacturing technology, Lilly has made a significant investment in its Liverpool (United Kingdom) facility to double bulk production of *capreomycin* from 0.6 tons to 1.2 tons. The company has also negotiated manufacturing contracts with non-Lilly facilities in Hungary and Greece that will increase the supply of both antibiotics. Lilly will continue to provide both drugs at a fraction of their cost to WHO-approved MDR-TB DOTS-Plus programs around the world. The value of this discount is approximately \$25 million (USD).

Additionally, Lilly has negotiated stipulations as to how much a company to whom this manufacturing technology is transferred can charge designated purchasers in emerging or developing nations for *capreomycin* and *cycloserine*. For the companies receiving this

technology, a controlled partner price will provide a margin that can sustain the business, while increasing the global supply of these necessary drugs.

“The two Lilly drugs at the center of this endeavor are essential in the treatment of those who suffer from MDR-TB, the modern form of an ancient disease,” said Lilly’s Taurel. “We have engaged the resources and expertise of extraordinary organizations to help those in need access this vital treatment. If we fail to ensure that these drugs are used properly or to increase their availability, many more people will be vulnerable to the spread of this disease.”

For more information about the Lilly MDR-TB partnership, visit our Website at www.lillyMDR-TB.com.

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

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