

## Lilly strengthens its foothold in China

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**Singapore, June 15, 2012:** In support of its commitment to maximize growth opportunities in China, Eli Lilly has plans to increase its network of manufacturing capabilities in the country through an expanded collaboration with Novast Laboratories. Novast, a generic and specialty pharmaceutical company based in Nantong, China, has established high-quality systems and manufacturing facilities for the global and domestic Chinese markets. Lilly expects its expanded collaboration with Novast to greatly enhance its efforts to build a portfolio of Lilly branded generic medicines in China. The collaboration may also ultimately result in Novast providing local and regional manufacturing capabilities for Lilly's own pipeline of potential new medicines in development.

As part of the agreement, Lilly will increase its equity position in Novast by \$20 million. Lilly made an initial equity investment in Novast several years ago through the Lilly venture capital unit, Lilly Asian Ventures. Novast has committed to set up a platform to support Lilly branded generic products and increase the manufacturing capacity at its Nantong site over the next several years, with Lilly providing technical support to enhance quality standards. The additional capacity will support the collaboration, but will not be solely dedicated to Lilly products.

"We are excited to expand our collaboration with Novast. As we develop a platform of high-quality Lilly branded generic medicines in China, we are supporting the Chinese governments' current 5-year plan, which calls for significant improvement in the quality of medicines in the pharmaceutical industry," said Jacques Tapiero, Lilly senior vice president and president of

Emerging Markets. "In Lilly's emerging markets business, we are focused on providing patients with innovative medicines from our own pipeline, as well as select Lilly branded generic medicines that meet our quality standards. The additional manufacturing capabilities provided by Novast will allow us to better deliver on that strategy."

"In China, Lilly is building for the future by investing across our value chain," said Eric Baclet, president and general manager of Lilly China. "We have made significant investments in research and development, increased our commercial presence to better serve patients and healthcare providers, and expanded our manufacturing capabilities both at Lilly owned sites and through partner companies such as Novast. We are committed to help meet the medical needs of the Chinese people by providing innovative medicines of the highest quality."

"This long term strategic partnership will combine Lilly's expertise in innovation, commercialization and operations with Novast's strengths in product development and quality manufacturing," said Dr. Guohua Zhang, president and CEO of Novast Laboratories. "We are committed to helping Lilly bring high-quality medicines to patients in China and potentially other countries. We are looking forward to working together constructively and cooperatively in the years ahead to achieve our business objectives."

"At Novast, quality is our main focus. In every market we serve, and every regulatory body we work with, we feel that we have a moral responsibility towards the consumer. That is the overriding quality benchmark we employ in producing our products," said Prasad Pinnamaraju, senior vice president and chief operating officer of Novast Holdings, LTD.