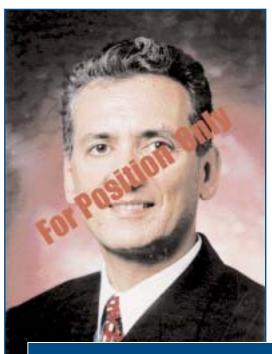
Providing Answers That Matter

CPM talks to Gaetano Crupi, President and General Manager, Eli Lilly Canada.



Gaetano Crupi

President and General Manager

CPM: Please describe Lilly's structure, both in Canada and abroad.

In the 1920s, Eli Lilly and Company started a research collaboration with the Canadian scientists Dr. Frederick Banting and Dr. Charles Best that would eventually produce the world's first commercially available insulin for the treatment of diabetes. This led to the 1938 establishment of Eli Lilly Canada, the second international affiliate of Indianapolis, Indianabased Eli Lilly and Company. Eli Lilly Canada currently has locations in Toronto and Montreal.

Lilly is a leading, innovation-driven pharmaceutical corporation. The company employs more than 35,000 people worldwide, 600 of whom are located in Canada, and markets its medicines in 159 countries. We also have major research and development facilities in nine countries and conduct clinical trials in more than 30 countries.

Lilly's clear-cut strategy focuses on two areas: generating scientific innovations that meet patients' unmet medical needs, and then helping as many patients as possible to benefit from those innovations as soon as possible.

CPM: On what therapeutic areas does Lilly focus?

We focus our research efforts on six core therapeutic areas: neuroscience, endocrine disorders, oncology, infectious diseases, cardiovascular diseases, and gene regulation, bone and inflammation.

Career Focus

During my 23-year career with Lilly, I've held a variety of international assignments in many countries. I joined Eli Lilly and Company in 1978 as a pharmaceutical sales representative in Brazil, where I spent my first eight years of my career with the company. My first international assignment was to the United States where I held various marketing positions. In 1988, I moved to Venezuela to become the Director of Pharmaceutical Sales and Marketing. My career took me back to Brazil in 1992 where I accepted the position of Director of Pharmaceutical Operations. In 1996, I moved to our global headquarters in Indianapolis, Indiana, to become the Global Product Team Leader for Infectious Diseases and Gastroenterology. I accepted the position of President and General Manager of Eli Lilly Canada in February 1999.



Our commitment to neuroscience began when we developed Prozac®, the world's first selective serotonin reuptake inhibitor (SSRI) to treat depression. Today, it has helped more than 40 million patients worldwide. Continuing to pioneer in this area. we developed Zyprexa®, a unique atypical antipsychotic agent that is helping patients with schizophrenia get better and stay better.

Our endocrinology portfolio includes a number of products. Evista[®] is for the prevention and treatment of postmenopausal osteoporosis and currently is used by more than one million women in more than 50 countries.

Humatrope[®] is indicated for the treatment of growth hormone deficiency in both children and adults, and for girls with short stature due to Turner's syndrome. It is the first commercially available, biosynthesized medication, where the active ingredient is chemically identical to the growth hormone produced by the pituitary gland.

We also have a number of products for the treatment of diabetes. Actos®, marketed in Canada under a license from Takeda Pharmaceuticals, is an oral treatment that improves glycemic control in patients with Type 2 diabetes. The Humalog® family of insulin mimics the body's own insulin produced after meals and is the fastest growing mealtime insulin prescribed by doctors who specialize in treating diabetes. The Humulin® family of insulin is a synthetic insulin identical in chemical structure to the insulin naturally produced by the pancreas. It is used everyday by more than four million people around the world who have diabetes.

Lilly has contributed to advances in cardiac medicine by introducing ReoPro[®], the first

glycoprotein (GP) IIb/IIIa inhibitor — a lifesaving medicine for the treatment of heart disease.

Gemzar[®] helps those with nonsmall-cell lung cancer and pancreatic cancer, and is being evaluated for several additional indications including bladder, ovarian and breast cancers.

CPM: In February, the Globe and Mail's Report on Business Magazine named Eli Lilly Canada the "4th Best Company to Work For In Canada." How has your company achieved this ranking?

At Lilly, we have worked very hard to create to an atmosphere of balancing work and personal life. The demands placed on employees have increased drastically over the years and are coupled with added pressures of family and personal life. We're pleased to be able to create a positive environment

that includes flexibility to meet work, family and personal needs.

Our successful formula includes flexible work time, a benefits program personally designed by each employee and business casual dress every day. At our head office in Toronto, we have a number of on-site conveniences including a fitness centre, massage therapy, nutrition counseling, cafeteria and catering services, dry cleaning and more.

Winning this award is an honor because it's recognition from our employees. It's also a great responsibility and a challenge, because we must continually strive to meet employee expectations. I want to commend every Lilly employee in Canada for this achievement.

CPM: Lilly lists "respect for people, integrity and excellence" as its core values. How do you keep these values yet remain competitive?

The unique corporate culture at Lilly is defined by a commitment to innovation and to caring about the people we serve and work with every day. This is expressed daily by each Lilly employee who applies our core values and the Lilly promise of providing answers that matter.

The first of our core values is respect for people. Lilly's search for answers begins with its employees. We have some of the industry's leading individuals working to ensure Lilly's success

in the future. Our employees represent the company to our customers every day and our relationships with our customers are an important focus for Lilly.

Second is integrity. We're working towards being recognized as the pharmaceutical industry's premier partner. We're doing this by consistently creating value for our partners and for Lilly. Our global strategic alliances facilitate the discovery, development and commercialization of novel products and provide us with a competitive advantage.

Our final core value is excellence. Another of Lilly's competitive advantages is its focus on augmenting our internal capabilities in research and innovation, as well as sales and marketing, with external alliances. Our internal research, development and clinical capabilities have enabled us to bring important new medicines to market. We're pursuing new research tools, high-potential, early-stage molecules, and innovative formulations and delivery systems. Our products and our pipeline also keep us competitive.

CPM: Lilly recently undertook a corporate branding program. Why?

A strong brand helps us recruit new employees, pursue collaborations with other companies, work with customers and strengthen our relations with investors and shareholders. It will support our product brands in an increasingly com-



The Humalog family of insulin mimics the body's own insulin produced after meals.

petitive global marketplace, create a strong identity distinguishing us from competitors, and set the tone of experiences our employees create for customers.

Our research indicated that our focus should be innovation and caring. This was distilled into "Answers That Matter."

Answers That Matter is more than just a marketing slogan. It's our promise to deliver relevant, meaningful health-care answers through our research, our products and the information we provide. It's what we promise our customers everyday. Living up to the promise means we have to be more respon-



sive to customer needs. Delivering on the promise takes hard work, patience and perseverance.

CPM: In what types of research and development (R&D) is Eli Lilly Canada involved?

Our R&D applies the latest research from our own worldwide laboratories and from collaborations with eminent scientific organizations around the world.

In 1996, Eli Lilly Canada opened its state-of-the-art R&D facility in Toronto. It houses the Lilly Laboratory for Bioanalytical Research (LLBR) that provides information on how potential new drugs function in the treatment of illnesses: the human Analytical Research Laboratory (LARL) that plays a critical role in the development of new pharmaceutical products; and the R&D Division that implements local and global clinical R&D programs for new pharmaceutical products. The facility, one of nine R&D centers that Lilly has worldwide, allows Canada to play an integral role in global research efforts, making Eli Lilly Canada one of the leading private research institutions in the country.

In 2000, Eli Lilly Canada invested close to \$35 million in



R&D in Canada including basic research, clinical research grants, fellowships, therapeutic chairs and research at LARL and LLBR. We also conducted 64 corporate clinical trials in Canada, focusing on various disease areas including neurology, endocrinology, infectious diseases, oncology, skeletal diseases and cardiology.

We also have a number of research collaborations across Canada. The latest include the Eli Lilly Canada-May Cohen Chair in Women's Health at McMaster University in Hamilton, the Eli Lilly Canada Breast Cancer Research Fund at the University of Montreal and the Scott Taylor Chair in Lung Cancer Research at The Princess Margaret Hospital Foundation, a component of the University Health Network, in Toronto.

CPM: What are some of the products Lilly has in development?

We expect to introduce as many as 10 new pharmaceutical products to the marketplace by 2004. Our product pipeline has been described as one of the strongest in the industry.

Cialis[™] is currently under investigation for the treatment of male erectile dysfunction by Lilly



ICOS, a joint venture between ICOS Corporation and Lilly. Our investigational compound for the treatment of severe sepsis called XigrisTM has shown great promise in clinical trials. FortéoTM is in development for the treatment of severe osteoporosis. AlimtaTM is in clinical studies for the treatment of mesothelioma, a rare lung cancer usually associated with exposure to asbestos. We're also looking into agents with unique modes of action designed to address a variety of tumors, including breast, lung, pancreatic, prostate, bladder, colon and ovarian cancers. Atomoxetine, a non-stimulant, is being studied for the treatment of attention deficit hyperactivity disorder. Duloxetine is being studied for stress urinary incontinence and major depression. Finally, OFC, a combination of Zyprexa (olanzapine) and Prozac (fluoxetine), is being studied in treatment-resistant depression. Early studies indicate it may also address psychotic depression.

CPM: What do you consider some of Lilly's recent accomplishments?

May 10, 2001, marked Eli Lilly and Company's 125th anniversary. Over the past century, we made



history with medical breakthroughs, from the first commercially available insulin product and major antibiotic advances to the first human health-care product created by biotechnology and the world's first SSRI, a product that revolutionized the treatment of depression. Lilly has a rich heritage that every employee is working to extend into the 21st century.

Another great accomplishment is the recognition and awards we've received, both in Canada and globally. Lilly was named the 4th Best Company to Work For in Canada and we received the United Way's Employee Campaign Spirit Award.

These accolades are an affirmation that we are sustaining Lilly's heritage of service and commitment to helping others. We're proud of the awards we have received for the accomplishments and contributions we've made in our industry and to society overall.

CPM: What are some of the challenges that Lilly is facing?

The patent expiration of Prozac in the United States will be a challenge for Lilly, but one that we are prepared for. We faced this situation when the Canadian patent expired in 1996 and Eli



Lilly Canada emerged a stronger force in the Canadian marketplace. This will be true in the United States as well. For the last four years, we have been preparing to bridge the gap that will be created by generic competition for Prozac. We're ready to tackle this challenge head on. We've invested aggressively in our next generation of innovative medicines and accelerated their timelines to launch. We've also intensified our efforts to partner with other companies on their highpotential compounds in later stages of development. For us, our future is our existing products driving our growth and our product pipeline.

CPM: What does the future hold for Lilly?

The opening years of this new century could well become the most productive period of innovation in Lilly's history. By 2004, we may launch as many as 10 new products for a wide range of serious, unmet medical needs. This is unprecedented for Lilly. It's nearly twice the number we introduced in the last half of the 1990s. We currently also have more than 100 ongoing scientific collaborations.



Our internal research capabilities are strong. We have recruited nearly 700 scientists and expanded our innovation engine to 6,900 people at 11 sites worldwide. Our global R&D investment increased by 13% to US\$2 billion. And, we're capitalizing on our current generation of products that are strong competitors in the market-place.

Our strategy is on target and our implementation is getting better. We are not only applying traditional R&D and sales and marketing capabilities, but also capitalizing on the revolutions in biotechnology and information technology. Our ongoing progress throughout the company reflects the achievement and the approximation of the more than 35,000 Lilly employees worldwide.

