

**PRESS RELEASE****AME STOCKHOLDERS APPROVE ACQUISITION BY LILLY**

**SAN DIEGO, CA – February 11, 2004** – Applied Molecular Evolution, Inc. (Nasdaq: AMEV) announced that, at a special meeting held today, its stockholders voted to approve the proposed merger transaction with Eli Lilly and Company (NYSE: LLY), under which AME will become a wholly owned subsidiary of Lilly.

The merger was approved with a significant majority of outstanding shares voted. Based on preliminary results, out of the 14,114,815 million shares voted, approximately 99.7 percent were voted in favor of the merger. The merger is expected to be consummated at the close of business on February 12, 2004, or shortly thereafter.

**About AME**

Applied Molecular Evolution, Inc. is a leader in applying directed molecular evolution to improve healthcare by optimizing and developing human biotherapeutics. Directed molecular evolution is a process for optimizing genes and proteins for specific commercial purposes. Since its inception, AME's principal focus has been on applying its proprietary AMEsystem™ technology platform to human biotherapeutics, the largest market for directed molecular evolution. Biotherapeutics, or biopharmaceuticals, are protein pharmaceuticals such as antibodies, cytokines, hormones and enzymes. AME uses its proprietary technology to develop improved versions of currently marketed, FDA-approved biopharmaceuticals as well as novel human biotherapeutics.

**About Lilly**

Eli Lilly and Company, 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, Indiana, 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](http://www.lilly.com).

**Forward Looking Statements**

This press release contains forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements. The potential risks and uncertainties include, among other risks, whether Lilly will successfully complete the acquisition, the reaction of the customers of Lilly and AME to the acquisition, Lilly's ability to successfully integrate AME's operations and employees and general economic conditions. These forward-looking statements represent AME's judgment as of the date of this press release. AME disclaims any intent or obligation to update these forward-looking statements. More information about potential factors that could affect AME's business and financial results is included in AME's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and other Securities and Exchange Commission filings.