



Alkermes plc Reports Financial Results for the Periods Ended Dec. 31, 2013 and Provides Financial Expectations for 2014

February 27, 2014

*—Achieved Record Revenues of \$596 Million
and Non-GAAP Diluted EPS of \$1.19 for Calendar 2013 —*

—Expects Pivotal Data for Aripiprazole Lauroxil in First Half of 2014 —

DUBLIN--(BUSINESS WIRE)--Feb. 27, 2014-- [Alkermes plc](#) (NASDAQ: ALKS) today reported financial results for the three- and nine-month periods ended Dec. 31, 2013, reflecting the company's transition to a Dec. 31 fiscal year-end. The company also provided financial expectations for 2014.

"Our financial results were ahead of expectations and driven by the robust performance of our key commercial portfolio, particularly our atypical antipsychotic franchise and VIVITROL®. This commercial business serves as a flywheel to fund investment in our late-stage development pipeline, while continuing to generate substantial cash flows," commented James Frates, Chief Financial Officer of Alkermes. "Our expectations for 2014 reflect our investment in key initiatives to drive future growth – advancing our late-stage pipeline and preparations for the launch of aripiprazole lauroxil."

"We made tremendous progress in building our business in 2013, demonstrating the financial strength of our commercial portfolio and expanding and advancing our late-stage pipeline of new medicines. Entering 2014, we control what we believe is one of the most exciting CNS pipelines in the pharmaceutical industry and expect to reach major milestones during the year," said Richard Pops, Chief Executive Officer of Alkermes. "We expect results from the aripiprazole lauroxil phase 3 study in the first half of the year and, if positive, the NDA submission thereafter. In addition, we expect to initiate the phase 3 program for ALKS 5461, advance the phase 2 program for ALKS 3831 and introduce two additional product candidates into the clinic this year."

Quarter Ended Dec. 31, 2013 Highlights

- Total revenues for the quarter grew 14% to \$154.5 million from \$135.9 million for the same period in the prior year.
- Non-GAAP net income was \$39.9 million, or a non-GAAP diluted earnings per share (EPS) of \$0.27 for the quarter. This compared to non-GAAP net income of \$46.5 million, or a non-GAAP diluted EPS of \$0.34, for the same period in the prior year and reflected increased investment in the company's rapidly advancing late-stage pipeline and commercial infrastructure.
- GAAP net income was \$18.1 million, or a basic GAAP EPS of \$0.13 and a diluted GAAP EPS of \$0.12, for the quarter. This compared to GAAP net income of \$16.3 million, or a basic and diluted GAAP EPS of \$0.12, for the same period in the prior year.
- Free cash flow was \$30.0 million for the quarter, compared to \$43.8 million for the same period in the prior year.
- At Dec. 31, 2013, Alkermes recorded cash and total investments of \$450.0 million, reflecting an increase of \$54.8 million from \$395.2 million at Sept. 30, 2013.
- The company also received gross proceeds of \$250.0 million related to the sale of 5,917,160 of Alkermes' ordinary shares to Invesco Perpetual Funds through a registered direct offering, which closed on Jan. 16, 2014.

Quarter Ended Dec. 31, 2013 Financial Results

Revenues

- Manufacturing and royalty revenues from the company's long-acting atypical antipsychotic franchise, RISPERDAL® CONSTA® and INVEGA® SUSTENNA®/XEPLION®, were \$71.2 million, compared to \$52.5 million for the same period in the prior year, representing an increase of approximately 36%.
- Manufacturing and royalty revenues from AMPYRA®/FAMPYRA®¹ were \$18.6 million, compared to \$18.4 million for the same period in the prior year.
- Net sales of VIVITROL were \$20.6 million, compared to \$15.9 million for the same period in the prior year, representing an increase of approximately 30%.
- Royalty revenue from BYDUREON® was \$7.7 million, compared to \$5.3 million for the same period in the prior year.
- Additionally, results for the quarter ended Dec. 31, 2013 included RITALIN LA®/FOCALIN XR® revenues of \$10.6 million, VERELAN® revenues of \$4.0 million and TRICOR® 145 revenues of \$3.0 million. This compared to RITALIN LA/FOCALIN XR revenues of \$9.8 million, VERELAN revenues of \$5.4 million and TRICOR 145 revenues of \$6.8 million for the same period in the prior year.

Costs and Expenses

- Operating expenses for the quarter ended Dec. 31, 2013 were \$148.6 million, compared to \$110.6 million for the same

period in the prior year, reflecting increased investment in the company's rapidly advancing development pipeline and prelaunch activities for aripiprazole lauroxil.

- Net tax benefit for the quarter ended Dec. 31, 2013 was \$15.2 million, reflecting the release of the valuation allowance against the majority of the deferred tax assets in the U.S. This compared to a net tax expense of \$4.4 million for the same period in the prior year.

Nine-Month Period Ended Dec. 31, 2013 Highlights

- Total revenues were \$432.9 million for the nine-month period ended Dec. 31, 2013. This compared to total revenues of \$412.1 million for the same nine-month period in the prior year, which included \$20.0 million of intellectual property license revenue unrelated to key development programs.
- Non-GAAP net income was \$114.5 million, or a non-GAAP diluted EPS of \$0.79, for the nine-month period ended Dec. 31, 2013. This compared to non-GAAP net income of \$123.2 million, or a non-GAAP diluted EPS of \$0.90, for the same nine-month period in the prior year.
- GAAP net income was \$17.6 million, or a basic GAAP EPS of \$0.13 and a diluted GAAP EPS of \$0.12, for the nine-month period ended Dec. 31, 2013. This compared to GAAP net income of \$22.0 million, or a basic GAAP EPS of \$0.17 and a diluted GAAP EPS of \$0.16, for the same nine-month period in the prior year.
- The company generated free cash flow of \$95.4 million for the nine-month period ended Dec. 31, 2013, compared to \$109.3 million for the same nine-month period in the prior year.

Calendar-Year 2013 Highlights

- Total revenues were \$596.3 million in calendar 2013, compared to total revenues of \$542.6 million for calendar 2012. These results included \$30.0 million and \$20.0 million of intellectual property license revenue unrelated to key development programs in 2013 and 2012, respectively. Please see the tables at the end of this press release for a detailed breakdown of the revenues from our key commercial products.
- Non-GAAP net income was \$170.7 million, or a non-GAAP diluted EPS of \$1.19, for calendar 2013. This compared to non-GAAP net income of \$139.7 million, or a non-GAAP diluted EPS of \$1.03, for calendar 2012.
- GAAP net income was \$20.6 million, or a basic GAAP EPS of \$0.15 and a diluted GAAP EPS of \$0.14, for calendar 2013. This compared to a GAAP net loss of \$41.4 million, or a basic and diluted GAAP loss per share of \$0.32, for calendar 2012.
- Free cash flow was \$143.4 million for calendar 2013, compared to \$117.6 million for calendar 2012.

Financial Expectations for Calendar-Year 2014

Alkermes has changed its fiscal year-end from March 31 to Dec. 31 and will be reporting on a calendar-year basis starting in 2014. A workbook with historical pro forma results by calendar-year and nine-month periods ended Dec. 31 is available in the Investors section of the company's website at www.alkermes.com. The following outlines Alkermes' financial expectations for calendar-year 2014. The following statements are forward-looking, and actual results may differ materially. Please see "Note Regarding Forward-Looking Statements" at the end of this press release for risks that could cause results to differ materially from these forward-looking statements.

- **Revenues:** Alkermes expects total revenues to range from \$580 million to \$610 million. Included in this total revenue expectation, Alkermes expects VIVITROL net sales to range from \$90 million to \$100 million.
- **Cost of Goods Manufactured:** The company expects cost of goods manufactured to range from \$165 million to \$175 million.
- **Research and Development (R&D) Expenses:** The company expects R&D expenses to range from \$225 million to \$245 million.
- **Selling, General and Administrative (SG&A) Expenses:** The company expects SG&A expenses to range from \$190 million to \$200 million.
- **Amortization of Intangible Assets:** The company expects amortization of intangibles to be approximately \$60 million.
- **Other Income (Expense), Net:** The company expects other income, net to range from \$10 million to \$15 million, related to the sale of two buildings in Athlone.
- **Net Interest Expense:** The company expects net interest expense to range from \$10 million to \$15 million.
- **Net Income Tax Expense:** The company expects net income tax expense to range from \$10 million to \$15 million.
- **GAAP Net Loss:** The company expects a GAAP net loss in the range of \$70 million to \$90 million, or a basic and diluted loss per share of \$0.48 to \$0.61, based on a weighted average basic and diluted share count of approximately 147 million shares outstanding.
- **Non-GAAP Net Income:** The company expects non-GAAP net income to range from \$65 million to \$85 million, and non-GAAP diluted EPS to range from \$0.41 to \$0.54, based on a weighted average diluted share count of approximately 157 million shares outstanding.
- **Capital Expenditures:** The company expects capital expenditures to be approximately \$35 million.
- **Free Cash Flow:** The company expects free cash flow to range from \$30 million to \$50 million.

Conference Call

Alkermes will host a conference call at 8:00 a.m. EST (1:00 p.m. GMT) on Thursday, Feb. 27, 2014, to discuss these financial results and provide an update on the company. The conference call may be accessed by dialing +1 888 424 8151 for U.S. callers and +1 847 585 4422 for international callers. The conference call ID number is 6037988. In addition, a replay of the conference call will be available from 10:30 a.m. EST (3:30 p.m. GMT) on Thursday, Feb. 27, 2014, through 5:00 p.m. EST (10:00 p.m. GMT) on Thursday, March 6, 2014, and may be accessed by visiting Alkermes' website or by dialing +1 888 843 7419 for U.S. callers and +1 630 652 3042 for international callers. The replay access code is 6037988.

About Alkermes plc

Alkermes plc is a fully integrated, global biopharmaceutical company that applies its scientific expertise and proprietary technologies to develop innovative medicines that improve patient outcomes. The company has a diversified portfolio of more than 20 commercial drug products and a substantial clinical pipeline of product candidates that address central nervous system (CNS) disorders such as addiction, schizophrenia and depression. Headquartered in Dublin, Ireland, Alkermes plc has an R&D center in Waltham, Massachusetts; a research and manufacturing facility in Athlone, Ireland; and manufacturing facilities in Gainesville, Georgia and Wilmington, Ohio. For more information, please visit Alkermes' website at www.alkermes.com.

Non-GAAP Financial Measures

This press release includes information about certain financial measures that are not prepared in accordance with generally accepted accounting principles in the U.S. (GAAP), including non-GAAP net income, non-GAAP diluted earnings per share and free cash flow. These non-GAAP measures are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similar measures presented by other companies.

Management defines its non-GAAP financial measures as follows:

- Non-GAAP net income adjusts for one-time and non-cash charges by excluding from GAAP results: share-based compensation expense; amortization; depreciation; non-cash net interest expense; non-cash tax expense; deferred revenue; and certain other one-time or non-cash items.
- Free cash flow represents non-GAAP net income less capital expenditures.

Management believes that these non-GAAP financial measures, when viewed with its results under GAAP and the accompanying reconciliations, better indicate underlying trends in ongoing operations and cash flows. However, non-GAAP net income, non-GAAP diluted earnings per share and free cash flow are not measures of financial performance under GAAP and, accordingly, should not be considered as alternatives to GAAP measures as indicators of operating performance.

A reconciliation of GAAP to non-GAAP financial measures has been provided in the tables included in this press release.

Note Regarding Forward-Looking Statements

Certain statements set forth above may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to: statements concerning future financial and operating performance, business plans or prospects; the likelihood of continued revenue growth from the company's commercial products; the therapeutic and commercial value of the company's products; and expectations concerning the timing and results of clinical development activities. These statements are neither promises nor guarantees and are subject to a variety of risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from those contemplated in these forward-looking statements.

These risks and uncertainties include, among others: whether clinical development activities will be completed on time or at all and whether the results of such activities will be predictive of real-world results or of results in subsequent clinical trials; whether the company, and its partners, are able to continue to successfully commercialize its products; whether there will be a reduction in payment rate or reimbursement for the company's products or an increase in the company's financial obligations to governmental payers; the possibility of adverse decisions by the U.S. Food and Drug Administration or regulatory authorities outside the U.S. regarding the company's products; the possibility that the company's products may prove difficult to manufacture, be precluded from commercialization by the proprietary rights of third parties, or have unintended side effects, adverse reactions or incidents of misuse; and those risks and uncertainties described under the heading "Risk Factors" in the company's Annual or Transition Report on Form 10-K, and in any other subsequent filings made by the company with the Securities and Exchange Commission ("SEC") and which are available on the SEC's website at www.sec.gov. Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. The information contained in this press release is provided by the company as of the date hereof and, except as required by law, the company disclaims any intention or responsibility for updating any forward-looking information contained in this press release.

VIVITROL® is a registered trademark of Alkermes, Inc.; RISPERDAL® CONSTA®, INVEGA® SUSTENNA® and XEPLION® are registered trademarks of Johnson & Johnson Corporation; AMPYRA® and FAMPYRA® are registered trademarks of Acorda Therapeutics, Inc.; BYDUREON® is a registered trademark of Amylin Pharmaceuticals, LLC; TRICOR® is a registered trademark of Fournier Industrie et Sante Corporation; RITALIN LA® and FOCALIN XR® are registered trademarks of Novartis AG Corporation; and VERELAN® is a registered trademark of Alkermes Pharma Ireland Limited.

¹AMPYRA® (dalfampridine) Extended Release Tablets, 10 mg is developed and marketed in the U.S. by Acorda Therapeutics, Inc. and outside the U.S. by Biogen Idec, under a licensing agreement with Acorda Therapeutics, as FAMPYRA® (prolonged-release fampridine tablets).

(tables follow)

| | Three Months Ended December 31, 2013 | Three Months Ended December 31, 2012 |
|---|---|---|
| Condensed Consolidated Statements of Operations - GAAP (In thousands, except per share data) | | |
| Revenues: | | |
| Manufacturing and royalty revenues | \$ 132,680 | \$ 118,274 |
| Product sales, net | 20,609 | 15,917 |
| Research and development revenues | 1,189 | 1,718 |
| Total Revenues | 154,478 | 135,909 |
| Expenses: | | |
| Cost of goods manufactured and sold | 42,892 | 38,914 |
| Research and development | 48,716 | 31,319 |
| Selling, general and administrative | 44,171 | 29,867 |
| Amortization of acquired intangible assets | 12,856 | 10,549 |
| Total Expenses | 148,635 | 110,649 |
| Operating Income | 5,843 | 25,260 |
| Other Expense, net: | | |
| Interest income | 255 | 155 |
| Interest expense | (3,434) | (4,703) |
| Other income (expense), net | 210 | (49) |
| Total Other Expense, net | (2,969) | (4,597) |
| Income Before Income Taxes | 2,874 | 20,663 |
| Income Tax (Benefit) Provision | (15,203) | 4,405 |
| Net Income — GAAP | \$ 18,077 | \$ 16,258 |
| Earnings Per Share: | | |
| GAAP earnings per share — basic | \$ 0.13 | \$ 0.12 |
| GAAP earnings per share — diluted | \$ 0.12 | \$ 0.12 |
| Non-GAAP earnings per share — basic | \$ 0.29 | \$ 0.35 |
| Non-GAAP earnings per share — diluted | \$ 0.27 | \$ 0.34 |
| Weighted Average Number of Ordinary Shares Outstanding: | | |
| Basic — GAAP and Non-GAAP | 137,158 | 132,097 |
| Diluted — GAAP and Non-GAAP | 146,304 | 137,497 |
| An itemized reconciliation between net income on a GAAP basis and non-GAAP net income is as follows: | | |
| Net Income — GAAP | \$ 18,077 | \$ 16,258 |
| Adjustments: | | |
| Amortization expense | 12,856 | 10,549 |
| Share-based compensation expense | 10,391 | 8,226 |
| Depreciation expense | 10,532 | 8,052 |
| Non-cash net interest expense | 243 | 496 |
| Non-cash taxes | (15,616) | 3,373 |
| Deferred revenue | 3,381 | (412) |
| Non-GAAP Net Income | \$ 39,864 | \$ 46,542 |
| Capital expenditures | (9,856) | (2,752) |
| Free Cash Flow | \$ 30,008 | \$ 43,790 |

| | Nine Months Ended December 31, 2013 | Nine Months Ended December 31, 2012 |
|---|--|--|
| Condensed Consolidated Statements of Operations - GAAP (In thousands, except per share data) | | |
| Revenues: | | |
| Manufacturing and royalty revenues | \$ 371,039 | \$ 363,981 |
| Product sales, net | 57,215 | 43,481 |
| Research and development revenues | 4,657 | 4,664 |
| Total Revenues | 432,911 | 412,126 |
| Expenses: | | |
| Cost of goods manufactured and sold | 134,306 | 122,475 |

| | | |
|--|------------------|------------------|
| Research and development | 128,125 | 104,213 |
| Selling, general and administrative | 116,558 | 91,079 |
| Amortization of acquired intangible assets | 38,428 | 31,530 |
| Total Expenses | 417,417 | 349,297 |
| Operating Income | 15,494 | 62,829 |
| Other Expense, net: | | |
| Interest income | 711 | 670 |
| Interest expense | (10,379) | (37,521) |
| Other (expense) income, net | (429) | 1,597 |
| Total Other Expense, net | (10,097) | (35,254) |
| Income Before Income Taxes | 5,397 | 27,575 |
| Income Tax (Benefit) Provision | (12,252) | 5,591 |
| Net Income — GAAP | \$ 17,649 | \$ 21,984 |

Earnings Per Share:

| | | |
|---------------------------------------|---------|---------|
| GAAP earnings per share — basic | \$ 0.13 | \$ 0.17 |
| GAAP earnings per share — diluted | \$ 0.12 | \$ 0.16 |
| Non-GAAP earnings per share — basic | \$ 0.84 | \$ 0.94 |
| Non-GAAP earnings per share — diluted | \$ 0.79 | \$ 0.90 |

Weighted Average Number of Ordinary Shares Outstanding:

| | | |
|-----------------------------|---------|---------|
| Basic — GAAP and Non-GAAP | 135,960 | 131,202 |
| Diluted — GAAP and Non-GAAP | 144,961 | 136,216 |

An itemized reconciliation between net income on a GAAP basis and non-GAAP net income is as follows:

| | | |
|---|-------------------|-------------------|
| Net Income — GAAP | \$ 17,649 | \$ 21,984 |
| Adjustments: | | |
| Amortization expense | 38,428 | 31,530 |
| Share-based compensation expense | 33,409 | 26,835 |
| Depreciation expense | 32,361 | 23,900 |
| Non-cash net interest expense | 778 | 4,116 |
| Non-cash taxes | (12,190) | 2,382 |
| Deferred revenue | 4,049 | 1,352 |
| Loss on debt refinancing and repricing | - | 12,129 |
| Change in method of revenue recognition for VIVITROL product sales, net | - | (1,013) |
| Non-GAAP Net Income | \$ 114,484 | \$ 123,215 |
| Capital expenditures | (19,054) | (13,958) |
| Free Cash Flow | \$ 95,430 | \$ 109,257 |

| | Twelve Months Ended December 31, 2013 | Twelve Months Ended December 31, 2012 |
|---|--|--|
| Condensed Consolidated Statements of Operations - GAAP (In thousands, except per share data) | | |
| Revenues: | | |
| Manufacturing and royalty revenues | \$ 517,958 | \$ 474,666 |
| Product sales, net | 71,841 | 54,495 |
| Research and development revenues | 6,534 | 13,438 |
| Total Revenues | 596,333 | 542,599 |
| Expenses: | | |
| Cost of goods manufactured and sold | 182,297 | 173,552 |
| Research and development | 163,925 | 149,403 |
| Selling, general and administrative | 151,237 | 125,511 |
| Amortization of acquired intangible assets | 48,750 | 43,172 |
| Restructuring | 12,300 | - |
| Impairment of long-lived assets | 3,346 | 45,800 |
| Total Expenses | 561,855 | 537,438 |
| Operating Income | 34,478 | 5,161 |
| Other Expense, net: | | |
| Interest income | 882 | 951 |
| Interest expense | (21,852) | (47,613) |
| Other (expense) income, net | (245) | 1,311 |

| | | | | |
|-----------------------------------|------------------|---|--------------------|----------|
| Total Other Expense, net | (21,215) |) | (45,351) |) |
| Income (Loss) Before Income Taxes | 13,263 | | (40,190) |) |
| Income Tax (Benefit) Provision | (7,385) |) | 1,183 | |
| Net Income (Loss) — GAAP | \$ 20,648 | | \$ (41,373) |) |

Earnings (Loss) Per Share:

| | | | | |
|--|---------|--|-----------|---|
| GAAP earnings (loss) per share — basic | \$ 0.15 | | \$ (0.32) |) |
| GAAP earnings (loss) per share — diluted | \$ 0.14 | | \$ (0.32) |) |
| Non-GAAP earnings per share — basic | \$ 1.26 | | \$ 1.07 | |
| Non-GAAP earnings per share — diluted | \$ 1.19 | | \$ 1.03 | |

Weighted Average Number of Ordinary Shares Outstanding:

| | | | | |
|--------------------|---------|--|---------|--|
| Basic — GAAP | 135,297 | | 130,900 | |
| Diluted — GAAP | 144,012 | | 130,900 | |
| Basic — Non-GAAP | 135,297 | | 130,900 | |
| Diluted — Non-GAAP | 144,012 | | 135,967 | |

An itemized reconciliation between net income (loss) on a GAAP basis and non-GAAP net income is as follows:

| | | | | |
|---|-------------------|---|--------------------|----------|
| Net Income (Loss) — GAAP | \$ 20,648 | | \$ (41,373) |) |
| Adjustments: | | | | |
| Amortization expense | 48,750 | | 43,172 | |
| Share-based compensation expense | 41,290 | | 33,918 | |
| Depreciation expense | 40,360 | | 32,891 | |
| Non-cash net interest expense | 1,078 | | 6,032 | |
| Non-cash taxes | (7,747) |) | (2,024) |) |
| Deferred revenue | 3,171 | | 6,195 | |
| Loss on debt refinancing and repricing | 7,541 | | 12,129 | |
| Restructuring | 12,300 | | - | |
| Impairment of long-lived assets | 3,346 | | 45,800 | |
| Merger-related costs | - | | 2,355 | |
| Severance costs | - | | 1,624 | |
| Change in method of revenue recognition for VIVITROL product sales, net | - | | (1,013) |) |
| Non-GAAP Net Income | \$ 170,737 | | \$ 139,706 | |
| Capital expenditures | (27,313) |) | (22,087) |) |
| Free Cash Flow | \$ 143,424 | | \$ 117,619 | |

| Condensed Consolidated Balance Sheets (In thousands) | December 31, 2013 | March 31, 2013 |
|---|----------------------|---------------------|
| Cash, cash equivalents and total investments | \$ 449,995 | \$ 304,179 |
| Receivables | 134,154 | 124,620 |
| Inventory | 46,218 | 43,483 |
| Prepaid expenses and other current assets | 27,535 | 19,133 |
| Property, plant and equipment, net | 274,490 | 288,435 |
| Intangible assets, net and goodwill | 630,305 | 668,733 |
| Other assets | 14,891 | 21,708 |
| Total Assets | \$ 1,577,588 | \$ 1,470,291 |
| Long-term debt — current portion | \$ 6,750 | \$ 6,750 |
| Other current liabilities | 94,147 | 79,180 |
| Long-term debt | 357,543 | 362,258 |
| Deferred revenue — long-term | 12,213 | 8,866 |
| Other long-term liabilities | 41,749 | 60,863 |
| Total shareholders' equity | 1,065,186 | 952,374 |
| Total Liabilities and Shareholders' Equity | \$ 1,577,588 | \$ 1,470,291 |
| Ordinary shares outstanding (in thousands) | 137,793 | 130,177 |

This selected financial information should be read in conjunction with the consolidated financial statements and notes thereto included in Alkermes plc's Transition Report on Form 10-K for the nine months ended December 31, 2013, which the company intends to file in February 2014.

Revenues for Calendar-Year 2013

| | Three Months Ended March 31, 2013 | Three Months Ended June 30, 2013 | Three Months Ended September 30, 2013 | Three Months Ended December 31, 2013 | Year Ended December 31, 2013 |
|--|--|---|--|---|---------------------------------------|
| (In thousands, except per share data) | | | | | |
| Revenues: | | | | | |
| RISPERDAL CONSTA/INVEGA SUSTENNA Franchise | \$ 45,561 | \$ 56,243 | \$ 62,632 | \$ 71,189 | \$235,625 |
| AMPYRA/FAMPYRA | 24,656 | 19,894 | 12,625 | 18,568 | 75,743 |
| BYDUREON | 4,789 | 5,353 | 7,006 | 7,681 | 24,829 |
| VIVITROL | 14,626 | 17,379 | 19,227 | 20,609 | 71,841 |
| Key Commercial Product Revenues | 89,632 | 98,869 | 101,490 | 118,047 | 408,038 |
| Total Legacy Product Revenues | 41,913 | 38,298 | 36,308 | 35,242 | 151,761 |
| Intellectual Property License Revenues | 30,000 | - | - | - | 30,000 |
| Research and Development Revenues | 1,877 | 1,464 | 2,004 | 1,189 | 6,534 |
| Total Revenues | \$163,422 | \$ 138,631 | \$ 139,802 | \$154,478 | \$596,333 |

Selected Quarterly Financial Data

Twelve Months Ended December 31, 2013

| | Three Months Ended | | | | Year Ended |
|--|--------------------|------------------|-----------------------|----------------------|----------------------|
| | March 31, 2013 | June 30, 2013 | September 30, 2013 | December 31, 2013 | December 31, 2013 |
| (In thousands, except per share data) | | | | | |
| Revenues: | | | | | |
| Manufacturing and royalty revenues | \$ 146,919 | \$ 119,788 | \$ 118,571 | \$ 132,680 | \$ 517,958 |
| Product sales, net | 14,626 | 17,379 | 19,227 | 20,609 | 71,841 |
| Research and development revenues | 1,877 | 1,464 | 2,004 | 1,189 | 6,534 |
| Total Revenues | 163,422 | 138,631 | 139,802 | 154,478 | 596,333 |
| Expenses: | | | | | |
| Cost of goods manufactured and sold | 47,991 | 45,991 | 45,423 | 42,892 | 182,297 |
| Research and development | 35,800 | 33,462 | 45,947 | 48,716 | 163,925 |
| Selling, general and administrative | 34,679 | 32,933 | 39,454 | 44,171 | 151,237 |
| Amortization of acquired intangible assets | 10,322 | 12,716 | 12,856 | 12,856 | 48,750 |
| Restructuring | 12,300 | - | - | - | 12,300 |
| Impairment of long-lived assets | 3,346 | - | - | - | 3,346 |
| Total Expenses | 144,438 | 125,102 | 143,680 | 148,635 | 561,855 |
| Operating Income | 18,984 | 13,529 | (3,878) | 5,843 | 34,478 |
| Other Expense, net | (11,118) | (3,477) | (3,651) | (2,969) | (21,215) |
| Income (Loss) Before Income Taxes | 7,866 | 10,052 | (7,529) | 2,874 | 13,263 |
| Provision (Benefit) for Income Taxes | 4,867 | 2,718 | 233 | (15,203) | (7,385) |
| Net Income (Loss) | \$ 2,999 | \$ 7,334 | \$ (7,762) | \$ 18,077 | \$ 20,648 |
| Basic Earnings (Loss) Per Share | \$ 0.02 | \$ 0.05 | \$ (0.06) | \$ 0.13 | \$ 0.15 |
| Diluted Earnings (Loss) Per Share | \$ 0.02 | \$ 0.05 | \$ (0.06) | \$ 0.12 | \$ 0.14 |

Weighted Average Number of Ordinary Shares Outstanding

| | | | | | |
|---------|---------|---------|---------|---------|---------|
| Basic | 133,272 | 134,602 | 136,106 | 137,158 | 135,297 |
| Diluted | 139,677 | 143,369 | 136,106 | 146,304 | 144,012 |

Guidance — GAAP to Non-GAAP Adjustments

An itemized reconciliation between projected loss per share on a GAAP basis and projected earnings per share on a non-GAAP basis is as follows:

| (In millions, except per share data) | Amount | Shares | (Loss)/Earnings Per Share |
|--------------------------------------|------------|--------|------------------------------|
| Projected Net Loss — GAAP | \$ (80.0) | 147 | \$ (0.54) |
| Adjustments: | | | |
| Non-cash net interest expense | 1.0 | | |
| Non-cash taxes | 10.0 | | |
| Depreciation expense | 40.0 | | |
| Amortization expense | 60.0 | | |
| Share-based compensation expense | 58.0 | | |
| Gain on sale of buildings | (12.0) | | |
| Deferred revenue | (2.0) | | |
| Projected Non-GAAP Net Income | \$ 75.0 | 157 | \$ 0.48 |
| Capital expenditures | (35.0) | | |
| Projected Free Cash Flow | \$ 40.0 | | |

Projected GAAP and non-GAAP measures reflect mid-points within ranges of estimated guidance.

Source: Alkermes plc

Alkermes

For Investors:

Rebecca Peterson, +1 781 609 6378

or

For Media:

Jennifer Snyder, +1 781 609 6166