



Alkermes and Serono to Proceed With Development of Long-acting Formulation of Recombinant Human Follicle Stimulating Hormone (R-hFSH)

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CAMBRIDGE, Mass. and GENEVA, Switzerland--(BW HealthWire)--May 16, 2001--

Alkermes, Inc., (NASDAQ: ALKS) and Serono S.A., (NYSE: SRA and SWX Swiss Exchange: SEO) announced today their intention to proceed with the clinical development of a novel, long-acting formulation of Recombinant Human Follicle Stimulating Hormone (r-hFSH) for the treatment of infertility. The new formulation is based on Alkermes' ProLease(R) injectable sustained release drug delivery technology and is designed to provide patients with a single injection alternative to multiple daily injections. The decision follows the successful completion and analysis of data from a Phase I trial and triggers an undisclosed milestone payment to Alkermes.

"We are delighted to be progressing with Serono in our development of a ProLease(R) long-acting release product for the treatment of infertility," said Richard Pops, Chief Executive Officer of Alkermes. "A key component of our ProLease(R) strategy is to develop important new product candidates with strong collaborative partners. Serono is a world leader in reproductive health and their decision to move forward with the development of r-hFSH is another demonstration of the potential for ProLease(R)."

"We are pleased to enter into this new phase of collaboration with Alkermes. This significant development is in line with Serono's strategic goal of providing patients with innovative therapies that are also user-friendly," said Silvano Fumero, Senior Executive Vice President, Research & Pharmaceutical Development at Serono.

This collaboration was first announced in January 2000. In exchange for exclusive worldwide rights to products resulting from this collaboration, Serono will provide Alkermes with development funding and milestone payments which could exceed \$25 million and will pay Alkermes an undisclosed royalty based on sales of any resulting ProLease(R) products.

Serono is the global leader in Reproductive Health. Its leading product Gonal-F(R) (r-hFSH) is the most prescribed gonadotropin for the treatment of infertility in the world, and achieved sales of US \$365.9 million in 2000.

ProLease(R) is Alkermes' proprietary injectable sustained release drug delivery technology. The technology is based on the encapsulation of drugs into small polymeric microspheres which degrade slowly and release drugs at a controlled rate following subcutaneous or intramuscular injection. Alkermes is developing proprietary injectable sustained release product candidates on its own and in collaboration with pharmaceutical and biotechnology companies.

Certain statements set forth above may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Although Alkermes believes that such statements are based on reasonable assumptions within the bounds of its knowledge of its business and operations, there can be no assurance that: (i) the preliminary data will be predictive of the final data from this clinical trial or future clinical trials, (ii) the FDA will allow future clinical trials to be conducted or (iii) further development of the product candidate will move at the same pace as has been achieved to date.

Alkermes' business is subject to significant risks and there can be no assurance that actual results of the company's development activities and its results of operations will not differ materially from its expectations. For information with respect to other factors that could cause actual results to differ from expectations, reference is made to the reports filed by the Company with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

About Serono

Serono, headquartered in Geneva, Switzerland, is a global biotechnology leader. The Company has six recombinant products on the market, Gonal-F(R), Luveris(R), Ovidrel(R), Rebif(R), Serostim(R) and Saizen(R). In addition to being the world leader in reproductive health, Serono has strong market positions in neurology, metabolism and growth. The Company's research programs are focused on growing these businesses and on establishing new therapeutic areas. Currently, there are eleven molecules in development.

In 2000, Serono achieved worldwide revenues of US \$1.240 billion, and a net income of US \$301 million, making it the third largest biotech company in the world based on revenues. The Company operates in 45 countries, and its products are sold in over 100 countries. Bearer shares of Serono S.A., the holding company, are traded on the SWX Swiss Exchange (SEO) and its American Depositary Shares are traded on the New York Stock Exchange (SRA).

About Alkermes

Alkermes is a leader in the development of products based on sophisticated drug delivery technologies. The company has several areas of focus, including (i) controlled, sustained release of injectable drugs lasting several days to several weeks, utilizing its ProLease(R) and Medisorb(R) technologies and (ii) the development of pharmaceutical products based on proprietary pulmonary drug delivery technologies utilizing its AIR(TM) technology. Alkermes' first product, Nutropin Depot(TM), was launched in the United States by its partner, Genentech, Inc., in June 2000. Nutropin Depot is a long-acting form of Genentech's recombinant human growth hormone using Alkermes' ProLease technology. In addition to its Cambridge, Massachusetts headquarters, research and manufacturing facilities, Alkermes operates research and manufacturing facilities in Ohio and a medical affairs office in Cambridge, England.

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