



## **Alkermes Elects to Automatically Convert Its Outstanding 6.52% Convertible Senior Subordinated Notes Due December 31, 2009**

June 18, 2003

CAMBRIDGE, Mass.--(BUSINESS WIRE)--June 18, 2003--Alkermes, Inc. (Nasdaq:ALKS) announced today that it will exercise its right to automatically convert all of its outstanding 6.52% Convertible Senior Subordinated Notes due December 31, 2009. Notes in the principal amount of approximately \$174.5 million are currently outstanding. Alkermes has the right to elect to automatically convert the Notes because the closing price of Alkermes' Common Stock, par value \$0.01 per share, has exceeded 150% of the conversion price of the Notes (\$7.682) for 20 trading days during the 30-day trading period that ended today.

The conversion will occur on Friday, July 18, 2003 and the Notes will be converted at a rate of 130.1744 shares of Alkermes' Common Stock per \$1,000 of principal. Upon conversion, cash will be paid in lieu of any fractional shares of Alkermes Common Stock. In addition, pursuant to the terms of the Notes, because the Notes are being converted prior to December 31, 2004, Alkermes shall also make a payment equal to 1.5 years of interest on the Notes outstanding on the conversion date. Such interest payment shall be made in cash.

The details concerning the conversion of the Notes are fully described in an Automatic Conversion Notice that will be mailed to holders of Notes today. Conversion transactions will be handled by U.S. Bank National Association, as trustee.

Alkermes, Inc. is an emerging pharmaceutical company developing products based on its sophisticated drug delivery technologies to enhance therapeutic outcomes. Our areas of focus include: controlled, extended-release of injectable drugs utilizing our ProLease(R) and Medisorb(R) delivery systems and the development of inhaled pharmaceutical products based on our proprietary Advanced Inhalation Research, Inc., ("AIR(R)") pulmonary delivery system. Our business strategy is twofold. We partner our proprietary technology systems and drug delivery expertise with many of the world's finest pharmaceutical companies and also develop novel, proprietary drug candidates for our own account. In addition to our Cambridge, Massachusetts headquarters, research and manufacturing facilities, we operate research and manufacturing facilities in Ohio.

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SOURCE: Alkermes, Inc.