



Alkermes Prices \$100 Million Convertible Subordinated Note Offering

August 19, 2003

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Aug. 19, 2003--Alkermes, Inc. (Nasdaq: ALKS) announced today the pricing of its offering of \$100 million aggregate principal amount of convertible subordinated notes due 2023 in a private placement.

The notes will be convertible into shares of Alkermes' common stock at a conversion price of \$13.85 per share. The notes will bear interest at 2.5% per year and will be subordinated to existing and future senior indebtedness of Alkermes.

Alkermes may elect to automatically convert the notes anytime the closing price of its common stock has exceeded 150% of the conversion price for at least 20 trading days during any 30-day trading period. Alkermes may redeem some or all of the notes on or after September 6, 2006. Holders of the notes will have the right to require Alkermes to repurchase some or all of their notes on September 1, 2008, 2013, and 2018 and upon certain events, including a change in control.

Alkermes has granted the initial purchaser an option to purchase up to an additional \$25 million principal amount of notes.

Alkermes intends to use the net proceeds of the offering for research, development and clinical trial activities, manufacturing facilities and equipment, potential acquisitions of additional technologies and compounds (although no such acquisitions are currently contemplated), working capital and for other general corporate purposes.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities and there shall not be any sale of the notes or common stock issuable upon conversion of the notes in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The notes and the common stock issuable upon conversion of the notes have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, and unless so registered, may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act and applicable state laws. This announcement is being issued pursuant to and in accordance with Rule 135c under the Securities Act.

Certain statements set forth above, including statements regarding the use of proceeds and other statements regarding matters that are not historical facts, may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Results may differ materially from our expectations. For further information with respect to factors that could cause results to differ from expectations, reference is made to the reports filed by us with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

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SOURCE: Alkermes, Inc.