



Alkermes Will File Extension for Filing First Quarter Fiscal 2007 Form 10-Q

August 10, 2006

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Aug. 10, 2006--Alkermes (Nasdaq: ALKS) today announced that it will file a Form 12b-25 with the Securities and Exchange Commission (SEC) in lieu of its Form 10-Q for the first fiscal quarter ended June 30, 2006. This filing extends the due date for the Form 10-Q to August 14, 2006. The extension is necessary in order to provide time for the Company to finalize with its auditors the accounting treatment for certain stock option grants by the Company.

In May 2006, the Company was mentioned in a third party report suggesting that the Company was at moderate risk for options backdating with respect to its annual grants of options to all employees of the Company dated October 28, 1999 and November 20, 2000. Shortly after that report appeared, the Company was contacted by the SEC with respect to its option practices for the years mentioned in the report. The Company has cooperated fully with the SEC's informal inquiry, which is ongoing. As a result of the appearance of the report, and concurrent with the SEC's informal inquiry, the audit committee of the Board of Directors undertook an investigation into the Company's option practices for the period 1999 to 2000 as well as for 2001 and 2002. The review was conducted with the assistance of outside legal counsel and outside accounting consultants. The audit committee has completed its investigation and has concluded that nothing has come to its attention that would cause it to believe that there are any instances where management of the Company or the compensation committee of the Company retroactively selected a date for the grant of stock options during the 1999 through 2002 period. Also, in connection with the investigation by the audit committee, management of the Company reviewed the Company's option grant practices for the period from 2003 to date. In the course of this inquiry, the Company identified certain issues with respect to the measurement date for certain stock options as a result of changes that may have been made to option grants for a limited number of non-executive employees subsequent to the grant date. The Company and its auditors have not completed their analysis and thus have not yet determined whether any accounting changes will be necessary and whether the Company will need to restate previously issued financial 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: the appropriate accounting treatment for certain stock option grants and whether the Company will be able to file its Form 10-Q by August 14. Although Alkermes believes that such statements are based on reasonable assumptions within the bounds of its knowledge of the businesses and operations, the forward-looking statements are neither promises nor guarantees, but are subject to risks and uncertainties which include, among others: when Alkermes will be able to finalize with its auditors the accounting treatment for its stock option grants; and the outcome of the informal SEC inquiry. For further information with respect to factors that could cause the Company's actual results to differ materially from expectations, reference is made to the reports the Company filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The forward-looking statements made in this release are made only as of the date hereof and the Company disclaims any intention or responsibility for updating predictions or financial expectations contained in this release.

About Alkermes

Alkermes, Inc. is a biotechnology company that develops products based on sophisticated drug delivery technologies to enhance therapeutic outcomes in major diseases. The Company has two commercial products. RISPERDAL(R) CONSTA(R) ((risperidone) long-acting injection), the first and only long-acting atypical antipsychotic medication approved for use in schizophrenia, is marketed worldwide by Janssen-Cilag (Janssen), a wholly owned division of Johnson & Johnson. VIVITROL(R) (naltrexone for extended-release injectable suspension) is the first and only once-monthly injectable medication approved for the treatment of alcohol dependence and is marketed in the United States primarily by Cephalon, Inc. The Company has a pipeline of extended-release injectable products and pulmonary products based on its proprietary technology and expertise. Alkermes' product development strategy is twofold: the Company partners its proprietary technology systems and drug delivery expertise with several of the world's finest pharmaceutical companies; and it also develops novel, proprietary drug candidates for its own account. The Company's headquarters are in Cambridge, Massachusetts, and it operates research and manufacturing facilities in Massachusetts and Ohio.

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