



Alkermes Announces Third Quarter Fiscal 2007 Results

February 7, 2007

- Company Reports Profitable Quarter Driven by 51% Increase in Revenues Compared to Third Quarter Fiscal 2006 -
- Financial Expectations for Fiscal 2007 Improve -

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Feb. 7, 2007--Alkermes, Inc. (Nasdaq: ALKS) today announced financial results for the third quarter of fiscal 2007. Financial highlights for the quarter ended December 31, 2006 include:

- Second consecutive profitable quarter on a GAAP basis, with net income of \$2.9 million.
- Record revenues of \$62.4 million. Sales of RISPERDAL® CONSTA® by Janssen-Cilag were \$226 million.
- Strong balance sheet, with cash and total investments of \$356.2 million.
- Improved financial expectations, with fiscal year 2007 non-GAAP net income expected to range from \$30 to \$35 million.

Key operating results for the third quarter of fiscal 2007 include:

- Net income for the quarter ended December 31, 2006 was \$2.9 million or a basic and diluted earnings per share of \$0.03, including \$7.5 million in share-based compensation expense, as compared to a net income of \$1.4 million or a basic earnings per share of \$0.02 and diluted earnings per share of \$0.01 for the same period in 2005, which did not include any share-based compensation expense.
- Non-GAAP net income for the quarter ended December 31, 2006 was \$11.1 million or a basic and diluted earnings per share of \$0.11, compared to a net income of \$1.6 million or a basic and diluted earnings per share of \$0.02 for the same period in 2005.