Alkermes Provides Update on Inhaled Insulin Program

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CAMBRIDGE, Mass., Mar 07, 2008 (BUSINESS WIRE) -- Alkermes, Inc. (NASDAQ: ALKS) today issued the following update on AIR(R) Inhaled Insulin (AIR(R) Insulin), which is being developed in collaboration with Eli Lilly and Company (Lilly):

Lilly has informed Alkermes that it is evaluating its business case for AIR Insulin and Alkermes expects Lilly to make a decision to discontinue the program in the next week. Alkermes is not aware of any safety, efficacy, or manufacturing issues that have arisen regarding AIR Insulin since Lilly's last public update on the program.

AIR Insulin is being developed for the treatment of diabetes. Following the successful completion of more than 10 phase 1 and 2 clinical trials, AIR Insulin is currently being evaluated in a broad phase 3 clinical trial program conducted in sites around the world with patients with type 1 and type 2 diabetes.

Over the past seven years, Lilly has recruited thousands of diabetes patients to participate in the clinical trials of AIR Insulin and encouraging efficacy and safety results have been seen to date. The extensive phase 3 safety and efficacy program began in 2006 and is scheduled to complete in 2008.

Lilly has the right to terminate its license to AIR Insulin at its discretion and Alkermes expects Lilly to make such a decision based on Lilly's evaluation of its own business prospects.

While Lilly may elect not to commercialize AIR Insulin, Alkermes believes that the phase 3 safety and efficacy trials should be completed. Data from these studies will provide patients, physicians and the scientific community with long-awaited and important data for the evaluation of new diabetes medications.

Alkermes is seeking to clarify with Lilly the status of the program and will provide further information when available.

About Alkermes

Alkermes, Inc., a biotechnology company committed to developing innovative medicines to improve patients' lives, manufactures RISPERDAL(R) CONSTA(R) for schizophrenia and developed and manufactures VIVITROL(R) for alcohol dependence. Alkermes' robust pipeline includes extended-release injectable, pulmonary and oral products for the treatment of prevalent, chronic diseases, such as central nervous system disorders, addiction and diabetes. Headquartered in Cambridge, Massachusetts, Alkermes has research and manufacturing facilities in Massachusetts and Ohio.

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, statements regarding the future of AIR Insulin and the AIR Insulin clinical program. Although Alkermes believes that such statements are based on reasonable assumptions within the bounds of its knowledge, the forward-looking statements are neither promises nor guarantees, and Alkermes' business is subject to significant risk and uncertainties. As such, there can be no assurance that Alkermes' actual results will not differ materially from its expectations. These risks and uncertainties include, among others: whether Lilly will terminate the AIR Insulin development program; whether Lilly will complete the clinical program for Air Insulin; whether AIR Insulin is commercially viable; whether any subsequent clinical trails will show similar safety and efficacy as previous studies; and the commercial value of the AIR technology. 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 company disclaims any intention or responsibility for updating forward-looking statements made in this release.

SOURCE: Alkermes, Inc.

Alkermes, Inc.
Investors:
Rebecca Peterson, 617-583-6378
Vice President, Corporate Communications
or
Media:
Barbara Yates, 617-583-6321