



Alkermes Receives Notice from Eli Lilly Terminating Inhaled Insulin Program

March 7, 2008

CAMBRIDGE, Mass.--(BUSINESS WIRE)--March 7, 2008--Alkermes, Inc. (NASDAQ: ALKS) announced that it has received a letter terminating the development and license agreement between Eli Lilly and Company (Lilly) and Alkermes dated April 1, 2001 thereby terminating the AIR(R) Inhaled Insulin (AIR(R) Insulin) program. The termination will become effective in 90 days. The termination of the agreement also results in the termination of the AIR Insulin supply agreement.

Alkermes is evaluating the impact of the termination of the AIR Insulin program on its business and will provide further details following a comprehensive business analysis.

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 termination of 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, the impact of the termination of the AIR Insulin program on Alkermes' business. 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.

AIR(R) is a registered trademark of Alkermes, Inc; VIVITROL(R) is a registered trademark of Cephalon, Inc.; and, RISPERDAL(R) CONSTA(R) is a registered trademark of Johnson & Johnson Corporation.

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SOURCE: Alkermes, Inc.