

Alkermes plc.
Form DEF 14A
November 04, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934 (Amendment No.)

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material Pursuant to § Rule 14a-12

ALKERMES PLC

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

NOT APPLICABLE

(2) Aggregate number of securities to which transaction applies:

NOT APPLICABLE

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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☐ Fee paid previously with preliminary materials:

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(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

NOT APPLICABLE

Alkermes public limited company incorporated in Ireland with limited liability under the Companies Acts 1963 to 2009, registered number 498284

**Treasury Building, Lower Grand Canal Street
Dublin 2, Ireland**

NOTICE OF AN EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

To be held on December 8, 2011

Dear Shareholder:

You are cordially invited to attend an Extraordinary General Meeting of Shareholders of Alkermes plc, an Irish company (the Company). The meeting will be held on Thursday, December 8, 2011 at 10:00 a.m. local time at offices of the Company located at 852 Winter Street, Waltham, Massachusetts 02451, for the following purposes:

1. To consider and approve the Alkermes plc 2011 Stock Option and Incentive Plan.
2. To transact such other business as may properly come before the meeting and any adjournments or postponements thereof.

Proposal 1 is an ordinary resolution requiring a simple majority of the votes cast.

These items of business are more fully described in the Proxy Statement accompanying this notice.

The Board of Directors has fixed 4:01 p.m. (EST) on November 1, 2011 as the record date for the Extraordinary General Meeting. Only shareholders who are registered as shareholders at 4:01 p.m. (EST) on that date will be entitled to notice of, and to vote at, the Extraordinary General Meeting.

Any shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on such shareholder's behalf. Such proxy need not be a shareholder of the Company.

Important Notice Regarding the Availability of Proxy Materials for the Extraordinary General Meeting of Shareholders to be Held on Thursday, December 8, 2011 at 10:00 a.m. local time at offices of the Company at 852 Winter Street, Waltham, Massachusetts 02451.

The proxy statement to shareholders is available at

www.edocumentview.com/alksegm

By Order of the Board of Directors

Kathryn L. Biberstein
Secretary

Dublin, Ireland
November 4, 2011

You are cordially invited to attend the meeting in person. The presence at the meeting, in person or by proxy, of one or more shareholders who hold shares representing not less than a majority of the issued and outstanding shares entitled to vote at the meeting shall constitute a quorum. Your vote is important. Whether or not you expect to attend the meeting, please complete, date, sign and return the enclosed proxy, or vote over the telephone or the Internet as instructed in these materials, as promptly as possible in order to ensure your representation at the meeting. A return envelope (which is postage prepaid if mailed in the United States) is enclosed for your convenience. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.

Alkermes public limited company incorporated in Ireland with limited liability under the Companies Acts 1963 to 2009, registered number 498284

**Treasury Building, Lower Grand Canal Street
Dublin 2, Ireland**

**PROXY STATEMENT
FOR AN EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS DECEMBER 8, 2011**

QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

Why am I receiving these materials?

The Board of Directors (the **Board**) of Alkermes plc, an Irish company (**Alkermes** or the **Company**) is soliciting your proxy to vote at an Extraordinary General Meeting of Shareholders (the **Meeting**) to be held at offices of the Company at 852 Winter Street, Waltham, Massachusetts 02451, at 10:00 a.m. local time, on December 8, 2011, and at any postponement or adjournment of the Meeting. You are invited to attend the Meeting to vote on the proposal described in this proxy statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card, or follow the instructions below to submit your proxy over the telephone or over the Internet. The Company intends to mail this proxy statement and accompanying proxy card on or about November 10, 2011 to all shareholders of record entitled to vote at the Meeting.

As you are aware, the Company was organized recently in connection with the business combination transaction (the **Business Combination**) between Alkermes, Inc. and the Elan Drug Technologies (**EDT**) business of Elan Corporation, plc (**Elan**), and now serves as the holding company for such combined business.

Who can vote at the Meeting?

Only shareholders who are registered at 4:01 p.m. (EST) on November 1, 2011 (the **Record Date**) will be entitled to notice of and to vote at the Meeting. On the Record Date, there were 129,585,141 ordinary shares issued and outstanding and entitled to be voted.

Shareholder of Record: Shares Registered in Your Name

If, as of the Record Date, your ordinary shares were registered directly in your name with the Company's transfer agent, Computershare Trust Company, N.A., then you are a shareholder of record. As a shareholder of record, you may vote in person at the Meeting or vote by proxy. Whether or not you plan to attend the Meeting, we urge you to fill out and return the enclosed proxy card or vote by proxy over the telephone or on the Internet as instructed below to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If, as of the Record Date, your ordinary shares were not held directly in your name, but rather in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in **street name** and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered to be the shareholder of record for purposes of voting at the Meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account. You are also invited to attend the Meeting. However, since you are not the shareholder of record, you may not vote your shares in

person at the Meeting unless you request and obtain a valid proxy from your broker or other agent.

What am I voting on?

The only matter scheduled for a vote is the approval of the Alkermes plc 2011 Stock Option and Incentive Plan.

What if another matter is properly brought before the Meeting?

The Board knows of no other matters that will be presented for consideration at the Meeting. If any other matters are properly brought before the Meeting, it is the intention of the persons named as your proxy in the accompanying proxy to vote on those matters in accordance with their best judgment.

How do I vote?

You may vote For or Against or abstain from voting. The procedures for voting are fairly simple:

Shareholder of Record: Shares Registered in Your Name

If you are a shareholder of record on the Record Date, you may vote in person at the Meeting, vote by proxy using the enclosed proxy card, vote by proxy over the telephone, or vote by proxy over the Internet. Whether or not you plan to attend the Meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the Meeting and vote in person even if you have already voted by proxy.

By Internet. Access the website of our tabulator, Computershare, at:

<http://www.envisionreports.com/alksegm>, using the voter control number that we have printed on the enclosed proxy card. Your shares will be voted in accordance with your instructions. You must specify how you want your shares voted or your Internet vote cannot be completed and you will receive an error message. The cutoff time for voting by Internet is 11:59 p.m. (EST) on December 7, 2011.

By Telephone. Call 1-800-652-VOTE (1-800-652-8683) toll-free from the U.S. and Canada if you are calling from outside the U.S. or Canada and follow the instructions on the enclosed proxy card. Your shares will be voted in accordance with your instructions. You must specify how you want your shares voted or your telephone vote cannot be completed. The cutoff time for voting by telephone is 11:59 p.m. (EST) on December 7, 2011.

By Mail. Complete and mail the enclosed proxy card in the enclosed postage prepaid envelope to Computershare. Your proxy will be voted in accordance with your instructions. If you sign and return the enclosed proxy but do not specify how you want your shares voted, they will be voted **FOR** the Alkermes plc 2011 Stock Option and Incentive Plan; and will be voted according to the best judgment of the proxy holder upon any other business that may properly be brought before the Meeting and at all adjournments and postponements thereof.

In Person at the Meeting. If you attend the Meeting, you may deliver your completed proxy card in person or you may vote by completing a ballot, which will be available at the Meeting.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner of ordinary shares registered in the name of your broker, bank, or other agent, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from Alkermes. Simply complete and mail the proxy card, in accordance with the instructions you receive, to ensure that your vote is counted. Alternatively, you may vote by telephone or over the Internet as instructed by your broker or bank. To vote in person at the Meeting, you must obtain a valid proxy from your broker, bank, or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to

request a proxy form.

How many votes do I have?

On each matter to be voted upon, you have one vote for each ordinary share you owned as of the Record Date.

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What if I return a proxy card or otherwise vote but do not make specific choices?

If you return a signed and dated proxy card without making any voting selections, your shares will be voted **FOR** the approval of the Alkermes plc 2011 Stock Option and Incentive Plan. If any other matter is properly presented at the Meeting, your proxy holder (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, our directors, employees and third party proxy solicitors may also solicit proxies in person, by telephone, or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

What does it mean if I receive more than one set of proxy materials?

If you receive more than one set of proxy materials, your ordinary shares are registered in more than one name or are registered in different accounts. Please complete, sign and return **each** proxy card to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Yes. You may revoke your proxy at any time before it is exercised at the Meeting by taking any of the following actions:

providing written notice to the Secretary of the Company (at 852 Winter Street, Waltham, Massachusetts 02451, Attn.: Secretary, Extraordinary General Meeting) by any means, including facsimile, stating that the proxy is revoked;

signing and delivering a proxy relating to the same shares and bearing a later date, but no later than the date and time of the Extraordinary General Meeting of Shareholders;

transmitting a subsequent vote over the Internet or by telephone, but no later than December 7, 2011;

attending the Meeting and voting in person, although attendance at the Meeting will not, by itself, revoke a proxy.

Please note that if your ordinary shares are held of record by a broker or other nominee, you must contact the broker or other nominee to revoke your proxy since attending the meeting alone will not revoke any proxy. If you wish to vote at the Meeting, you must bring to the Meeting a copy of your brokerage account statement or a letter from such broker or other nominee confirming your beneficial ownership of the shares as of the Record Date.

How are votes counted?

Votes will be counted by the inspector of election appointed for the Meeting. Abstentions will be counted as present for purposes of determining the presence of a quorum for purposes of this proposal, but will not be counted as votes cast. Broker non-votes will be counted as present for purposes of determining the presence of a quorum for purposes of this proposal, but will not be voted. Accordingly, while abstentions and broker non-votes will count towards

establishing a quorum, neither abstentions nor broker non-votes will affect the outcome of the vote on this proposal.

What are broker non-votes ?

Broker non-votes occur when a nominee, such as a broker or bank, holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that proposal and has not received instructions with respect to that proposal from the beneficial

owner. If you do not give instructions to your broker, your broker can vote your shares with respect to discretionary items, but not with respect to non-discretionary items. Discretionary items are proposals considered routine under the rules of The NASDAQ Stock Market LLC, or Nasdaq, on which your broker may vote shares held in street name in the absence of your voting instructions. The approval of the Alkermes plc 2011 Stock Option and Incentive Plan is a non-discretionary item. Accordingly, if you own ordinary shares through a nominee, such as a broker or bank, please be sure to instruct your nominee how to vote to ensure that your vote is counted.

How many votes are needed to approve the proposal?

The affirmative vote of a majority of the votes cast by holders of our ordinary shares entitled to vote at a meeting at which a quorum is present will be required to approve the Alkermes plc 2011 Stock Option and Incentive Plan.

What is the quorum requirement?

A quorum of shareholders is necessary to hold a valid Meeting. A quorum will be present if at least one or more shareholders holding a majority of the issued and outstanding shares entitled to vote are present at the Meeting or represented by proxy. On the Record Date, there were 129,585,141 ordinary shares issued and outstanding and entitled to vote. Thus, the holders of 64,792,572 ordinary shares must be present in person or represented by proxy at the Meeting to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the Meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, within one hour of the time appointed for the Meeting, the Meeting shall stand adjourned to December 15, 2011 at 10:00 a.m. local time at the offices of the Company located at 852 Winter Street, Waltham, Massachusetts 02451 or such other time or place as the Board may decide.

How can I find out the results of the voting at the Meeting?

Preliminary voting results will be announced at the Meeting. Final voting results will be published in a current report on Form 8-K that we expect to file within four business days of the Meeting. If final voting results are not available to us in time to file a current report on Form 8-K within four business days after the Meeting, we intend to file a current report on Form 8-K to publish preliminary results and, within four business days after the final results are known to us, to file an additional current report on Form 8-K to publish the final results.

When are shareholder proposals due for next year's Annual Meeting?

To be considered for inclusion in the proxy materials for next year's Annual Meeting, your proposal must be submitted in writing to the Company's Secretary at Treasury Building, Lower Grand Canal Street, Dublin 2, Ireland within a reasonable time prior to the time we begin to print and mail our proxy materials, and in any event within ten days following the first public announcement of the date for such Annual Meeting. If you wish to bring a matter before the shareholders at next year's annual meeting and you do not notify us within a reasonable time prior to the time we begin to print and mail our proxy materials, then, for all proxies we receive, the proxy holders will have discretionary authority to vote on the matter, including discretionary authority to vote in opposition to the matter.

What proxy materials are available on the internet?

The letter to shareholders, Notice of Extraordinary General Meeting and proxy statement are available at [**www.edocumentview.com/alksegm.**](http://www.edocumentview.com/alksegm)

PROPOSAL 1

APPROVAL OF ALKERMES PLC 2011 STOCK OPTION AND INCENTIVE PLAN

Overview

Our Board is requesting shareholder approval of the Alkermes plc 2011 Stock Option and Incentive Plan.

On September 16, 2011, our Board adopted the Alkermes plc 2011 Stock Option and Incentive Plan and, on October 5, 2011 and October 31, 2011, adopted amendments to such plan (the plan, as amended, the 2011 Plan), subject to the approval of our shareholders. The 2011 Plan will become effective if approved by our shareholders. The 2011 Plan is attached as Appendix A to this Proxy Statement and is incorporated herein by reference.

Why we are asking our shareholders to approve the 2011 Plan?

In connection with the Business Combination, the Alkermes, Inc. Amended and Restated 2008 Stock Option and Incentive Plan was converted into and adopted as a plan of the Company entitled the Alkermes plc Amended and Restated 2008 Stock Option and Incentive Plan (the Restated 2008 Plan). As of the Record Date, approximately 771,799 ordinary shares remained available for future issuance under the Restated 2008 Plan, excluding the ordinary shares reserved for issuance upon exercise of outstanding options or vesting of restricted stock units. Without replenishment, we believe such amount will be insufficient to meet our anticipated employee recruiting and retention needs before our next annual general meeting of shareholders in 2012.

The 2011 Plan was adopted and is proposed for your consideration to provide sufficient flexibility to meet our anticipated employee recruiting and retention needs. The maximum number of our ordinary shares proposed to be reserved for issuance under the 2011 Plan is equal to 8,350,000. The 2011 Plan permits a variety of equity awards, including stock options and full value awards, which consist of restricted stock, restricted stock units, performance stock awards and other stock awards. Under the 2011 Plan, the grant of each ordinary share pursuant to a full value award (i.e., an award other than a stock option) reduces or depletes the number of ordinary shares available for future equity awards under the 2011 Plan by 1.8 ordinary shares and the grant of each ordinary share pursuant to a stock option reduces or depletes the number of ordinary shares available for future equity awards by 1 ordinary share. These shares are treated in a similar manner if returned to reserve status when forfeited or canceled under the 2011 Plan. We expect to grant both stock options and full value awards in the future.

As of the Record Date, an aggregate of 17,954,011 ordinary shares are issuable upon exercise of outstanding options with a weighted average exercise price of \$13.66 and a weighted average remaining term of 6.10 years; and 2,289,005 ordinary shares are subject to unvested restricted stock unit awards. As of the Record Date, we have a total of 129,585,141 ordinary shares outstanding and 771,799 ordinary shares available for issuance (for future grants) under our Restated 2008 Plan, plus any ordinary shares subject to awards that are forfeited under the Restated 2008 Plan. The Restated 2008 Plan is currently the only equity compensation plan that the Company uses for new equity compensation awards to its employees.

Equity Awards are an Integral Component of our Compensation Program

Equity awards have been historically and, we believe, will continue to be an integral component of our overall compensation program. The issuance of equity and cash awards under the 2011 Plan will enable the Company to attract new employees and directors, retain our existing employees and provide incentives for our employees to exert maximum efforts for the Company's success, ultimately contributing to an increase in shareholder value. The Company firmly believes that such awards are a critical part of the compensation package offered to new, existing and

key employees and an important tool in the Company's ability to attract and retain talented personnel. The 2011 Plan allows the Company to continue to utilize a broad array of equity incentives with flexibility in designing such incentives, including traditional option grants, restricted stock awards, restricted stock unit awards and performance stock awards.

Important Aspects of our 2011 Plan Designed to Protect our Shareholders' Interests

The 2011 Plan contains certain provisions that are designed to protect our shareholders' interests and reflect corporate governance best practices including:

Shareholder approval is required for additional shares. The 2011 Plan does not contain an annual evergreen provision. Thus, shareholder approval is required each time we need to increase the share reserve allowing our shareholders the ability to have a say on our equity compensation programs.

Share counting provisions. The share reserve under the 2011 Plan is reduced one share for each ordinary share issued pursuant to an option and 1.8 ordinary shares for each ordinary share issued pursuant to a full value award. This helps to ensure that management and our Compensation Committee is using the share reserve effectively and with regard to the value of each type of equity award.

Submission of 2011 Plan amendments to shareholders. The 2011 Plan requires shareholder approval for material amendments to the 2011 Plan, including, as noted above, any increase in the number of shares reserved for issuance under the 2011 Plan.

Flexibility in designing equity compensation scheme. The 2011 Plan allows us to provide a broad array of equity incentives, including traditional option grants, restricted stock awards, restricted stock unit awards, performance stock awards and cash awards. By providing this flexibility we can quickly and effectively react to trends in compensation practices and continue to offer competitive compensation arrangements to attract and retain the talent necessary for the success of our business.

Recommendation

The Board recommends that you vote **FOR** the approval of the 2011 Plan.

Principal Features of the 2011 Plan

The material features of the 2011 Plan are:

The 2011 Plan will be administered by either the Compensation Committee of the Board or by a similar committee performing the functions of the Compensation Committee and which is comprised of not less than two independent non-employee directors (in either case, the Administrator). The Administrator, in its discretion, may grant a variety of incentive awards based on our ordinary shares.

The award of stock options (both incentive and non-qualified options), restricted stock unit awards, restricted stock awards, cash-based awards, and performance share awards is permitted.

For purposes of determining the number of our ordinary shares available for issuance under the 2011 Plan, (a) the grant of any full value award (i.e., an award other than a stock option) is deemed as an award of 1.8 ordinary shares for each such ordinary share actually subject to the award and shall be treated similarly if returned to reserve status when forfeited or canceled under the 2011 Plan, and (b) the grant of a stock option is deemed as an award of one ordinary share for each such ordinary share actually subject to the award.

Our Board may at any time amend or discontinue the 2011 Plan and the Administrator may at any time amend or cancel any outstanding award for the purpose of satisfying changes in the law or for any other lawful purpose. However, no such action may adversely affect any rights under any outstanding award without the

holder's consent. Any amendments that materially change the terms of the 2011 Plan, including any amendments that increase the number of shares reserved for issuance under the 2011 Plan, expand the types of awards available, materially expand the eligibility to participate in, or materially extend the term of, the 2011 Plan, or materially change the method of determining the fair market value of our ordinary shares, will be subject to approval by our shareholders. Amendments shall also be subject to approval by our shareholders if and to the extent determined by the Administrator to be required by the Internal Revenue Code of 1986 (the Code) to preserve the qualified status of

incentive options or to ensure that compensation earned under the 2011 Plan qualifies as performance-based compensation under Section 162(m) of the Code.

Based solely on the closing price of our ordinary shares as reported on Nasdaq on the Record Date, the aggregate market value of the 8,350,000 shares, representing the maximum number of ordinary shares to be issued under the 2011 Plan, is US\$140,864,500. Shares tendered or held back upon exercise of an option or settlement of an award to cover the exercise price or tax withholding are not available for future issuance under the 2011 Plan. The shares issued by us under the 2011 Plan will be authorized but unissued shares.

To ensure that certain awards granted under the 2011 Plan to a Covered Employee (as defined in the Code) qualify as performance-based compensation under Section 162(m) of the Code, the 2011 Plan provides that the Administrator may require that the vesting or grant of such awards be conditioned on the satisfaction of performance criteria that may include any or all of the following: (1) earnings before interest, taxes, depreciation and amortization, (2) net income (loss) (either before or after interest, taxes, depreciation and/or amortization), (3) changes in the market price of the Stock, (4) economic value-added, (5) initiation or completion of clinical trials, (6) results of clinical trials, (7) drug development or commercialization milestones, (8) collaboration milestones, (9) operational measures including production capacity and capability, (10) hiring and retention of key managers, (11) expense management, (12) capital raising transactions, (13) sales or revenue, (14) acquisitions or strategic transactions, (15) operating income (loss), (16) cash flow (including, but not limited to, operating cash flow and free cash flow), (17) return on capital, assets, equity, or investment, (18) shareholder returns, (19) gross or net profit levels, (20) operating margins, (21) earnings (loss) per ordinary share and (22) sales or market shares, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group. The Administrator will select, within 90 days following the commencement of a performance cycle, the particular performance criteria for such award and the performance goals with respect to each performance criterion. Each such award will specify the amount payable, or the formula for determining the amount payable, upon achievement of the various applicable performance targets. Subject to adjustments for stock splits and similar events, the maximum award granted to any one individual that is intended to qualify as performance-based compensation under Section 162(m) of the Code will not exceed 4,000,000 ordinary shares for any performance cycle. If a performance-based award is payable in cash to any executive, it cannot exceed US\$25 million for any performance cycle.

Summary of the 2011 Plan

The following description of certain features of the 2011 Plan is intended to be a summary only. The summary is qualified in its entirety by the full text of the 2011 Plan that is attached hereto as Appendix A.

Plan Administration. The Administrator has full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, to make any combination of awards to participants, and to determine the specific terms and conditions of each award, subject to the provisions of the 2011 Plan. The Administrator may delegate to a subcommittee comprised of one or more members of the Board all or part of the Administrator's authority and duties with respect to the granting of Options to employees who are not subject to the reporting and other provisions of Section 16 of the Exchange Act. Any such delegation by the Administrator shall include a limitation as to the amount of Options that may be granted during the period of the delegation and shall contain guidelines as to the determination of the exercise price and the vesting criteria.

Eligibility and Limitations on Grants. Persons eligible to participate in the 2011 Plan will be those officers, employees, non-employee directors and other key persons (including consultants and prospective employees) of the Company and its subsidiaries as selected from time to time by the Administrator. The intention in making awards to eligible persons under the 2011 Plan will be to align the compensation of these individuals over a multi-year period directly with the interests of our shareholders and serve as a tool in the recruiting and retention of these individuals.

The maximum award of stock options granted to any one individual will not exceed 4,000,000 ordinary shares (subject to adjustment for stock splits and similar events) for any calendar year period. The maximum

number of ordinary shares that can be awarded in the form of incentive stock options will not exceed 8,350,000 (subject to adjustment for stock splits and similar events).

Stock Options granted to employees and key persons. The 2011 Plan permits the granting of (1) stock options intended to qualify as incentive stock options under Section 422 of the Code and (2) stock options that do not so qualify. Options granted under the 2011 Plan will be non-qualified options if they fail to qualify as incentive options or exceed the annual limit on incentive stock options. Non-qualified options may be granted to any persons eligible to receive incentive options and to non-employee directors and key persons. The option exercise price of each option will be determined by the Administrator but may not be less than 100% of the fair market value of our ordinary shares on the date of grant.

The term of each option will be fixed by the Administrator and may not exceed ten years from the date of grant. The Administrator will determine at what time or times each option may be exercised. Options may be made exercisable in installments and the exercisability of options may be accelerated by the Administrator. Options may be exercised in whole or in part with written or electronic notice to the Company's delegate. Upon exercise of non-qualified stock options, unless otherwise determined by the Administrator, the purchase price must be paid through a net reduction in the number of ordinary shares issuable upon such exercise, based on the fair market value of our ordinary shares on the date of exercise. Upon exercise of incentive stock options and those non-qualified options for which the Administrator elects not to utilize the above payment method, the option exercise price may be paid in full either in cash, by certified or bank check or other instrument acceptable to the Administrator or by delivery (or attestation to the ownership) of ordinary shares that are beneficially owned by the optionee based on the fair market value of our ordinary shares on the date of exercise or, subject to applicable law, by delivery to the Company of an exercise notice together with irrevocable instructions to a broker to promptly deliver cash or a check payable to the Company for the purchase price.

To qualify as incentive options, options must meet additional federal tax requirements, including a US\$100,000 limit on the value of our ordinary shares subject to incentive options that first become exercisable by a participant in any one calendar year.

Stock Options granted to non-employee directors. The 2011 Plan provides that (a) upon becoming a member of the Board, each non-employee director who is not then a consultant to us shall be granted on such day a non-qualified stock option to acquire 35,000 ordinary shares, which shall vest ratably over the three calendar years following the date of grant, plus an additional stock option to acquire a number of our ordinary shares equal to the product of 25,000 multiplied by a fraction, the numerator of which equals the number of months remaining until the next annual meeting of shareholders of the Company and the denominator of which equals 12, which shall vest on the first anniversary of the date of grant, and (b) each non-employee director who is serving as a director of the Company on each annual meeting of shareholders, beginning with the 2012 annual general meeting of shareholders, shall automatically be granted on such day a non-qualified stock option to acquire 25,000 of our ordinary shares, which shall vest on the first anniversary of the date of grant; provided, however, that no grant shall be made to an individual who ceases to be a member of the Board on such day. The Administrator may grant additional non-qualified stock options to our non-employee directors and such grants may vary among individual non-employee directors. The option exercise price of each option will be determined by the Administrator but may not be less than 100% of the fair market value of our ordinary shares on the date of grant.

The term of each option may not exceed ten years from the date of grant. Options may be exercised only by notice to the Company or the Company's delegate specifying the number of ordinary shares to be purchased. Upon exercise of options, the option exercise price will be paid in the same manner as described above under *Stock Options granted to employees and key persons*.

Grants of stock options to our non-employee directors, as contemplated under the 2011 Plan, shall consist of ordinary shares reserved and available for issuance pursuant to the Restated 2008 Plan and, if there are no such ordinary shares remaining under such plan, then such grants shall consist of ordinary shares reserved and available for issuance pursuant to the 2011 Plan.

Restricted Stock Unit Awards. The Administrator may award stock units as restricted stock unit awards to participants. Restricted stock unit awards are ultimately payable in the form of ordinary shares and may be subject to such conditions and restrictions as the Administrator may determine. These conditions and restrictions may include the achievement of certain performance goals and/or continued employment with the Company through a specified vesting period. However, in the event these awards granted to employees have a performance-based goal, the restriction period will be at least one year, and in the event these awards granted to employees have a time-based restriction, the restriction period will be at least three years, but vesting can occur incrementally over the three-year period. The Administrator may waive the foregoing restriction in the case of a grantee's death, disability or retirement or upon a sale event (as defined in the 2011 Plan). To the extent a Restricted Stock Unit Award is subject to Section 409A of the Code, it may contain such additional terms and conditions as the Administrator shall determine in order for such Award to comply with the requirements of Section 409A.

The Administrator, in its sole discretion, may permit a grantee to elect to receive a portion of future cash compensation otherwise due to such grantee in the form of a Restricted Stock Unit Award. Any such election shall be made in writing and shall be delivered to the Company no later than the date specified by the Administrator and in accordance with Section 409A and such other rules and procedures established by the Administrator. Any such future cash compensation that the grantee elects to defer shall be converted to a fixed number of phantom stock units (which may be fully vested) based on the fair market value of our ordinary shares on the date the compensation would otherwise have been paid to the grantee if such payment had not been deferred.

Restricted Stock. The Administrator may award ordinary shares to participants subject to such conditions and restrictions as the Administrator may determine. These conditions and restrictions may include the achievement of certain performance goals and/or continued employment with us through a specified restricted period. However, in the event these awards granted to employees have a performance-based restriction, the restriction period will be at least one year, and in the event these awards granted to employees have a time-based restriction, the restriction will be at least three years, but vesting can occur incrementally over the three-year period. The Administrator may waive the foregoing restriction in the case of a grantee's death, disability or retirement or upon a sale event (as defined in the 2011 Plan).

Cash-based Awards. Each cash-based award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Administrator. Payment, if any, with respect to a cash-based award may be made in cash or in shares of stock, as the Administrator determines. Except as may otherwise be provided by the Administrator, a grantee's right in all cash-based awards that have not vested shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its subsidiaries for any reason (including if a subsidiary ceases to be a subsidiary of the Company).

Performance Share Awards. The Administrator may grant performance share awards independent of, or in connection with, the granting of other awards under the 2011 Plan. The Administrator, in its sole discretion, determines whether and to whom performance share awards will be granted, the performance goals subject to the award, the period during which performance is to be measured, which may not be less than one year, and such other conditions as the Administrator shall determine. Upon the attainment of the performance goal, the grantee is entitled to receive ordinary shares.

Tax Withholding. Participants in the 2011 Plan are responsible for the payment of any federal, state or local taxes that we are required by law to withhold upon any option exercise or vesting of other awards. The Company has the right to deduct any such taxes from any payment otherwise due to grantee, including the right to reduce the number of ordinary shares otherwise required to be issued to a grantee in an amount that, on the date of issuance, would have a fair market value equal to all such taxes required to be withheld by the Company.

Change in Control Provisions. Under the 2011 Plan, in the case of and subject to the consummation of a sale event (as defined in the 2011 Plan), except as the Administrator may otherwise specify with respect to a particular award in the relevant award documentation, all stock options that are not exercisable immediately

prior to the effective time of the sale event shall become fully exercisable as of the effective time of the sale event, all other awards with time-based vesting, conditions or restrictions shall become fully vested and nonforfeitable as of the effective time of the sale event and all awards with conditions and restrictions relating to the attainment of performance goals may become vested and nonforfeitable in connection with a sale event in the Administrator's discretion. In addition, in the event of a sale event in which the Company's shareholders will receive cash consideration, the Company may make or provide for a cash payment to participants holding stock options equal to the difference between the per share cash consideration and the exercise price of such options.

Amendments and Termination. Our Board may at any time amend or discontinue the 2011 Plan and the Administrator may at any time amend or cancel any outstanding award for the purpose of satisfying changes in the law or for any other lawful purpose. However, no such action may adversely affect any rights under any outstanding award without the holder's consent. Any amendments that materially change the terms of the 2011 Plan, including any amendments that increase the number of ordinary shares reserved for issuance under the 2011 Plan, expand the types of awards available, materially expand the eligibility to participate in, or materially extend the term of, the 2011 Plan, or materially change the method of determining the fair market value of our ordinary shares, will be subject to approval by our shareholders. Amendments shall also be subject to approval by our shareholders if and to the extent determined by the Administrator to be required by the Code to preserve the qualified status of incentive options or to ensure that compensation earned under the 2011 Plan qualifies as performance-based compensation under Section 162(m) of the Code. In addition, except in connection with a reorganization or other similar change in the capital stock of the Company or a merger or other transaction, without prior shareholder approval the Administrator may not reduce the exercise price of an outstanding stock option or effect re-pricing of an outstanding stock option through cancellation or re-grants.

Effective Date of 2011 Plan

The Board adopted the 2011 Plan on September 16, 2011 and, on October 5, 2011 and October 31, 2011, adopted amendments to such plan. The 2011 Plan will become effective when and if approved by the Company's shareholders. Awards of incentive options may be granted under the 2011 Plan until ten years after Board approval. No awards may be granted under the 2011 Plan after the date that is ten years from the date of shareholder approval.

New Plan Benefits

No grants have been issued with respect to the ordinary shares to be reserved for issuance under the 2011 Plan. Except as set forth below for our non-employee directors, the benefits or amounts that may be received by, or allocated to, the Company's Chief Executive Officer, Chief Financial Officer, and the three other named executives, all executives as a group, non-executive directors as a group, and non-executive officer employees as a group are granted on a discretionary basis and, as such, are not determinable as awards under the 2011 Plan.

Grants of stock options to our non-employee directors will initially consist of options in respect of ordinary shares reserved and available for issuance pursuant to our Restated 2008 Plan. If and when no ordinary shares remain available for issuance under our Restated 2008 Plan, then such non-employee director grants will consist of options in respect of ordinary shares reserved and available for issuance under our 2011 Plan and will be as follows:

	2011 Plan	Number of Options Granted
Event		
Initial election to the Board		35,000, plus pro rata annual award*
Each annual meeting of shareholders		25,000

- * A newly elected non-employee director receives a pro rated annual award equal to the product of 25,000 ordinary shares multiplied by a fraction, the numerator of which equals the number of months remaining until the next annual meeting of shareholders of the Company and the denominator of which equals 12.

U.S. Federal Income Tax Consequences

The following is a summary of the principal U.S. federal income tax consequences of certain transactions under the 2011 Plan. It does not describe all U.S. federal tax consequences under the 2011 Plan, nor does it describe state or local tax consequences.

Incentive Options. No taxable income is generally realized by the optionee upon the grant or exercise of an incentive option. If ordinary shares issued to an optionee pursuant to the exercise of an incentive option are sold or transferred after two years from the date of grant and after one year from the date of exercise, then (1) upon sale of such shares, any amount realized in excess of the option price (the amount paid for the shares) will be taxed to the optionee as a long-term capital gain, and any loss sustained will be a long-term capital loss, and (2) we will not be entitled to any deduction for federal income tax purposes. The exercise of an incentive option will give rise to an item of tax preference that may result in alternative minimum tax liability for the optionee.

An incentive option will not be eligible for the tax treatment described above if it is exercised more than three months following termination of employment (or one year in the case of termination of employment by reason of disability). In the case of termination of employment by reason of death, the three-month rule does not apply. If ordinary shares acquired upon the exercise of an incentive option are disposed of prior to the expiration of the two-year and one-year holding periods described above, generally (1) the optionee will realize ordinary income in the year of disposition in an amount equal to the excess (if any) of the fair market value of the ordinary shares at exercise (or, if less, the amount realized on a sale of such shares) over the option price thereof, and (2) we will be entitled to deduct such amount. Special rules will apply where all or a portion of the exercise price of the incentive option is paid by tendering shares.

Non-Qualified Options. No taxable income is generally realized by the optionee upon the grant of a non-qualified option. Generally (1) at exercise, ordinary income is realized by the optionee in an amount equal to the difference between the option price and the fair market value of the shares on the date of exercise, and we receive a tax deduction for the same amount, and (2) at disposition, appreciation or depreciation after the date of exercise is treated as either short-term or long-term capital gain or loss depending on how long the shares have been held. Special rules will apply where all or a portion of the exercise price of the non-qualified option is paid by tendering shares. Upon exercise, the optionee will also be subject to Social Security taxes on the excess of the fair market value over the exercise price of the option.

Parachute Payments

The vesting of any portion of an option or other award that is accelerated due to the occurrence of a change in control may cause a portion of the payments with respect to such accelerated awards to be treated as parachute payments as defined in the Code. Any such parachute payments may be non-deductible to us, in whole or in part, and may subject the recipient to a non-deductible 20% federal excise tax on all or a portion of such payment (in addition to other taxes ordinarily payable).

Limitation on the Company's Deductions

As a result of Section 162(m) of the Code, our deduction for certain awards under the 2011 Plan may be limited to the extent that the Chief Executive Officer or other executive officer (other than our Chief Financial Officer) whose compensation is required to be reported in the summary compensation table receives compensation in excess of US\$1 million a year (other than performance-based compensation that otherwise meets the requirements of Section 162(m) of the Code). The 2011 Plan is structured to allow certain grants to qualify as performance-based compensation.

A copy of the 2011 Plan is attached as Appendix A.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table and notes provide information about the beneficial ownership of our issued and outstanding, ordinary shares as of the Record Date, by:

each of our current directors;

our Chief Executive Officer;

our Chief Financial Officer;

each of the three other executive officers named in the Summary Compensation Table below; and

all of our current directors and executive officers as a group.

According to SEC rules, we have included in the column **Number of Issued Shares** all outstanding shares over which the person has sole or shared voting or investment power, and we have included in the column **Number of Shares Issuable** all shares that the person has the right to acquire within 60 days after the Record Date through the exercise of any stock option, vesting of any stock award or other right. All shares that a person has a right to acquire within 60 days of the Record Date are deemed issued and outstanding for the purpose of computing the percentage beneficially owned by the person, but are not deemed issued and outstanding for the purpose of computing the percentage beneficially owned by any other person.

Unless otherwise indicated, each person has the sole power (except to the extent authority is shared by spouses under applicable law) to invest and vote the shares listed opposite the person's name. Our inclusion of shares in this table as beneficially owned is not an admission of beneficial ownership of those shares by the person listed in the table. The business address of each director is Treasury Building, Lower Grand Canal Street, Dublin 2, Ireland and the business address of the named executive officers is 852 Winter Street, Waltham, MA 02451.

Ownership by Directors and Executive Officers

Directors and Named Executive Officers	Number of Alkermes Ordinary Shares	Number of Ordinary Shares Issuable(1)	Total	Beneficially Owned(2)
David W. Anstice	10,000	80,000	90,000	*
Floyd E. Bloom(3)	100,375	180,000	280,375	*
Robert A. Breyer	58,106	160,400	218,506	*
Wendy L. Dixon	0	35,000	35,000	*
Geraldine A. Henwood	0	188,000	188,000	*
Paul J. Mitchell	8,000	188,000	196,000	*
Richard F. Pops	318,104	2,596,500	2,914,604	2.25%
Mark B. Skaletsky	5,000	159,000	164,000	*
Elliot W. Ehrich	16,579	415,950	432,529	*
James M. Frates	76,481	701,050	777,531	*
Michael J. Landine	97,102	506,875	603,977	*
Gordon G. Pugh	22,027	574,550	596,577	*

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All directors and executive officers as a group (15 individuals in total)	742,233	6,158,075	6,900,308	5.33%
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* Less than 1%

- (1) Shares that can be acquired through stock options exercisable and restricted stock unit awards vesting on or before January 1, 2012, which is 60 days from the Record Date.
- (2) Applicable percentage of ownership as of the Record Date is based upon 129,585,141 ordinary shares of Alkermes issued and outstanding.

- (3) Includes 70,281 ordinary shares held by The Corey Bloom Family Trust, 9,028 ordinary shares held by the Floyd E Bloom Charitable Remainder Trust, and 21,066 ordinary shares held by the Jody Corey Bloom Charitable Remainder Trust. Dr. Bloom is a Trustee of these trusts. He disclaims beneficial ownership of the shares held by such trusts, except to the extent of his pecuniary interest therein, if any.

Ownership By Principal Shareholders

The following table and notes provides information about the beneficial ownership of our ordinary shares as of the Record Date, or as otherwise set forth below, by each shareholder known to us to be the beneficial owner of more than 5% of our ordinary shares.

Name	Ordinary Shares Beneficially Owned(1)	Percent Beneficially Owned(2)
5% Shareholders		
Elan Corporation, plc(3) Treasury Building Lower Grand Canal Street Dublin 2 Ireland	31,900,000	24.62%
FMR LLC(4) 82 Devonshire Street Boston, MA 02109	14,275,434	11.02%
Federated Investors, Inc.(5) Federated Investors Tower Pittsburgh, PA 15222	10,090,672	7.79%
Wellington Management Company, LLP(6) 75 State Street Boston, MA 02109	9,731,403	7.51%
Blackrock, Inc.(7) 40 East 52nd Street New York, NY 10022	5,906,881	4.56%
James E. Flynn(8) 780 Third Avenue, 37th Floor New York, NY 10017	5,711,931	4.41%
T. Rowe Price Associates, Inc.(9) 100 E. Pratt Street Baltimore, MD 21202	5,547,964	4.28%

Notes to Ownership by Principal Shareholders Table

- (1) Beneficial ownership is determined in accordance with the rules of the SEC and includes voting and investment power with respect to shares. Unless otherwise indicated below, to the knowledge of Alkermes, all persons listed have sole voting and investment power with respect to their ordinary shares.

- (2) Applicable percentage of ownership as of the Record Date, is based upon 129,585,141 ordinary shares of Alkermes outstanding.
- (3) Based solely on a Schedule 13D dated September 26, 2011, Elan and Elan Science Three Limited (ES3) (together, ES3 and Elan, the Elan Reporting Parties) may be deemed to beneficially own 31,900,000 ordinary shares. The number of ordinary shares as to which each of the Elan Reporting Parties shares the power to vote or direct the vote is 31,900,000. The number of ordinary shares as to which each of the Elan Reporting Parties shares the power to dispose or direct the disposition of is 31,900,000. The number of ordinary shares as to which each of the Elan Reporting Parties has the sole power to vote or direct the vote, dispose or direct the disposition is zero. Elan is a neuroscience-based biotechnology company focused on discovering and developing advanced therapies in neurodegenerative and autoimmune diseases.

ES3 is an indirect wholly-owned subsidiary of Elan. The principal assets of ES3 consist of 31,900,000 ordinary shares of Alkermes and the capital stock of ES3's subsidiaries.

The shares were acquired pursuant to the Business Combination, effective September 16, 2011. The Elan Reporting Parties together acquired common beneficial ownership over the ordinary shares and hold such shares pursuant to a Shareholder's Agreement, dated as of September 16, 2011 among the Elan Reporting Parties and Alkermes. Under the terms of the Shareholder's Agreement, ES3 may designate one person for election to the Board until Elan beneficially owns ordinary shares representing less than 10% of the outstanding voting securities of Alkermes and provided that such designee be a resident of Ireland and qualify as an independent director under applicable provisions of the Exchange Act and under applicable NASDAQ rules and regulations. Until at least September 16, 2012, ES3 will be obligated to vote on all matters in accordance with the recommendation of the Board. Thereafter, ES3 will remain obligated to vote in accordance with the Board's recommendation for so long as Elan beneficially owns more than 15% of the outstanding voting securities of Alkermes or the 30-day weighted average trading price of Alkermes' ordinary shares is at least US\$7.595. Under the terms of the Shareholder's Agreement, Elan is subject to a standstill provision until the later of September 16, 2021 or three years from the time ES3 ceases to hold more than 10% of the outstanding voting securities of Alkermes. The standstill restrictions generally prevent Elan from acquiring any additional Alkermes voting securities and from taking a number of actions that might result in Elan exerting influence or control over Alkermes. The standstill restrictions will terminate early on certain events, including a decision by Alkermes to recommend or engage in a transaction that would result in a change of control of Alkermes. Elan and ES3 are subject to certain restrictions on their ability to transfer ordinary shares without Alkermes' consent. Until March 17, 2012, Elan and ES3 will be subject to a lock-up and following that lock-up may make an initial transfer of up to 40.75% (approximately 13 million ordinary shares) of their total stake in Alkermes in a marketed registered underwritten offering. After this initial offering, Elan and ES3 may transfer a further 31.5% (approximately 10 million ordinary shares) of their initial total stake in Alkermes in another marketed registered underwritten offering. Thereafter, Elan will be subject to certain limitations as to the size of any transfer and the nature of the transferee in connection with directly negotiated transfers. Under the Shareholder's Agreement, Alkermes granted Elan certain customary registration rights, including demand (including shelf) and piggyback registration rights with respect to transfers of ordinary shares. The registration rights will terminate four months after Elan's ownership of Alkermes' voting securities falls below 10% of the outstanding Alkermes voting securities or sooner in certain circumstances. The foregoing description of the Shareholder's Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Shareholder's Agreement, a copy of which is attached as Exhibit 2.2 to the Current Report on Form 8-K filed by Alkermes, Inc. on May 9, 2011.

- (4) Based solely on a Schedule 13G/A dated February 11, 2011, FMR LLC, a parent holding company, has sole voting power over 33,050 ordinary shares of Alkermes and sole investment power over 14,275,434 ordinary shares of Alkermes. Of the shares reported as beneficially owned by FMR LLC:

Fidelity Management & Research Company (Fidelity), a wholly-owned subsidiary of FMR LLC and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 14,246,684 ordinary shares of Alkermes as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940.

The ownership of one investment company, Fidelity Growth Company Fund, amounted to 10,182,261 ordinary shares of Alkermes outstanding. Edward C. Johnson 3d and FMR LLC, through its control of Fidelity, and the funds each has sole power to dispose of the 14,246,684 ordinary shares owned by the Funds.

Members of the family of Edward C. Johnson 3d, Chairman of FMR LLC, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling

group with respect to FMR LLC. Neither FMR LLC nor Edward C. Johnson 3d, Chairman of FMR LLC, has the sole power to vote or direct the voting of the shares owned directly by the Fidelity Funds, which power resides with the Funds' Boards of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the Funds' Boards of Trustees.

Pyramis Global Advisors Trust Company (PGATC), an indirect wholly-owned subsidiary of FMR LLC and a bank as defined in Section 3(a)(6) of the Securities Exchange Act of 1934, is the beneficial owner of 28,750 ordinary shares of Alkermes as a result of its serving as investment manager of institutional accounts owning such shares. Edward C. Johnson 3d and FMR LLC, through its control of Pyramis Global Advisors Trust Company, each has sole dispositive power over 28,750 ordinary shares and sole power to vote or to direct the voting of 28,750 ordinary shares of Alkermes owned by the institutional accounts managed by PGATC as reported above.

- (5) Based solely on a Schedule 13G/A dated February 8, 2011, Federated Investors, Inc., which is referred to in this proxy statement as Federated, in its capacity as investment adviser, may be deemed to beneficially own and has sole voting and dispositive power with respect to 10,090,672 ordinary shares of Alkermes. Federated is the parent holding company of investment advisers that act as advisers to registered investment companies and separate accounts that own ordinary shares of Alkermes. All of Federated's outstanding stock is held in the Voting Shares Irrevocable Trust for which John F. Donahue, Rhodora J. Donahue and J. Christopher Donahue act as trustees. As trustees, these individuals are each deemed to beneficially own and share voting and dispositive power with respect to the 10,090,672 shares.
- (6) Based solely on a Schedule 13G/A dated April 11, 2011, Wellington Management Company, LLP, which is referred to in this proxy statement as Wellington Management, in its capacity as investment adviser, may be deemed to beneficially own 9,731,403 ordinary shares of Alkermes which are held of record by clients of Wellington Management. Wellington Management shares voting power over 7,271,980 ordinary shares of Alkermes and shares investment power over 9,731,403 ordinary shares of Alkermes.
- (7) Based solely on a Schedule 13G/A dated January 21, 2011, Blackrock, Inc. beneficially owns and has sole dispositive and voting power with respect to 5,906,881 ordinary shares of Alkermes.
- (8) Based solely on a Schedule 13G/A dated February 2, 2011, James E. Flynn, beneficially owns 5,711,931 ordinary shares of Alkermes. Of the shares beneficially owned by Mr. Flynn:

2,364,730 shares are held by Deerfield Capital, L.P. and Deerfield Partners, L.P. Mr. Flynn, Deerfield Capital, L.P. and Deerfield Partners, L.P. have shared dispositive and voting power with respect to 2,364,730 ordinary shares of Alkermes.

3,347,201 shares are held by Deerfield Management Company, L.P. and Deerfield International Limited. Mr. Flynn, Deerfield Management Company, L.P., and Deerfield International Limited have shared dispositive and voting power with respect to 3,347,201 ordinary shares of Alkermes.

- (9) Based solely on a Schedule 13G dated February 14, 2011, T. Rowe Price Associates, Inc. (T. Rowe Price) beneficially owns 5,547,964 ordinary shares of Alkermes. Of the shares beneficially owned by T. Rowe Price, it has sole voting power with respect to 779,270 ordinary shares of Alkermes and sole dispositive power with respect to 5,547,964 ordinary shares of Alkermes.

EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS

Business Combination Transaction

On September 16, 2011, Alkermes, Inc. and Elan completed a business combination transaction pursuant to which the Company, a new holding company formed in Ireland for purposes of the transaction, became the parent holding company of Alkermes, Inc. and of the EDT business formerly conducted by Elan (and carved out of Elan as part of that transaction). Alkermes, Inc. became a wholly-owned subsidiary of Alkermes pursuant to a merger of a transitory merger subsidiary of Alkermes with and into Alkermes, Inc. In the merger, all outstanding shares of Alkermes, Inc. common stock, par value US\$0.01 per share, were canceled and converted into the right to receive, on a one-for-one basis, ordinary shares, nominal value US\$0.01 per share, of Alkermes, which ordinary shares now trade under the same Nasdaq symbol in substitution for the Alkermes, Inc. common stock. In connection with the acquisition of the EDT business of Elan, Alkermes issued to a subsidiary of Elan 31,900,000 new ordinary shares.

The former shareholders of Alkermes, Inc. own approximately 75% of the issued ordinary share capital of Alkermes, with the remaining approximately 25% owned by ES3, a subsidiary of Elan. The current directors of Alkermes were directors of Alkermes, Inc. prior to the consummation of the Business Combination (two former Alkermes, Inc. directors, who resigned upon the effectiveness of the merger, are not directors of Alkermes) and the directors that served on the Alkermes, Inc. Compensation Committee now serve on the Alkermes Compensation Committee. In addition, the former principal executive officer (PEO) and principal financial officer (PFO) of Alkermes, Inc. now serve as the PEO and PFO of Alkermes.

Given the aforementioned, the following discussion of our *Executive Compensation Discussion and Analysis* will focus on the most recently completed fiscal year of Alkermes, Inc., as we believe this provides the most relevant disclosure pertaining to the compensation practices that have been and will be followed by Alkermes. Except where specifically noted or the context otherwise requires, the use of terms such as we and our and us in this *Executive Compensation Discussion and Analysis* refers to Alkermes and to Alkermes, Inc., interchangeably.

Introduction and Corporate Governance

Our Compensation Committee, or the Committee, reviews, oversees and administers our executive compensation programs. The Committee's complete roles and responsibilities are set forth in the written charter adopted by the Board, which is available on the Governance page of the Investor Relations section of our website, available at: <http://investor.alkermes.com>. The Alkermes, Inc. Board selected the following individuals to serve on the Committee for its 2011 fiscal year: Mark B. Skaletsky (Chair), Paul J. Mitchell and David W. Anstice. The Compensation Committee of the Board of Alkermes plc is comprised of the same individuals.

Executive Compensation Philosophy and Objectives

Our executive compensation program is designed to attract, retain and motivate experienced and well-qualified executive officers who will promote our research and product development, manufacturing, commercialization and operational efforts. We structure our executive officer compensation packages based on level of job responsibility, internal and external peer comparisons, individual performance, principles of internal fairness and our overall company performance. The Committee bases its executive compensation programs on the same objectives that guide us in establishing all our compensation programs, which are:

To provide an overall compensation package that rewards individual performance and corporate performance in achieving our objectives, as a means to promote the creation and retention of value for us and our

shareholders;

To attract and retain a highly skilled work force by providing a compensation package that is competitive with other employers who compete with us for talent;

To structure an increasing proportion of an individual's compensation as performance-based as he or she progresses to higher levels within our company;

To foster the long-term focus required for success in the biotechnology industry; and

To structure our compensation and benefits programs similarly across our company.

Compensation Program Elements

The compensation program for executive officers consists of the following elements:

Base salary;

Annual cash performance pay (bonus); and

Long-term equity incentive awards, including:

Stock options; and

Restricted stock unit awards (also referred to as restricted stock awards)

The Committee utilizes these elements of compensation to structure compensation packages for executive officers that can reward both short and long-term performance of the individual and our company and foster executive retention.

Base Salary

Base salaries are used to provide a fixed amount of compensation for the executive's regular work. The Committee establishes base salaries that are competitive with comparable companies for each position and level of responsibility to the extent such comparable companies and positions exist. The salaries of the executive officers are reviewed on an annual basis, at the time of the mid-fiscal year performance review established by us. In determining increases, if any, to base salary, the Committee may consider factors such as the individual's performance, level of pay compared to comparable companies for each position and level of responsibility, experience in the position of the individual, cost of living indices, the magnitude of other annual salary increases at our company, and general progress towards achieving the corporate objectives. Any base salary increase for an executive officer must be established by the Committee.

Cash Performance Pay

Cash performance pay motivates executive officers to achieve both short-term operational and longer term strategic goals that are aligned with, and supportive of, our long-term company value. Cash performance pay is awarded by the Committee after the fiscal year-end based on an evaluation of our company performance and each individual's contribution to this performance during such fiscal year. Performance objectives are established and evaluated by the Committee as outlined below.

In March 2010, the Committee approved the Alkermes, Inc. Fiscal Year 2011 Reporting Officer Performance Pay Plan, or the 2011 Performance Plan, and established target performance pay ranges and target performance pay that may be earned for the period April 1, 2010 to March 31, 2011 by our executive officers, including all of our named executive officers. The plan contained the following fiscal year 2011 corporate objectives for our executives:

maximize revenues from our partnered products; prepare for expansion of the VIVITROL® business into the opioid indication; advance our proprietary pipeline; expand our portfolio; achieve financial performance against budget; and respond to changing business conditions. In March 2010, the Committee initially set the range of the fiscal year 2011 cash performance pay award under the 2011 Performance Plan for Richard F. Pops, our President, Chief Executive Officer and Chairman of the Board, at between 0% and 100% of base salary, with a target performance pay award of 60% of base salary; in July 2010, the Committee, based on comparable market data that had recently been updated by the Committee's external compensation consultant (as discussed below), modified such performance pay range and target cash performance pay award to between 1% and 150% of base salary and 75% of base salary, respectively. The comparable market data for the President, Chief Executive Officer and Chairman showed that the initial target

cash performance pay fell below the range of target performance pay for chief executive officers in our peer group of comparable companies. In March 2010, the Committee set the range of the fiscal year 2011 cash performance pay awards under the 2011 Performance Plan for participants other than the President, Chief Executive Officer and Chairman of the Board at between 0% and 100% of base salary, with a target cash performance pay award of 50% of base salary. The Committee established such performance pay targets and performance pay ranges based generally on comparable market data. Cash performance pay under our 2011 Performance Plan is awarded after the close of the fiscal year based upon the Committee's review of the performance of our company against our fiscal year corporate objectives, and the individual performance of each executive officer against such corporate objectives. Individual performance of the participants is determined by the Committee in its sole discretion.

Equity Incentives Stock Options, Restricted Stock Awards and Restricted Stock Unit Awards

In October 2008, our shareholders adopted the Alkermes, Inc. 2008 Stock Option and Incentive Plan, or the 2008 Plan. The award of stock options (both incentive and non-qualified options), restricted stock unit awards, restricted stock awards, cash-based awards, and performance share awards is permitted under the 2008 Plan. The 2008 Plan is the only equity plan under which we currently grant equity awards. As used herein, the term "restricted stock award," unless otherwise specified, will include restricted stock unit awards and restricted stock awards.

Grants of stock options and restricted stock awards under our 2008 Plan are designed to promote long-term retention and stock ownership, and align the interests of executives with those of shareholders, providing our executives with the opportunity to share in the future value they are responsible for creating. Generally, stock options and non-performance-based restricted stock awards vest in equal annual installments over a four-year period. The Committee may, in its discretion, award equity with a different vesting schedule; however, under the 2008 Plan, restricted stock awards granted to employees that have a performance-based goal are required to have a restriction period of at least one year, and those with a time-based restriction are required to have at least a three-year restriction period, although vesting can occur incrementally over such three-year period. We had two retirement provisions open to all employees, only one of which (detailed immediately below) contained eligibility criteria that certain of our executive officers have met. If any employee whose age plus years of service equals at least 55 and who has at least 12 years of service with our company retires, then those stock options granted under our 2008 Plan before May 17, 2010, and under our 1998 Equity Incentive Plan and Amended and Restated 1999 Stock Option Plan (i) after December 9, 2004 and before May 17, 2010 or (ii) before December 9, 2004 with an exercise price less than US\$13.69, shall vest and become exercisable in full for a prescribed period of time after retirement, not to exceed the full term of the grant. As of March 31, 2011, Mr. Pops, Mr. Landine, and Mr. Frates were the only named executive officers who met the retirement eligibility criteria reflected in these stock option grants; however, Mr. Pops was not entitled to the benefit of this retirement provision for stock options granted to him for performance during fiscal years 2008, 2009 and 2010; this retirement provision did not apply to grants made on or after May 17, 2010. If the retirement criteria have not been met, vested exercisable stock options remain exercisable for up to three months from the recipient's date of termination from service and unvested stock options are forfeited, unless otherwise specifically determined by the Committee. Currently, there are no special retirement provisions associated with restricted stock awards.

The number of shares underlying options and restricted stock awards granted to each executive officer is generally determined by the Committee based on: the performance of the executives and their contributions to overall performance of our company; information with regard to stock option grants and restricted stock awards at comparable companies, and generally within the biotechnology industry, based upon data provided by the independent compensation consultant (as discussed below); the dollar value of equity awards, as determined using the Black-Scholes option pricing model; consideration of previous equity awards made to such person; and personal knowledge of the Committee members regarding executive stock options and restricted stock awards at comparable companies. Consideration is also given to the impact of stock option and restricted stock awards on our results of

operations.

During fiscal year 2008, the Committee shifted its equity compensation philosophy by altering the historical composition of equity incentives from primarily stock options to a combination of stock options and restricted stock awards. At the same time, the Committee decided to more selectively utilize these types of equity compensation within the company to focus on senior executives and those other key employees, as identified by our Chief Executive Officer in consultation with our human resources department, who are more likely to be motivated by such equity compensation. The Committee made these changes because it believed using equity in this manner would be more effective in rewarding and retaining key employees and motivating executives to increase shareholder value. In this context, the Committee rebalanced the mix of stock options and restricted stock awards such that senior executives receive a greater proportion of stock options than restricted stock awards, vice presidents receive a more balanced mixture of the two, and we more aggressively utilize restricted stock awards for other of our key employees.

The Committee set the range of equity compensation for fiscal year 2011 for our President, Chief Executive Officer and Chairman of the Board at 0 to 600,000 share units, with each full value award issued under our 2008 Plan, such as the grant of a unit of restricted stock, counted as two share units for each share of common stock actually subject to the award, and each grant of a stock option issued under our 2008 Plan counted as an award of one share unit for each share of common stock actually subject to the award.

Compensation Determinations

Factors Considered in Determining Compensation

The Committee may consider a number of factors to assist it in determining compensation for our executive officers.

Company Performance. As discussed previously, the Alkermes, Inc. Board adopted five corporate objectives for our company for fiscal year 2011 and the Committee adopted these objectives and a sixth objective set forth below to measure the performance of our company and its senior executives during the fiscal year ended March 31, 2011: (i) maximize revenues from our partnered products; (ii) prepare for expansion of the VIVITROL business into the opioid indication; (iii) advance our proprietary pipeline; (iv) expand our portfolio; (v) achieve financial performance against budget; and (vi) respond to changing business conditions. The Committee considered the following in assessing our performance against the respective objectives:

Corporate Objectives

Accomplishments

Maximize revenues from our partnered products	<p>We shipped approximately 7.8 million vials of RISPERDAL® CONSTA® and exceeded our budgeted gross margin targets.</p> <p>We had record manufacturing and royalty revenues from RISPERDAL CONSTA of US\$154.3 million in fiscal 2011, driven by worldwide sales of RISPERDAL CONSTA of over US\$1.5 billion by Janssen, Division of Ortho-McNeil-Janssen Pharmaceuticals, Inc. and Janssen-Cilag.</p> <p>Our partner, Cilag GmbH International, a subsidiary of Johnson & Johnson, received approval for VIVITROL in Russia for the treatment of opioid dependence.</p> <p>The Committee for Medicinal Products for Human Use of the European Medicines Agency issued a positive opinion recommending approval of BYDUREON™ in the European Union for the treatment of type 2 diabetes in combination with certain oral therapies.</p>
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Partnered product candidate, exenatide in a once-monthly injectable suspension formulation, demonstrated positive results in a phase 2 study evaluating its effects on glycemic control in patients with type 2 diabetes.

Corporate Objectives

Accomplishments

Prepare for expansion of the VIVITROL business into the opioid indication	<p>The U.S. Food and Drug Administration, or FDA, designated the supplemental New Drug Application for VIVITROL for opioid dependence a priority review, accelerating the FDA's target review timeline from ten to six months.</p> <p>We presented the positive phase 3 data for VIVITROL for opioid dependence at the 2010 American Psychiatric Association Annual Meeting.</p> <p>We secured a positive recommendation for approval from the Psychopharmacologic Drugs Advisory Committee in September 2010, which was followed by approval to market VIVITROL for the prevention of relapse to opioid dependence, following opioid detoxification, in October 2010.</p> <p>The positive phase 3 study of VIVITROL for the treatment of opioid dependence was published in the top-tier, peer-reviewed journal, <i>The Lancet</i>.</p> <p>We submitted and received pre-clearance of marketing materials from the FDA's Division of Drug Marketing, Advertising, and Communications.</p> <p>Our partner, Cilag GmbH International, a subsidiary of Johnson & Johnson, received approval for VIVITROL in Russia for the treatment of opioid dependence.</p>
Advance our proprietary pipeline	<p><i>VIVITROL</i></p> <p>We announced positive interim data from a multicenter, open-label, two-year, phase 4 study of VIVITROL that is evaluating the safety and efficacy of VIVITROL in the treatment of 38 healthcare professionals with a history of opioid dependence.</p> <p><i>ALKS 37</i></p> <p>We initiated and announced positive data from a phase 2 study of ALKS 37, an orally active, peripherally-restricted opioid antagonist, for the treatment of opioid-induced constipation.</p> <p><i>ALKS 33</i></p> <p>We announced positive results from a phase 1 study of ALKS 33, in combination with buprenorphine, for the treatment of cocaine addiction.</p> <p>We reported results from a phase 2 study of ALKS 33 for alcohol dependence.</p> <p>We initiated a phase 2 study of ALKS 33 for the treatment of binge eating disorder.</p> <p>We presented promising preclinical data on ALKS 33 for prevention of olanzapine-associated weight gain, blocking elevations in nucleus accumbens dopamine following cocaine and amphetamine administration, regardless of the route of administration, and the relationship between binge eating and reward disorders at the 40th Annual Meeting</p>

of the Society for Neuroscience.

ALKS 9070

We initiated a phase 1b study of ALKS 9070 for the treatment of schizophrenia.

Expand our portfolio

We expanded development of our ALKS 33 program. ALKS 33, an oral opioid modulator, is being studied in combination with buprenorphine as ALKS 5461 for the treatment of:

cocaine addiction, with plans to initiate a phase 1/2 study in mid-calendar year 2011; and

treatment-resistant depression, with plans to file an IND and initiate a phase 1/2 study in mid-calendar year 2011.

We conducted a review of the EDT proprietary product portfolio to determine portfolio expansion priorities post consummation of the acquisition of EDT.

**Corporate
Objectives**

Accomplishments

Achieve financial performance against budget

Total revenues for fiscal 2011 were US\$186.6 million. We announced record manufacturing and royalty revenues from RISPERDAL CONSTA of US\$154.3 million.

Worldwide sales of RISPERDAL CONSTA by Janssen, Division of Ortho-McNeil-Janssen Pharmaceuticals, Inc. and Janssen-Cilag were over US\$1.5 billion in fiscal 2011, a 3.3% increase over sales of RISPERDAL CONSTA in fiscal 2010.

Net sales of VIVITROL for fiscal 2011 were US\$28.9 million, an increase of 43% compared to fiscal 2010. We generated seven consecutive quarters of growth in VIVITROL net sales.

We repurchased all of our secured non-recourse RISPERDAL CONSTA 7% notes prior to their maturity, leaving the company debt-free.

At the close of fiscal year 2011, we were in a strong financial position with cash and total investments of US\$294.7 million.

Respond to changing business conditions

We negotiated and ultimately entered into an agreement with Elan Corporation, plc for the merger of Alkermes with EDT. The transaction is expected to be immediately accretive to cash earnings and accelerates Alkermes' path to building a sustainably profitable biopharmaceutical company focused on central nervous system diseases.

We repurchased our RISPERDAL CONSTA notes prior to their maturity, saving over US\$3.2 million in interest and accretion expense, and leaving us debt-free.

The Committee does not apply a formula or assign these performance objectives relative weights. Rather, it makes a subjective determination after considering such measures individually and in the aggregate.

Individual Performance. In establishing compensation levels, the Committee also evaluates each executive's individual performance using certain subjective criteria, including an evaluation of each executive's managerial ability and contribution to achievement of the corporate objectives and to overall corporate performance. In making its evaluations, the Committee consults on an informal basis with other members of the Board. In establishing compensation for executive officers other than Mr. Pops, the Committee reviewed in detail the recommendations of Mr. Pops. With respect to Mr. Pops, the Committee met at the end of the fiscal year to evaluate his performance against the corporate objectives of our company.

Use of Compensation Consultant for Benchmarking. Another factor considered by the Committee in determining executive compensation is the high demand for well-qualified personnel. Given such demand, the Committee strives to maintain compensation levels which are competitive with the compensation of other executives in the industry. To that end, the Committee, through our Human Resource Department's Director of Compensation and Benefits, retained the services of Pearl Meyer and Partners, or PMP, a nationally-recognized, independent executive compensation consulting firm, to review market data and various incentive programs and to provide assistance in establishing our cash and equity based compensation targets and awards based, in large part, upon a peer group identification and assessment that it was retained to conduct. PMP took direction from, and provided reports to, our Director of Compensation and Benefits, who acted on behalf of and at the direction of the Committee. PMP did not provide us with any services other than the services requested by the Committee.

The companies that comprised our pharmaceutical peer group for fiscal year 2011 consisted of: Alnylam Pharmaceuticals, Inc.; AMAG Pharmaceuticals, Inc.; Amylin Pharmaceuticals Inc.; Auxilium Pharmaceuticals, Inc.; BioMarin Pharmaceutical Inc.; Cubist Pharmaceuticals, Inc.; Enzon Pharmaceuticals, Inc.; Isis Pharmaceuticals, Inc.; The Medicines Company; Nektar Therapeutics; United Therapeutics Corporation; Vertex Pharmaceuticals Incorporated; and ViroPharma Incorporated. These thirteen publicly-traded, US-headquartered companies compete in similar product, service and labor markets as Alkermes and have generally similar revenues.

PMP also reviewed, and provided to the Committee, data from a survey group of companies, which reflects a broader group of biopharmaceutical/biotechnology companies employing the appropriate revenue, industry and executive role perspectives. Data is collected from survey sources containing data on companies

of similar size and in the same industry as Alkermes. Surveys used in this analysis were the 2010 Radford Life Sciences Survey and one survey source maintained as confidential by PMP.

The peer group analyses enable the Committee to compare our executive compensation program as a whole and also the pay of individual executives if the jobs are sufficiently similar to make the comparison meaningful. The Committee seeks to ensure that our executive compensation program is competitive, meaning generally between the 50th and the 75th percentile of our peers in terms of value when we achieve targeted performance levels; however, as mentioned elsewhere in our compensation discussion and analysis, this comparative data provided by PMP is only one of many factors that the Committee takes into consideration in determining executive and individual compensation programs. The Committee, in its sole authority, has the right to hire or terminate outside compensation consultants.

Executive Officer Compensation Determination

Base Salary. The Committee reviewed base salaries for all of our executive officers coinciding with our mid-fiscal year performance review. In determining base salary adjustments for executive officers for fiscal year 2011, the Committee considered a number of factors, such as cost of living indices, market data for comparable companies, general progress towards achieving the fiscal year corporate objectives and, for those executive officers other than Mr. Pops, the recommendations of Mr. Pops. Based on this review, the Committee increased the base salaries of Messrs. Pops, Frates, Landine and Pugh and Dr. Ehrich by approximately 3.5%, effective as of October 24, 2010.

Cash Performance Pay. In October 2010, we paid one-time bonuses to certain of our employees for the extraordinary effort required to prepare for and participate in the Psychopharmacologic Drugs Advisory Committee for VIVITROL for the treatment of opioid dependence, which was held in September 2010. As part of those awards and at Mr. Pops recommendation, the Committee approved the award of such a one-time bonus to Dr. Ehrich in the amount of US\$7,326 in October 2010.

In May 2011, the Committee reviewed our performance against the fiscal year corporate objectives, the performance of Mr. Pops against such corporate objectives, and the target cash performance pay and cash performance pay range set by the Committee. The Committee determined that the cash performance pay for Mr. Pops for fiscal year 2011 should be equal to US\$900,000, which is equal to approximately 127% of his base salary. The cash performance pay for Mr. Pops was determined based on the Committee's assessment of his performance against the corporate objectives, including the integral role he played in securing the Business Combination, advancing our proprietary pipeline, addressing the delay in U.S. regulatory approval for BYDUREON, obtaining approval of VIVITROL for the treatment of opioid dependence, meeting our financial objectives and generally transforming us from a drug delivery company dependent on partner portfolio decisions to an integrated pharmaceutical company advancing its own pipeline of proprietary products. In setting Mr. Pops' cash performance pay, the Committee also discussed data from PMP regarding cash performance pay for chief executive officers of our peer group companies.

Also, in April and May 2011, Mr. Pops presented to the Committee a performance evaluation of each of the other named executive officers and his recommendations for cash performance pay amounts based on such evaluation. Based upon the achievement of our corporate objectives, the challenges faced by each individual named executive officer in achieving those objectives and the individual performance recommendations of Mr. Pops, as well as the target cash performance pay and cash performance pay ranges set by the Committee, the Committee determined and awarded cash performance pay for fiscal year 2011 in an amount equal to, for Messrs. Landine and Pugh approximately 72%, Mr. Frates approximately 65% and Dr. Ehrich approximately 73%, of their respective current base salaries. All such amounts are set forth in the Summary Compensation Table below.

Equity Incentives – Stock Options and Restricted Stock Awards. In May 2011, after the close of fiscal year 2011, the Committee awarded equity grants for fiscal year 2011 performance. In determining the grant of equity to Mr. Pops,

the Committee took into consideration comparable peer group data provided by PMP, the dollar value of equity awards, as determined using the Black-Scholes option pricing model, historic awards, the overall equity position of Mr. Pops, the performance of our company against corporate objectives, and the

performance of Mr. Pops against the corporate objectives. The Committee also considered the potential beneficial impact on shareholder return offered by the long-term incentive nature of time-vesting equity grants. Based upon these factors, the Committee awarded Mr. Pops a stock option grant of 400,000 shares and a restricted stock unit award of 32,500 shares. These stock options and restricted stock unit awards vest in four equal annual installments commencing on the one-year anniversary of the grant date, subject to early vesting in certain instances described below in Potential Payments upon Termination or Change in Control.

The following table sets forth equity incentive awards earned by Mr. Pops based on his performance and the performance of our company during fiscal years 2010 and 2011.

	2010 Fiscal Year Performance (April 1, 2009 – March 31, 2010)	2011 Fiscal Year Performance (April 1, 2010 – March 31, 2011)
Richard F. Pops	Stock option grant for 325,000 shares <i>Grant of 325,000 shares on May 17, 2010</i> Restricted stock unit award for 32,500 shares <i>Grant of 32,500 shares on May 17, 2010</i> Restricted stock unit award for 25,000 shares <i>Grant of 25,000 shares on May 26, 2009*</i>	Stock option grant for 400,000 shares <i>Grant of 400,000 shares on May 20, 2011</i> Restricted stock unit award for 32,500 shares <i>Grant of 32,500 shares on May 20, 2011</i>

* Subject to performance vesting criteria

Does not include Retention Awards granted during fiscal year 2010 (described below) provided by the Committee to Mr. Pops in recognition of his new role as our Chairman, President and Chief Executive Officer.

In November 2009, the Committee provided Mr. Pops with an equity grant in recognition of his new role as Chairman, President and Chief Executive Officer of the Company. In determining the grant of equity to Mr. Pops, the Committee took into consideration the overall equity position of Mr. Pops and the retention value of such equity. The Committee awarded Mr. Pops a stock option grant of 500,000 shares, or the Retention Option Award, vesting in four equal annual installments commencing on the one-year anniversary of the grant date, subject to early vesting in certain instances described below in Potential Payments upon Termination or Change in Control. To maximize its retentive value, the stock option grant did not receive the benefit of certain retirement provisions for which Mr. Pops would otherwise qualify and which would provide accelerated vesting and greater time to exercise the options as described above under Compensation Program Elements Equity Incentives Stock Options, Restricted Stock Awards and Restricted Stock Unit Awards. The Committee also provided Mr. Pops with a restricted stock unit award of 250,000 shares, or the Retention RSU Award, which, together with the Retention Option Award, we refer to as the Retention Awards, vesting 50% on the third anniversary of the date of grant and 50% on the fourth anniversary of the date of grant, subject to early vesting in certain instances described below in Potential Payments upon Termination or Change in Control. This vesting schedule, which differs from our standard restricted stock unit vesting schedule, was specifically chosen by the Committee as a retention mechanism and to align Mr. Pops' interests with the long term interests of our shareholders.

In May 2011, after the close of fiscal year 2011, the Committee also awarded equity grants for all other executive officers for performance during such fiscal year. The Committee considered the comparable peer group data provided by PMP, the dollar value of equity awards as determined using the Black-Scholes option pricing model, historic

awards, the performance of our company against corporate objectives, the overall equity position of each of the executives and the recommendations of Mr. Pops based on his assessment of each individual's performance against corporate objectives. Based upon these factors, the Committee awarded the following equity grants to each of Messrs. Frates, Landine and Pugh and Dr. Ehrich: a stock option grant of 100,000 shares and a restricted stock unit award of 15,000 shares. Each of these stock option grants and restricted stock unit awards vests in four equal annual installments commencing on the one-year anniversary of the grant date, subject to early vesting in certain instances such as death or permanent disability and other instances as described below in Potential Payments upon Termination or Change in Control.

Stock Ownership Guidelines

Our Board members and executive officers (consisting of those who are required to file reports under Section 16(a) of the Exchange Act) are subject to stock ownership guidelines. The guidelines are designed to align the interests of our Board members and executive officers with those of our shareholders by ensuring that our Board members and executive officers have a meaningful financial stake in our long-term success. The guidelines establish minimum ownership levels by position (set forth below), with such values determined based on the value of common stock owned by such persons as of certain annual measurement dates specified in guidelines. Our stock ownership guidelines were approved by the Committee and Alkermes, Inc. Board in March 2009, with an effective date of April 1, 2010. The ownership levels specified in the guidelines became effective for our Chief Executive Officer as of April 1, 2010 and will become effective for all other current members of our Board and executive officers as of April 1, 2015.

Position	Value of Shares Owned
Chief Executive Officer	3.0 times base salary as of April 1, 2010 5.0 times base salary as of April 1, 2015
Board Members	US\$ 100,000
Other Section 16 reporting persons	1.0 times base salary

All shares directly or beneficially owned by the director or executive officer, including the value of vested stock options (where the market price of our common stock as of the measurement date exceeds the strike price of such option), are included for purposes of determining the value of shares owned under our stock ownership guidelines.

For any Board members and executive officers joining our company after April 1, 2010, the stock ownership guidelines will become effective beginning on that April 1 that is five full years after their appointment as a Board member or executive officer. The Nominating and Corporate Governance Committee determined that Mr. Pops had met the stock ownership thresholds set forth in the guidelines as of April 1, 2011.

Perquisites

We did not provide executive officers with any perquisites in fiscal year 2011.

Retirement benefits

The terms of our 401(k) Savings Plan (401k Plan), provide for executive officer and broad-based employee participation. Under the 401k Plan, all of our employees are eligible to receive matching contributions from us. Our matching contribution for the 401k Plan for fiscal year 2011 was as follows: dollar for dollar on the first 1% of each participant's eligible compensation and US\$0.50 on the dollar on the next 5% of each participant's eligible compensation, for a total match of 3.5% of such participant's eligible compensation, subject to applicable Federal limits.

Other benefits

Executive officers are eligible to participate in our employee benefit plans on the same terms as all other employees. These plans include medical, dental and life insurance. We may also provide relocation expense reimbursement and related tax gross-up benefits which are negotiated on an individual basis with executive officers. In addition, executive officers are eligible to receive severance benefits in connection with a termination or a change in control as set forth in

each of their employment contracts and described more fully below.

Post Termination Compensation and Benefits

We have a program in place under which our executive officers receive severance benefits if they are terminated without cause or if they terminate their employment for good reason (e.g., a material diminution in his or her responsibilities, authority, powers, functions, duties or compensation or a material change in the geographic location at which he or she must perform his or her employment), and thereafter sign a general release of claims. Additionally, named executive officers receive severance benefits if, for a period of time

following a corporate transaction or a change in control, they are terminated without cause or they terminate for good reason. The terms of these arrangements and the amounts payable under them are described in more detail below under Potential Payments Upon Termination or Change in Control. We provide these arrangements because we believe that some severance arrangements are necessary in a competitive market for talent to attract and retain high quality executives. In addition, the change in control benefit allows the executives to maintain their focus on our business during a period when they otherwise might be distracted.

Tax Deductibility of Compensation

In general, under Section 162(m) of the Code, we cannot deduct, for federal income tax purposes, compensation in excess of US\$1,000,000 paid to our named executive officers. This deduction limitation does not apply, however, to certain performance-based compensation within the meaning of Section 162(m) of the Code and the regulations promulgated thereunder.

Management regularly reviews the provisions of our plans and programs, monitors legal developments and works with the Committee to preserve Section 162(m) tax deductibility of compensation payments. Changes to preserve tax-deductibility are adopted to the extent reasonably practicable, consistent with our compensation policies and as determined to be in our best interests and the best interests of our shareholders.

Summary Compensation Table for the 2011, 2010 and 2009 Fiscal Years

The following table presents and summarizes the compensation paid to, or earned by, our named executive officers for the fiscal years ended March 31, 2011, 2010 and 2009. As described above, in light of the recent organization of the Company as part of the Business Combination transaction between Alkermes, Inc. and the EDT business of Elan, the individuals named below were selected based on historical data from Alkermes, Inc.

Name and Principal Position (a)	Year (b)	Salary (US\$) (c)	Bonus (US\$) (d)(2)	Stock Awards (US\$) (e)(3)	Option Awards (US\$) (f)(4)	Change in Pension Value and Nonqualified Non-Equity Incentive Compensation			Total (US\$) (j)
						Plan Compensation (US\$) (g)(5)	Deferred Compensation (US\$) (h)	All Other Compensation (US\$) (i)(6)	
Richard F. Pops Chairman, President and Chief Executive Officer(1)	FY 11	694,488		381,550	1,920,547	900,000		8,575	3,905,160
	FY 10	669,012		2,516,250	3,483,330	500,000		8,575	7,177,167
	FY 09	639,567		328,310	1,037,145	395,325		8,050	2,408,397
James M. Frates Senior Vice President, Chief Financial Officer and Treasurer	FY 11	414,787		204,276	712,080	275,000		8,713	1,614,856
	FY 10	401,943		302,925	534,021	204,639		8,575	1,452,103
	FY 09	385,714		127,285	305,043	198,679		8,050	1,024,771
Elliot W. Ehrich	FY 11	402,817	7,326	196,058	684,306	300,000		8,575	1,599,082

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Senior Vice President, Research and Development and Chief Medical Officer	FY 10	390,328	256,875	485,907	198,726	8,575	1,340,411
Michael J. Landine	FY 09	374,568	73,740	274,538	221,879	8,050	952,775
	FY 11	372,677	152,620	549,572	275,000	8,575	1,358,444
Senior Vice President, Corporate Development	FY 10	361,135	256,875	485,907	183,863	8,575	1,296,355
	FY 09	346,553	127,285	244,034	196,358	8,050	922,280
Gordon G. Pugh	FY 11	406,646	153,794	538,935	300,000	8,575	1,407,950
Senior Vice President, Chief Operating Officer and Chief Risk Officer	FY 10	394,045	210,825	437,793	200,619	8,575	1,251,857
	FY 09	378,135	121,140	274,538	194,775	8,050	976,638

Notes to Summary Compensation

- (1) During fiscal year ended March 31, 2010, Mr. Pops was appointed our Chairman, President and Chief Executive Officer. Prior to this date, Mr. Pops was the Chairman of the Board.
- (2) Column (d) for Dr. Ehrich includes a cash bonus of US\$7,326, earned in October 2010, in connection with the preparation for and participation in the Psychopharmacologic Drugs Advisory Committee for VIVITROL for the treatment of opioid dependence. This amount was paid to Dr. Ehrich during the year ended March 31, 2011.
- (3) The amounts in column (e) reflect the aggregate grant date fair value of stock awards granted during the fiscal years ended March 31, 2011, 2010 and 2009, respectively, in accordance with accounting principles

generally accepted in the U.S. (GAAP). The weighted average grant date fair value of stock awards granted during the fiscal years ended March 31, 2011, 2010 and 2009, respectively, are included in footnote 12

Share-Based Compensation to our consolidated financial statements for the fiscal year ended March 31, 2011 included in Alkermes, Inc. 's Annual Report on Form 10-K filed with the SEC on May 20, 2011. The reported fair value for performance-based restricted stock unit awards granted to Mr. Pops for the fiscal year ended March 31, 2010 is the same at both the probable and maximum levels of outcome.

- (4) The amounts in column (f) reflect the aggregate grant date fair value of option awards granted during the fiscal years ended March 31, 2011, 2010 and 2009, respectively, in accordance with GAAP. Assumptions used in the calculation of the fair value of option awards granted by us in the fiscal years ended March 31, 2011, 2010 and 2009, respectively, are included in footnote 2 Summary of Significant Accounting Policies to our consolidated financial statements for the fiscal year ended March 31, 2011 included in Alkermes, Inc. 's Annual Report on Form 10-K filed with the SEC on May 20, 2011.
- (5) The amounts in column (g) reflect the cash awards paid to the named executive officers for services performed in the fiscal years ended March 31, 2011, 2010 and 2009, pursuant to the 2011 Performance Plan, the Alkermes, Inc. Fiscal 2010 Reporting Officers Performance Pay Plan, and the Alkermes, Inc. Fiscal 2009 Reporting Officer Performance Pay Plan, respectively.
- (6) With the exception of Mr. Frates, the amounts in column (i) reflect our match on contributions made by the named executive officers to our 401k plan. Column (i) for Mr. Frates also includes US\$138 earned under our wellness incentive plan for the year ended March 31, 2011.

Grants of Plan-Based Awards for Fiscal Year Ended March 31, 2011

The following table presents information on all grants of plan-based awards made in fiscal year 2011 to our named executive officers:

							All Other Stock Awards: Number of Shares of Stock or Units (#) (i)(3)	All Other Option Awards: Number of Securities Underlying Options (#) (j)(4)	Exercise or Base Price of Option Awards (US\$/Sh) (k)	Grant Date Fair Value of Stock and Option Awards (US\$) (l)(5)
	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards						
Grant Date (b)*	Threshold (US\$) (c)(1)	Target (US\$) (d)(1)	Maximum (US\$) (e)(1)	Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)				
Richard Pops	5/17/2010						32,500			381,55
	5/17/2010							325,000	11.74	1,920,54
	N/A	0	531,975	1,063,950						
	N/A				0(2)	600,000(2)				
	5/17/2010						17,400			204,27

nes									
tes	5/17/2010						120,500	11.74	712,08
	N/A	0	211,800	423,600					
iot									
rich	5/17/2010					16,700			196,05
	5/17/2010						115,800	11.74	684,30
	N/A	0	205,700	411,400					
chael									
ndine	5/17/2010					13,000			152,62
	5/17/2010						93,000	11.74	549,57
	N/A	0	190,300	380,600					
rdon									
Pugh	5/17/2010					13,100			153,79
	5/17/2010						91,200	11.74	538,93
	N/A	0	207,650	415,300					

Notes to Grants of Plan-Based Awards

* In fiscal year 2011, we awarded stock options and restricted stock awards for fiscal year 2010 performance (in May after the close of the fiscal year). As such, all of the stock options and a portion of the restricted stock awards reflected in this Grants of Plan-Based Awards table granted on May 17, 2010 were for performance by grantees in the fiscal year ended March 31, 2010. This Grants of Plan-Based Awards table

does not include those stock options and restricted stock awards which were granted on May 20, 2011 for performance by grantees in the fiscal year ended March 31, 2011. Such equity grants were as follows: Mr. Pops, 400,000 stock options and 32,500 restricted stock awards; and each of Messrs. Frates, Landine, Pugh, and Dr. Ehrich, 100,000 stock options and 15,000 restricted stock awards. The May 20, 2011 stock option grants were each made at an exercise price of US\$18.105.

- (1) Represents the target cash performance pay range under the 2011 Performance Plan for performance pay awards that may be earned by named executive officers during the performance period April 1, 2010 to March 31, 2011. The target cash performance pay range for Mr. Pops is 0% to 150% of base salary, with a target cash performance pay of 75% of base salary in effect at the time of award. The target cash performance pay range for each of Messrs. Frates, Landine and Pugh and Dr. Ehrich is 0% to 100% of base salary with a target cash performance pay of 50% of base salary in effect at the time of award. See Compensation Discussion and Analysis Compensation Program Elements Cash Incentive Bonus for a detailed discussion of the 2011 Performance Plan and the Summary Compensation Table above for the actual cash performance pay amounts earned in fiscal year 2011.
- (2) Represents the target range of the equity award that may be earned by Mr. Pops for performance during the performance period April 1, 2010 to March 31, 2011. The target range for equity compensation awarded for performance during the fiscal year is 0 to 600,000 share units (with a stock option counting as a single share unit and a stock award counting as two share units). See Executive Compensation Executive Compensation and Related Information Compensation Discussion and Analysis Equity Incentives Stock Options and Restricted Stock Awards for a detailed discussion of the equity awards earned by Mr. Pops for performance during fiscal year 2011.
- (3) Restricted stock awards granted on May 17, 2010 to each of Messrs. Pops, Frates, Landine and Pugh and Dr. Ehrich vest in four equal annual installments commencing on the first anniversary of the grant date. All stock awards were granted under the 2008 Plan and no dividend equivalents are paid on unvested restricted stock awards.
- (4) Represents stock options granted under the 2008 Plan which vest in four equal annual installments commencing on the first anniversary of the grant date. Certain of the stock options qualify as incentive stock options under Section 422 of the Code.
- (5) Represents the estimated grant date fair value of stock options and restricted stock awards granted to the named executive officers during the fiscal year ended March 31, 2011, calculated using valuation techniques compliant with GAAP. Assumptions used in the calculation of the fair value of option awards granted by us during the fiscal year ended March 31, 2011, are included in footnote 2 Summary of Significant Accounting Policies to our consolidated financial statements for the fiscal year ended March 31, 2011 included in Alkermes, Inc.'s Annual Report on Form 10-K filed with the SEC on May 20, 2011. There can be no assurance that the stock options will be exercised (in which case no value will be realized by the optionee) or the value realized upon exercise will equal the grant date fair value.

Outstanding Equity Awards at 2011 Fiscal Year-End

The following table presents the equity awards we have made to each of the named executive officers that were outstanding as of March 31, 2011:

Name	Option Awards					Stock Awards		
	Equity Incentive Plan					Equity Incentive Plan		
	Awards: Number of					Awards: Number of		
	Number of Securities Underlying	Number of Securities Underlying	Unexercised Options (#)	Exercise Price (US\$)	Option Expiration Date	Number of Shares or Units of	Value of Shares or Units of	Units or Other Rights
	Unexercised Options (#)	Underlying Unexercised Options (#)	Unexercised Options (#)	Exercise Price (US\$)	Option Expiration Date	Stock That Have Not Vested (#)	Stock That Have Not Vested (US\$)	That Have Not Vested (#)
	(b)(1)	(c)	(d)	(e)	(f)(2)	(g)	(h)(11)	(i)
Richard F. Pops						6,250(3)	80,938	
						1,500(4)	19,425	
						9,500(5)	123,025	
						250,000(7)	3,237,500	
						32,500(8)	420,875	
								10,000(9)
								25,000(10)
	250,000			19.40	10/2/2011			
	125,000			4.77	7/18/2012			
	350,000			7.36	12/12/2012			
	166,250			9.97	4/25/2013			
	149,625			14.57	10/17/2013			
	184,125			12.16	12/10/2013			
	150,000			12.30	7/12/2014			
	350,000			14.90	12/17/2014			
	187,500			18.60	12/9/2015			
	93,750			20.79	5/2/2016			
	120,000			14.38	12/12/2016			
	75,000	25,000		15.95	6/1/2017			
	37,500	12,500		14.13	11/5/2017			
	85,000	85,000		12.29	5/27/2018			
	55,000	165,000		8.55	5/26/2019			

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	125,000	375,000	9.21	11/18/2019				
		325,000	11.74	5/17/2020				
mes M. Frates					1,875(3)	24,281		
					500(4)	6,475		
					3,250(5)	42,088		
					6,375(6)	82,556		
					18,750(7)	242,813		
					17,400(8)	225,330		
							5,000(9)	64,75
	60,000		19.40	10/2/2011				
	30,000		4.77	7/18/2012				
	70,000		7.36	12/12/2012				
	35,000		9.97	4/25/2013				
	31,500		14.57	10/17/2013				
	83,500		12.16	12/10/2013				
	45,000		12.30	7/12/2014				
	105,000		14.90	12/17/2014				
	56,250		18.60	12/9/2015				
	28,125		20.79	5/2/2016				
	40,000		14.38	12/12/2016				
	22,500	7,500	15.95	6/1/2017				
	11,250	3,750	14.13	11/5/2017				
	25,000	25,000(12)	12.29	5/27/2018				
	16,250	48,750(12)	8.55	5/26/2019				
	12,500	37,500	9.21	11/18/2019				
		120,500	11.74	5/17/2020				

Name	Option Awards					Stock Awards			
	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) Exercisable (#) Unexercisable (#) Earned Price (US\$) Option Expiration Date					Market Value of Shares or Units of Stock That Have Not Vested (US\$) Shares or Units of Stock That Have Not Vested (#) Other Rights That Have Not Vested (US\$)			
(a)	(b)(1)	(c)	(d)	(e)	(f)(2)	(g)	(h)(11)	(i)	(j)(11)
Elliot W. Ehrich						1,500(3)	19,425		
						500(4)	6,475		
						3,000(5)	38,850		
						6,375(6)	82,556		
						15,000(7)	194,250		
						16,700(8)	216,265		
	75,000			19.40	10/2/2011				
	27,000			14.57	10/17/2013				
	44,500			12.16	12/10/2013				
	30,000			12.30	7/12/2014				
	71,500			14.90	12/17/2014				
	38,000			18.60	12/9/2015				
	18,750			20.79	5/2/2016				
	20,500			14.38	12/12/2016				
	22,500	7,500		15.95	6/1/2017				
	11,250	3,750		14.13	11/5/2017				
	22,500	22,500		12.29	5/27/2018				
	16,250	48,750		8.55	5/26/2019				
	10,000	30,000		9.21	11/18/2019				
		115,800		11.74	5/17/2020				
Michael J. Landine						1,500(3)	19,425		
						500(4)	6,475		

3,250(5) 42,088