ANTLER SCIENCE TWO PLC
Form 424B3
August 05, 2011

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Registration No. 333-175078

To the shareholders of Alkermes, Inc.:

You are cordially invited to attend a special meeting of the shareholders of Alkermes, Inc., which is referred to as Alkermes, to be held on September 8, 2011 at 10 a.m. Eastern Daylight Time, at our principal executive offices, located at 852 Winter Street, Waltham, Massachusetts. Only shareholders who held shares of Alkermes common stock at the close of business on August 1, 2011 will be entitled to vote at the special meeting and at any adjournments and postponements thereof.

As previously announced, on May 9, 2011 Alkermes entered into a Business Combination Agreement and Plan of Merger, which is referred to as the merger agreement, with Elan Corporation, plc, which is referred to as Elan, Antler Science Two Limited (which has been re-registered as a public limited company, Antler Science Two plc), which is referred to as New Alkermes, and certain other parties, under which the business of Alkermes will be combined with the global drug delivery technologies business of Elan, which is referred to as EDT, in a cash and stock transaction that was valued at approximately $960 million at the time of announcement. The businesses will be combined under New Alkermes, a new holding company incorporated in Ireland that will be renamed Alkermes plc, at or prior to the completion of the business combination. To facilitate the business combination, EDT is being carved-out of Elan and will be held under New Alkermes. Following this reorganization and pursuant to the merger agreement, a wholly-owned indirect subsidiary of New Alkermes will merge with and into Alkermes, with Alkermes surviving as a wholly-owned indirect subsidiary of New Alkermes. A complete copy of the merger agreement is attached as Annex A to this proxy statement/prospectus.

As consideration for the business combination, Alkermes will pay Elan $500 million in cash, subject to certain adjustments, and a subsidiary of Elan that is organized in Ireland will receive and retain 31,900,000 New Alkermes ordinary shares, representing approximately 25% of the outstanding voting securities of New Alkermes immediately following the consummation of the merger. At the effective time, (i) each share of Alkermes common stock then issued and outstanding and all associated rights will be canceled and automatically converted into and become the right to receive one ordinary share of New Alkermes; (ii) all currently issued and outstanding options to purchase Alkermes common stock granted under any stock option plan will be converted into options to purchase, on substantially the same terms and conditions, the same number of New Alkermes ordinary shares at the same exercise price; and (iii) all currently issued and outstanding awards of Alkermes common stock will be converted into awards of the same number of New Alkermes ordinary shares on substantially the same terms and conditions. As a result, upon consummation of the merger and the issuance of the New Alkermes ordinary shares in exchange for the canceled shares of Alkermes common stock, the former shareholders of Alkermes will own approximately 75% of the outstanding voting securities of New Alkermes. The exchange of Alkermes shares for New Alkermes ordinary shares will be a taxable transaction for Alkermes shareholders. The New Alkermes ordinary shares are expected to be listed on the NASDAQ under the symbol ALKS.

Alkermes is holding a special meeting of its shareholders in order to obtain the shareholder approval necessary to consummate the business combination and the merger. At the special meeting, holders of Alkermes common stock who are entitled to vote will be asked to adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the business combination. The completion of the business combination is subject to the satisfaction or waiver of certain other conditions set forth in the merger agreement and described in the accompanying proxy statement/prospectus. You are also being asked to approve a proposal to create

distributable reserves for New Alkermes, which are required under Irish law in order for New Alkermes to make distributions and pay dividends and to repurchase or redeem shares in the future. Approval of this proposal is not a condition to the completion of the business combination. More information about Alkermes, Elan, New Alkermes, EDT and the proposed business combination and merger is contained in this proxy statement/prospectus. **The board urges all Alkermes shareholders to read this proxy statement/prospectus and the documents included with this proxy statement/prospectus, including the Annexes, or incorporated by reference in this proxy statement/prospectus carefully and in their entirety. In particular, the board urges you to read carefully *Risk Factors* beginning on page 14 of this proxy statement/prospectus.**

After careful consideration, the Alkermes board of directors has approved and declared advisable the merger agreement and the business combination, and has determined that the merger agreement and the business combination are fair to and in the best interests of Alkermes and its shareholders. **The board of directors of Alkermes recommends that you vote FOR the adoption of the merger agreement and FOR the other proposals described in this proxy statement/prospectus. Your vote is very important.** The affirmative vote of a majority of the votes cast by the holders of shares of Alkermes common stock outstanding and entitled to vote is required for the adoption of the merger agreement. Approval of the separate proposal to create distributable reserves also requires the affirmative vote of a majority of the votes cast by the holders of shares of Alkermes common stock outstanding and entitled to vote; however, whether or not this proposal is approved will have no impact on the completion of the business combination. Abstentions, failures to vote and broker non-votes will have no effect on these proposals. Whether or not you plan to attend the special meeting, please vote as soon as possible by following the instructions in this proxy statement/prospectus to make sure that your shares are represented.

On behalf of the Alkermes board of directors, thank you for your consideration and continued support.

Very truly yours,

Richard F. Pops
Chairman, President and CEO
Alkermes, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated August 4, 2011, and is first being mailed to the Alkermes shareholders on or about August 8, 2011.

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ALKERMES, INC.
852 Winter Street
Waltham, Massachusetts 02451

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD SEPTEMBER 8, 2011

To the shareholders of Alkermes, Inc.:

A special meeting of the shareholders of Alkermes, Inc., a Pennsylvania corporation, will be held on September 8, 2011 at 10 a.m. Eastern Daylight Time, at our principal executive offices, located at 852 Winter Street, Waltham, Massachusetts for the following purposes:

1. To consider and vote upon a proposal to adopt the Business Combination Agreement and Plan of Merger, dated as of May 9, 2011, by and among Alkermes, Elan, New Alkermes and certain other parties;

2. To consider and vote upon a proposal to approve the creation of distributable reserves of New Alkermes which are required under Irish law in order to allow New Alkermes to make distributions and to pay dividends and repurchase or redeem shares following completion of the business combination; and

3. To vote upon a proposal to adjourn the special meeting of Alkermes shareholders if necessary or appropriate, including for the purpose of permitting further solicitation of proxies if there are not sufficient votes at the time of the Alkermes special meeting to adopt the merger agreement.

The above matters are more fully described in this proxy statement/prospectus, which also includes, as Annex A, the complete text of the merger agreement. Only shareholders of record at the close of business on August 1, 2011 are entitled to vote at the special meeting and at any adjournments and postponements thereof. Our stock transfer books will remain open between the record date and the date of the special meeting. A list of shareholders entitled to vote at the special meeting will be available for inspection at the special meeting. **We urge you to read carefully this proxy statement/prospectus in its entirety including the Annexes and the documents incorporated by reference in this proxy statement/prospectus. In particular, we urge you to read carefully *Risk Factors* beginning on page 14 of this proxy statement/prospectus.**

Your proxy is being solicited by the board of directors of Alkermes. After careful consideration, we have approved and declared advisable the merger agreement and the business combination, and have determined that the merger agreement and the transactions contemplated by the merger agreement, including the business combination, are fair to and in the best interests of Alkermes and its shareholders.

We recommend that you vote FOR the adoption of the merger agreement, FOR the distributable reserves proposal and FOR the adjournment proposal. Your vote is very important.

The affirmative vote of a majority of the votes cast by the holders of shares of Alkermes common stock outstanding and entitled to vote is required for the adoption of the merger agreement. Approval of the separate proposal to create distributable reserves also requires the affirmative vote of a majority of the votes cast by the holders of shares of Alkermes common stock outstanding and entitled to vote. The distributable reserves proposal is not a condition to the completion of the business combination and whether or not it is approved will have no impact on the completion of the business combination. **Whether or not you attend the special meeting in person, to ensure your**

representation at the special meeting, please submit your proxy as described in this proxy statement/prospectus.

You may submit your proxy (1) over the Internet, (2) by telephone or (3) by signing, dating and returning the enclosed proxy card promptly in the accompanying envelope. Should you receive more than one proxy because your shares are registered in different names and addresses, each proxy should be submitted to ensure that all your shares will be voted. If you submit your proxy and then decide to attend the special meeting to vote your shares in person, you may still do so. Your proxy is revocable in accordance with the procedures set forth in this proxy statement/prospectus. If you hold your shares in the name of a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or other nominee when instructing them on how to vote your shares or when changing those instructions. **If you do not instruct your bank, broker or other nominee, your bank, broker or other nominee will not have the discretion to vote your shares without your instructions.**

The prompt return of your proxy card, or your prompt voting by telephone or over the Internet, will assist us in preparing for the special meeting.

By Order of the Board of Directors,

Richard F. Pops
Chairman, President and CEO
Alkermes, Inc.

August 4, 2011

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QUESTIONS AND ANSWERS ABOUT THE PROPOSED TRANSACTIONS

The following are answers to some of the questions you may have as an Alkermes shareholder. These questions and answers only highlight some of the information contained in this proxy statement/prospectus. They may not contain all the information that is important to you. You should read carefully this entire proxy statement/prospectus, including the Annexes and the documents incorporated by reference into this proxy statement/prospectus, to understand fully the proposed transactions and the voting procedures for the special meeting of Alkermes shareholders. All references in this proxy statement/prospectus to Alkermes refer to Alkermes, Inc., a Pennsylvania corporation; all references in this proxy statement/prospectus to Elan refer to Elan Corporation, plc, a public limited company incorporated in Ireland; all references in this proxy statement/prospectus to New Alkermes refer to Antler Science Two plc, a public limited company incorporated in Ireland that was converted from a private limited company formerly known as Antler Science Two Limited and which will be renamed Alkermes plc at or prior to the completion of the business combination as described in this proxy statement/prospectus; all references in this proxy statement/prospectus to EDT refer to the global drug delivery technologies business of Elan; all references to the merger agreement refer to the Business Combination Agreement and Plan of Merger, dated as of May 9, 2011, by and among Elan, New Alkermes, Elan Science Four Limited, EDT Pharma Holdings Limited, EDT US Holdco Inc., Antler Acquisition Corp. and Alkermes, a copy of which is included as Annex A to this proxy statement/prospectus; and all references to the business combination refer to the totality of transactions contemplated by the merger agreement, including the reorganization and the merger described in this proxy statement/prospectus. Unless otherwise indicated, all references to dollars or $ in this proxy statement/prospectus are references to U.S. dollars.

Q: Why am I receiving this proxy statement/prospectus?

A: Alkermes has entered into the merger agreement that is described in this proxy statement/prospectus providing for the business combination described in this document. The merger, which is one of the essential elements of the business combination, may only be completed if Alkermes shareholders adopt the merger agreement and thereby approve the business combination.

This document and the enclosed materials describe the business combination and provide information as to how to grant a proxy or vote your shares by mail, telephone or over the Internet.

Your vote is very important.

Alkermes encourages you to submit your proxy or vote your shares by mail, telephone or Internet as soon as possible.

Q: What are the proposals on which I am being asked to vote?

A: You are being asked to vote to adopt the merger agreement and thereby approve the business combination. In addition, you are being asked to approve the distributable reserves proposal to facilitate the creation of distributable reserves through a reduction of New Alkermes share premium account. You are also being asked to vote to approve a proposal to adjourn the special meeting if necessary or appropriate, including if more time is needed to solicit proxies.

Q: What is the business combination?

A:

Pursuant to the merger agreement, EDT is being carved-out of Elan and reorganized under New Alkermes. This transaction is sometimes referred to in this proxy statement/prospectus as the reorganization. Following the reorganization, Antler Acquisition Corp., which is referred to in this proxy statement/prospectus as Merger Sub, will merge with and into Alkermes, with Alkermes surviving as a wholly-owned indirect subsidiary of New Alkermes. This transaction is sometimes referred to in this proxy statement/prospectus as the merger. Additionally, Alkermes will, subject to certain conditions, transfer all of its rights with respect to certain intellectual property and related contractual rights to an Irish subsidiary of New Alkermes. This transaction is sometimes referred to in this proxy statement/prospectus as the IP Transfer. Taken together, these transactions constitute the business combination.

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Q: What are the reasons for the business combination?

A: Alkermes believes that the business combination will create a larger, faster-growing biopharmaceutical company that is immediately and sustainably profitable on a cash earnings basis with a diversified portfolio of commercial products, including five key products with long patent lives, and with expertise in developing treatments for central nervous system diseases. New Alkermes will have deep scientific, development and manufacturing capabilities, which will provide competitive advantages in the creation of innovative biopharmaceutical products for itself and its partners.

Q: Why am I being asked to approve the distributable reserves proposal?

A: Under Irish law, dividends may only be paid (and share repurchases must generally be funded) out of distributable reserves, which New Alkermes will not have immediately following the completion of the merger. Please see *Creation of Distributable Reserves of New Alkermes.* Common shareholders of Alkermes are also being asked at the special meeting to approve the creation of distributable reserves of New Alkermes (through the reduction of the share premium account of New Alkermes), in order to permit New Alkermes to be able to pay dividends (and repurchase or redeem shares) after the merger (though it is not currently intended that Alkermes will pay dividends or repurchase or redeem shares immediately after the merger). The approval of the distributable reserves proposal is not a condition to the consummation of the merger. Accordingly, if common shareholders of Alkermes approve the merger but do not approve the distributable reserves proposal, and the merger is consummated, New Alkermes may not have sufficient distributable reserves to pay dividends (or to repurchase or redeem shares) following the merger. In addition, the creation of distributable reserves requires the approval of the Irish High Court. Although New Alkermes is not aware of any reason why the Irish High Court would not approve the creation of distributable reserves, the issuance of the required order is a matter for the discretion of the Irish High Court and there is no guarantee that such approval will be obtained. Please see *Risk Factors* and *Creation of Distributable Reserves of New Alkermes.*

Q: What is the position of the Alkermes board of directors regarding the proposals being put to a vote at the Alkermes special meeting?

A: The Alkermes board of directors approved the merger agreement and business combination, and determined that the merger agreement and the business combination are fair to and in the best interests of Alkermes and its shareholders. The Alkermes board of directors recommends that Alkermes shareholders vote FOR the proposal to adopt the merger agreement, FOR the proposal to create distributable reserves of New Alkermes, and FOR the proposal to adjourn the special meeting if necessary or appropriate, including to permit further solicitation of proxies.

Q: What will the Alkermes shareholders receive as consideration in the merger?

A: If the proposed transactions are consummated, each share of Alkermes common stock issued and outstanding immediately prior to the merger will be canceled and automatically converted into one New Alkermes ordinary share. The one-for-one conversion ratio is fixed, and, as a result, the number of New Alkermes ordinary shares received by the Alkermes shareholders in the merger will not fluctuate up or down based on the market price of a share of Alkermes common stock prior to the merger. It is expected that the New Alkermes ordinary shares will be registered with the Securities and Exchange Commission and listed on NASDAQ. Following the merger, Alkermes common stock will be delisted from NASDAQ.

Q:

What percentage of the ordinary shares of New Alkermes will the Alkermes shareholders own following the proposed transactions?

A: The New Alkermes ordinary shares that will be received by the former Alkermes shareholders in the merger will represent approximately 75% of the New Alkermes ordinary shares outstanding immediately after the merger.

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Q: What percentage of New Alkermes ordinary shares will be owned by Elan following the proposed transactions?

A: Immediately prior to the merger, Elan Science Three Limited, a subsidiary of Elan, which is sometimes referred to in this proxy statement/prospectus as the Elan Shareholder, will beneficially hold all of the then issued share capital of New Alkermes (consisting of 31,900,007 New Alkermes ordinary shares and 40,000 shares of 1.00 each, referred to in this proxy statement/prospectus as the Euro Share Capital), subject to the terms of a shareholder s agreement to be entered into upon completion of the merger among Elan, the Elan Shareholder and New Alkermes, which is referred to in this proxy statement/prospectus as the shareholder s agreement. Immediately following the merger, Elan will indirectly hold approximately 25% of New Alkermes ordinary shares.

Q: Is Elan receiving any other consideration in connection with the proposed transactions?

A: In addition to the New Alkermes ordinary shares, Alkermes will pay Elan $500 million in cash, subject to certain adjustments, as additional consideration for its contribution of EDT to New Alkermes.

Q: How are Alkermes stock options and equity awards treated in the merger?

A: At the time the merger takes effect, all currently issued and outstanding options to purchase Alkermes common stock granted under any stock option plan will be converted into options to purchase, on substantially the same terms and conditions, the same number of New Alkermes ordinary shares at the same exercise price. In addition, all currently issued and outstanding awards of Alkermes common stock will be converted into awards, on substantially the same terms and conditions, of the same number of New Alkermes ordinary shares.

Q: Will appraisal rights be available for dissenting shareholders?

A: No. Holders of Alkermes common stock do not have appraisal or dissenters rights with respect to the merger or the other transactions described in this proxy statement/prospectus.

Q: What is the IP Transfer transaction?

A: Alkermes will, subject to certain conditions, transfer all of its rights with respect to the intellectual property and related contractual rights related specifically to *Bydureon*^{tm} (exenatide for extended-release injectable suspension) to an Irish subsidiary of New Alkermes in exchange for $202.1 million in the form of an interest-bearing note. *Bydureon* is a trademark of Amylin Pharmaceuticals, Inc.

Q: When is the business combination expected to be completed?

A: As of the date of this proxy statement/prospectus, the business combination is expected to be completed in the third quarter of 2011. However, no assurance can be provided as to when or if the business combination will occur. The required vote of Alkermes shareholders to adopt the merger agreement at the special meeting, as well as the necessary regulatory consents and approvals, must first be obtained and certain other conditions specified in the merger agreement must be satisfied or, to the extent permissible, waived.

Q: What are the material U.S. federal income tax consequences of the merger to U.S. holders of Alkermes common stock?

A: While not entirely free from doubt, New Alkermes believes that the receipt of the New Alkermes ordinary shares for shares of Alkermes common stock by U.S. holders (as defined below) pursuant to the merger should be a taxable transaction for U.S. federal income tax purposes. In general, under such treatment, a U.S. holder will recognize capital gain or loss equal to the difference between the holder s adjusted tax basis in the shares of the Alkermes common stock surrendered in the exchange, and the fair market value of the New Alkermes ordinary shares received as consideration in the merger. A U.S. holder s adjusted basis in the shares of Alkermes common stock generally should equal such holder s purchase price for such shares of Alkermes common stock, as adjusted to take into account stock dividends, stock splits or similar transactions. It is possible that the U.S. Internal Revenue Service, which is referred to in this proxy statement/prospectus as the IRS, could assert an alternative characterization of the merger that would

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prevent a U.S. holder from recognizing a taxable loss on the exchange of Alkermes common stock for New Alkermes ordinary shares pursuant to the merger. However, a U.S. holder would be required to recognize any taxable gain on the exchange in all circumstances. Alkermes recommends that U.S. holders consult their own tax advisers as to the particular tax consequences of the merger, including the effect of U.S. federal, state and local tax laws or foreign tax laws. See *Certain Tax Consequences of the Merger* for a more detailed description of the U.S. federal income tax consequences of the merger.

Q: What will be the relationship between Alkermes and New Alkermes after the proposed transactions?

A: After the proposed transactions, Alkermes will be an indirect wholly-owned subsidiary of New Alkermes and its financial statements will be included in New Alkermes consolidated financial statements. It is expected that the New Alkermes ordinary shares will be listed and traded on NASDAQ under the symbol ALKS , the same NASDAQ trading symbol currently used for Alkermes common stock.

Q: When and where will the special meeting be held?

A: Alkermes will hold a special meeting of shareholders at 10 a.m. Eastern Daylight Time on September 8, 2011 at its principal executive offices located at 852 Winter Street, Waltham, Massachusetts.

Q: What vote is required to adopt the merger agreement?

A: The adoption of the merger agreement requires the affirmative vote of a majority of the votes cast by holders of shares of Alkermes common stock outstanding at the record date and entitled to vote, assuming a quorum is present at the special meeting. Consequently, as long as a quorum is present, a failure to vote, an abstention from voting or a broker non-vote will have no effect on the proposal to adopt the merger agreement and approve the business combination.

Q: Who is entitled to vote?

A: Alkermes shareholders of record as of the close of business on August 1, 2011 are entitled to receive notice of and to vote at the Alkermes special meeting and any adjournments and postponements thereof.

Q: How do I vote?

A: If you are an Alkermes shareholder of record, you may vote your shares at the Alkermes special meeting in one of the following ways:

by mailing your completed and signed proxy card in the enclosed return envelope;

by voting by telephone or over the Internet as instructed on the enclosed proxy card; or

by attending the Alkermes special meeting and voting in person.

If you hold your shares through a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or other nominee instructing them on how to vote your shares.

Q: If my shares are held in street name by my bank, broker or other nominee will my bank, broker or other nominee, vote my shares for me?

A: Only if you provide your bank, broker or other nominee with instructions on how to vote your shares. Therefore, you should instruct your bank, broker or other nominee to vote your shares, by following the directions your bank, broker or other nominee provides. If you do not instruct your bank, broker or other nominee, your bank, broker or other nominee will generally not have the discretion to vote your shares.

Q: How many votes do I have?

A: You are entitled to one vote for each share of Alkermes common stock that you owned as of the close of business on the Alkermes record date. As of the close of business on the Alkermes record date, an aggregate of 97,618,711 shares of Alkermes common stock were outstanding and will be entitled to vote at the special meeting.

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Q: What constitutes a quorum?

A: A quorum of the special meeting of the Alkermes shareholders consists of the presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes which all shareholders of Alkermes are entitled to vote on a particular matter on the record date. In addition to shares present in person and voting at the special meeting, Alkermes intends to count the following shares as present at the special meeting for the purpose of determining a quorum:

shares of common stock present in person at the special meeting but not voting or abstaining on any matter;

shares of common stock represented by a proxy on which the shareholder has not directed a vote or abstained on any matter; and

shares of common stock represented by proxies that are voted on any issue other than a procedural motion.

Q: Should I send in my stock certificates now?

A: No. Alkermes shareholders should keep their existing stock certificates at this time. After the proposed business combination is completed, you will receive written instructions for exchanging your Alkermes stock certificates for New Alkermes ordinary shares.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this proxy statement/prospectus, including the Annexes and the documents incorporated by reference, please fill out and sign the proxy card, and then mail your completed and signed proxy card in the enclosed prepaid envelope as soon as possible so that your shares of Alkermes common stock may be voted at the special meeting, or you may follow the instructions on the proxy card and vote your shares of Alkermes common stock by telephone or over the Internet. Your proxy card or your telephone or Internet directions will instruct the persons identified as your proxy to vote your shares at the Alkermes special meeting as directed by you.

If you sign and send in your proxy card and do not indicate how you want to vote, your proxy will be voted FOR each of the proposals.

If you hold your shares of Alkermes common stock through a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or other nominee when instructing them on how to vote your shares of Alkermes common stock. If you do not instruct your bank, broker or other nominee how to vote your shares of Alkermes common stock, your bank, broker or other nominee will generally not vote your Alkermes shares, such failure to vote being referred to as a broker non-vote, which will have no effect on the proposal to adopt the merger agreement.

Q: May I change my vote after I have mailed my signed proxy card or voted by telephone or over the Internet?

A: Yes, you may change your vote at any time before your proxy is voted at the special meeting. You can do this in one of four ways:

timely deliver a valid later-dated proxy by mail;

before the meeting, provide written notice that you have revoked your proxy to Alkermes secretary, at the following address:

Alkermes, Inc.
852 Winter Street
Waltham, MA 02451-1420
Attention: Kathryn L. Biberstein, Corporate Secretary

submit revised voting instructions by telephone or over the Internet by following the instructions set forth on the proxy card; or

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attend the special meeting and vote in person. Simply attending the meeting, however, will not revoke your proxy or change your voting instructions; you must vote by ballot at the meeting to change your vote.

If you have instructed a bank, broker or other nominee to vote your shares, you must follow directions received from your bank, broker or other nominee to change your vote or revoke your proxy.

Q: Who can help answer my questions?

A: If you have any questions about the proposed transactions, need assistance in voting your shares, or if you need additional copies of this proxy statement/prospectus or the enclosed proxy card, you should contact:

MacKenzie Partners, Inc.
105 Madison Avenue
New York, NY 10016
Banks and Brokers call collect: (212) 929-5500
All others call toll free: (800) 322-2885
Email: proxy@mackenziepartners.com

Alkermes Investor Relations
(781) 609-6378

Q: Where can I find more information about Alkermes and EDT?

A: You can find more information about Alkermes and EDT from various sources described under *Where You Can Find More Information.*

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SUMMARY

This summary highlights selected information contained in this proxy statement/prospectus and may not contain all of the information that is important to you. You should read carefully this entire proxy statement/prospectus, including the Annexes and the documents incorporated by reference, to fully understand the proposed transactions and the voting procedures for the special meeting of the Alkermes shareholders. See also the section entitled Where You Can Find More Information beginning on page 186 of this proxy statement/prospectus. The page references have been included in this summary to direct you to a more complete description of the topics presented below.

The Companies (Page 72)

Antler Science Two plc
Treasury Building, Lower Grand Canal Street
Dublin 2, Ireland
+353-1-709-4000

New Alkermes is a public limited company incorporated in Ireland (registered number 498284), formed on May 4, 2011, solely for the purpose of effecting the business combination. To date, New Alkermes has not conducted any activities other than those incident to its formation, the execution of the merger agreement and the preparation of applicable filings under the U.S. securities laws and regulatory filings made in connection with the proposed transactions.

New Alkermes was originally incorporated as a private limited company under the name Antler Science Two Limited. On July 25, 2011, Antler Science Two Limited was re-registered as a public limited company under the name Antler Science Two plc. On or prior to the completion of the business combination, Antler Science Two plc will be renamed Alkermes plc. Following the reorganization and immediately prior to the closing, New Alkermes will be an indirect wholly-owned subsidiary of Elan. Immediately following the merger, the former shareholders of Alkermes will own approximately 75% of New Alkermes with the remaining approximately 25% of New Alkermes owned by the Elan Shareholder, subject to the terms of the shareholder s agreement.

At and as of the effective time of the merger, which is referred to in this proxy statement/prospectus as the effective time, it is expected that New Alkermes will be a publicly traded company listed on NASDAQ under the ticker symbol ALKS.

Alkermes, Inc.
852 Winter Street
Waltham, Massachusetts 02451
(781) 609-6000

Alkermes is a Pennsylvania corporation which was formed on July 13, 1987 and which is currently listed on NASDAQ under the ticker symbol ALKS. A fully-integrated biotechnology company, Alkermes is committed to developing innovative medicines to improve patients lives. Alkermes developed, manufactures and commercializes *Vivitrol*® for alcohol and opioid dependence and manufactures *Risperdal*®*Consta*® for schizophrenia and bipolar I disorder. Alkermes robust pipeline includes extended-release injectable and oral products for the treatment of prevalent, chronic diseases, such as central nervous system disorders, addiction and diabetes. Headquartered in Waltham, Massachusetts, Alkermes has a research facility in Massachusetts and a commercial manufacturing facility in Ohio. Alkermes leverages its formulation expertise and proprietary product platforms to develop, both with partners

and on its own, innovative and competitively advantaged medications that can enhance patient outcomes in major therapeutic areas.

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Elan Corporation, plc
Treasury Building, Lower Grand Canal Street
Dublin 2, Ireland
+353-1-709-4000

Elan is an Irish public limited company (registered number 30356) which was incorporated in December 1969 and became a public limited company in January 1984. Elan is currently listed on the Irish Stock Exchange and the New York Stock Exchange under the ticker symbol ELN. Elan is a neuroscience-based biotechnology company focused on discovering and developing advanced therapies in neurodegenerative and autoimmune diseases, and in realizing the potential of its scientific discoveries and drug delivery technologies to benefit patients and shareholders. As of December 31, 2010, Elan employed over 1,200 people and its principal R&D and manufacturing facilities are located in Ireland and the United States. Elan has two business units: BioNeurology, focused primarily on neurodegenerative diseases, and EDT, a leading drug delivery business. The EDT unit is the subject of the business combination.

EDT
Treasury Building, Lower Grand Canal Street
Dublin 2, Ireland
+353-1-709-4000

EDT develops and manufactures innovative pharmaceutical products that deliver clinical benefits to patients using EDT s experience and proprietary drug technologies in collaboration with pharmaceutical companies worldwide. Since the inception of its business in Ireland in 1969, EDT has focused on developing and applying technologies to unsolved drug formulation challenges. EDT has substantial business activities in Ireland and the United States, with manufacturing facilities located in each country. During 2010, EDT employed approximately 667 people, with over 400 located in Ireland. EDT s two principal drug technology platforms are the oral controlled release platform, which is referred to in this proxy statement/prospectus as OCR, and the bioavailability enhancement platform, which includes EDT s *NanoCrystal*® technology. EDT s portfolio includes products marketed by EDT collaborators and products in clinical development.

Antler Acquisition Corp.
800 Gateway Boulevard
South San Francisco, CA 94080
(650) 877-0900

Merger Sub is a Pennsylvania corporation that was formed on April 29, 2011 for the purpose of effecting the merger. Following completion of the reorganization, Merger Sub will be an indirect wholly-owned subsidiary of New Alkermes. In the merger, Merger Sub will be merged with and into Alkermes, with Alkermes surviving as an indirect wholly-owned subsidiary of New Alkermes.

The Business Combination (Page 35)

In contemplation of the merger agreement, Alkermes and Elan agreed to create New Alkermes, a newly formed private limited company incorporated in Ireland which has since been converted into a public limited company, for the purpose of combining EDT with Alkermes. To facilitate the business combination, EDT is being carved-out of Elan and reorganized under New Alkermes.

Following the reorganization, Merger Sub, which will be an indirect wholly-owned subsidiary of New Alkermes, will merge with and into Alkermes, with Alkermes surviving as a wholly-owned indirect subsidiary of New Alkermes.

Immediately prior to the effective time, the Elan Shareholder, will beneficially hold all of the then-issued share capital of New Alkermes (consisting of 31,900,007 ordinary shares and the Euro Share Capital). At the effective time, (i) each share of Alkermes common stock then issued and outstanding and all associated rights will be canceled and automatically converted into and become the right to receive one ordinary share of New Alkermes; (ii) all currently issued and outstanding options to purchase Alkermes common stock granted under any stock option plan will be converted into options to purchase on substantially the same terms and conditions the same number of New Alkermes ordinary shares at the same exercise price;

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and (iii) all currently issued and outstanding awards of Alkermes common stock will be converted into awards of the same number on substantially the same terms and conditions of New Alkermes ordinary shares. As a result, upon consummation of the merger and the issuance of the New Alkermes ordinary shares in exchange for the canceled shares of Alkermes common stock, the former shareholders of Alkermes will own approximately 75% of New Alkermes, and the Elan Shareholder will beneficially own the remaining approximately 25% of New Alkermes subject to the terms of the shareholder s agreement.

Alkermes will, subject to certain conditions, transfer all of its rights with respect to the intellectual property and related contractual rights related specifically to *Bydureon* (exenatide extended-release for injectable suspension) to an Irish subsidiary of New Alkermes in exchange for $202.1 million in the form of an interest-bearing note.

As an additional payment for the contribution of EDT, Alkermes will pay Elan $500 million in cash, subject to certain net cash and working capital adjustments, up to $450 million of which will be financed through bank debt and the remainder of which will come from Alkermes cash reserves. Alkermes has obtained a commitment, subject to customary conditions, from Morgan Stanley Senior Funding, Inc., which is referred to in this proxy statement/prospectus as MSSF, HSBC Securities (USA) Inc., which is referred to in this proxy statement/prospectus as HSBC Securities, and HSBC Bank USA, N.A., which is referred to in this proxy statement/prospectus as HSBC Bank, and together with HSBC Securities, as HSBC, to provide $450 million in term loan financing as described under the caption *Financing Relating to the Business Combination* beginning on page 53 of this proxy statement/prospectus.

It is expected that the New Alkermes ordinary shares will be registered with the Securities and Exchange Commission, which is referred to in this proxy statement/prospectus as the SEC, and listed on NASDAQ. At or prior to the completion of the business combination, New Alkermes will be renamed Alkermes plc.

The merger will be completed only after the satisfaction or waiver of the conditions to the completion of the merger discussed below.

The merger agreement is attached as Annex A to this proxy statement/prospectus. Alkermes encourages you to read carefully the merger agreement in its entirety, as it is the legal document that governs the business combination.

Structure of the Transaction (Page 35)

Upon completion of the business combination, Alkermes and EDT will be combined under New Alkermes. The effect of the proposed transactions is illustrated below.

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Current Structure

Structure Following the Reorganization

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The Merger

Structure After the Business Combination

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Post-Merger Management (Page 138)

The merger agreement provides that, upon completion of the business combination, New Alkermes will initially have a board of directors composed of eight members, all of whom are currently directors of Alkermes. Elan will have the right, under the shareholder s agreement to be entered into upon the completion of the merger, for so long as Elan directly or indirectly owns at least 10% of the New Alkermes ordinary shares, to designate one additional member of the board of directors of New Alkermes. Upon completion of the business combination, the executive officers of Alkermes will serve as executive officers of New Alkermes and continue to manage the operations of the combined business. In addition, Shane Cooke, currently Executive Vice President of Elan and the head of EDT, will become president of New Alkermes. See, *Executive Officers of New Alkermes* beginning on page 142 of this proxy statement/prospectus and *Other Related Agreements Shareholder s Agreement* beginning on page 93 of this proxy statement/prospectus for further information.

Alkermes Reasons for the Merger (Page 43)

In reaching its conclusion to approve the business combination, the Alkermes board of directors reviewed a significant amount of information and considered a number of factors in its deliberations and concluded that the business combination is likely to result in significant strategic and financial benefits to New Alkermes, which would accrue to Alkermes shareholders, as shareholders of New Alkermes, and in particular believes that:

- combining Alkermes and EDT will create a larger, faster-growing biopharmaceutical company that is immediately and sustainably profitable on a cash earnings basis with growing revenues in excess of $450 million and growing adjusted earnings before interest, tax, depreciation, amortization, share-based compensation expense and other non-recurring items, which are referred to in this proxy statement/prospectus as adjusted EBITDA margins;

- New Alkermes will have a diversified portfolio of products including five key products with long patent lives: *Ampyra®*, *Vivitrol*, *Bydureon*, *Risperdal Consta* and *Invega® Sustenna®*;

- New Alkermes will be a leader in the development of medicines for the treatment of central nervous system diseases with an established track record of successful innovation. It will have a powerful combination of commercial stage products and new pipeline candidates developed in collaboration with major pharmaceutical companies and for its own account;

- New Alkermes will have deep scientific, development and manufacturing capabilities which will provide competitive advantages in the creation of innovative biopharmaceutical products for itself and its partners;

- New Alkermes will have the scale, diversification and technical and manufacturing capabilities to accelerate the ongoing business transition from a provider of drug delivery technologies and services to a developer of proprietary innovative pharmaceutical products; and

- New Alkermes will have enhanced financial resources to invest in its proprietary drug candidates, pursue additional growth opportunities and reduce its cost of capital.

See also the factors listed in *The Business Combination Alkermes Reasons for the Business Combination and Recommendation of Alkermes Board of Directors,* beginning on page 43 of this proxy statement/prospectus.

Alkermes Board Recommendation (Page 43)

The board of directors of Alkermes has determined that the merger agreement and the business combination are fair to, and in the best interests of, Alkermes and its shareholders and has adopted a resolution approving, adopting and declaring advisable the merger agreement and directing that the merger agreement be submitted to a vote of the shareholders of Alkermes. The board of directors of Alkermes recommends that the Alkermes shareholders vote FOR the proposal to adopt the merger agreement, FOR the proposal to create distributable reserves of New Alkermes and FOR the proposal to adjourn the special meeting if necessary or appropriate, including for the purpose of permitting further solicitation of proxies.

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Opinion of Alkermes Financial Adviser (Page 46)

At the meeting of Alkermes board of directors on May 8, 2011, Morgan Stanley, & Co. LLC, which was formerly known as Morgan Stanley & Co. Incorporated and which is referred to in this proxy statement/prospectus as Morgan Stanley, rendered its oral opinion, subsequently confirmed in writing, that as of May 8, 2011 and based on and subject to the various assumptions, considerations, qualifications and limitations set forth in the written opinion, the consideration to be paid by Alkermes pursuant to the merger agreement was fair from a financial point of view to Alkermes.

The full text of the written opinion of Morgan Stanley, dated as of May 8, 2011, is attached to this proxy statement/prospectus as Annex B. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion. Alkermes encourages you to read the entire opinion carefully and in its entirety.

Morgan Stanley s opinion is directed to Alkermes board of directors and addresses only the fairness from a financial point of view to Alkermes of the consideration to be paid by Alkermes pursuant to the merger agreement, as of the date of the opinion. It does not address any other aspects of the transactions, or in any manner address the prices at which the New Alkermes ordinary shares will trade at any time, including following consummation of the transactions, and does not constitute a recommendation to any holder of Alkermes common stock as to how to vote at any shareholder s meeting held in connection with the business combination or whether to take any other action with respect to the business combination. For a more complete description of Morgan Stanley s opinion, see *The Business Combination Opinion of Alkermes Financial Adviser* beginning on page 46 of this proxy statement/prospectus. See also Annex B to this proxy statement/prospectus.

The Special Meeting of Alkermes Shareholders (Page 31)

Date, Time, & Place of the Alkermes Special Meeting

Alkermes will hold a special meeting of shareholders on September 8, 2011 at 10 a.m. Eastern Daylight Time, at its principal executive offices located at 852 Winter Street, Waltham, Massachusetts.

Proposals

At the special meeting, Alkermes shareholders will vote upon proposals to:

adopt the merger agreement;

create distributable reserves of New Alkermes; and

adjourn the special meeting to a later date or dates if necessary or appropriate, including for the purpose of permitting the further solicitation of proxies.

Record Date; Outstanding Shares; Shares Entitled to Vote

Only holders of Alkermes common stock at the close of business on August 1, 2011, the record date for the Alkermes special meeting, will be entitled to notice of, and to vote at, the Alkermes special meeting or any adjournments or postponements thereof. On the record date, there were 97,618,711 shares of Alkermes common stock outstanding.

Each outstanding Alkermes share of common stock is entitled to one vote on each proposal and any other matter properly coming before the Alkermes special meeting.

Stock Ownership and Voting by Alkermes Directors and Officers

As of the record date, the Alkermes directors and executive officers had the right to vote approximately 1,882,108 shares of the then-outstanding Alkermes voting stock at the special meeting, representing approximately 1.93% of the Alkermes common stock then outstanding and entitled to vote at the meeting. It is expected that the Alkermes directors and executive officers will vote FOR the proposal to adopt the merger

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agreement, FOR the proposal to create distributable reserves of New Alkermes and FOR the proposal to adjourn the special meeting if necessary or appropriate, including for the purpose of permitting further solicitation of proxies, although none of them has entered into any agreement requiring them to do so.

Vote Required

The affirmative vote of a majority of the votes cast by the holders of shares of Alkermes common stock outstanding and entitled to vote is required for the adoption of the merger agreement, assuming a quorum is present. Approval of the separate proposal to create distributable reserves also requires the affirmative vote of a majority of the votes cast by the holders of shares of Alkermes common stock outstanding and entitled to vote, assuming a quorum is present; however, the distributable reserves proposal is not a condition to the completion of the business combination and whether or not this proposal is approved will have no impact on the completion of the business combination. Abstentions, failures to vote and broker non-votes will have no effect on the merger agreement proposal or the separate distributable reserves proposal.

The board of directors of Alkermes recommends that you vote FOR the proposal to adopt the merger agreement and FOR the proposal to create distributable reserves of New Alkermes.

The adoption of the proposal to permit the proxies to adjourn the special meeting to a later date or dates if necessary or appropriate, including for the purpose of permitting further solicitation of additional proxies, requires the affirmative vote of a majority of the votes cast by the holders of shares of Alkermes common stock outstanding and entitled to vote on the proposal, regardless of whether a quorum is present. As a result, abstentions, failures to vote and broker non-votes will have no effect on this proposal.

The board of directors of Alkermes recommends that you vote FOR the proposal to adjourn the special meeting to a later date or dates if necessary or appropriate, including to permit further solicitation of proxies.

Interests of Certain Persons in the Transactions (Page 55)

In considering the recommendation of the board of directors of Alkermes, you should be aware that certain directors and officers of Alkermes may have interests in the proposed transactions that are different from, or in addition to, your interests as a shareholder of Alkermes generally and which may create potential conflicts of interest. The board of directors of Alkermes was aware of these interests and considered them when they adopted the merger agreement and approved the business combination.

Management

Except as described below, no member of Alkermes management will receive additional compensation or acceleration or payment of existing compensation on the basis of the proposed transactions. Immediately prior to the effective time, certain current Alkermes senior executive officers are expected to be appointed senior executive officers of New Alkermes. Other current Alkermes officers may be employed by New Alkermes. Their positions at New Alkermes will entitle these individuals to compensation and equity awards from New Alkermes. Following the completion of the business combination, options to purchase Alkermes common stock currently owned by Alkermes executive officers will be assumed by New Alkermes and converted into options to purchase ordinary shares of New Alkermes. Stock awards in the form of Alkermes common stock currently owned by Alkermes executive officers will be assumed by New Alkermes and converted into a right to receive New Alkermes ordinary shares. In determining performance pay for Mr. Pops for fiscal year 2011 under Alkermes fiscal year 2011 performance pay plan, the compensation committee of Alkermes board of directors took into account its assessment of Mr. Pops performance against corporate objectives and, in this context, focused on, among other factors, the role he played in securing the business combination. In

addition, in determining performance pay for Mr. Pops, Mr. Frates, Mr. Landine, Ms. Biberstein, Dr. Ehrich and Mr. Pugh for performance during fiscal year 2012, the compensation committee will consider individual and company performance against company objectives, one of which includes completing the acquisition of EDT and developing and beginning to implement an integration plan.

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Directors

The following eight current directors of Alkermes are expected to become directors of New Alkermes in connection with the business combination if the proposed transactions are consummated: David W. Anstice, Floyd E. Bloom, Robert A. Breyer, Wendy L. Dixon, Geraldine A. Henwood, Paul J. Mitchell, Richard F. Pops and Mark B. Skaletsky. As directors of New Alkermes, these individuals will be entitled to compensation and equity awards from New Alkermes.

Indemnification

Alkermes has entered into indemnification agreements with its directors and executive officers. Under the terms of the indemnification agreement, Alkermes will indemnify each director or executive officer to the fullest extent permitted by law for expenses actually and reasonably incurred by the director or executive officer in relation to claims, brought against such director or executive officer, that arise from actions taken while acting as a director or executive officer of Alkermes, except to the extent that such indemnification is prohibited by applicable law or would be duplicative of amounts otherwise actually provided to such director or executive officer in relation to such claims. Alkermes will advance the expenses of such director or executive officer in connection with his or her defense. Each director or executive officer undertakes to the fullest extent required by law to repay all amounts advanced if it is ultimately determined that he or she is not entitled to be indemnified by Alkermes.

Certain Tax Consequences of the Merger (Page 61)

While not entirely free from doubt, New Alkermes believes that the receipt of the New Alkermes ordinary shares for shares of Alkermes common stock by U.S. holders (as defined below) pursuant to the merger should be a taxable transaction for U.S. federal income tax purposes. In general, under such treatment, a U.S. holder will recognize capital gain or loss equal to the difference between the holder s adjusted tax basis in the shares of the Alkermes common stock surrendered in the exchange, and the fair market value of the New Alkermes ordinary shares received as consideration in the merger. A U.S. holder s adjusted basis in the shares of Alkermes common stock generally should equal such holder s purchase price for such shares of Alkermes common stock, as adjusted to take into account stock dividends, stock splits, or similar transactions. It is possible that the IRS could assert an alternative characterization of the merger that would prevent a U.S. holder from recognizing a taxable loss on the exchange of Alkermes common stock for New Alkermes ordinary shares pursuant to the merger. However, a U.S. holder would be required to recognize any taxable gain on the exchange in all circumstances. Alkermes recommends that U.S. holders consult their own tax advisers as to the particular tax consequences of the merger, including the effect of U.S. federal, state and local tax laws or foreign tax laws. See *Certain Tax Consequences of the Merger,* beginning on page 61 of this proxy statement/prospectus for a more detailed description of the U.S. federal income tax consequences of the merger.

No Dissenters Rights (Page 71)

Under the Pennsylvania Business Corporation Law of 1998, which is sometimes referred to in this proxy statement/prospectus as the PBCL, holders of Alkermes common stock do not have appraisal or dissenters rights with respect to the merger or the other transactions described in this proxy statement/prospectus.

Regulatory Approvals Required (Page 60)

United States Antitrust

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which is sometimes referred to in this proxy statement/prospectus as the HSR Act, and the rules and regulations promulgated thereunder by the U.S. Federal

Trade Commission, or the FTC, the business combination cannot be consummated until notifications have been given and certain information has been furnished to the FTC and the Antitrust Division of the U.S. Department of Justice, or the Antitrust Division, and specified waiting period requirements have been satisfied. On May 20, 2011, each of Alkermes and EDT filed a Pre-Merger

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Notification and Report Form pursuant to the HSR Act with the Antitrust Division and the FTC. The waiting period under the HSR Act expired at 11:59 p.m. Eastern Daylight Time on June 20, 2011. Although the waiting period has expired, at any time before the effective time of the proposed transactions, the FTC, the Antitrust Division or others could take action under the antitrust laws with respect to the proposed transactions, including seeking to enjoin the proposed transactions or to require the divestiture of certain assets of Alkermes or EDT. There can be no assurance that a challenge to the proposed transactions on antitrust grounds will not be made or, if such a challenge is made, that it would not be successful.

Listing of New Alkermes Ordinary Shares on NASDAQ (Page 71)

New Alkermes ordinary shares are currently not traded or quoted on a stock exchange or quotation system. New Alkermes expects that, following the business combination, New Alkermes ordinary shares will be listed for trading on NASDAQ under the symbol ALKS.

Conditions to the Completion of the Merger (Page 87)

The completion of the merger and the business combination is subject to the satisfaction (or waiver, to the extent permitted) of all of the following conditions on or prior to the closing date of the merger:

the adoption of the merger agreement by Alkermes shareholders;

the absence of any law, order or injunction enacted, issued or promulgated by any court or governmental authority that is in effect and has the effect of making the merger illegal or otherwise prohibits consummation of the merger or the business combination;

the expiration or termination of the waiting period applicable to the merger under the HSR Act and the filing or receipt of all other governmental authorizations required to be made or obtained by Alkermes, Elan or any of their subsidiaries to consummate the business combination, other than those the failure of which to make or obtain would not, individually or in the aggregate, be reasonably likely to have a Business Material Adverse Effect (as defined in the merger agreement);

the authorization for listing on NASDAQ of the New Alkermes ordinary shares to be issued in the merger, subject to official notice of issuance;

the effectiveness of the registration statement of which this proxy statement/prospectus is a part, the absence of a stop order issued by the SEC, suspending the effectiveness of that registration statement and the absence of any proceedings initiated for that purpose by the SEC;

the validation and filing with the Irish Companies Registration Office of all Irish financial assistance issues arising in respect of the reorganization as contemplated by the merger agreement in accordance with Section 60 of the Irish Companies Act 1963;

the re-registration of New Alkermes as a public limited company in accordance with the provisions of the Irish Companies (Amendment) Act 1983 and the delivery of a certificate of incorporation on re-registration from the Irish Companies Registration Office;

the material accuracy of the representations and warranties made by Alkermes and Elan and material compliance by Alkermes and Elan with their respective obligations under the merger agreement;

the completion of the reorganization;

material compliance by Elan and certain of its subsidiaries with their respective obligations under the merger agreement;

material compliance by Alkermes with its obligations under the merger agreement;

the absence of indebtedness of New Alkermes and the New Alkermes Group Entities (as defined in the merger agreement) as of the closing date of the business combination (other than Elan reorganization indebtedness and indebtedness in respect of the transfer by Alkermes of certain intellectual property as described in this proxy statement/prospectus);

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the absence of any material difference between the audited financial statements delivered by Elan to Alkermes under the merger agreement from the historical financial statements of EDT specified in the merger agreement, other than in respect of the different accounting standards under which they were prepared and any applicable agreed adjustments;

the delivery of all the certificates, instruments, agreements and other documents as specified in the merger agreement; and

the absence of any change in law with respect to Section 7874 of Internal Revenue Code of 1986, as amended, which is referred to in this proxy statement/prospectus as the Code, or official interpretation thereof, that, in the opinion of Cleary Gottlieb Steen & Hamilton LLP, which is referred to in this proxy statement/prospectus as Cleary Gottlieb, (or other nationally recognized tax counsel), would materially increase the risk that New Alkermes would be treated as a United States domestic corporation for United States federal tax purposes.

Termination of the Merger Agreement (Page 91)

The merger agreement may be terminated at any time prior to the completion of the proposed transactions in any of the following ways:

by mutual written consent of Alkermes and Elan;

by either Alkermes or Elan if:

the business combination has not been consummated by November 5, 2011; provided, that this right to terminate the merger agreement is not available to any party that has breached its obligations under the merger agreement in a manner that has caused or resulted in the failure of the business combination to have been consummated by such date;

any law, order or injunction that permanently restrains, enjoins or otherwise prohibits the merger or the other transactions contemplated by the merger agreement shall have become final and nonappealable; or

the vote of the Alkermes shareholders on the adoption of the merger agreement has been held but the required vote was not obtained;

by Alkermes if:

Elan breaches its representations and warranties, covenants or other agreements contained in the merger agreement such that the relevant closing condition is not satisfied and the breach cannot be cured or, if curable, is not cured within 20 calendar days after Alkermes gives written notice to Elan of the breach or failure to perform;

by Elan if:

prior to the Alkermes shareholders meeting, the Alkermes board of directors withdraws or modifies in any manner adverse to Elan its recommendation that the shareholders of Alkermes approve the merger or has resolved to take any such action; or

Alkermes breaches its representations and warranties, covenants or other agreements contained in the merger agreement such that the relevant closing condition is not satisfied and the breach cannot be cured or, if curable, is not cured within 20 calendar days after Elan gives written notice to Alkermes of the breach or failure to perform.

Pursuant to the merger agreement, each of Alkermes and Elan has agreed to pay the other party a termination fee of $25 million under certain specified circumstances. See *The Business Combination Agreement and Plan of Merger Termination Fee* beginning on page 92 of this proxy statement/prospectus.

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Shareholder s Agreement (Page 93)

At the closing of the business combination, Elan, the Elan Shareholder and New Alkermes will enter into the shareholder s agreement, which will provide certain terms and conditions concerning the New Alkermes ordinary shares to be owned by the Elan Shareholder as and from the closing of the business combination, which is referred to in this proxy statement/prospectus as the closing.

Under the terms of the shareholder s agreement, the Elan Shareholder may designate one person for election to the New Alkermes board until Elan beneficially owns ordinary shares representing less than 10% of the outstanding voting securities of New Alkermes. Any person the Elan Shareholder designates for election to the New Alkermes board must satisfy certain requirements, including, among other things, that he or she be a resident of Ireland for so long as such shareholder designee serves as a director and qualifies as an independent director under applicable provisions of the Securities Exchange Act of 1934, which is referred to in this proxy statement/prospectus as the Exchange Act, and under applicable NASDAQ rules and regulations.

For at least one year following the closing, the Elan Shareholder will be obligated to vote on all matters in accordance with the recommendation of the New Alkermes board of directors. Thereafter, the Elan Shareholder 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 New Alkermes or the 30-day weighted average trading price of New Alkermes ordinary shares is at least $7.595.

Under the terms of the shareholder s agreement, Elan will be subject to a standstill provision for the longer of ten years from consummation of the merger and three years from the time the Elan Shareholder ceases to hold more than 10% of the outstanding voting securities of New Alkermes. The standstill restrictions will generally prevent Elan from acquiring any additional New Alkermes voting securities and from taking a number of actions that might result in Elan exerting influence or control over New Alkermes. The standstill restrictions will terminate early on certain events, including a decision by New Alkermes to recommend or engage in a transaction that would result in a change of control of New Alkermes.

Elan and the Elan Shareholder will be subject to certain restrictions on their ability to transfer New Alkermes ordinary shares without New Alkermes consent. For six months following the closing, Elan and the Elan Shareholder 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 New Alkermes in a marketed registered underwritten offering. After this initial offering, Elan and the Elan Shareholder may only transfer a further 31.5% (approximately 10 million ordinary shares) of their initial total stake in New 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, New Alkermes will grant 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 New Alkermes voting securities falls below 10% of the outstanding New Alkermes voting securities or sooner in certain circumstances.

The form of the shareholder s agreement to be entered into in connection with the closing is attached as Annex C to this proxy statement/prospectus. For further information on the terms of the shareholder s agreement, see *Other Related Agreements Shareholder s Agreement* beginning on page 93 of this proxy statement/prospectus.

Financing Relating to the Business Combination (Page 54)

Alkermes has received a financing commitment from MSSF and HSBC, subject to customary conditions, for a proposed $310 million senior secured first-lien term loan facility, which is referred to in this proxy statement/prospectus as the First-Lien Term Loan Facility, and a $140 million senior secured second-lien term loan facility, which is referred to in this proxy statement/prospectus as the Second-Lien Term Loan facility, and together with the First-Lien Term Loan Facility, as the Term Loan Facilities. The committed financing, in

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addition to existing cash balances, will be used to fund the cash portion of the payment made in connection with the business combination and to pay transaction fees and expenses.

For a full description of the financing relating to the business combination, see *The Business Combination Financing Relating to the Business Combination* beginning on page 54 of this proxy statement/prospectus.

Accounting Treatment of the Merger (Page 61)

The business combination of EDT with Alkermes will be accounted for using the acquisition method of accounting for business combinations under accounting principles generally accepted in the United States, which are referred to as U.S. GAAP in this proxy statement/prospectus, with Alkermes treated as the accounting acquirer, which means that the assets and liabilities of EDT will be recorded, as of the completion of the merger, at their fair values and added to those of Alkermes. See *Risk Factors* beginning on page 14 of this proxy statement/prospectus.

Comparison of the Rights of Holders of Alkermes Common Stock and New Alkermes Ordinary Shares (Page 157)

As a result of the merger, the holders of Alkermes common stock will become holders of New Alkermes ordinary shares and their rights will be governed by Irish law and the memorandum and articles of association of New Alkermes instead of the PBCL and Alkermes articles of incorporation and bylaws. The current memorandum and articles of association of New Alkermes will be amended and restated as of the completion of the merger in substantially the form as set forth in Annex E to this proxy statement/prospectus. Following the merger, former Alkermes shareholders may have different rights as New Alkermes shareholders than they had as Alkermes shareholders. For a summary of the material differences between the rights of Alkermes shareholders and New Alkermes shareholders, see *Description of New Alkermes Ordinary Shares* beginning on page 144 of this proxy statement/prospectus and *Comparison of the Rights of Holders of Alkermes Common Stock and New Alkermes Ordinary Shares* beginning on page 157 of this proxy statement/prospectus.

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RISK FACTORS

In deciding whether to vote for the adoption of the merger agreement, you should consider carefully the following risk factors in addition to the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the caption Cautionary Statement Regarding Forward-Looking Statements. You should also read and consider the risks associated with the business of Alkermes and the risks associated with the business of EDT because these risks will also affect New Alkermes. The risks associated with the business of Alkermes can be found in the Alkermes Annual Report on Form 10-K for the fiscal year ended March 31, 2011, as amended, and in the Alkermes Quarterly Report on Form 10-Q for the period ended June 30, 2011, which are incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information. The risks associated with the business of EDT are described under the caption Risk Factors Risks Related to EDT.

Risks Related to New Alkermes

The combination of the businesses currently conducted by Alkermes and EDT will create numerous risks and uncertainties which could adversely affect New Alkermes operating results.

Strategic transactions like the business combination of EDT with Alkermes create numerous uncertainties and risks. EDT will transition from being a part of Elan to being a part of New Alkermes, and Alkermes will migrate from being a standalone Pennsylvania company to being part of a combined company organized in Ireland. This combination will entail many changes, including the integration of EDT and its personnel with those of Alkermes and changes in systems and employee benefit plans. These transition activities are complex, and New Alkermes may encounter unexpected difficulties or incur unexpected costs, including:

- the diversion of management s attention to integration matters;
- difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from combining the business of EDT with that of Alkermes;
- difficulties in the integration of operations and systems;
- difficulties in the assimilation of employees;
- difficulties in replacing the support functions currently provided by Elan to EDT;
- challenges in keeping existing customers and obtaining new customers;
- challenges in attracting and retaining key personnel; and
- deterioration of general industry and business conditions.

If any of these factors limits New Alkermes ability to integrate the operations of Alkermes with those of EDT successfully or on a timely basis, the expectations of future results of operations, including certain cost savings and synergies expected to result from the business combination, might not be met. As a result, New Alkermes may not be able to realize the expected benefits that it seeks to achieve from the business combination. In addition, New Alkermes may be required to spend additional time or money on integration that otherwise would be spent on the

development and expansion of its business.

In addition, the market price of New Alkermes ordinary shares may decline following the business combination if the integration of Alkermes and EDT is unsuccessful, takes longer than expected or fails to achieve financial benefits to the extent anticipated by financial analysts or investors, or the effect of the business combination on the financial results of the combined company is otherwise not consistent with the expectations of financial analysts or investors.

The price of New Alkermes ordinary shares is expected to be highly volatile, and the market price of the ordinary shares may drop following the closing.

The realization of any of the risks described in these risk factors or other unforeseen risks could have a dramatic and adverse effect on the market price of New Alkermes ordinary shares following the closing.

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Additionally, market prices for securities of biotechnology and pharmaceutical companies, including Alkermes, have historically been very volatile. The market for these securities has from time to time experienced significant price and volume fluctuations for reasons that were unrelated to the operating performance of any one company. In particular, and in addition to circumstances described elsewhere under these risk factors, the following risk factors may adversely affect the market price of New Alkermes ordinary shares:

- non-approval, set-backs or delays in the development or manufacture of New Alkermes product candidates and success of New Alkermes research and development programs;
- public concern as to the safety of drugs developed by New Alkermes or others;
- announcements of issuances of ordinary shares or acquisitions by New Alkermes;
- uncertainties relating to possible sales of ordinary shares held by the Elan Shareholder;
- failure, limitation or delay in the commercialization of products by New Alkermes or its corporate collaborators;
- the announcement and timing of new product introductions by New Alkermes or others;
- material public announcements;
- events related to New Alkermes products or those of its competitors, including the withdrawal or suspension of products from the market;
- availability and level of third party reimbursement;
- political developments or proposed legislation in the pharmaceutical or healthcare industry;
- economic or other external factors, disaster or crisis;
- currency exchange controls or fluctuations in the relative values of currencies;
- termination or delay of development program(s) by New Alkermes corporate partners;
- announcements and timing of technological innovations or new therapeutic products or methods by New Alkermes or others;
- changes in patent legislation or adverse changes to patent law;
- changes in or loss of any key members of management;
- failure to meet New Alkermes financial expectations or changes in opinions of analysts who follow New Alkermes stock; or
- general market conditions.

New Alkermes future results will suffer if it does not effectively manage its expanded operations.

The size of the combined company s business will be significantly larger than the size of each of Alkermes and EDT s businesses today. New Alkermes future success depends, in part, upon its ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity.

Adverse credit and financial market conditions may exacerbate certain risks affecting New Alkermes business.

The successful commercialization of New Alkermes products will be dependent, in large part, on reimbursement from government health administration authorities and private health insurers. As a result of adverse credit and financial market conditions, these organizations may be unable to satisfy their reimbursement obligations or may delay payment. In addition, federal, state and foreign health authorities may reduce reimbursements (including Medicare and Medicaid in the United States) or payments, and private insurers may increase their scrutiny of claims. A reduction in the availability or extent of reimbursement could

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negatively affect New Alkermes product sales and revenue. Customers may also reduce spending during times of economic uncertainty.

In addition, New Alkermes will rely on third parties for several important aspects of its business. New Alkermes will depend upon collaborators for both manufacturing and royalty revenues and the clinical development of collaboration products. It may use third party contract research organizations for many of its clinical trials and it will rely upon several single source providers of raw materials and contract manufacturers for the manufacture of certain products and product candidates. Due to the recent tightening of global credit and the volatility in the financial markets, there may be a disruption or delay in the performance of New Alkermes third party contractors, suppliers or collaborators. If such third parties are unable to satisfy their commitments to New Alkermes, its business will be adversely affected.

If goodwill or other intangible assets that New Alkermes records in connection with the merger become impaired, the combined company could have to take significant charges against earnings.

In connection with the accounting for the merger, New Alkermes expects to record a significant amount of goodwill and other intangible assets. Under U.S. GAAP, the combined company must assess, at least annually and potentially more frequently, whether the value of goodwill and other indefinite-lived intangible assets has been impaired. Amortizing intangible assets will be assessed for impairment in the event of an impairment indicator. Any reduction or impairment of the value of goodwill or other intangible assets will result in a charge against earnings, which could materially adversely affect the combined company s results of operations and shareholders equity in future periods.

New Alkermes actual financial position and results of operations may differ materially from the unaudited pro forma financial data included in this document.

The pro forma financial data contained in this proxy statement/prospectus are presented for illustrative purposes only and may not be an indication of what New Alkermes financial condition or results of operations would have been had the business combination been completed on the dates indicated. The pro forma financial data have been derived from the audited and unaudited historical financial statements of Alkermes and EDT and certain adjustments and assumptions have been made regarding the combined company after giving effect to the business combination. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with complete accuracy. For example, the pro forma financial data do not reflect all costs that are expected to be incurred by New Alkermes in connection with the business combination. In addition, the pro forma financial data are based on a preliminary purchase price allocation, and the actual allocation of the purchase price will be performed only after the completion of the business combination. Accordingly, the actual financial condition and results of operations of the combined company following the business combination may not be consistent with, or evident from, this pro forma financial data.

In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect New Alkermes financial condition or results of operations following the closing. Any potential decline in New Alkermes financial condition or results of operations may cause significant variations in the share price of New Alkermes. See *Unaudited Pro Forma Financial Data.*

Following the merger, New Alkermes will have significantly less cash on hand than Alkermes currently has.

In connection with the business combination, Alkermes will pay at least $50 million out of its existing cash reserves to Elan as part of the cash payment for the contribution of EDT to New Alkermes. In addition, Alkermes will pay substantial costs and expenses associated with the transactions. As a result, New Alkermes will, following the merger, have significantly less cash on hand than Alkermes currently has, which could adversely affect New Alkermes ability to grow and perform.

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New Alkermes level of indebtedness following consummation of the business combination could adversely affect its business and limit its ability to plan for or respond to changes in its business.

Pursuant to the merger agreement, Alkermes will pay Elan $500 million in cash, subject to certain net cash and working capital adjustments, as partial payment for the contribution of the EDT business. Alkermes has obtained a commitment, subject to customary conditions, from MSSF and HSBC to provide up to $450 million in term loan financing, which is referred to in this proxy statement/prospectus as the commitment letter, a copy of which is filed as an exhibit to the registration statement of which this proxy statement/prospectus is a part. New Alkermes level of indebtedness following consummation of the business combination could adversely affect its business by, among other things:

- requiring New Alkermes to dedicate a substantial portion of its cash flow from operations to payments on its indebtedness, thereby reducing the availability of its cash flow for other purposes, including business development efforts and research and development;
- limiting New Alkermes flexibility in planning for, or reacting to, changes in its business and the industry in which it operates, thereby placing it at a competitive disadvantage compared to its competitors that may have less debt;
- limiting New Alkermes ability to take advantage of significant business opportunities, such as acquisition opportunities; and
- increasing New Alkermes vulnerability to adverse economic and industry conditions.

In the event the financing contemplated by the commitment letter received by Alkermes is not available, other financing may be available only on less favorable terms or may not be available on acceptable terms, in a timely manner or at all.

If New Alkermes is unable to comply with restrictions in the proposed financing package, the indebtedness thereunder could be accelerated.

The credit facilities and loan agreement contemplated by the commitment letter received by Alkermes for the financing in connection with the business combination will impose restrictive covenants on New Alkermes and require certain payments of principal and interest over time. A failure to comply with these restrictions or to make these payments could lead to an event of default that could result in an acceleration of the indebtedness. New Alkermes cannot make any assurances that its future operating results will be sufficient to ensure compliance with the covenants in its agreements or to remedy any such default. In the event of an acceleration of this indebtedness, New Alkermes may not have or be able to obtain sufficient funds to make any accelerated payments. Please see the section of this proxy statement/prospectus entitled *The Business Combination Financing Relating to the Business Combination* for more information about the financing package envisaged by the commitment letter and the restrictions contained therein and the payments required thereby.

New Alkermes effective tax rate may increase following the closing.

While the blended effective tax rate on any net income earned by New Alkermes that cannot be offset by its tax attributes, if any, is expected to be lower than the effective tax rate currently applicable to any net income earned by Alkermes that cannot be offset by its tax attributes, if any, there is uncertainty regarding the tax policies of the jurisdictions where New Alkermes will operate, and New Alkermes effective tax rate may increase and any such increase may be material. Additionally, the tax laws of any jurisdiction in which New Alkermes will operate could

change in the future, and such changes could cause a material change in New Alkermes effective tax rate.

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The merger may limit New Alkermes ability to use its tax attributes to offset taxable income, if any, generated from the merger and ancillary transactions.

For U.S. federal income tax purposes, a corporation is generally considered tax resident in the place of its incorporation. Because New Alkermes is incorporated in Ireland, it should be deemed an Irish corporation under these general rules. However, Section 7874 of the Code generally provides that a corporation organized outside the United States which acquires substantially all of the assets of a corporation organized in the United States will be treated as a U.S. corporation (and, therefore, a U.S. tax resident) for U.S. federal income tax purposes if shareholders of the acquired U.S. corporation own at least 80 percent (of either the voting power or the value) of the stock of the acquiring foreign corporation after the acquisition by reason of holding stock in the domestic corporation, and the expanded affiliated group (as defined in Section 7874) that includes the acquiring corporation does not have substantial business activities in the country in which it is organized.

In addition, Section 7874 provides that if a corporation organized outside the United States acquires substantially all of the assets of a corporation organized in the United States, the taxable income of the U.S. corporation during the period beginning on the date the first assets are acquired as part of the acquisition, through the date which is ten years after the last date assets are acquired as part of the acquisition, shall be no less than the income or gain recognized by reason of the transfer during such period or by reason of a license of property by the expatriated entity after such acquisition to a foreign affiliate during such period, which is referred to as the inversion gain in this proxy statement/prospectus, if shareholders of the acquired U.S. corporation own at least 60 percent (of either the voting power or the value) of the stock of the acquiring foreign corporation after the acquisition by reason of holding stock in the domestic corporation, and the expanded affiliated group of the acquiring corporation does not have substantial business activities in the country in which it is organized. Alkermes intends to transfer certain intellectual property to an Irish subsidiary of New Alkermes in the IP Transfer, as discussed in *Questions and Answers About the Proposed Transactions,* and it is expected that Alkermes has sufficient net operating loss carryforwards available to offset any taxable income generated from this IP Transfer. If this rule was to apply to the merger, among other things, Alkermes would not be able to use any of the approximately $274 million of net operating loss carryforwards that it had as of March 31, 2011, to offset any taxable income generated as part of the merger or as a result of the IP Transfer described in detail under *Certain Tax Consequences of the Merger.* Alkermes does not believe that either of these limitations should apply as a result of the merger. However, the IRS could assert a contrary position, in which case, New Alkermes could become involved in tax controversy with the IRS regarding possible additional U.S. tax liability. If New Alkermes is unsuccessful in resolving any such tax controversy in its favor, New Alkermes could be liable for significantly greater U.S. federal income tax than New Alkermes anticipates being liable for through the merger and the reorganization, including as a result of the IP Transfer, which would place further demands on its cash needs. For further information on this matter see *Certain Tax Consequences of the Merger.*

New Alkermes may not have sufficient distributable reserves to pay dividends or repurchase or redeem shares following completion of the proposed transactions even if considered appropriate by the New Alkermes board. New Alkermes can provide no assurance that Irish High Court approval of the creation of distributable reserves will be forthcoming.

If New Alkermes determines to pay dividends in the future, it may be unable to do so under Irish law. Under Irish law, dividends may only be paid and share repurchases and redemptions must generally be funded only out of distributable reserves, which New Alkermes will not have immediately following the closing. The creation of distributable reserves requires the approval of the Irish High Court. New Alkermes is not aware of any reason why the Irish High Court would not approve the creation of distributable reserves, however, the issuance of the required order is a matter for the discretion of the Irish High Court and there is no guarantee that such approval will be obtained. Approval of the creation of distributable reserves by the Irish High Court may also take substantially longer than New Alkermes anticipates.

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New Alkermes does not expect to pay dividends for the foreseeable future, and you must rely on increases in the trading prices of the New Alkermes ordinary shares for returns on your investment.

Alkermes has never paid cash dividends on its common stock. New Alkermes does not expect to pay dividends in the immediate future. New Alkermes anticipates that it will retain all earnings, if any, to support its operations and its proprietary drug development programs. Any future determination as to the payment of dividends will, subject to Irish legal requirements, be at the sole discretion of the New Alkermes board of directors and will depend on New Alkermes financial condition, results of operations, capital requirements and other factors the board of directors deems relevant. Holders of New Alkermes ordinary shares must rely on increases in the trading price of their shares for returns on their investment in the foreseeable future.

To the extent the board of directors does determine to declare a dividend, dividends paid in respect of New Alkermes ordinary shares will generally not be subject to Irish income tax where the beneficial owner of these dividends is exempt from dividend withholding tax, unless the beneficial owner of the dividend is resident or ordinarily resident in Ireland for Irish tax purposes or the shareholder holds shares in connection with a trade carried on by such shareholder in Ireland through a branch or agency.

As a result of different shareholder voting requirements in Ireland relative to Pennsylvania, New Alkermes will have less flexibility with respect to certain aspects of capital management than Alkermes currently has.

Under Pennsylvania law, Alkermes directors may issue, without shareholder approval, any common shares authorized by its articles of incorporation that are not already issued. In addition, under NASDAQ Rule 5635, a company listed on NASDAQ is required to obtain shareholder approval prior to the issuance of common stock, among other things, (a) in connection with the acquisition of the stock or assets of another company if 20% of more of the common stock of the issuer outstanding before such issuance would be issued in connection with such acquisition transaction; and (b) in connection with a transaction other than a public offering involving the sale or issuance by the issuer of common stock (or securities convertible into or exercisable for common stock) equal to 20% or more of the common stock or 20% or more of the voting power outstanding before the issuance for less than the greater of book or market value of the stock.

Under Irish law, the authorized share capital of New Alkermes can be increased by an ordinary resolution of its shareholders and the directors may issue new ordinary or preferred shares up to a maximum amount equal to the authorized but unissued share capital, without shareholder approval, once authorized to do so by the articles of association of New Alkermes or by an ordinary resolution of the New Alkermes shareholders. Additionally, subject to specified exceptions, Irish law grants statutory preemption rights to existing shareholders to subscribe for new issuances of shares for cash, but allows shareholders to authorize the waiver of the statutory preemption rights by way of special resolution with respect to any particular allotment of shares. Accordingly, New Alkermes articles of association contain, as permitted by Irish company law, a provision authorizing the board to issue new shares for cash without offering preemption rights. The authorization of the directors to issue shares and the authorization of the waiver of the statutory preemption rights must both be renewed by the shareholders at least every five years, and Alkermes cannot provide any assurance that these authorizations will always be approved, which could limit New Alkermes ability to issue equity and thereby adversely affect the holders of New Alkermes securities. While Alkermes does not believe that the differences between Pennsylvania law and Irish law relating to New Alkermes capital management will have an adverse effect on New Alkermes, situations may arise where the flexibility Alkermes now has under Pennsylvania law would have provided benefits to New Alkermes shareholders that will not be available under Irish law. See *Comparison of the Rights of Holders of Alkermes Common Stock and New Alkermes Ordinary Shares.*

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As a result of different shareholder voting requirements in Ireland relative to Pennsylvania, New Alkermes will have less flexibility with respect to its ability to amend its organizational documents than Alkermes currently has.

Under Pennsylvania law and Alkermes current bylaws and articles of incorporation, Alkermes bylaws may be altered, amended or repealed and new bylaws may be adopted (i) at any annual, regular or special meeting of the board of directors by a majority vote of all the directors in office, so long as the board action does not limit indemnification rights, increase the liability of directors or change the manner or vote required to make such alteration, or (ii) by a majority of the votes cast at any annual, regular or special meeting of shareholders. Irish law requires a special resolution of 75% of the shareholder votes cast at a general meeting for any amendment to the memorandum and articles of association of New Alkermes. As a result of this Irish law requirement, situations may arise where the flexibility Alkermes now has under Pennsylvania law would have provided benefits to New Alkermes shareholders that will not be available in Ireland. See *Comparison of the Rights of Holders of Alkermes Common Stock and New Alkermes Ordinary Shares.*

After the completion of the business combination, attempted takeovers of New Alkermes will be subject to the Irish Takeover Rules and subject to review by the Irish Takeover Panel.

Pennsylvania s anti-takeover statutes and laws regarding directors fiduciary duties give the board of directors broad latitude to defend against unwanted takeover proposals. Following the closing, New Alkermes will become subject to the Irish Takeover Rules, under which the board of directors of New Alkermes will not be permitted to take any action which might frustrate an offer for New Alkermes ordinary shares once the board of directors has received an approach which may lead to an offer or has reason to believe an offer is imminent. Further, it could be more difficult for New Alkermes to obtain shareholder approval for a merger or negotiated transaction after the closing of the business combination because the shareholder approval requirements for certain types of transactions differ, and in some cases are greater, under Irish law than under Pennsylvania law.

Following the completion of the business combination, a future transfer of New Alkermes ordinary shares may be subject to Irish stamp duty.

In certain circumstances, the transfer of shares in an Irish incorporated company will be subject to Irish stamp duty which is a legal obligation of the buyer. This duty is currently charged at the rate of 1.0% of the higher of the price paid and the market value of the shares acquired. However, transfers of book-entry interests in a Depositary Trust Company, which is referred to in this proxy statement/prospectus as DTC, representing New Alkermes ordinary shares should not be subject to Irish stamp duty. Accordingly, transfers by shareholders who hold their New Alkermes ordinary shares beneficially through brokers which in turn hold those shares through DTC, should not be subject to Irish stamp duty on transfers to holders who also hold through DTC. This exemption is available because New Alkermes ordinary shares will be traded on a recognized stock exchange in the United States.

In relation to any transfer of New Alkermes ordinary shares that is subject to Irish stamp duty, New Alkermes articles of association allow New Alkermes, in its absolute discretion, to create an instrument of transfer and pay (or procure the payment of) any stamp duty payable by a buyer or otherwise require an instrument of transfer to be executed to effect a transfer. In the event of any such payment, New Alkermes is (on behalf of itself or its affiliates) entitled to (i) seek reimbursement from the buyer or seller (at its discretion), (ii) set-off the amount of the stamp duty against future dividends payable to the buyer or seller (at its discretion), and (iii) claim a first and permanent lien against the New Alkermes ordinary shares on which it has paid stamp duty. New Alkermes lien shall extend to all dividends paid on those shares.

Dividends paid by New Alkermes may be subject to Irish dividend withholding tax.

In certain circumstances, as an Irish tax resident company, New Alkermes will be required to deduct Irish dividend withholding tax (currently at the rate of 20%) from dividends paid to its shareholders. Shareholders that are resident in the United States, European Union member states (other than Ireland) or other countries

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with which Ireland has signed a tax treaty (whether the treaty has been ratified or not) generally should not be subject to Irish withholding tax so long as the shareholder has provided its broker, for onward transmission to New Alkermes qualifying intermediary (or other designated agent) (in the case of shares held beneficially), or New Alkermes or its transfer agent (in the case of shares held directly), with all the necessary documentation prior to payment of the dividend. However, some shareholders may be subject to withholding tax, which could adversely affect the price of New Alkermes ordinary shares.

As a result of the business combination, New Alkermes will incur additional direct and indirect costs.

New Alkermes will incur additional costs and expenses in connection with and as a result of the business combination. These costs and expenses include professional fees to comply with Irish corporate and tax laws and financial reporting requirements, costs and expenses incurred in connection with holding a majority of the meetings of the New Alkermes board of directors and certain executive management meetings in Ireland, as well as any additional costs New Alkermes may incur going forward as a result of its new corporate structure. There can be no assurance that these costs will not exceed the costs historically borne by Alkermes and those allocated to EDT in the carve out financials.

Risks Related to EDT

EDT is exposed to the risk of intensifying competition.

EDT is aware of other pharmaceutical companies that are developing competing technologies, which could significantly damage its current portfolio of technologies. For example, there is a range of technology approaches to address poorly water soluble drugs including nanoparticles, cyclodextrins, lipid based self emulsifying drug delivery systems, dendrimers, micelles, among others, which could limit the potential success of EDT s *NanoCrystal* technology, and its growth prospects could be materially impaired. In addition, there are many competing technologies to EDT s OCR technology, some of which are owned by large pharmaceutical companies with drug delivery divisions and other smaller drug delivery specific companies. EDT s business, financial condition, results of operations and prospects may be materially adversely affected by its failure to maintain its competitive position with respect to its proprietary technologies.

Pharmaceutical technologies and products are subject to rapid and significant technological change. EDT expects its competitors to develop new technologies, products and processes that may be more effective than those EDT develops. As a result, EDT products and product candidates may become uncompetitive or obsolete before it recovers expenses incurred in connection with their development or realizes revenues from any commercialized product.

The pharmaceutical industry is characterized by intensive research, development and commercialization efforts and rapid technological change. The success of EDT s business strategy depends to a significant extent on its ability to reformulate existing drugs, and to develop these drugs into new product candidates on a cost-effective basis. Research and discoveries by EDT s competitors may render some or all of EDT s product candidates uncompetitive or obsolete. Furthermore, unforeseen problems may develop with technologies or applications EDT uses in its development programs, and EDT may be unable to address these challenges successfully. This could result in its inability to develop commercially feasible products, which could have a material adverse effect on EDT s business, financial condition, results of operations and prospects. See *The Business of EDT Competition.*

Strategic decisions of collaborators, wholesalers and distributors may adversely affect EDT s revenues.

EDT s product revenue may be adversely affected, in part, by the strategic decisions of its collaborators, wholesalers and distributors. In the event that EDT s collaborators, wholesalers or distributors decide to decrease sales of a product

by, for example, shifting their sales emphasis to a different form of the product (not employing EDT s technology) or to a new product for the same or a similar indication, EDT s revenues in respect of the relevant product would decline.

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For example, *TriCor*® 145 tablets are manufactured by Fournier Laboratories using EDT s *NanoCrystal* technology. Royalties on sales of *TriCor* 145 equaled approximately $54.5 million for the year ended December 31, 2010, being 59.6% of EDT s royalty revenues and 19.9% of EDT s total revenues in that year. *TriCor* 145, a cholesterol lowering product containing the compound fenofibrate, is currently marketed by Abbott Laboratories in the United States and Solvay S.A. in territories outside of the United States. Abbott launched a new generation fenofibrate product, which does not incorporate any of EDT s technologies. Abbott s new product has had and will continue to have a material adverse effect on EDT s *TriCor* 145 revenues.

In addition, a significant part of EDT s current business involves granting licenses for the use of drug delivery technologies EDT has developed to large pharmaceutical companies in return for the payment of an ongoing royalty. There is a risk that large pharmaceutical companies will determine that in-house development and production of drug delivery technologies would be more cost efficient and would provide a greater scope for the development of their own new products. In this event, such companies may not enter into new licenses with EDT or seek to terminate their existing license agreements with EDT, which would have a material adverse effect on EDT s revenues.

EDT s inability to compete with such companies in terms of scale and resources may have a material adverse effect on its business, financial condition, results of operations and prospects.

EDT depends on the success of its existing arrangements with its collaborators.

There are a number of risks associated with EDT s business strategy, which depends on third parties for marketing and sale of products. In many cases, EDT has relatively limited control or ability to influence the marketing efforts and commercial diligence of the collaborator on whom EDT relies to sell the product. As a consequence, EDT is largely dependent on the actions of these third parties to generate its revenues and if they are not effective in their efforts, EDT s revenue streams could be materially adversely affected. EDT has had in the past challenging relationships with client companies where, for a variety of reasons that were not related to EDT, little or no product was sold on the market and EDT had very limited remedies to address this situation.

Some of EDT s collaborators are small companies that depend on venture capital funding to progress their product candidates to later stage development and commercialization. There is a risk that these companies may not be in a position to attract sufficient investment to sustain their development efforts and/or that they may be taken over by other entities with different priorities and motivations. In many cases, EDT has little or no control or input in these circumstances.

Furthermore, EDT s collaborators may fail to fulfill their responsibilities or may seek to renegotiate or terminate their relationships with EDT, for example, as a result of unsatisfactory clinical results. A collaborator may experience financial or other difficulties unrelated to its arrangement with EDT, or may merge with or be acquired by another company, each of which could adversely affect its ability to perform its obligations under the license agreement with EDT. Similarly, a collaborator may fail to manage its inventory levels successfully, which could increase the volatility of its operating results. Alternatively, EDT s relationship with a collaborator may be adversely affected, for example, if EDT develops a proprietary product that competes directly with products that EDT currently supplies to such collaborator. Moreover, in most instances, EDT s collaborators may terminate their relationships with EDT on limited notice and without penalty or if they reasonably determine that the product does not justify continued development or commercialization.

If events such as these materialize, there is a risk that EDT s collaborators or marketing collaborators could discontinue sales of EDT s products, fail to satisfy their obligations under their agreements with EDT or seek alternative or additional suppliers for the same or similar products. If any of the above factors were to arise, this could have a

material adverse effect on EDT s business, financial condition, results of operation and prospects.

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If EDT is not successful in establishing and maintaining additional license arrangements, its growth prospects will be materially harmed.

An element of EDT s business strategy is to establish license arrangements with third parties to develop particular products or to accelerate the development of some of its early-stage product candidates. The process of establishing new relationships is difficult, time-consuming and involves significant uncertainty. EDT faces, and will continue to face, significant competition in seeking appropriate collaborators. If EDT is unable to establish and maintain license arrangements on acceptable terms, EDT may have to delay or discontinue further development of one or more of its product candidates, seek regulatory approval or undertake commercialization activities at its own expense or find alternative sources of funding. This could have a material adverse effect on EDT s business, financial condition, results of operations and prospects.

Any difficulties with, or interruptions to, manufacturing could delay the output of products and harm EDT s relationships with its collaborators.

EDT conducts its scale-up and commercial manufacturing activities at its facilities in Gainesville, Georgia, in the United States, and Athlone, Ireland. Due to regulatory and technical requirements, EDT has limited ability to shift production among its facilities or to outsource any part of EDT s manufacturing to third parties. Damage to any of EDT s manufacturing facilities caused by human error, physical or electronic security breaches, power loss or other failures or circumstances beyond its control, including acts of God, fire, explosion, flood, war, insurrection or civil disorder, acts of, or authorized by, any government, terrorism, accident, labor trouble or shortage, or inability to obtain material, equipment or transportation, could interrupt or delay EDT s manufacturing or other operations.

Any interruption in manufacturing or challenges relating to the scale-up of the manufacturing process to commercial quantities, whether due to EDT s failure to comply with regulatory requirements, limitations in manufacturing capacity, EDT s own limitations or arising from factors outside EDT s control, could result in delays in meeting contractual obligations and could damage EDT s relationships with EDT s collaborators including the loss of manufacturing and supply rights.

EDT is reliant in certain cases on third parties to manufacture products.

Where the manufacturing rights to the products in which EDT s technologies are applied are granted to or retained by its third party licensee or approved sub-licensee, EDT has no control over the manufacturing, supply or distribution of the product, and, accordingly, EDT is dependent upon these third parties to carry out those functions. Any failure on the part of such third parties to perform such functions, or to do so using commercially reasonable efforts, may have a material adverse effect on EDT s business, financial condition, results of operations and prospects.

EDT is dependent on third parties for the supply of key raw materials.

EDT is reliant on third parties to manufacture key raw materials to enable it to develop, manufacture and supply products, including currently marketed products and products currently in development.

There is a risk that if any key third parties were to cease manufacturing or supplying key raw materials, or fail to produce these on commercially reasonable terms, this could have a material adverse effect on EDT s business, financial condition, result of operations and prospects.

EDT is exposed to credit risk on accounts receivable from EDT s collaborators.

EDT sells its pharmaceutical products to EDT s collaborators through contracts that are not secured by collateral or other security and therefore bears the risk that its collaborators are unable to pay amounts due to EDT thereunder. EDT may not be able to limit its potential loss of revenues if a significant number of collaborators are unable to pay amounts owed to EDT.

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EDT may be unable to obtain, register, maintain or protect its intellectual property rights.

EDT s ability to compete effectively with other companies will depend in part on its ability to obtain and maintain patent and/or trademark protection for certain of EDT s products, product candidates, technologies and developing technologies, to preserve EDT s trade secrets, defend and enforce EDT s rights against infringement and operate without infringing the proprietary or intellectual property rights of third parties.

The primary U.S. patent covering the *NanoCrystal* technology expired in 2011. The related primary patent in Europe has been declared invalid. Primary patents covering *NanoCrystal* technology in the rest of the world, which is referred to as the ROW in this proxy statement/prospectus, expire in some countries in 2012. EDT has additional patents and patent applications relating to other aspects of EDT s *NanoCrystal* technology in the United States and the ROW that are independent of the primary patent and which will continue for several years beyond the expiration of this base patent. EDT may nonetheless face competition from other pharmaceutical companies and/or generic manufacturers as various patents in the *NanoCrystal* portfolio expire. This could adversely affect EDT s ability to exploit the *NanoCrystal* technology and/or the sales of currently marketed products employing the *NanoCrystal* technology, which could have a material adverse effect on EDT s business, financial condition, results of operations and prospects.

No assurance can be given that any patents based on pending patent applications or any future patent applications will be issued, that the scope of any patent protection will exclude competitors or provide EDT with competitive advantages, that any of the patents that have been or may be issued to EDT will be held valid if subsequently challenged or that others will not claim rights in the patents and other proprietary rights held by EDT.

In addition, the development of new technologies or pharmaceutical products incorporating EDT s technologies may take a number of years, and there can be no assurance that any patents which may be granted in respect of such technologies or products will not have expired or be due to expire by the time such products are commercialized. Furthermore, there can be no assurance that EDT s competitors have not developed or will not develop similar technologies or products, duplicate any EDT s technologies or products or design around any of EDT s existing or future patents.

If EDT is unable to protect its intellectual property rights, or EDT infringes on the rights of other parties, then its revenues and potential revenues may be materially reduced.

Although EDT believes that it makes reasonable efforts to protect EDT s intellectual property rights and to ensure that its proprietary technology does not infringe the rights of other parties, EDT cannot ascertain the existence of all potentially conflicting claims. Therefore, there is a risk that third parties may make claims of infringement against EDT s product or technologies. In addition, third parties may be able to obtain patents that prevent the sale of EDT s products or require EDT to obtain a license and pay significant fees or royalties in order to continue selling EDT s products.

There has been, and EDT expects there will continue to be, significant litigation in the pharmaceutical industry regarding patents and other intellectual property rights. Litigation and other proceedings concerning patents and other intellectual property rights in which EDT is involved have been and will continue to be protracted and expensive and could be distracting to EDT s management. EDT s competitors may sue it or its collaborators as a means of delaying the introduction of products. Any litigation, including any interference proceedings to determine priority of inventions, oppositions to patents or litigation against EDT s licensors, may be costly and time consuming and could adversely affect EDT. In addition, litigation has been and may be instituted to determine the validity, scope or non-infringement of patent rights claimed by third parties to be pertinent to the manufacturing, use or sale of EDT s or their products. The outcome of any such litigation could adversely affect the validity and scope of EDT s patents or other intellectual property rights, hinder, delay or prevent the marketing and sale of EDT s products and cost EDT

substantial sums of money.

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EDT may have to enforce its intellectual property rights against third parties who infringe those rights.

EDT may have to enforce its intellectual property rights against third parties who infringe its patents and other intellectual property or challenge patent or trademark applications that might have an impact on its intellectual property. Such proceedings are typically protracted with no certainty of success and are likely to involve significant costs and management time. EDT is involved in a number of Paragraph IV litigations (see below), all of which are costly and time consuming.

If EDT s technologies or products and product candidates are claimed under other existing patents or are otherwise claimed to be protected by third party proprietary rights, EDT may be subject to infringement actions. Since patent applications are generally not published until 18 months after filing, EDT also cannot be certain that others did not first file applications for inventions covered by its pending patent applications, nor can EDT be certain that it will not infringe any patents that may be issued to others on such unpublished applications.

If EDT is required to defend charges of patent infringement or to protect its own proprietary rights against third parties, substantial costs and significant management time and effort could be incurred regardless of whether EDT is successful. Such proceedings are typically protracted with no certainty of success. An adverse outcome could subject EDT to significant liabilities and potential indemnification obligations to third parties, and force EDT to curtail or cease the use of certain intellectual property, the development of certain technologies or product candidates and the sale of certain products. In addition, the loss of certain intellectual property rights by EDT s collaborators could have a consequential effect on its revenues. This could have a material adverse effect on EDT s business, financial condition, results of operations and prospects.

EDT and its product collaborators are pursuing a number of Paragraph IV lawsuits with generic manufacturers that, if unsuccessful, could result in generic competitors to EDT s or its collaborators marketed products and a potential reduction in product revenue.

EDT and/or its product collaborators are involved in various sets of patent infringement litigations (also known as Paragraph IV litigations in the United States) in Canada, France and the United States. These actions and litigation could be costly and time consuming to defend and may not be successful.

In the United States, putative generics of innovator drug products (including products in which the innovation comprises a new drug delivery method for an existing product, such as the drug delivery market occupied by EDT) may file Abbreviated New Drug Applications, which are referred to in this proxy statement/prospectus as ANDAs, and, in doing so, they are not required to include preclinical and clinical data to establish the safety and effectiveness of their drug. Instead, they would rely on such data provided in the innovator drug New Drug Application, which is referred to in this proxy statement/prospectus as an NDA. However, to benefit from this less costly abbreviated procedure, the ANDA applicant must demonstrate that its drug is generic or bioequivalent to the innovator drug, and, to the extent that patents protecting the innovator drug are listed in the Orange Book , the ANDA applicant must write to the innovator NDA holder and the patent holder (to the extent that the Orange Book-listed patents are not owned by the innovator NDA holder) certifying that its product either does not infringe the innovator s and, if applicable, the patent holder s patents and/or that the relevant patents are invalid. The innovator and the patent holder may sue the ANDA applicant within 45 days of receiving the certification and, if they do so, the Food and Drug Administration, which is referred to in this proxy statement/prospectus as the FDA, may not approve the ANDA for 30 months from the date of certification unless, at some point before the expiry of those 30 months, a court makes a final decision in the ANDA applicant s favor.

EDT is involved in a number of Paragraph IV litigations and similar suits outside of the United States in respect of six different products (*TriCor* (registered trademark of Fournier Industrie et Sante (S.A.S.)), *Focalin XR®, Avinza®,*

Zanaflex® (registered trademark of Acorda Therapeutics, Inc.), *Rapamune*® (registered trademark of Wyeth LLC) and *Luvox CR*® (registered trademark of Abbott Products, Inc.) either as plaintiff or as an interested party (where the suit is being brought in the name of one of EDT s collaborators). EDT has recently received a Paragraph IV certification with respect to *Megace*® *ES*.

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If EDT is unsuccessful in these and other similar suits, EDT or its collaborators products may be subject to generic competition, its manufacturing revenue and royalties could be materially and adversely affected and generic manufacturers may be entitled to market generic products that compete with EDT s or its collaborators marketed products which may result in a loss of product revenue and could have a material adverse effect on EDT s business, financial condition, results of operations and prospects.

Risks Related to the Proposed Transactions

Alkermes and Elan must obtain required approvals and governmental and regulatory consents to consummate the business combination, which, if delayed, not granted or granted with unacceptable conditions, may jeopardize or delay the consummation of these transactions, result in additional expenditures of money and resources and/or reduce the anticipated benefits of the business combination.

The business combination is subject to customary closing conditions. These closing conditions include, among others, the receipt of required approvals of Alkermes shareholders, the effectiveness of the registration statement and the expiration or termination of the waiting period under the HSR Act.

The governmental agencies from which the parties will seek certain of these approvals have broad discretion in administering the governing regulations. As a condition to their approval of the business combination, agencies may impose requirements, limitations or costs or require divestitures or place restrictions on the conduct of New Alkermes business after the closing. These requirements, limitations, costs, divestitures or restrictions could jeopardize or delay the consummation of the business combination or may reduce the anticipated benefits of the business combination. Further, no assurance can be given that the required shareholder approval will be obtained or that the required closing conditions will be satisfied, and, if all required consents and approvals are obtained and the closing conditions are satisfied, no assurance can be given as to the terms, conditions and timing of the approvals. If Alkermes and Elan agree to any material requirements, limitations, costs, divestitures or restrictions in order to obtain any approvals required to consummate the business combination, these requirements, limitations, costs, divestitures or restrictions could adversely affect New Alkermes ability to integrate Alkermes operations with EDT operations or reduce the anticipated benefits of the business combination. This could result in a failure to consummate these transactions or have a material adverse effect on New Alkermes business and results of operations.

Failure to consummate the business combination could negatively impact the stock price and the future business and financial results of Alkermes and/or Elan.

If the business combination is not consummated, the ongoing businesses of Alkermes and/or Elan may be adversely affected and, without realizing any of the benefits of having consummated the merger, Alkermes and/or Elan will be subject to a number of risks, including the following:

Alkermes may be required to pay to Elan or Elan may be required to pay to Alkermes a termination fee of $25 million if the business combination and merger are not consummated under certain circumstances, as described in the merger agreement and summarized under the caption *The Business Combination Agreement and Plan of Merger Termination of the Merger Agreement ;*

Alkermes and/or Elan will be required to pay certain costs relating to the proposed business combination, including legal, accounting, filing and possible other fees and mailing, financial printing and other expenses in connection with the transactions whether or not the business combination is consummated; or

matters relating to the business combination (including integration planning) may require substantial commitments of time and resources by Alkermes management and EDT management, which could otherwise have been devoted to other opportunities that may have been beneficial to Elan, EDT, Alkermes or New Alkermes, as the case may be.

Alkermes and/or Elan also could be subject to litigation related to any failure to consummate the business combination or merger or related to any enforcement proceeding commenced against Alkermes and/or Elan to perform their respective obligations under the merger agreement. If the business combination is not

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consummated, these risks may materialize and may adversely affect Alkermes and/or Elan s business, financial results and stock price.

New Alkermes may fail to realize benefits estimated as a result of the business combination.

The success of the combination of the businesses of Alkermes and EDT will depend, in part, on New Alkermes ability to realize the anticipated synergies, business opportunities and growth prospects from combining the businesses. New Alkermes may never realize these anticipated synergies, business opportunities and growth prospects. Integrating operations will be complex and will require significant efforts and expenditures. Employees might leave or be terminated because of the merger. New Alkermes management might have its attention diverted while trying to integrate operations and corporate and administrative infrastructures. Assumptions underlying estimates of expected cost savings may be inaccurate and general industry and business conditions might deteriorate. If any of these factors limit New Alkermes ability to integrate the operations of Alkermes with those of EDT successfully or on a timely basis, the expectations of future results of operations, including certain cost savings and synergies expected to result from the business combination, might not be met.

Alkermes and EDT s business relationships, including customer relationships, may be subject to disruption due to uncertainty associated with the business combination.

Parties with which Alkermes and EDT currently do business or may do business in the future, including customers and suppliers, may experience uncertainty associated with the business combination, including with respect to current or future business relationships with Alkermes, EDT or New Alkermes. As a result, Alkermes and EDT s business relationships may be subject to disruptions if customers, suppliers and others attempt to negotiate changes in existing business relationships or consider entering into business relationships with parties other than Alkermes or EDT. For example, many of EDT s customers and collaborators have contractual consent rights or termination rights that may be triggered by a change of control of EDT. In addition, the contract manufacturing business of New Alkermes could be impaired if existing or potential customers of Alkermes or EDT determine not to continue or initiate contract manufacturing relationships with New Alkermes. These disruptions could have an adverse effect on the businesses, financial condition, results of operations or prospects of New Alkermes following the closing. The adverse effect of such disruptions could be exacerbated by a delay in the consummation of the business combination and merger or termination of the merger agreement.

Loss of key personnel could lead to loss of customers and a decline in revenues, adversely affect the progress of pipeline products or otherwise adversely affect the operations of Alkermes, EDT and New Alkermes.

Current and prospective employees of Alkermes and EDT might experience uncertainty about their future roles with New Alkermes following completion of the business combination, which might adversely affect Alkermes , EDT s and New Alkermes ability to retain key managers and other employees. In particular, the closure of EDT s King of Prussia facility, which has been a principal center for EDT s *Nanocrystal* technology platform, could adversely affect the development of pipeline products using such technology. Although EDT believes it has put in place sufficient plans, including transitioning the roles of employees at this location, to mitigate this risk, there is no assurance that the closure will not adversely affect the development of products using this technology. In addition, competition for qualified personnel in the biotechnology industry may be very intense. The success of New Alkermes after the completion of the business combination will depend, in part, upon its ability to retain key employees. See *The Business Combination Interests of Certain Persons in the Transactions*. If Alkermes or EDT loses key personnel or New Alkermes is unable to attract, retain and motivate qualified individuals or the associated costs to New Alkermes increase significantly, Alkermes business and New Alkermes business could be adversely affected.

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Alkermes may waive one or more of the conditions to the merger without resoliciting shareholder approval.

Alkermes may determine to waive, in whole or in part, one or more of the conditions to its obligations to complete the merger, to the extent permitted by applicable laws. Alkermes board of directors will evaluate the materiality of any such waiver and its effect on Alkermes shareholders in light of the facts and circumstances at the time to determine whether amendment of this proxy statement/prospectus and resolicitation of proxies is required or warranted. In some cases, if Alkermes board of directors determines that such a waiver is warranted but that such waiver or its effect on Alkermes shareholders is not sufficiently material to warrant resolicitation of proxies, Alkermes has the discretion to complete the merger without seeking further shareholder approval. Any determination whether to waive any condition to the merger or as to resoliciting shareholder approval or amending this proxy statement/prospectus as a result of a waiver will be made by the Alkermes board of directors at the time of such waiver based on the facts and circumstances as they exist at that time.

Alkermes directors and executive officers have interests in the business combination in addition to those of shareholders.

In considering the recommendations of the Alkermes board of directors with respect to the merger agreement, you should be aware that some Alkermes directors and executive officers have financial and other interests in the proposed transactions in addition to interests they might have as shareholders. See *The Business Combination Interests of Certain Persons in the Transactions.* In particular, members of Alkermes board of directors and executive officers will become directors and executive officers of New Alkermes. You should consider these interests in connection with your vote on the related proposal.

The presence of a significant shareholder may affect the ability of a third party to acquire control of New Alkermes.

Elan will beneficially own approximately 25% of the outstanding New Alkermes ordinary shares immediately following the closing. These shares will be subject to the terms of the shareholder s agreement. See *Other Related Agreements Shareholder s Agreement.* The shareholder s agreement will generally entitle the Elan Shareholder to appoint one independent director to the New Alkermes board of directors so long as Elan continues to hold at least 10% of the outstanding voting securities of New Alkermes. Although this director will not constitute a majority of the board of directors, he or she may exercise influence over the decisions of the board.

Having the Elan Shareholder as a significant shareholder of New Alkermes may have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from seeking to acquire, a majority of the outstanding New Alkermes ordinary shares in a public takeover offer (whether by means of a voluntary bid or scheme of arrangement), or control of the New Alkermes board of directors through a proxy solicitation. In that regard, Elan and its affiliates will be obligated pursuant to the shareholder s agreement not to tender any New Alkermes ordinary shares in any tender or exchange offer that the board of directors recommends that the New Alkermes shareholders reject.

For at least one year following the closing, the shareholder s agreement will obligate the Elan Shareholder to vote on all matters in accordance with the recommendation of the New Alkermes board of directors. Thereafter, the Elan Shareholder 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 New Alkermes or the 30-day volume weighted average trading price of New Alkermes ordinary shares is at least $7.595.

Existing Alkermes shareholders will own a smaller share of New Alkermes following completion of the merger.

Following completion of the merger, Alkermes shareholders will own the same number of shares of New Alkermes that they owned in Alkermes immediately before the closing. Each New Alkermes ordinary share,

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however, will represent a smaller ownership percentage of a significantly larger company. Alkermes shareholders, who currently own 100% of the outstanding Alkermes common stock, will, immediately following the merger, own approximately 75% of the total outstanding New Alkermes ordinary shares, with the Elan Shareholder owning the remaining approximately 25%.

The New Alkermes ordinary shares to be received by Alkermes shareholders in connection with the merger will have different rights from the shares of Alkermes common stock.

Upon consummation of the merger, Alkermes shareholders will become New Alkermes shareholders and their rights as shareholders will be governed by New Alkermes memorandum and articles of association. The rights associated with Alkermes common stock are different from the rights associated with New Alkermes ordinary shares. See *Comparison of the Rights of Holders of Alkermes Common Stock and New Alkermes Ordinary Shares.*

Until the completion of the business combination or the termination of the merger agreement in accordance with its terms, Alkermes and/or Elan are prohibited from entering into certain transactions that might otherwise be beneficial to Alkermes and/or Elan or their respective shareholders.

During the period that the merger agreement is in effect, other than with Elan s written consent, Alkermes is prohibited from, and other than with Alkermes written consent, Elan is prohibited from making any acquisition that would be reasonably likely to prevent the merger from occurring prior to November 5, 2011. During the period the merger agreement is in effect, except as permitted by certain limited exceptions in the merger agreement or required by their fiduciary duties and subject to the other requirements of the merger agreement, (i) Alkermes may not, among other things, solicit, participate in any discussion or negotiations, provide information to any third party or enter into any agreement providing for the acquisition of Alkermes, (ii) Elan may not, among other things, solicit, participate in any discussion or negotiations, provide information to any third party or enter into any agreement providing for the acquisition of EDT, and (iii) the Alkermes board of directors may not withdraw or adversely modify its recommendation of approval by the Alkermes shareholders of adoption of the merger agreement. The foregoing prohibitions could have the effect of delaying other strategic transactions and may, in some cases, make it impossible to pursue other strategic transactions that are available only for a limited time.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus and the documents incorporated into it by reference contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, which is referred to in this proxy statement/prospectus as the Securities Act, and Section 21E of the Exchange Act that involve risks and uncertainties. All statements, trend analyses and other information contained herein about the markets for the services and products of New Alkermes, Alkermes and EDT and trends in revenue, as well as other statements identified by the use of forward-looking terminology, including anticipate , believe , plan , estimate , expect , goal and intend , or the these terms or other similar expressions, constitute forward-looking statements. These forward-looking statements are based on estimates reflecting the best judgment of the senior management of Alkermes and EDT. These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Forward-looking statements should therefore be considered in light of various important factors, including those set forth in this proxy statement/prospectus. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include the following:

- the timing of the completion of the merger;
- the failure of the Alkermes shareholders to approve the adoption of the merger agreement;
- the possibility that the businesses of Alkermes and EDT may suffer as a result of the uncertainty surrounding the business combination;
- the failure to obtain and retain expected synergies from the proposed business combination;
- rates of success in executing, managing and integrating key acquisitions and transactions, including the proposed business combination;
- the ability to achieve business plans for the combined company;
- the ability to manage and maintain key collaboration agreements;
- the conditions to the completion of the proposed business combination may not be satisfied;
- delays in obtaining, or adverse conditions contained in, any regulatory or third-party approvals in connection with the proposed transactions;
- the ability to fund debt service obligations through operating cash flow;
- the ability to obtain additional financing in the future and react to competitive and technological changes and scientific developments;
- the ability to comply with restrictive covenants in the combined company s indebtedness;
- the ability to compete with a range of other providers of pharmaceutical products and services;
- the effect of technological changes and scientific developments on the combined company s businesses;

the functionality or market acceptance of new products that the combined company may introduce;

the extent to which the combined company s future earnings will be sufficient to cover its fixed charges;

the parties ability to meet expectations regarding the timing, completion and accounting and tax treatments of the proposed transactions;

the pressures from an intensely competitive business environment;

the failure of New Alkermes to protect its intellectual property rights;

limits on New Alkermes rights to indemnification against liabilities in certain circumstances or its ability to collect such indemnification;

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New Alkermes efforts and ability to evaluate and license third-party product candidates and build its pipeline;

the development, regulatory review and therapeutic and commercial potential of product candidates and the costs and expenses related thereto;

the initiation, timing and results of clinical trials of New Alkermes products;

the financial impact of health care reform legislation and foreign currency exchange rate fluctuations and valuations;

the impact of new accounting pronouncements; and

the risk factors explained in Alkermes most recent Annual Report on Form 10-K, as amended and Quarterly Report on Form 10-Q for the period ended June 30, 2011.

Actual results might differ materially from those expressed or implied by these forward-looking statements because these forward-looking statements are subject to assumptions and uncertainties. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference. All subsequent written and oral forward-looking statements concerning the business combination, the merger or the other matters addressed in this proxy statement/prospectus and attributable to New Alkermes, Alkermes or EDT or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except as required by applicable law or regulation, none of New Alkermes, Alkermes or EDT undertakes any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this proxy statement/prospectus or any document incorporated by reference might not occur. For more information regarding the risks and uncertainties of the pharmaceutical business as well as risks relating to the combination of EDT and Alkermes, see *Risk Factors.*

SPECIAL MEETING OF ALKERMES SHAREHOLDERS

Overview

This proxy statement/prospectus is being provided to Alkermes shareholders as part of a solicitation of proxies by the Alkermes board of directors for use at the special meeting of Alkermes shareholders and at any adjournments or postponements of such meeting. This proxy statement/prospectus is being furnished to Alkermes shareholders on or about August 8, 2011. In addition, this proxy statement/prospectus constitutes a prospectus for New Alkermes in connection with the issuance by New Alkermes of ordinary shares in connection with the merger. This proxy statement/prospectus provides Alkermes shareholders with information they need to be able to vote or instruct their vote to be cast at the special meeting.

Date, Time & Place of the Alkermes Special Meeting

Alkermes will hold a special meeting of shareholders on September 8, 2011 at 10 a.m. Eastern Daylight Time, at its principal executive offices located at 852 Winter Street, Waltham, Massachusetts.

Proposals

At the special meeting, Alkermes shareholders will vote upon proposals to:

adopt the merger agreement;

create distributable reserves of New Alkermes; and

adjourn the special meeting to a later date or dates if necessary or appropriate, including for the purpose of permitting further solicitation of proxies.

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Record Date; Outstanding Shares; Shares Entitled to Vote

Only holders of Alkermes common stock at the close of business on August 1, 2011, the record date for the Alkermes special meeting, will be entitled to notice of, and to vote at, the Alkermes special meeting or any adjournments or postponements thereof. On the record date, there were 97,618,711 shares of Alkermes common stock outstanding. Each outstanding Alkermes share is entitled to one vote on each proposal and any other matter properly coming before the Alkermes special meeting.

Quorum

A quorum of shareholders is necessary to hold a valid special meeting of Alkermes. The required quorum for the transaction of business at the Alkermes special meeting consists of the presence, whether in person or by proxy, of shareholders entitled to cast at least a majority of the votes which all shareholders of Alkermes are entitled to cast. Abstentions will be counted for purposes of determining whether a quorum is present. Broker non-votes will not be counted for purposes of determining whether a quorum is present unless the shares covered by the broker non-votes are voted on a matter other than a procedural matter.

Vote Required

Proposal to Adopt the Merger Agreement

Alkermes shareholders are considering and voting on a proposal to adopt the merger agreement. You should carefully read this proxy statement/prospectus in its entirety for more detailed information concerning the business combination. In particular, you are directed to the merger agreement, which is attached as Annex A to this proxy statement/prospectus.

The adoption of the merger agreement requires the affirmative vote of a majority of the votes cast by the holders of shares of Alkermes common stock outstanding and entitled to vote on the merger agreement proposal, assuming a quorum is present. As a result, abstentions, failures to vote and broker non-votes will have no effect on the merger agreement proposal.

The board of directors of Alkermes recommends that you vote FOR the adoption of the merger agreement.

Proposal to Create Distributable Reserves of New Alkermes

Alkermes shareholders are considering and voting on a proposal to create distributable reserves of New Alkermes. You should carefully read this proxy statement/prospectus in its entirety for more detailed information concerning the creation of distributable reserves. See *Creation of Distributable Reserves of New Alkermes.*

Approval of the proposal to create distributable reserves requires the affirmative vote of a majority of the votes cast by the holders of shares of Alkermes common stock outstanding and entitled to vote, assuming a quorum is present. As a result, abstentions, failures to vote and broker non-votes will have no effect on the distributable reserves proposal. Approval of this proposal is not a condition to the completion of the business combination and whether or not this proposal is approved will have no impact on the completion of the business combination.

The board of directors of Alkermes recommends that you vote FOR the creation of distributable reserves of New Alkermes.

Proposal to Adjourn the Special Meeting

Alkermes shareholders may be asked to vote on a proposal to adjourn the special meeting if necessary or appropriate, including for the purpose of permitting further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement.

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The approval of the proposal to permit the proxies to adjourn the special meeting, including for the purpose of soliciting additional proxies, requires the affirmative vote of a majority of the votes cast by the holders of shares of Alkermes common stock present in person or represented by proxy at the meeting and entitled to vote on the adjournment proposal, regardless of whether a quorum is present. As a result, abstentions, failures to vote and broker non-votes will have no effect on the adjournment proposal.

The board of directors of Alkermes recommends that you vote FOR any adjournment of the special meeting to a later date or dates if necessary or appropriate, including for the purpose of permitting further solicitation of proxies.

Stock Ownership and Voting by Alkermes Officers and Directors

As of the record date, the Alkermes directors and executive officers had the right to vote approximately 1,882,108 shares of Alkermes common stock, representing approximately 1.93% of the Alkermes common stock then outstanding and entitled to vote at the meeting. It is expected that the Alkermes directors and executive officers who are shareholders of Alkermes will vote FOR the proposal to adopt the merger agreement, FOR the proposal to create distributable reserves of New Alkermes, and FOR the proposal to adjourn the special meeting if necessary or appropriate, including for the purpose of permitting further solicitation of proxies, although none of them has entered into any agreement requiring them to do so.

Voting Your Shares

Alkermes shareholders may vote in person at the special meeting or by proxy. Alkermes recommends that you submit your proxy even if you plan to attend the special meeting. If you vote by proxy, you may change your vote, among other ways, if you attend and vote at the special meeting.

If you own stock in your own name, you are considered, with respect to those shares, the shareholder of record. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name.

If you are a shareholder of record you may use the enclosed proxy card(s) to tell the persons named as proxies how to vote your shares. If you properly complete, sign and date your proxy card(s), your shares will be voted in accordance with your instructions. The named proxies will vote all shares at the meeting for which proxies have been properly submitted and not revoked. If you sign and return your proxy card(s) but do not mark your card(s) to tell the proxies how to vote, your shares will be voted FOR the proposals to adopt the merger agreement, to create distributable reserves of New Alkermes and to adjourn the special meeting.

Alkermes shareholders may also vote over the Internet at www.envisionreports.com/alks or by telephone at 1-800-652-8683. Voting instructions are printed on the proxy card or voting information form you received. Either method of submitting a proxy will enable your shares to be represented and voted at the special meeting.

Voting Shares Held in Street Name

If your shares are held in an account through a broker, bank or other nominee, you must instruct the broker, bank or other nominee how to vote you shares by following the instructions that the broker, bank or other nominee provides you along with this proxy statement/prospectus. If you do not provide voting instructions to your broker, your shares will not be voted on any proposal on which your broker does not have discretionary authority to vote. This is referred to in this proxy statement/prospectus and in general as a broker non-vote. In these cases, the broker, bank or other nominee will not be able to vote your shares on those matters for which specific authorization is required; if the

broker, bank or other nominee votes on a matter other than a procedural matter, your shares will be treated as present at the special meeting for purposes of determining the presence of a quorum. Brokers do not have discretionary authority to vote on the proposal to adopt the merger agreement.

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Revoking Your Proxy

If you are a shareholder of record, you may revoke your proxy at any time before it is voted at the special meeting by:

delivering a written revocation letter to the Secretary of Alkermes;

submitting your voting instructions again by telephone or over the Internet;

signing and returning by mail a proxy card with a later date so that it is received prior to the special meeting; or

attending the special meeting and voting by ballot in person.

Attendance at the special meeting will not, in and of itself, revoke a proxy.

If your shares are held in street name by a bank, broker or other nominee, you should follow the instructions of your bank, broker or other nominee regarding the revocation of proxies.

Costs of Solicitation

Alkermes will bear the cost of soliciting proxies from its shareholders, except that Alkermes and Elan will share the cost of printing and mailing this proxy statement/prospectus.

Alkermes will solicit proxies by mail. In addition, the directors, officers and employees of Alkermes may solicit proxies from its shareholders by telephone, electronic communication, or in person, but will not receive any additional compensation for their services. Alkermes will make arrangements with brokerage houses and other custodians, nominees, and fiduciaries for forwarding proxy solicitation material to the beneficial owners of Alkermes common stock held of record by those persons and will reimburse them for their reasonable out-of-pocket expenses incurred in forwarding such proxy solicitation materials.

Alkermes has engaged a professional proxy solicitation firm, MacKenzie Partners, Inc., to assist in soliciting proxies for a fee of $12,500. In addition, Alkermes will reimburse MacKenzie Partners, Inc. for its reasonable out-of-pocket expenses.

Alkermes shareholders should not send in their stock certificates with their proxy cards.

As described on page 76 of this proxy statement/prospectus, Alkermes shareholders will be sent materials for exchanging shares of Alkermes common stock shortly after the completion of the merger.

Other Business

Alkermes is not aware of any other business to be acted upon at the special meeting. If, however, other matters are properly brought before the special meeting, your proxies will have discretion to vote or act on those matters according to their best judgment and they intend to vote the shares as the Alkermes board of directors may recommend.

Assistance

If you need assistance in completing your proxy card or have questions regarding Alkermes special meeting, please contact MacKenzie Partners, Inc. Banks and brokers call collect: (212) 929-5500; all others call toll free: (800) 322-2885.

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THE BUSINESS COMBINATION

The Reorganization of EDT

EDT operates as a business unit of Elan with its principal assets held by various Elan legal entities predominantly located in Ireland.

Prior to the effective time of the merger, and in accordance with the merger agreement, Elan, certain of its subsidiaries and New Alkermes will carry out a reorganization that carves out the assets and legal entities that comprise the EDT business and repositions them under New Alkermes. The reorganization will consist of a series of asset transfers, share transfers and other inter-company transfers following which the EDT business will be contained in its own corporate structure under New Alkermes, which, prior to the effective time of the merger, will be an indirect subsidiary of Elan. As of the date of this proxy statement/prospectus certain steps in respect of the reorganization have already been completed.

The reorganization will result in (i) the Elan Shareholder beneficially owning 31,900,007 New Alkermes ordinary shares and the Euro Share Capital, which will constitute all of the then-issued share capital of New Alkermes and (ii) New Alkermes owning, indirectly, the equity interests in the companies that carry out the EDT business, and (with certain identified exceptions and additions), owning all of the right, title and interest to the EDT business.

The Merger

Following the reorganization, Merger Sub, which will be an indirect wholly-owned subsidiary of New Alkermes, will merge with and into Alkermes, with Alkermes as the surviving corporation and a wholly-owned indirect subsidiary of New Alkermes. At the effective time, (i) each share of Alkermes common stock then issued and outstanding and all associated rights will be canceled and automatically converted into and become the right to receive one ordinary share of New Alkermes; (ii) all currently issued and outstanding options to purchase Alkermes common stock granted under any stock option plan will be converted into options to purchase, on substantially the same terms and conditions, the same number of New Alkermes ordinary shares at the same exercise price; and (iii) all currently issued and outstanding awards of Alkermes common stock will be converted into awards of the same number of New Alkermes ordinary shares on substantially the same terms and conditions. As a result, upon consummation of the merger and the issuance of the New Alkermes ordinary shares in exchange for the canceled shares of Alkermes common stock, the former shareholders of Alkermes will own approximately 75% of New Alkermes and the Elan Shareholder will beneficially own the remaining approximately 25% of New Alkermes, subject to the terms of the shareholder s agreement.

Background of the Transactions

On November 23, 2010, Michael Baldock, a partner of Ondra Partners, which is referred to in this proxy statement/prospectus as Ondra, an independent financial adviser engaged by Elan, met with Richard Pops, Chief Executive Officer of Alkermes, and Michael Landine, Senior Vice President of Corporate Development at Alkermes, to discuss a possible combination of Alkermes and EDT.

In a telephone call on November 24, 2010, Mr. Pops discussed with Kelly Martin, Chief Executive Officer of Elan, the possibility of a combination of Alkermes and EDT.

On November 29, 2010, Mr. Martin sent an email to Mr. Pops outlining immediate next steps, including the execution of a confidentiality agreement between Elan and Alkermes and the need to discuss a possible combination of Alkermes and EDT with the chairman of Elan s board of directors.

On December 3, 2010, Mr. Martin sent an email to Mr. Pops noting that Elan s board of directors approved Elan s entry into discussions with Alkermes regarding a possible business combination.

Following approval by Elan s board of directors, Alkermes and Elan entered into a confidentiality agreement relating to discussions of a possible business combination on December 6, 2010.

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From December 6, 2010, through the execution of the merger agreement, Alkermes, Elan and their respective representatives, including their financial, tax and legal advisers, conducted due diligence investigations of each other s business. Such due diligence activities included in-person meetings, telephone conference calls, and review of materials made available in hard copy or electronic copy, and focused on various aspects of the businesses, including, but not limited to, intellectual property, pipeline and commercial products, delivery technologies, finance and tax.

On December 13, 2010, Mr. Martin and Mr. Baldock met with Mr. Pops, James Frates, Chief Financial Officer of Alkermes, Mr. Landine, Blair Jackson, Vice President of Business Development at Alkermes, and Kathryn Biberstein, Senior Vice President and General Counsel of Alkermes, to discuss a possible business combination of Alkermes and EDT.

On December 23, 2010, Mr. Frates, Mr. Jackson, Mr. Landine, Iain Brown, Vice President of Finance at Alkermes, and Claire Vasios, Vice President of Intellectual Property at Alkermes, participated in a conference call with members of EDT s management and advisers, during which Alkermes and EDT each delivered a presentation detailing its business, including a discussion of clinical programs and commercial products, and intellectual property matters related to such programs and products.

On January 4, 2011, Mr. Baldock and Mr. Pops met to discuss further a possible combination of Alkermes and EDT.

On January 5, 2011, Mr. Landine, Mr. Jackson, Mr. Frates, Ms. Vasios, Ms. Biberstein, Mr. Brown, Gordon Pugh, Chief Operating Officer of Alkermes, and Cathy Gebhard, Chief Licensing and Intellectual Property Counsel at Alkermes, met with Shane Cooke, then the CFO of Elan and head of EDT, Peter Thornton, Senior Vice President of Corporate Development and Business Operations at EDT, Karen Kim, a consultant to Elan, Harm Hemsing, Director of Finance and Investor Relations at EDT, Sharon Hamm, Senior Vice President of Technical Operations at EDT, Gary Liversidge, Chief Technical Officer at EDT, James Botkin, Senior Vice President of Operations at EDT, Tom Riordan, Vice President and Legal Counsel at EDT, and Mr. Baldock. During this meeting, representatives of Alkermes and EDT each delivered a presentation providing an overview of its business.

From January through May 2011, Alkermes worked with its financial and tax advisers and, on occasion, met with EDT and its financial and tax advisers, to perform various financial planning activities related to a possible business combination, including financial modeling activities, tax planning, valuation work and financing matters.

On January 8, 2011, Mr. Cooke sent an email to Mr. Pops outlining the rationale for, and potential advantages of, a possible combination of Alkermes and EDT.

On January 20 and 21, 2011, Mr. Frates, Mr. Landine, Mr. Jackson, Mr. Pugh, and Mr. Brown met with members of EDT s management and accounting and tax advisers and Mr. Baldock in Dublin, Ireland to discuss the businesses of Alkermes and EDT, including their respective financial projections and legal structures related to a possible business combination. Ms. Biberstein and Ms. Gebhard participated by telephone.

On January 24, 2011, Mr. Martin sent an email to Mr. Pops noting the inclusion of the possible business combination as an agenda item at the upcoming meeting of Elan s board of directors and requesting that there occur a discussion and agreement on the price to be paid by Alkermes to Elan for a possible combination of Alkermes and EDT.

In a telephone call on January 25, 2011, Mr. Pops and Mr. Cooke discussed the potential benefits posed by a possible combination of Alkermes and EDT.

In a telephone call with Mr. Pops on January 26, 2011 and an email to Mr. Pops on February 2, 2011, Mr. Martin communicated that, at the previous meeting of the Elan board of directors, he had received the full support of Elan s

board of directors to lay out the framework under which Elan would be prepared to move forward with the negotiation of a possible combination of EDT and Alkermes.

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Mr. Pops held a dinner with Mr. Martin and Mr. Baldock on February 9, 2011, during which they discussed in detail aspects of a possible combination and Mr. Martin proposed to Mr. Pops a potential price and pricing structure.

On February 10, 2011, Mr. Martin sent an email to Mr. Pops reiterating their discussion on February 9, 2011.

On February 14, 2011, Mr. Pops sent an email to Mr. Martin noting that there was continued discussion among the Alkermes board of directors as to the rationale for and potential risks and benefits of a possible combination. In his email, Mr. Pops also noted that Alkermes was still moving ahead with transaction-related and due diligence activities that Mr. Pops wished to complete before engaging in any pricing-related discussions.

Mr. Pops and Mr. Martin met for breakfast on February 16, 2011, during which Mr. Martin and Mr. Pops discussed a possible business combination. Mr. Pops did not engage in pricing negotiations.

From February 16 to 23, 2011, Alkermes entered into discussions with three valuation firms to provide valuation services with respect to Alkermes clinical and commercial programs and EDT in connection with the possible business combination.

During this period, Mr. Pops sent an email to the Alkermes board of directors on February 17, 2011, discussing a possible business combination. As part of this communication, Mr. Pops provided the Alkermes board of directors with written materials describing EDT and an explanation of the rationale for, and risks of, such a business combination. On February 17 and 18, 2011, representatives of Morgan Stanley and another global financial services company met with Mr. Pops, Mr. Landine, Mr. Frates, Mr. Jackson, Ms. Biberstein, Mr. Pugh and Mr. Brown to discuss a possible business combination and the financial services each could provide in connection therewith. On February 19, 2011, Alkermes retained Morgan Stanley to provide certain financial services to Alkermes in connection with a possible business combination.

On February 24 and 25, 2011, members of Alkermes senior management, representatives of Morgan Stanley and PricewaterhouseCoopers, which is referred to in this proxy statement/prospectus as PwC, Alkermes accounting and tax adviser, met with members of EDT management, Mr. Baldock and EDT accounting and tax advisers, to discuss the terms and structure of a possible business combination.

On February 28, 2011, the Alkermes board of directors held a telephonic meeting to discuss a possible business combination with EDT. Representatives of Alkermes senior management attended. Mr. Pops, referencing the information sent to the Alkermes board of directors on February 17, 2011, indicated that Alkermes had been evaluating a potential transaction with EDT. Mr. Pops summarized in detail the business of EDT, including its intellectual property estate, physical assets, commercial and clinical products, and current and projected financial performance. Mr. Pops outlined the cash and equity consideration that Alkermes would utilize to finance a possible business combination, including the use of bank debt. Substantial discussion regarding a possible business combination followed, including discussion regarding the pro forma financials of the combined entities, the financing of a possible business combination, the diligence process for a possible business combination, the impact of acquiring certain royalty streams and the relocation of Alkermes headquarters to Ireland. The Alkermes board of directors then authorized the formation of, and established, an ad hoc committee of the Alkermes board of directors, which is referred to in this proxy statement/prospectus as the Transaction Committee, to assist Alkermes senior management and the Alkermes board of directors in considering a possible business combination with EDT, which committee consisted of Robert Breyer, Paul Mitchell and David Anstice.

Following the Alkermes board of directors meeting, Mr. Pops emailed Mr. Martin on March 1, 2011 to communicate that Alkermes would continue to proceed with transaction-related activities, working through the deal structure and legal and tax issues and preparing for price negotiations. Mr. Pops noted further that, after it received a valuation

analysis from Morgan Stanley, Alkermes would advance a proposed transaction structure to Elan for consideration.

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On March 2, 2011, Mr. Frates, Mr. Landine, Mr. Brown and Mr. Jackson participated in a conference call with members of EDT and Elan management, and Mr. Baldock, to discuss the credit financial model of a possible combined business following a possible transaction.

On March 4, 2011, Mr. Pops, Mr. Landine, Mr. Frates, Mr. Brown and Mr. Jackson participated in a conference call with Morgan Stanley to discuss the valuation models and other financial aspects of a possible business combination.

Also on March 4, 2011, Mr. Pops communicated to Mr. Martin via email that Alkermes would be prepared to speak with Elan about pricing and pricing structure within the week. Mr. Martin asked that such information be communicated to Elan s financial advisers, Ondra and Citibank Global Markets Inc., which is referred to in this proxy statement/prospectus as Citi, Elan s financial advisers.

On March 7, 2011, Mr. Pops held a call with the Transaction Committee to update them as to the progress of the negotiations on a possible business combination and discuss the open issues. Also participating in the call were members of Alkermes senior management.

Following the call with the Transaction Committee, Mr. Pops spoke with Mr. Martin on March 8, 2011 by telephone and communicated an offer for EDT in the amount of $500 million in cash and 30 million New Alkermes ordinary shares. Mr. Martin noted that he would convey the offer to Elan s board of directors.

In an email to Mr. Pops on March 9, 2011, Mr. Martin communicated that he had spoken with the chairman of the Elan board of directors about Alkermes proposed pricing and price structure and that Mr. Martin should be able to provide clarity about the process over the next few days.

In a telephone call on March 11, 2011, Mr. Pops requested that Alkermes be provided with exclusivity in its negotiations with Elan regarding a possible business combination with EDT.

In an email exchange on March 12, 2011, Mr. Martin communicated that he had a meeting with the chairman of Elan s board of directors and reviewed with him the discussion of exclusivity. Mr. Martin next planned to review such discussion with members of the ad hoc sub-committee of Elan s board of directors. Mr. Pops intimated that, unless and until exclusivity was provided, Alkermes would not proceed with further activities related to a possible business combination.

On March 15, 2011, Mr. Pops and Mr. Martin spoke by telephone. They discussed some of the key open issues related to a possible combination, including total consideration, board governance, executive management, rights and restrictions of Elan as a shareholder of the combined business, and a timeline for a possible business combination.

Also on March 15, 2011, as a follow-up to their telephone conversation, Mr. Martin sent Mr. Pops an email outlining five transaction components to be satisfied before the sub-committee of Elan s board of directors would recommend approval of the Alkermes exclusivity proposal to the full board of directors. These components related to the total consideration to be paid by Alkermes, including the receipt by Elan of equity consideration equal to 31,900,000 ordinary shares of New Alkermes (approximately 25% of New Alkermes), the number of board seats Elan would have in a combined business, the possible role, if any, of Mr. Cooke in a combined business, the ability of Elan to monetize its equity stake in the combined business, and the timeline of a possible business combination.

In advance of Alkermes next scheduled board of directors meeting, Mr. Pops sent an email to the Alkermes board of directors on March 15, 2011, describing Alkermes analysis of a possible business combination to date, including the financial and operational synergies such a combination could produce and the risks posed by a possible business

combination.

On March 18, 2011, Alkermes engaged Duff & Phelps, LLC, which is referred to in this proxy statement/prospectus as Duff & Phelps, to provide valuation services with respect to certain Alkermes clinical and commercial programs and EDT in connection with a possible business combination.

From March 18, 2011 through the signing of the definitive merger agreement, representatives of Alkermes, EDT, and their respective financial, tax and legal advisers provided Duff & Phelps information, by

telephone, email, and in person, to enable it to generate a valuation of EDT and certain Alkermes clinical and commercial programs. The valuation work with respect to EDT will continue through the completion of the business combination.

On March 21, 2011, Mr. Pops, Mr. Frates, Mr. Jackson, Mr. Landine and Ms. Biberstein met with members of the Transaction Committee. During this meeting, Mr. Pops provided an update as to the status of the business combination negotiations and discussed the open issues.

Also on March 21, 2011, during a meeting with the full Alkermes board of directors, members of Alkermes senior management delivered presentations describing in detail the business of EDT, financial matters relating to a possible business combination (including potential financing structures, individual and combined business valuation models and other considerations), and potential benefits and risks of a possible business combination, with substantial discussion among those present occurring thereafter.

On March 22, 2011, as part of Alkermes regularly scheduled board of directors meeting at Alkermes headquarters in Waltham, Massachusetts, representatives of Morgan Stanley presented to the Alkermes board of directors a preliminary valuation analysis of EDT, Alkermes and the pro forma combined business, potential financing structures, and other financial deal terms and the open issues related to a possible business combination. Members of Alkermes management were in attendance during such presentation and participated in the discussion that followed. A representative of Cleary Gottlieb, legal counsel to Alkermes in connection with the possible business combination, then presented an overview of the Alkermes board of directors obligations in making a determination regarding the review and approval of a possible business combination and discussed various legal issues related to a possible business combination. The Alkermes board of directors, along with members of Alkermes senior management, discussed in further detail a possible business combination. In the executive session that followed, board members further discussed certain aspects of a possible business combination, including financial terms, the potential role of Mr. Cooke, the addition of new board members, rights related to the sale of Elan s equity stake in a combined business, and timing of a possible business combination.

Following the Alkermes board of directors meeting, Mr. Pops and Mr. Martin spoke by telephone on March 23, 2011, during which they discussed the five transaction components set forth during their telephone discussion and email communication on March 15, 2011.

Also on March 23, 2011, as a follow-up to their telephone conversation, Mr. Pops sent Mr. Martin an email summarizing Alkermes position with regard to total consideration, number of board seats for Elan in a combined business, the potential role of Mr. Cooke in a combined business, and timing of a possible business combination. In addition, Mr. Pops outlined terms that would allow Elan to monetize its equity stake in a combined business based on certain holding periods and the share price of the combined business.

On March 24, 2011, Mr. Pops and Mr. Cooke met to discuss EDT and the organization and strategic direction of the combined business, as well as to explore a potential role for Mr. Cooke in the combined business.

In email communication between Mr. Pops and Mr. Martin on March 24 and 25, 2011, Mr. Martin discussed agreement on the five transaction components as a pre-condition to raising the issue of exclusivity with Elan s board of directors. Mr. Pops requested that Elan confirm that it was willing to agree to exclusivity in its negotiations with Alkermes related to a possible business combination notwithstanding agreement on the five transaction components.

From March 23 to 25, 2011, Alkermes commenced discussions with each of MSSF, HSBC, and Citi, about different financing structures for a possible business combination.

On March 25, 2011, Mr. Pops sent an email to the Transaction Committee discussing progress made in discussions with Mr. Martin and Elan about those open issues discussed during the previous meeting of the Alkermes board of directors, including total consideration, governance of the combined business, and the rights and restrictions of Elan as a shareholder in a combined business.

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On March 27, 2011, Mr. Pops sent an email to Mr. Martin outlining Alkermes position related to the main outstanding issues total consideration, including certain conditions to be met by Elan related to the status of EDT s balance sheet and the costs of an EDT facility as a precondition to Alkermes agreement to provide Elan with equity consideration equal to 31,900,000 ordinary shares of New Alkermes, board governance, and the ability of Elan to monetize its equity stake in a combined business and requesting that Elan confirm its willingness to negotiate exclusively with Alkermes as a precondition to Alkermes continuing to engage its internal and external legal counsels and financial and tax advisers in working towards finalization of a transaction.

During the first week in April 2011, each of MSSF, HSBC and Citi conducted its respective due diligence investigation on Alkermes in connection with potential financing related to a possible business combination.

On April 1, 2011, in a series of emails from Mr. Martin to Mr. Pops, Mr. Martin noted the occurrence of an Elan board subcommittee call and the desire of Elan to formulate a new monetization framework for its equity ownership in a combined business. Mr. Martin also stated that Alkermes agreement on this issue would influence the Elan board of directors receptivity to agreeing to negotiate exclusively with Alkermes.

On April 2, 2011, Mr. Pops and Mr. Martin had a discussion, by email and telephone, and agreed upon general terms that would govern Elan s ability to monetize its equity stake in a combined business, including lock-up periods and registration rights.

On April 5, 2011, Mr. Landine and Mr. Frates conducted a conference call with Nigel Clerkin, Senior Vice President, Finance and Group Controller at Elan, and Ms. Kim to discuss and resolve the open issues related to a possible business combination.

On April 6, 2011, Mr. Pops held a call with the Transaction Committee to update them as to the progress of negotiations relating to a possible business combination and discuss the open issues. Also participating in the call were members of Alkermes senior management.

Also on April 6, 2011, Mr. Pops and Mr. Cooke spoke by telephone about EDT, and the organizational structure of, and potential role of Mr. Cooke in, the combined business following a possible transaction.

From April 6, 2011 through April 24, 2011, MSSF, HSBC and Citi presented their respective financing offerings and options to Alkermes. After numerous discussions with each of MSSF, HSBC and Citi during this time and into the first week of May, Alkermes agreed to terms with, and secured financing commitments from, MSSF and HSBC for up to $450 million in term loan financing. In April 2011 and prior to Alkermes selecting MSSF and HSBC to provide the financing, Citi withdrew from being considered as a potential source for, or participant in, the financing.

On April 12, 2011, Alkermes and Elan contractually agreed to exclusivity for a specified period of time in the negotiation of a possible business combination.

On April 13, 2011, the initial draft of the shareholder s agreement was distributed by Cleary Gottlieb to Elan.

Mr. Landine and Mr. Frates conducted a conference call with Mr. Clerkin and Ms. Kim on April 13, 2011 to discuss and resolve the open issues related to a possible business combination.

Mr. Pops held a lunch with Mr. Cooke on April 13, 2011, during which they discussed the organization and strategic direction of a combined business as well as the potential role of Mr. Cooke in a combined business.

On April 19, 2011, Mr. Landine and Mr. Frates conducted a conference call with Mr. Clerkin and Ms. Kim to discuss and resolve the open issues related to a possible business combination.

Also on April 19, 2011, Mr. Pops sent an email to the Transaction Committee updating them on the status of the merger agreement and shareholder s agreement, and outlining an expected timeline of the related negotiations.

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From April 19 through April 21, 2011, members of Alkermes finance, information technology and business development functions traveled to EDT headquarters in Ireland to conduct on-site due diligence investigation and meet with EDT management.

On April 20, 2011, Mr. Pops and Mr. Landine traveled to Ireland to meet with EDT and Elan management and visit the EDT facilities. On April 20, 2011, Mr. Pops, Mr. Landine, and Mr. Frates met for dinner with Mr. Martin, Mr. Thornton, Ms. Kim, Mr. Cooke, Mr. Clerkin and John B. Moriarty, Jr., General Counsel of Elan.

On April 21, 2011, Mr. Landine and Mr. Frates met with Mr. Clerkin and Ms. Kim in Ireland to discuss the open issues related to a possible business combination.

Also on April 21, 2011, the initial draft of the merger agreement was distributed by Cleary Gottlieb to Elan.

From the end of April through the execution of the definitive merger agreement on May 9, 2011, there were regular interactions and negotiations among internal and external counsels of Elan and Alkermes, and their respective financial and tax advisers, relating to the terms and conditions of a possible business combination.

On April 22, 2011, Mr. Pops held a call with the Transaction Committee to update them as to the progress of the negotiations relating to a proposed business combination and discuss the open issues. Also participating in the call were members of Alkermes senior management.

Also on April 22, 2011, Ms. Biberstein, Mr. Landine and Mr. Frates conducted a conference call with Mr. Clerkin and Ms. Kim to discuss and resolve the open issues related to a possible business combination.

On April 23, 2011, Cleary Gottlieb conducted a telephone call with Cahill Gordon & Reindel LLP, which is referred to in this proxy statement/prospectus as Cahill, U.S. external legal counsel to Elan, A&L Goodbody, Irish external legal counsel to Elan and referred to in this proxy statement/prospectus as A&L Goodbody, and internal Elan counsel to discuss and resolve the open issues related to the drafts of the merger agreement and shareholder s agreement.

On April 26, 2011, Mr. Landine, Mr. Frates, Ms. Biberstein, and Ms. Gebhard met with representatives of Morgan Stanley to discuss the status of a possible business combination.

Also on April 26, 2011, Mr. Landine, Ms. Biberstein, Ms. Gebhard and Mr. Frates met with Mr. Clerkin and Ms. Kim, Mr. Moriarty and John Donahue, Senior Vice President, Legal-Corporate at Elan, to discuss and resolve the open issues related to a possible business combination.

On April 27, 2011, Ms. Biberstein, Mr. Frates, Mr. Landine, Mr. Jackson, Ms. Gebhard and representatives of Cleary Gottlieb and Arthur Cox, Irish external legal counsel to Alkermes, which is referred to in this proxy statement/prospectus as Arthur Cox, met with members of EDT and Elan management and representatives of Cahill and A&L Goodbody, to negotiate the terms of the merger agreement and the shareholder s agreement.

Also on April 27, 2011, Mr. Pops met with Mr. Cooke to discuss the organizational structure of, and potential role of Mr. Cooke in, the combined business following a possible transaction.

On May 2, 2011, Mr. Pops held a call with the Transaction Committee to update them as to the progress of the negotiations on a possible business combination, to discuss the open issues, and, along with Mr. Frates, to walk through a presentation prepared by Morgan Stanley and provided to the Transaction Committee in advance, which summarized the various financing options and their implications to Alkermes. Also participating in the call were members of Alkermes senior management.

On May 3, 2011, Mr. Martin sent an email to Mr. Pops in which he emphasized the importance of Elan s ability to monetize its equity ownership in the combined business following a possible transaction and noted that Alkermes then current proposal was inadequate in this regard.

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On May 5, 2011, representatives of Alkermes management, Cleary Gottlieb and Arthur Cox conducted a conference call with representatives of Elan and EDT management, Cahill and A&L Goodbody to address and resolve the open issues related to the draft merger agreement.

On May 6, 2011, Mr. Pops and Mr. Martin spoke by telephone to resolve the open issues relating to the draft shareholder s agreement.

On May 6, 2011, as a follow-up to their telephone conversation, Mr. Pops and Mr. Martin sent a series of emails in which they outlined, and eventually resolved, the remaining open issues related to the draft shareholder s agreement, including voting rights and monetization provisions.

Also on May 6, 2011, representatives of Alkermes management, Cleary Gottlieb and Arthur Cox conducted a conference call with representatives of Elan and EDT management, Cahill and A&L Goodbody to resolve the remaining open issues related to the drafts of merger agreement and shareholder s agreement.

On May 7, 2011, the Alkermes board of directors convened a special meeting at Alkermes headquarters in Waltham, Massachusetts, to consider the proposed business combination. Present at the meeting were representatives of Alkermes senior management, representatives of Morgan Stanley and a representative of Cleary Gottlieb. Prior to the meeting, the members of the Alkermes board of directors had been provided with a summary of the merger agreement and shareholder s agreement and copies of the most recent drafts thereof, preliminary tax memoranda from Alkermes legal and tax advisers, and a memoranda detailing the duties of directors in considering the business combination, as prepared by Cleary Gottlieb. Mr. Pops provided an overview of the status of the proposed business combination and the remaining open negotiation points. A representative of Cleary Gottlieb then provided a summary of the salient points of the merger agreement and the shareholder s agreement, discussed the directors fiduciary duties in considering the proposed business combination under applicable law, and presented generally the form of resolutions the board of directors of Alkermes would be required to adopt to approve the proposed business combination. Following substantial discussion of these and other matters, Morgan Stanley presented to the Alkermes board of directors their preliminary analysis of the fairness of the price to be paid by Alkermes for EDT. The Morgan Stanley representatives provided an overview of the key transaction terms, a review, based on management forecasts and assumptions, of key operating assumptions for EDT, financial forecasts for EDT, and potential transaction synergies, a valuation of EDT using various methodologies, the pro forma business and financial profile of the combined business, and an intrinsic value analysis of the combined business. Substantial discussion followed and copies of the Morgan Stanley materials were provided electronically to those members of the Alkermes board of directors participating by conference telephone. Morgan Stanley and Mr. Frates then summarized the financing terms related to the debt Alkermes would incur in order to finance the proposed business combination. Morgan Stanley distributed materials summarizing the financing terms to the members of the Alkermes board of directors. Discussion followed regarding the cost of the debt and potential debt covenants. Copies of the Morgan Stanley materials related to the debt financing were provided electronically to those members of the Alkermes board of directors participating by conference telephone. Mr. Pops and the members of Alkermes board of directors then discussed the potential timing for the execution of the merger agreement and the announcement of the proposed business combination.

On May 8, 2011, the Alkermes board of directors convened another special meeting by conference telephone to review and consider the proposed business combination. Present at the meeting were representatives of senior management, representatives of Morgan Stanley and a representative of Cleary Gottlieb. At the meeting Mr. Pops indicated that the proposed business combination was ready to be brought before the Alkermes board of directors for approval, on substantially the same terms presented to the Alkermes board of directors during the prior day s board meeting. Cleary Gottlieb discussed the resolutions required to be adopted by the Alkermes board of directors to approve the proposed business combination and also indicated that the merger agreement and commitment letter would be executed after midnight but before market open and would therefore be dated May 9, 2011. Morgan Stanley

then reviewed the materials provided to the Alkermes board of directors at the prior day s meeting, discussed with the Alkermes board of directors its financial analysis of the proposed business combination, and delivered its oral opinion to the Alkermes board of directors, which opinion was confirmed in writing to the effect that on May 8, 2011 and based upon

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and subject to the various assumptions, considerations, qualifications and limitations set forth in the written opinion (see *The Business Combination Opinion of Alkermes Financial Adviser*) the consideration to be paid by Alkermes pursuant to the merger agreement was fair from a financial point of view to Alkermes (Morgan Stanley s opinion is attached as Annex B to this proxy statement/prospectus). The Alkermes board of directors generally discussed the materials provided to them regarding the proposed business combination by Alkermes management and Alkermes advisers and indicated that those materials were thorough, complete and allowed them to undertake a sound decision-making process regarding the proposed business combination. The members of the Alkermes board of directors present at the meeting then approved the merger agreement, the form of the shareholder s agreement and the business combination, and the commitment letter and related documents. The Alkermes board members present at the meeting determined that the merger agreement, the form of shareholder s agreement and the business combination are advisable and in the best interests of Alkermes and its shareholders and authorized the appropriate officers of Alkermes to finalize, execute and deliver the merger agreement, the commitment letter, the fee letter and the ancillary agreements.

On May 9, 2011, the Elan board of directors convened a special meeting and determined that the business combination and the transactions contemplated by the merger agreement are in the best interests of Elan and approved the merger agreement and its execution for and on behalf of Elan.

In the morning of May 9, 2011, all agreements were finalized and the merger agreement was executed by and among Elan, New Alkermes, Elan Science Four Limited, EDT Pharma Holdings Limited, EDT US Holdco Inc., Antler Acquisition Corp., and Alkermes, the commitment letter and fee letter were executed by and among Alkermes, MSS and HSBC and other relevant documents were executed between Alkermes and Elan. Prior to the opening of trading on NASDAQ, Alkermes and Elan issued a joint press release announcing the business combination.

Alkermes Reasons for the Business Combination and Recommendation of Alkermes Board of Directors

The Alkermes board of directors has determined that the terms of the merger agreement are in the best interests of Alkermes and its shareholders. The Alkermes board of directors consulted with its management as well as its legal counsel and financial advisers in reaching its decision to approve, adopt and declare advisable the merger agreement and the business combination (including the merger and the reorganization) and recommends to the Alkermes shareholders that they vote FOR adoption of the merger agreement.

In reaching its conclusion to approve the merger agreement and the business combination, the Alkermes board of directors reviewed a significant amount of information and considered a number of factors in its deliberations and concluded that the business combination is likely to result in significant strategic and financial benefits to New Alkermes, which would accrue to Alkermes shareholders, as shareholders of New Alkermes, and in particular believes that:

- combining Alkermes and EDT will create a larger, faster growing biopharmaceutical company that is immediately and sustainably profitable on a cash earnings basis with growing revenues in excess of $450 million and growing margins of adjusted EBITDA;

- New Alkermes will have a diversified portfolio of products including five key products with long patent lives: *Ampyra*, *Vivitrol*, *Bydureon*, *Risperdal Consta* and *Invega Sustenna*;

- New Alkermes will be a leader in the development of medicines for the treatment of central nervous system diseases with an established track record of successful innovation. It will have a powerful combination of commercial stage products and new pipeline candidates developed in collaboration with major pharmaceutical companies and for its own account;

New Alkermes will have deep scientific, development and manufacturing capabilities which will provide competitive advantages in the creation of innovative biopharmaceutical products for itself and its partners;

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New Alkermes will have the scale, diversification and technical and manufacturing capabilities to accelerate the ongoing business transition from a provider of drug delivery technologies and services to a developer of proprietary innovative pharmaceutical products; and

New Alkermes will have enhanced financial resources to invest in its proprietary drug candidates, pursue additional growth opportunities and reduce its cost of capital.

These beliefs are based in part on the following factors that the Alkermes board of directors considered:

the anticipated market capitalization, strong balance sheet, free cash flow, liquidity and capital structure of New Alkermes;

the significant value represented by the expected increased cash flow and earnings improvement of New Alkermes;

that Alkermes and EDT s intellectual property portfolios, product lines and geographic scopes are generally complementary, and do not present areas of significant overlap, and that in particular, New Alkermes will receive royalties from two important long-acting injectable antipsychotic drugs, *Risperdal Consta* and *Invega Sustenna*;

that New Alkermes will have manufacturing facilities with unique and complementary capabilities to manufacture complex drug formulations in Athlone, Ireland, Gainesville, Georgia and Wilmington, Ohio;

that, subject to certain limited exceptions, Elan is prohibited from soliciting, participating in any discussion or negotiations, providing information to any third party or entering into any agreement providing for the acquisition of New Alkermes;

the limited number and nature of the conditions to Elan s obligation to complete the business combination;

that Elan must pay Alkermes a termination fee of $25 million if the merger agreement is terminated under circumstances specified in the merger agreement, as described in the section entitled *The Business Combination Agreement and Plan of Merger Termination Fee* ;

the fact that any New Alkermes ordinary shares issued to the Alkermes shareholders as a result of the merger will be registered on Form S-4 and will be unrestricted for the Alkermes shareholders;

the fact that the business combination is subject to the adoption of the merger agreement by the Alkermes shareholders;

the likelihood that the business combination will be completed on a timely basis;

its knowledge of the Alkermes business, operations, financial condition, earnings, strategy and future prospects;

its knowledge of the EDT business, operations, financial condition, earnings, strategy and future prospects and the results of Alkermes due diligence review of EDT;

the financial statements of EDT;

the likelihood that Alkermes would be able to obtain the necessary financing given the financing commitments from the commitment parties;

the current and prospective competitive climate in the industry in which Alkermes and EDT operate, including the potential for further consolidation;

the tax benefits to New Alkermes as an Irish tax resident and incorporated corporation, the benefits of which would accrue to Alkermes shareholders, as shareholders of New Alkermes;

the presentation and the financial analyses of Morgan Stanley and its opinion that, as of May 8, 2011, and based upon the various assumptions, considerations, qualifications and limitations set forth in its

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written opinion, the consideration to be paid by Alkermes pursuant to the merger agreement was fair from a financial point of view to Alkermes, in each case as more fully described in the section entitled *The Business Combination Opinion of Alkermes Financial Adviser* ;

its consideration with its legal and financial advisers of alternatives to the business combination, the ability, and extent to which it might be able, to increase the value of Alkermes for its shareholders through these alternatives and the timing and likelihood of effecting any alternative;

the current and prospective economic environment and increasing competitive burdens and constraints facing Alkermes;

Elan s agreement to limit its competitive activities for three years after the completion of the business combination; and

the terms of the shareholder s agreement to be entered into in connection with the business combination, including the standstill, lock-up and voting provisions as described in the section entitled *Other Related Agreements Shareholder s Agreement.*

The Alkermes board of directors weighed these factors against a number of uncertainties, risks and potentially negative factors relevant to the business combination, including the following:

the combination of the businesses currently conducted by Alkermes and EDT will create numerous risks and uncertainties which could adversely affect New Alkermes operating results;

uncertainties associated with New Alkermes may cause the combined business to lose significant business partners, including pharmaceutical companies who are in discussions with EDT to provide contract manufacturing services;

the existing and potential challenges by generic companies to the intellectual property rights covering certain of EDT s products;

the risk that New Alkermes may lose key personnel, which could lead to loss of partners and a decline in revenues, or otherwise adversely affect the operations of the combined business;

the risk of not being able to realize all of the anticipated cost savings and operational synergies between Alkermes and EDT and the risk that other anticipated benefits to New Alkermes might not be realized;

the risk that regulatory agencies may not approve the merger or may impose terms and conditions on their approvals that adversely affect the business and financial results of New Alkermes (see *The Business Combination Regulatory Approvals Required*);

the risk that the business combination might not be consummated in a timely manner or at all;

failure to complete the business combination could cause Alkermes to incur significant fees and expenses and could lead to negative perceptions among investors, potential investors and customers;

the business combination is expected to be taxable to the Alkermes shareholders;

New Alkermes does not expect to pay dividends in the immediate future, and Alkermes shareholders must rely on increases in the trading prices of the New Alkermes ordinary shares for returns on their investment;

Elan s ability to compete with New Alkermes without restriction three years after the effective time of the merger;

New Alkermes may have potential conflicts of interest with Elan relating to their ongoing relationship;

subject to the terms of the shareholder s agreement, Elan will have rights reflecting its approximately 25% interest in New Alkermes. As a result, the ability of Alkermes shareholders to influence the outcome of matters requiring shareholder approval could be limited if the voting provisions of the shareholder s agreement lapse after the completion of the business combination;

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the fact that the merger agreement prohibits Alkermes from taking a number of actions relating to the conduct of its business prior to the completion of the business combination without the prior consent of Elan;

the fact that certain provisions of the merger agreement, although reciprocal, may have the effect of discouraging alternative acquisition transactions involving Alkermes, including: (1) the restrictions on Alkermes ability to solicit proposals for alternative transactions; and (2) the requirement that Alkermes pay a termination fee of $25 million to Elan in certain circumstances following the termination of the merger agreement;

the increased leverage of New Alkermes, which will result in interest payments and could negatively affect the combined business credit ratings, limit access to credit markets or make such access more expensive and reduce operational and strategic flexibility; and

the risks of the type and nature described under the sections entitled *Risk Factors* and *Cautionary Statement Regarding Forward-Looking Statements.*

The Alkermes board of directors concluded that the uncertainties, risks and potentially negative factors relevant to the business combination were outweighed by the potential benefits that it expected Alkermes and the Alkermes shareholders would achieve as a result of the business combination.

This discussion of the information and factors considered by the Alkermes board of directors includes the principal positive and negative factors considered by the Alkermes board of directors, but is not intended to be exhaustive and may not include all of the factors considered by the Alkermes board of directors. In view of the wide variety of factors considered in connection with its evaluation of the merger and the business combination, and the complexity of these matters, the Alkermes board of directors did not find it useful and did not attempt to quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination to approve the business combination and to make its recommendations to the Alkermes shareholders. Rather, the Alkermes board of directors viewed its decisions as being based on the totality of the information presented to it and the factors it considered. In addition, individual members of the Alkermes board of directors may have given differing weights to different factors.

Opinion of Alkermes Financial Adviser

On February 18, 2011, Alkermes engaged Morgan Stanley to provide it with financial advisory services and a financial opinion in connection with a possible combination with EDT. Alkermes selected Morgan Stanley to act as its financial adviser based on Morgan Stanley s qualifications, expertise and reputation and its knowledge of the business and affairs of Alkermes. At the meeting of the Alkermes board of directors on May 8, 2011, Morgan Stanley rendered its oral opinion, subsequently confirmed in writing, that as of May 8, 2011, and based upon and subject to the various assumptions, considerations, qualifications and limitations set forth in the written opinion, the consideration to be paid by Alkermes pursuant to the merger agreement was fair from a financial point of view to Alkermes.

The full text of the written opinion of Morgan Stanley, dated as of May 8, 2011, and referred to in this proxy statement/prospectus as the opinion, is attached to this proxy statement/prospectus as Annex B. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion. Alkermes encourages you to read the entire opinion carefully and in its entirety.

Morgan Stanley s opinion is directed to the Alkermes board of directors and addresses only the fairness from a financial point of view to Alkermes of the consideration to be paid by Alkermes pursuant to the merger

agreement, as of the date of the opinion. It does not address any other aspects of the transactions, or in any manner address the prices at which the New Alkermes ordinary shares will trade at any time, including following consummation of the business combination, and does not constitute a recommendation to any holder of Alkermes common stock as to how to vote at any shareholders meeting held in connection with the business combination or whether to take any other

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action with respect to the business combination. The summary of the opinion set forth below is qualified in its entirety by reference to the full text of the opinion.

In connection with rendering its opinion, Morgan Stanley, among other things:

- reviewed certain publicly available financial statements and other business and financial information of EDT and Alkermes, respectively;
- reviewed certain internal financial statements and other financial and operating data concerning EDT and Alkermes, respectively;
- reviewed certain financial projections prepared by the management of each of Alkermes and Elan concerning EDT and certain financial projections prepared by the management of Alkermes concerning Alkermes;
- reviewed information relating to certain strategic, financial, tax and operational benefits anticipated from the business combination, prepared by the managements of Alkermes and Elan;
- discussed the past and current operations and financial condition and the prospects of EDT, including information relating to certain strategic, financial, tax and operational benefits anticipated from the business combination, with the management of Elan;
- discussed the past and current operations and financial condition and the prospects of Alkermes, including information relating to certain strategic, financial, tax and operational benefits anticipated from the business combination, with the management of Alkermes;
- reviewed the pro forma impact of the business combination on Alkermes earnings, cash flow, consolidated capitalization and financial ratios;
- reviewed the reported prices and trading activity for Alkermes common stock;
- compared the financial performance of EDT and Alkermes with that of certain other publicly-traded companies comparable to EDT and Alkermes, respectively;
- participated in certain discussions and negotiations among representatives of Elan and Alkermes and their financial and legal advisers;
- reviewed the merger agreement, the draft commitment letter from certain lenders to Alkermes substantially in the form of the draft dated May 7, 2011, the shareholder s agreement and certain related documents; and
- performed such other analyses and considered such other factors as Morgan Stanley deemed appropriate.

Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to Morgan Stanley by Alkermes and Elan, and formed a substantial basis for its opinion. With respect to the financial projections, including information relating to certain strategic, financial and operational benefits anticipated from the business combination, Morgan Stanley assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of Alkermes and Elan of the future financial performance of EDT and of the management of Alkermes of the future financial performance of Alkermes. In addition, Morgan Stanley assumed that the business combination, including the merger, will be consummated in accordance with the terms set forth in the

merger agreement without any waiver, amendment or delay of any terms or conditions, including, without limitation, that Alkermes will obtain financing in accordance with the terms set forth in the commitment letter. Morgan Stanley relied upon, without independent verification, the assessment by the management of Alkermes of: (i) the strategic, financial, tax and other benefits expected to result from the business combination; (ii) the timing and risks associated with the integration of EDT with Alkermes; (iii) the ability to retain key employees of EDT and Alkermes, respectively and (iv) the validity of, and risks associated with, EDT s and Alkermes existing and future technologies, intellectual property, products, services and business models.

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Morgan Stanley assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed transactions, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the business combination. Morgan Stanley noted that it is not a legal, tax or regulatory adviser. Morgan Stanley is a financial adviser only and relied upon, without independent verification, the assessment of Alkermes and its legal, tax or regulatory advisers with respect to legal, tax or regulatory matters. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of EDT or Alkermes, nor was Morgan Stanley furnished with any such valuations or appraisals. Morgan Stanley s opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Morgan Stanley as of, May 8, 2011. Events occurring after May 8, 2011 may affect Morgan Stanley s opinion and the assumptions used in preparing it, and Morgan Stanley did not assume any obligation to update, revise or reaffirm its opinion.

The following is a brief summary of the material analyses performed by Morgan Stanley in connection with its oral opinion and the preparation of its written opinion letter dated May 8, 2011. Some of these summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Various analyses presented below were based on the closing price of Alkermes common stock of $14.47 per share as of May 6, 2011, the last full trading day prior to the meeting of the Alkermes board of directors to consider and approve, adopt and authorize the merger agreement.

Equity Research Analysts Estimates of Value. Morgan Stanley reviewed and analyzed values of EDT prepared and published by equity research analysts from April 12, 2011 and prior to April 21, 2011. These values reflected each analyst s estimate of value of EDT. The range of analysts estimates for EDT was $700 million to $1,150 million.

Morgan Stanley noted that the value of the consideration to be paid by Alkermes pursuant to the merger agreement as of May 8, 2011 was approximately $960 million, based on the closing price of Alkermes common stock of $14.47 per share as of May 6, 2011.

The value estimates published by equity research analysts are subject to uncertainties, including the future financial performance of EDT and future financial market conditions.

Public Trading Comparables Analysis. Morgan Stanley performed a public trading comparables analysis, which attempts to provide an implied standalone trading value of a company by comparing it to similar companies that are publicly traded. Morgan Stanley compared certain financial information of EDT with comparable publicly available consensus equity research estimates for companies that share similar business characteristics, such as those that operate in the pharmaceutical or drug delivery businesses or those that have similar scale and operating characteristics, which are referred to in this proxy statement/prospectus as the Comparable Companies. The Comparable Companies included the following:

Novo Nordisk A/S
Shire plc
UCB S.A.
Ipsen S.A.
Alkermes
Nektar Therapeutics
Acino Holding AG
Patheon Inc.
LifeCycle Pharma A/S
Alexion Pharmaceuticals, Inc.

Actelion Pharmaceuticals Ltd
United Therapeutics Corporation
Cubist Pharmaceuticals, Inc.
Acorda Therapeutics, Inc.

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For purposes of this comparative analysis, Morgan Stanley analyzed for each of these Comparable Companies the multiple of aggregate value to estimated earnings before interest, taxes, depreciation and amortization, which is referred to in this proxy statement/prospectus as EBITDA, for calendar year 2011 (in each case, based on publicly available consensus estimates).

Based on the analysis of the relevant metrics for each of the Comparable Companies, Morgan Stanley selected representative ranges of financial multiples and applied these ranges of multiples to the relevant financial statistic for EDT. For the estimated EBITDA for calendar year 2011, Morgan Stanley utilized a set of estimates for EDT developed by the management of Alkermes, which is referred to in this proxy statement/prospectus as the Alkermes Management Case, and a set of estimates for EDT prepared by Elan s management, which is referred to in this proxy statement/prospectus as the Elan Management Case.

Morgan Stanley calculated the estimated implied value of EDT as of May 7, 2011 as follows:

Calendar Year Financial Statistic: Comparable Company

	Multiple Range		Implied Value	
Alkermes Management Case:				
Aggregate Value to Estimated 2011 EBITDA	5.0x	10.0x	$470 million	$940 million
Elan Management Case:				
Aggregate Value to Estimated 2011 EBITDA	5.0x	10.0x	$575 million	$1,145 million

Morgan Stanley also selected representative ranges of financial multiples and applied these ranges to the relevant financial statistics set forth in the Alkermes Management Case or the Elan Management Case, as applicable, adjusted to reflect the estimate of the value of the possible synergies achievable as a result of the business combination using synergy estimates prepared by Alkermes management. For the estimated EBITDA for calendar year 2011, Morgan Stanley utilized a set of estimates based on the Alkermes Management Case and a set of estimates based on the Elan Management Case, and added the net present value of synergies as estimated by Alkermes management to each of these.

Morgan Stanley calculated the estimated implied value of EDT plus synergies as of May 7, 2011 as follows:

Calendar Year Financial Statistic: Comparable Company

	Multiple Range		Implied Value	
Alkermes Management Case with Synergies:				
Aggregate Value to Estimated 2011 EBITDA	5.0x	10.0x	$710 million	$1,180 million
Elan Management Case with Synergies:				
Aggregate Value to Estimated 2011 EBITDA	5.0x	10.0x	$775 million	$1,350 million

Morgan Stanley noted that the value of the consideration to be paid by Alkermes pursuant to the merger agreement as of May 8, 2011 was approximately $960 million, based on the closing price of Alkermes common stock of $14.47 per share as of May 6, 2011.

No company utilized in the public trading comparables analysis is identical to EDT. In evaluating comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of EDT, such as the impact of competition on EDT and the industry generally, industry growth and the absence of any adverse material change in the financial condition and prospects of EDT or the industry or in the financial markets in general. Mathematical analysis (such as determining the average or median) is not in itself a meaningful method of using peer group data.

Discounted Cash Flow Analysis. Morgan Stanley calculated a range of values for EDT based on a discounted cash flow analysis to value EDT as a standalone entity as well as an entity incorporating synergies. Morgan Stanley utilized projections from the Alkermes Management Case, an Alkermes Management Case

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incorporating certain upside projections for the EDT product *Ampyra*, which is referred to in this proxy statement/prospectus as *Ampyra* Upside, and described under *Certain Unaudited Financial Projections* below, and the Elan Management Case. Morgan Stanley calculated the net present value of free cash flows for EDT for calendar years 2011 through 2027. These values were discounted to present values as of March 31, 2011 at discount rates ranging from 8.75% to 10.25% to reflect a range of the estimated cost of capital for EDT. In addition, Morgan Stanley used these projections as adjusted to reflect estimated synergies as described above. The cost of capital was estimated using the Capital Asset Pricing Model.

The following table summarizes Morgan Stanley s analysis:

Implied Present Value of EDT

Case	Implied Value	
Alkermes Management Case	$ 885 million	$ 930 million
Alkermes Management Case with *Ampyra* Upside	$ 975 million	$ 1,065 million
Elan Management Case	$ 1,070 million	$ 1,155 million
Alkermes Management Case including Synergies	$ 1,085 million	$ 1,180 million
Alkermes Management Case with *Ampyra* Upside including Synergies	$ 1,205 million	$ 1,310 million
Elan Management Case including Synergies	$ 1,265 million	$ 1,365 million

Morgan Stanley noted that the value of the consideration to be paid by Alkermes pursuant to the merger agreement as of May 8, 2011 was approximately $960 million, based on the closing price of Alkermes common stock of $14.47 per share as of May 6, 2011.

Leveraged Buyout Analysis. Morgan Stanley performed an illustrative leveraged buyout analysis to estimate the theoretical prices at which a financial sponsor might effect a leveraged buyout of EDT. For purposes of this analysis, Morgan Stanley assumed a transaction date of March 31, 2011. Morgan Stanley utilized projections from the Alkermes Management Case in performing its analysis and analyzed two different scenarios. The Exit Scenario assumed the removal of certain unallocated research and development costs, as well as an exit by the financial sponsor on March 31, 2016 with the valuation of EDT realized by the financial sponsor in such subsequent exit transaction based on a 5.0x to 7.0x aggregate value to next-twelve months EBITDA multiple and estimated total debt and cash for EDT as of March 31, 2016. The Harvest Scenario assumed the removal of all unallocated research and development costs and assumed that the financial sponsor collected excess cash flows through March 31, 2021. In both the Exit Scenario and the Harvest Scenario, maximum debt was assumed to be $400 million. The implied acquisition price paid by the financial sponsor was based on a hypothetical target range of internal rates of return for the financial sponsor between March 31, 2011 and March 31, 2016 of 17.0% to 22.0%.

The following table summarizes Morgan Stanley s analysis:

Implied Present Value of EDT

Scenario	Implied Value	
Exit Scenario	$700 million	$900 million
Harvest Scenario	$500 million	$700 million

Morgan Stanley noted that the value of the consideration to be paid by Alkermes pursuant to the merger agreement as of May 8, 2011 was approximately $960 million, based on the closing price of Alkermes common stock of $14.47 per share as of May 6, 2011.

Illustrative New Alkermes Intrinsic Value Analysis. Morgan Stanley performed an illustrative intrinsic value analysis of New Alkermes to assess the potential impact on value to Alkermes shareholders. For this analysis, Morgan Stanley used the Alkermes Management Case for the projections for EDT. Morgan Stanley noted that the market value of Alkermes on May 6, 2011 was approximately $1,456 million. Morgan Stanley also noted that calculation of the intrinsic value based on relative ownership of New Alkermes ordinary shares

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following the business combination ($1,456 million less 24% of standalone Alkermes, plus 76% of standalone EDT prior to synergies, plus 76% of net operating synergies less 76% of the cash consideration to be paid to Elan) resulted in a value for New Alkermes of $1,584 million, a 9% increase from the standalone value of Alkermes. Additionally, Morgan Stanley also noted that assuming the *Ampyra* Upside resulted in a value of $1,680 million, a 15% increase from the standalone value of Alkermes.

In connection with the review of the business combination by the Alkermes board of directors, Morgan Stanley performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Morgan Stanley believes that selecting any portion of its analyses, without considering all analyses as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be Morgan Stanley s view of the actual value of EDT. In performing its analyses, Morgan Stanley made numerous assumptions with respect to industry performance, general business and economic conditions and other matters. Many of these assumptions are beyond the control of Alkermes or New Alkermes. Any estimates contained in Morgan Stanley s analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Morgan Stanley conducted the analyses described above solely as part of its analysis of the fairness from a financial point of view of the consideration to be paid by Alkermes pursuant to the merger agreement and in connection with the delivery of its opinion, dated May 8, 2011, to the Alkermes board of directors. These analyses do not purport to be appraisals.

The consideration was determined through arm s-length negotiations between Alkermes and Elan and was approved by the Alkermes board of directors. Morgan Stanley provided advice to Alkermes during these negotiations. Morgan Stanley did not, however, recommend any specific consideration to Alkermes or that any specific consideration constituted the only appropriate consideration for the business combination.

Morgan Stanley s opinion and its presentation to the Alkermes board of directors was one of many factors taken into consideration by the Alkermes board of directors in deciding to approve, adopt and authorize the merger agreement. Consequently, the Morgan Stanley analyses as described above should not be viewed as determinative of the opinion of the Alkermes board of directors with respect to the consideration, or of whether the Alkermes board of directors would have been willing to agree to different consideration.

Alkermes retained Morgan Stanley based upon Morgan Stanley s qualifications, experience and expertise and its knowledge of the business affairs of Alkermes. Morgan Stanley is an internationally recognized investment banking and advisory firm. Morgan Stanley, as part of its investment banking and financial advisory business, is continuously engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate, estate and other purposes. Morgan Stanley also is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of Alkermes, New Alkermes, Elan, or any other company, or any currency or commodity, that may be involved in the business combination, or any related derivative instrument.

Under the terms of its engagement letter, Morgan Stanley provided Alkermes financial advisory services and a financial opinion in connection with the business combination, and Alkermes has agreed to pay Morgan Stanley a fee for its services of between $8.5 million and $11 million, $250,000 of which was payable upon engagement of Morgan Stanley, $2 million of which became payable upon execution of the merger agreement

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and the remainder of which is contingent upon the closing of the business combination. In addition, MSSF, an affiliate of Morgan Stanley, is providing to Alkermes a portion of the financing required in connection with the business combination, for which such affiliate will receive fees from Alkermes of approximately $8.0 million in the aggregate. Morgan Stanley or one or more of its affiliates may also provide financing services to Elan for purposes that are unrelated to the business combination, including restructuring or refinancing Elan s existing debt, in one or more transactions to be executed separately from, and without receipt of internal strategic information from Elan regarding, the business combination. Alkermes has also agreed to reimburse Morgan Stanley for its expenses, including fees of outside counsel and other professional advisers, incurred in connection with its services. In addition, Alkermes has agreed to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, relating to or arising out of Morgan Stanley s engagement.

In the two years prior to the date of its opinion, Morgan Stanley has provided financial advisory and financing services to Alkermes and Elan and has received fees in connection with certain of such services. Morgan Stanley may also seek to provide such services to New Alkermes, Alkermes and Elan in the future and expects to receive fees for the rendering of these services. Morgan Stanley s opinion was approved by a committee of Morgan Stanley s investment banking and other professionals in accordance with Morgan Stanley s customary practice.

Certain Unaudited Financial Projections

Alkermes and Elan do not, as a matter of course, publicly disclose extended projections of future revenues, earnings or other financial performance, particularly of EDT. New Alkermes has included in this proxy statement/prospectus certain financial projections for EDT that the managements of Alkermes and Elan prepared in connection with the business combination. The projections are included in this proxy statement/prospectus only because such projections were provided to Morgan Stanley, the financial adviser to Alkermes.

These financial projections were not prepared with a view toward public disclosure or compliance with published guidelines of the SEC or the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information, the International Financial Reporting Standards promulgated by the International Accounting Standards Board, which are referred to as IFRS in this proxy statement/prospectus, or U.S. GAAP. Neither PwC, Alkermes independent registered public accounting firm nor KPMG, Elan and EDT s independent registered public accounting firm, have examined or compiled nor performed any procedures on any of the financial projections, expressed any conclusion or provided any form of assurance with respect to the financial projections and, accordingly, assume no responsibility for them. The reports of the independent registered public accounting firms of Alkermes and EDT, included elsewhere in this proxy statement/prospectus, relate to the historical financial information of Alkermes and EDT, respectively. They do not extend to the financial projections and should not be read to do so. The inclusion of this information in this proxy statement/prospectus should not be regarded as an indication that any of New Alkermes, Alkermes, Elan or any other recipient of this information considered, or now considers, it to be necessarily predictive of future results of EDT. New Alkermes, Alkermes and Elan do not intend to update or otherwise revise the financial projections to correct any errors existing in such projections when made, to reflect circumstances existing after the date when made or to reflect the occurrence of future events even in the event that any or all of the assumptions underlying the financial projections are shown to be in error.

The inclusion of the financial projections in this proxy statement/prospectus shall not be deemed an admission or representation by New Alkermes, Alkermes or Elan that such information is material. As discussed below, the projections were prepared, using many assumptions, for the purpose of facilitating an evaluation of the financial performance of EDT, and due to the inherent uncertainty in these assumptions, the financial projections should not be considered necessarily to have significance outside of this limited and specific context.

The financial projections, a condensed subset of which are set forth below, are based on, among other things, certain assumptions. See *Risk Factors Risks Related to EDT*. In order to facilitate the use of the

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financial projections for purposes of evaluating EDT, Alkermes and Elan used independent assumptions to prepare the financial projections, which have not been updated to take into account any circumstances or events occurring after the date the financial projections were prepared and do not necessarily reflect the current expectation of management of Alkermes or Elan and should not be read as such. **The inclusion of the projections should not be regarded as an indication that New Alkermes, Alkermes or Elan considered or now consider them to be a reliable prediction of future results of EDT and you should not rely on them as such.**

Although presented with numerical specificity, financial projections of this type are based on numerous estimates and assumptions that are subject to factors, such as technological progress, operating efficiencies, industry performance, general business, economic, regulatory, market and financial conditions, and the other factors listed in this proxy statement/prospectus under the section entitled *Risk Factors,* which are difficult to predict and most of which are beyond the control of New Alkermes, Alkermes and Elan. These or other factors may cause the financial projections or the underlying assumptions and estimates to be inaccurate. Since the financial projections cover multiple years, such information by its nature becomes less reliable with each successive year. The financial projections also do not take into account any circumstances or events occurring after the date they were prepared, and do not give effect to the business combination, including the merger. Accordingly, there can be no assurance that the financial projections will be realized, and actual results may vary materially from those reflected in the projections. You should read the section entitled *Cautionary Statement Regarding Forward-Looking Statements* for additional information regarding the risks inherent in forward-looking information such as the financial projections.

Certain of the financial projections set forth herein, including EBITDA, may be considered non-U.S. GAAP financial measures. Morgan Stanley understands that Alkermes and Elan believe this information could be useful in evaluating, on a prospective basis, EDT s potential operating performance and cash flow. Non-U.S. GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with U.S. GAAP, and non-U.S. GAAP financial measures as used by Alkermes and Elan may not be comparable to similarly titled amounts used by other companies.

Elan Management Case for EDT

In the course of discussions relating to the proposed business combination, Elan developed the Elan Management Case, financial projections for EDT for the years ending December 31, 2011, 2012, 2013, 2014, 2015 and 2016. In developing these financial projections, Elan used consensus analyst estimates of product-by-product revenues. The Elan Management Case was prepared by Elan and was furnished to and used by Alkermes and the Alkermes board of directors in connection with its evaluation of the strategic rationale for the business combination. The Elan Management Case was also furnished to Morgan Stanley in connection with the preparation of its opinion as described in the section entitled *The Business Combination Opinion of Alkermes Financial Adviser.*

	Year Ended December 31,					
	2011E	**2012E**	**2013E**	**2014E**	**2015E**	**2016E**
	(in millions)					
Total Revenue	$ 277.8	$ 286.8	$ 340.2	$ 380.1	$ 438.4	$ 511.4
Gross Margin	191.3	202.1	242.7	279.9	317.6	385.4
OPEX	(76.7)	(78.8)	(79.1)	(79.5)	(79.9)	(80.4)
EBITDA	114.6	123.4	163.5	200.4	237.7	305.0
Operating Profit	87.4	97.3	137.4	174.2	211.4	278.7

Alkermes Management Case for EDT

In the course of its due diligence, Alkermes developed the Alkermes Management Case, with financial projections for EDT for the years ending December 31, 2011, 2012, 2013, 2014, 2015 and 2016, 2017, 2018, 2019, 2020 and 2021. In developing these financial projections, Alkermes management used a combination of consensus analyst estimates, Elan management estimates and the good faith judgment of Alkermes management

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to estimate, on a product-by-product basis, future revenues for the EDT products which were then totaled to derive a projected aggregate revenue for EDT. In its base case, Alkermes management assumed no revenues outside the United States for *Ampyra*. Alkermes management then separately added as estimate of future non-U.S. revenues for *Ampyra*, which served as the *Ampyra* Upside Case. The Alkermes Management Case was prepared to assist the Alkermes board of directors in its evaluation of the strategic rationale for the business combination and was furnished to and used by Morgan Stanley in connection with the preparation of its opinion as described in the section entitled *The Business Combination Opinion of Alkermes Financial Adviser.*

	Year Ended December 31, (in millions)										
	2011E	**2012E**	**2013E**	**2014E**	**2015E**	**2016E**	**2017E**	**2018E**	**2019E**	**2020E**	**2021**
al Revenue	$ 250.2	$ 255.7	$ 285.1	$ 326.6	$ 372.6	$ 411.8	$ 428.2	$ 472.6	$ 412.8	$ 410.7	$ 431
t of Sales	85.5	86.9	93.1	100.9	114.1	107.1	110.6	121.4	103.6	100.7	97
D	44.8	47.1	48.4	48.9	49.4	51.9	54.5	57.2	60.0	63.0	66
&A	17.3	16.7	17.2	17.7	18.2	19.1	20.0	21.0	22.1	23.2	24
p Expenses	8.4	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6
TDA	94.2	98.5	119.8	152.7	184.4	227.3	233.8	260.7	206.3	193.9	180
TDA luding *pyra ide)*	94.2	98.5	119.8	152.7	184.4	227.3	235.8	264.8	216.3	210.3	219

Financing Relating to the Business Combination

Alkermes has entered into a debt commitment letter with MSSF and HSBC, pursuant to which MSSF and HSBC have committed, subject to customary conditions as further described below, to provide the First-Lien Term Loan Facility and the Second-Lien Term Loan Facility. The term of the First-Lien Term Loan Facility is six years and the term of the Second-Lien Term Loan Facility is seven years. The newly committed financing, in addition to existing cash balances, will be used to fund the cash portion of the consideration payable in the business combination, to repay and redeem existing indebtedness of Alkermes and New Alkermes and their respective subsidiaries, if any, and to pay transaction fees and expenses. The debt financing commitments are available until November 5, 2011 and are subject to:

consummation of the merger in accordance with the merger agreement, prior to or substantially simultaneously with the funding of the Term Loan Facilities;

the absence of a Business Material Adverse Effect (as defined in the merger agreement) since December 31, 2010 (See *The Business Combination Agreement and Plan of Merger Covenants Additional Agreements*);

the execution and delivery of definitive loan documentation for the Term Loan Facilities, including, but not limited to, credit agreements, security agreements and guaranties;

delivery of certain historical and pro forma financial information for EDT and pro forma financial statements for New Alkermes;

a 20-business-day period (with customary black-out dates) for marketing and syndication of the Term Loan Facilities after delivery by Alkermes of a confidential information memorandum relating to the Term Loan Facilities; and

other customary financing conditions.

In the merger agreement, Alkermes has agreed to use its reasonable best efforts to obtain debt financing on the terms and conditions described in the debt commitment letter. (See *The Business Combination Agreement and Plan of Merger Covenants Additional Agreements.*)

Alkermes obligations under the Term Loan Facilities will be guaranteed by New Alkermes, certain of its direct and indirect wholly-owned subsidiaries, including certain direct and indirect wholly-owned U.S. subsidiaries of Alkermes, and will be secured by substantially all the assets of Alkermes and the guarantors.

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Interests of Certain Persons in the Transactions

Management

Immediately prior to the effective time, the following current Alkermes senior executive officers are expected to be appointed officers of New Alkermes: Kathryn L. Biberstein, Senior Vice President, Government Relations and Public Policy, General Counsel and Secretary, and Chief Compliance Officer; Elliot W. Ehrich, M.D., Senior Vice President, Research and Development, and Chief Medical Officer; James M. Frates, Senior Vice President, Chief Financial Officer and Treasurer; Michael J. Landine, Senior Vice President, Corporate Development; Richard F. Pops, Chairman, President and Chief Executive Officer and Gordon G. Pugh, Senior Vice President, Chief Operating Officer and Chief Risk Officer. Other current Alkermes officers may be employed by New Alkermes. Their positions at New Alkermes will entitle these individuals to compensation and equity awards from New Alkermes. Following the completion of the business combination, options to purchase Alkermes common stock currently owned by Alkermes executive officers will be assumed by New Alkermes and converted into options to purchase ordinary shares of New Alkermes. Stock awards in the form of Alkermes common stock currently owned by Alkermes executive officers will be converted into a right to receive New Alkermes ordinary shares.

In addition, the compensation committee of the Alkermes board of directors may consider the role Alkermes executive officers played in securing and executing the business combination in connection with its performance pay determinations. In that regard, in determining performance pay for Mr. Pops for fiscal year 2011 under Alkermes fiscal year 2011 performance pay plan, the compensation committee took into account its assessment of Mr. Pops performance against corporate objectives and, in this context, focused on, among other factors, the role he played in securing the business combination. In addition, in determining performance pay for Mr. Pops, Mr. Frates, Mr. Landine, Ms. Biberstein, Dr. Ehrich and Mr. Pugh for performance during fiscal year 2012, the compensation committee will consider individual and company performance against company objectives, one of which includes completing the acquisition of EDT and developing and beginning to implement an integration plan.

Directors

The following eight current directors of Alkermes will become directors of New Alkermes in connection with the business combination: David W. Anstice, Floyd E. Bloom, Robert A. Breyer, Wendy L. Dixon, Geraldine A. Henwood, Paul J. Mitchell, Richard F. Pops and Mark B. Skaletsky. As directors of New Alkermes, these individuals will be entitled to compensation and equity awards from New Alkermes.

Indemnification

Alkermes has entered into indemnification agreements with its directors and executive officers. Under the terms of the indemnification agreement, Alkermes will indemnify each director or executive officer to the fullest extent permitted by law for expenses actually and reasonably incurred by the director or executive officer in relation to claims, brought against such director or executive officer, that arise from actions taken while acting as a director or executive officer of Alkermes, except to the extent that such indemnification is prohibited by applicable law or would be duplicative of amounts otherwise actually provided to such director or executive officer in relation to such claims. Alkermes will advance the expenses of such director or executive officer in connection with his or her defense. Each director or executive officer undertakes to the fullest extent required by law to repay all amounts advanced if it is ultimately determined that he or she is not entitled to be indemnified by Alkermes.

Security Ownership of Certain Beneficial Owners and Management

The following tables set forth information known to Alkermes regarding the beneficial ownership of its common stock as of the record date by (i) all persons who own beneficially more than 5% or more of its outstanding common stock, (ii) each Alkermes director, (iii) each of the named executive officers of Alkermes

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and (iv) all directors and executive officers as a group. Unless otherwise indicated, the principal address of each of the shareholders listed below is c/o Alkermes, 852 Winter Street, Waltham, MA 02451.

Name	Shares Beneficially Owned[1]	Percent Beneficially Owned[2]
5% Shareholders		
FMR LLC[3] 82 Devonshire Street Boston, MA 02109	14,275,434	14.62%
Federated Investors, Inc.[4] Federated Investors Tower Pittsburgh, PA 15222	10,090,672	10.34%
Wellington Management Company, LLP[5] 75 State Street Boston, MA 02109	9,731,403	9.97%
Blackrock, Inc.[6] 40 East 52nd Street New York, NY 10022	5,906,881	6.05%
James E. Flynn[7] 780 Third Avenue, 37th Floor New York, NY 10017	5,711,931	5.85%
T. Rowe Price Associates, Inc.[8] 100 E. Pratt Street Baltimore, MD 21202	5,547,964	5.68%

(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 shares of common stock.

(2) Applicable percentage of ownership as of the record date is based upon 97,618,711 shares of Alkermes common stock outstanding and is calculated in accordance with applicable SEC rules.

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

10,182,261 shares were owned by Fidelity Growth Company Fund, an investment company registered under the Investment Company Act of 1940. 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 shares owned by the funds. Fidelity Management & Research Company, 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 shares of the common stock outstanding of Alkermes.

28,750 shares were owned by Pyramis Global Advisors Trust Company, a wholly-owned subsidiary of FMR LLC and a bank as defined in section 3(a)(6) of the Exchange Act, which is referred to in this proxy

statement/prospectus as PGATC 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 PGATC, each has sole dispositive power and sole voting power over such 28,750 shares and, therefore, may be deemed to beneficially own the shares reported as owned by the institutional accounts managed by PGATC.

In addition, due to their ownership, directly or through trusts, of shares representing 49% of the voting power of FMR LLC, the members of the family of Edward C. Johnson 3d, Chairman of FMR LLC, may be deemed to beneficially own the shares reported as beneficially owned by FMR LLC. Neither FMR LLC nor Edward C. Johnson 3d has the sole power to vote or direct the voting of the shares owned

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directly by the Fidelity funds, which power resides in the funds board of trustees. Fidelity carries out the voting of the shares under written guidelines established by the funds board of trustees.

(4) Based solely on a Schedule 13G/A dated February 8, 2011, Federated Investors, Inc., which is referred to in this proxy statement/prospectus 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 shares of Alkermes common stock. Federated is the parent holding company of Federated Equity Management Company of Pennsylvania and Federated Global Investment Management Corp., which act as investment advisers to registered investment companies and separate accounts that own shares of Alkermes common stock. 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. The trustees exercise collective voting control over Federated, however, in accordance with Rule 13d-4 of the Securities Act, Federated, the trust and each of the trustees have expressly disclaimed beneficial ownership of the 10,090,672 shares.

(5) Based solely on a Schedule 13G/A dated April 11, 2011, Wellington Management Company, LLP, which is referred to in this proxy statement/prospectus as Wellington Management, in its capacity as investment adviser, may be deemed to beneficially own 9,731,403 shares of Alkermes common stock which are held of record by clients of Wellington Management. Wellington Management shares voting power over 7,271,980 shares of Alkermes common stock and shares investment power over 9,731,403 shares of Alkermes common stock.

(6) 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 shares of Alkermes common stock.

(7) Based solely on a Schedule 13G/A dated February 2, 2011, James E. Flynn, beneficially owns 5,711,931 shares of Alkermes common stock. 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 shares of Alkermes common stock.

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 shares of Alkermes common stock.

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

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Directors and Named Executive Officers	Number of Alkermes Common	Number of Shares Issuable(1)	Total	Percent Beneficially Owned(2)
David W. Anstice	10,000	80,000	90,000	*
Floyd E. Bloom[3]	120,375	180,000	300,375	*
Robert A. Breyer	61,131	163,425	224,556	*
Wendy L. Dixon		35,000	35,000	*
Geraldine A. Henwood		198,000	198,000	*
Paul J. Mitchell	8,000	188,000	196,000	*
Richard F. Pops	418,104	2,707,500	3,125,604	3.12%
Alexander Rich[4]	348,400	180,000	528,400	*
Mark B. Skaletsky	5,000	159,000	164,000	*
Michael A. Wall[5]	608,450	175,000	783,450	*
Elliot W. Ehrich	16,579	471,700	488,279	*
James M. Frates	86,481	738,050	824,531	*
Michael J. Landine	147,102	537,625	684,727	*
Gordon G. Pugh	22,027	559,050	581,077	*
All directors and executive officers as a group (15 individuals in total)	1,882,108	6,729,600	8,611,708	8.25%

(1) Shares that can be acquired through stock options exercisable and restricted stock unit awards vesting on or before September 30, 2011, which is 60 days from August 1, 2011.

(2) Applicable percentage of ownership as of August 1, 2011, is based upon 97,618,711 shares of Alkermes common stock outstanding and is calculated in accordance with applicable SEC rules.

(3) Includes 120,375 shares of common stock held by The Corey Bloom Family Trust, of which Dr. Bloom is a Trustee and as to which he disclaims beneficial ownership except to the extent of his pecuniary interest therein, if any.

(4) Includes 343,000 shares of common stock held by the Alexander Rich Trust, of which Dr. Rich is a Trustee and as to which he disclaims beneficial ownership except to the extent of his pecuniary interest therein, if any.

(5) All shares of common stock held by the Michael A Wall Trust, of which Mr. Wall is the Trustee and as to which he disclaims beneficial ownership except to the extent of his pecuniary interest therein, if any.

Principal Shareholders Following the Business Combination

The following tables set forth information, as of the date of this proxy statement/prospectus, regarding the expected beneficial ownership of New Alkermes ordinary shares, after giving effect to the proposed transactions, of:

each person that, based on current ownership of Alkermes common stock or otherwise, is expected to be a beneficial owner of more than 5% of New Alkermes ordinary shares;

each of the named executive officers of New Alkermes;

each of the individuals who will be a director or prospective director of New Alkermes; and

all directors and executive officers of New Alkermes, taken together.

Beneficial ownership is determined under the rules of the SEC and generally includes voting or investment power over securities. Except in cases where community property laws apply or as indicated in the footnotes to this table, it is believed that each shareholder identified in the table possesses sole voting and investment power over all shares of New Alkermes ordinary shares shown as beneficially owned by that shareholder. Percentage of beneficial ownership is based on the approximately 129,518,711 shares of New

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Alkermes ordinary shares that will be outstanding immediately following the merger and, in the case of directors and executive officers, on the ownership of Alkermes common stock as of August 1, 2011 and is calculated in accordance with applicable SEC rules.

Name and Address of Beneficial Owner	Number of Shares of Alkermes Common Stock	Number of Ordinary Shares of New Alkermes	Percentage Beneficially Owned
Shareholders Owning Approximately 5% or more:			
Elan Science Three Limited	0	31,900,000	24.63%
FMR LLC(1)	14,275,434	14,275,434	11.02%
Federated Investors, Inc.(2)	10,090,672	10,090,672	7.79%
Wellington Management Company, LLP(3)	9,731,403	9,731,403	7.51%

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

10,182,261 shares were owned by Fidelity Growth Company Fund, an investment company registered under the Investment Company Act of 1940. 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 shares owned by the funds. Fidelity Management & Research Company, a wholly-owned subsidiary of FMR LLC and an investment adviser registered under Section 203 of the Investment Advisors Act of 1940, is the beneficial owner of 14,246,684 shares of the common stock outstanding of Alkermes.

28,750 shares were owned by PGATC, 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 PGATC, each has sole dispositive power and sole voting power over such 28,750 shares and, therefore, may be deemed to beneficially own the shares reported as owned by the institutional accounts managed by PGATC.

In addition, due to their ownership, directly or through trusts, of shares representing 49% of the voting power of FMR LLC, the members of the family of Edward C. Johnson 3d, Chairman of FMR LLC, may be deemed to beneficially own the shares reported as beneficially owned by FMR LLC. Neither FMR LLC nor Edward C. Johnson 3d, has the sole power to vote or direct the voting of the shares owned directly by the Fidelity funds, which power resides in the funds Board of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the funds Board of Trustees.

(2) Based solely on a Schedule 13G/A dated February 8, 2011, 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 shares of Alkermes common stock. Federated is the parent holding company of Federated Equity Management Company of Pennsylvania and Federated Global Investment Management Corp., which act as investment advisers to registered investment companies and separate accounts that own shares of Alkermes common stock. 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. The trustees exercise collective voting control over

Federated, however, in accordance with Rule 13d-4 of the Securities Act, Federated, the trust and each of the trustees have expressly disclaimed beneficial ownership of the 10,090,672 shares.

(3) Based solely on a Schedule 13G/A dated April 11, 2011, Wellington Management, in its capacity as investment advisor, may be deemed to beneficially own 9,731,403 shares of Alkermes common stock, which are held of record by clients of Wellington Management. Wellington Management shares voting power over 7,271,980 shares of Alkermes common stock and shares investment power over 9,731,403 shares of Alkermes common stock.

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Directors and Named Executive Officers	Total Number of Shares of Alkermes Common Stock[1]	Total Number of Ordinary Shares of New Alkermes	Beneficially Owned Percent[2]
David W. Anstice	90,000	90,000	*
Floyd E. Bloom	300,375	300,375	*
Robert A. Breyer	224,556	224,556	*
Wendy L. Dixon	35,000	35,000	*
Geraldine A. Henwood	198,000	198,000	*
Paul J. Mitchell	196,000	196,000	*
Richard F. Pops	3,125,604	3,125,604	2.36%
Mark B. Skaletsky	164,000	164,000	*
Shane Cooke			*
Elliot W. Ehrich	488,279	488,279	*
James M. Frates	824,531	824,531	*
Michael J. Landine	684,727	684,727	*
Gordon G. Pugh	581,077	581,077	*
All directors and executive officers as a group (15 individuals in total)	7,299,858	7,299,858	5.37%

* Less than 1%

(1) Includes common stock held as of August 1, 2011 as well as 6,374,600 shares that can be acquired through stock options exercisable and restricted stock unit awards vesting on or before September 30, 2011, which is 60 days from August 1, 2011.

(2) Percentage of ownership of New Alkermes is based on 97,618,711 shares of Alkermes common stock outstanding as of August 1, 2011 plus 31,900,000 ordinary shares that the Elan Shareholder will receive in connection with the business combination and is calculated in accordance with applicable SEC rules.

Regulatory Approvals Required

United States Antitrust

Under the HSR Act, and the rules and regulations promulgated thereunder by the FTC, the business combination cannot be consummated until notifications have been given and certain information has been furnished to the FTC and the Antitrust Division, and specified waiting period requirements have been satisfied. On May 20, 2011, each of Alkermes and EDT filed a Pre-Merger Notification and Report Form pursuant to the HSR Act with the Antitrust Division and the FTC. The waiting period under the HSR Act expired at 11:59 p.m. Eastern Daylight Time on June 20, 2011. Although the waiting period has expired, at any time before the effective time of the merger, the FTC, the Antitrust Division or others could take action under the antitrust laws with respect to the business combination, including seeking to enjoin the proposed transactions or to require the divestiture of certain assets of Alkermes or EDT. There can be no assurance that a challenge to the business combination on antitrust grounds will not be made or, if such a challenge is made, that it would not be successful.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

There are no relationships or related person transactions that would be required to be disclosed in this proxy statement/prospectus in accordance with SEC rules.

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ACCOUNTING TREATMENT OF THE MERGER

The business combination of EDT and Alkermes will be accounted for using the acquisition method of accounting for business combinations with Alkermes being treated as the accounting acquirer under U.S. GAAP. Under this method of accounting, Alkermes will record the acquisition based on the fair value of the consideration given, which includes the market value of its shares issued in connection with the merger (based on the closing price of shares of Alkermes common stock on the closing date of the merger) and the cash consideration paid in the business combination. Alkermes will allocate the purchase price to the identifiable assets acquired and liabilities assumed based on their respective fair values at the date of the completion of the business combination. Any excess of the value of consideration paid over the aggregate fair value of those net assets will be recorded as goodwill.

CERTAIN TAX CONSEQUENCES OF THE MERGER

This section contains a general discussion of the material tax consequences of (i) the merger, (ii) post-merger ownership and disposition of New Alkermes ordinary shares and (iii) post-merger operations of New Alkermes.

The discussion under the caption *Certain Tax Consequences of the Merger U.S. Federal Income Tax Considerations* addresses (i) application of the U.S. anti-inversion rules to New Alkermes, (ii) the material U.S. federal income tax consequences of the merger to Alkermes and New Alkermes, and (iii) the material U.S. federal income tax consequences to U.S. holders (as defined below) of (a) exchanging Alkermes common stock for New Alkermes ordinary shares in the merger and (b) owning and disposing of New Alkermes ordinary shares received in the merger.

The discussion of the merger and of ownership and disposition of shares received in the merger under *Certain Tax Consequences of the Merger Irish Tax Considerations* addresses certain Irish tax considerations of the merger and subsequent operations for Alkermes and New Alkermes.

The discussion below is not a substitute for an individual analysis of the tax consequences of the merger, post-merger ownership and disposition of shares or post-merger operations of New Alkermes. You should consult your own tax adviser regarding the particular U.S. (federal, state and local), Irish and other non-U.S. tax consequences of these matters in light of your particular situation.

U.S. Federal Income Tax Considerations

Scope of Discussion

The following is a summary of the material U.S. federal income tax consequences of the merger generally expected to be applicable to the U.S. holders (as defined below) of Alkermes common stock and their receipt of New Alkermes ordinary shares. The summary is based upon the existing provisions of the Code, applicable Treasury Regulations, judicial authority, administrative rulings effective as of the date of hereof, and the income tax treaty between Ireland and the United States, which is referred to in this proxy statement/prospectus as the Tax Treaty. These laws and authorities are subject to change, possibly with retroactive effect. Any such change, which may or may not be retroactive, could alter the tax consequences to the holders of Alkermes and New Alkermes ordinary shares as described herein. The discussion below does not address any state, local or foreign or any U.S. federal tax consequences other than U.S. federal income tax consequences such as estate and gift tax or U.S. Medicare contribution tax consequences that are applicable to the U.S. holder. The tax treatment of the merger to the holders will vary depending upon their particular situations.

The summary below is limited to U.S. holders who hold shares of Alkermes common stock or New Alkermes ordinary shares as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). The following discussion is intended only as a summary of the material U.S. federal income tax consequences of the merger and does not purport to be a complete analysis or listing of all of the potential tax effects relevant to a decision on whether to approve the merger. In particular, this

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discussion does not deal with all U.S. federal income tax considerations that may be relevant to particular holders in light of their particular circumstances, such as holders who are dealers in securities, who are subject to the alternative minimum tax provisions of the Code, who are non-U.S. persons or entities, that are banks, financial institutions or insurance companies, tax-exempt entities, holders who do not hold their Alkermes common stock as a capital asset at the time of the merger, or their New Alkermes ordinary shares as a capital asset after the merger, holders who acquired their Alkermes common stock in connection with stock option or stock purchase plans or in other compensatory transactions, who hold Alkermes common stock or New Alkermes ordinary shares as part of an integrated investment (including a straddle) comprised of Alkermes common stock or New Alkermes ordinary shares, as the case may be, and one or more other positions, or who may hold Alkermes common stock or New Alkermes ordinary shares subject to the constructive sale provisions of Section 1259 of the Code. If a partnership holds shares of Alkermes common stock or New Alkermes ordinary shares, the tax treatment of a partner generally will depend on the status of the partner and on the activities of the partnership. Partners of partnerships holding Alkermes common stock or New Alkermes ordinary shares should consult their tax advisers. In addition, except as expressly provided below, the following discussion does not address the tax consequences of transactions effectuated prior to, concurrently with or after the merger (whether or not such transactions are in connection with the merger).

For purposes of this discussion, a U.S. holder is a beneficial owner of Alkermes common stock or New Alkermes ordinary shares that is, for U.S. federal income tax purposes, (i) a citizen or resident of the United States, (ii) a U.S. domestic corporation or an entity taxable as a U.S. domestic corporation, (iii) an estate whose income is subject to U.S. federal income tax regardless of its source, (iv) a trust if a U.S. court can exercise primary supervision over the trust s administration and one or more U.S. persons are authorized to control all substantial decisions of the trust.

Alkermes has not requested and does not intend to request a ruling from the IRS and it is possible that the IRS may take different positions concerning the tax consequences of the merger than those stated below and such positions could be sustained.

Tax Consequences of the Merger to Alkermes and New Alkermes

Neither Alkermes nor New Alkermes should be subject to U.S. federal income tax as a result of the merger.

The U.S. Anti-Inversion Rules

As described above under *Risk Factors Risks Related to New Alkermes,* the IRS may assert as a result of the merger that (1) although New Alkermes is incorporated in Ireland, New Alkermes should be treated as a U.S. corporation (and, therefore, a U.S. tax resident) for U.S. federal income tax purposes, or (2) that Alkermes or New Alkermes may be unable to apply Alkermes net operating loss carryforwards to offset the taxable income or gain recognized by reason of the transfer by Alkermes of properties, or the license by Alkermes of any property to New Alkermes, as part of the merger (including the IP Transfer) or during the ten-year period following the merger under Section 7874 of the Code. These limitations would apply if the former shareholders of Alkermes hold 80 percent or more (60 percent, in the case of subparagraph (2) above) of the vote or value of the shares of New Alkermes by reason of holding stock in Alkermes, and New Alkermes expanded affiliated group after the merger does not have substantial business activities in Ireland relative to its worldwide activities.

Alkermes does not believe that either of these limitations should apply as a result of the merger. As a result of the merger, New Alkermes will indirectly acquire all of the assets of Alkermes, and the former shareholders of Alkermes will acquire approximately 75% of the stock in New Alkermes by reason of holding stock in Alkermes, less than the 80 percent needed for New Alkermes to potentially be treated as a U.S. corporation. Therefore, New Alkermes should not be treated as a U.S. corporation for U.S. federal income tax purposes.

In order to avoid precluding Alkermes from using its net operating loss carryforwards to offset taxable income generated by the IP Transfer, which would constitute inversion gain for purposes of Section 7874, the

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expanded affiliated group that includes New Alkermes must have substantial business activities in Ireland after the merger. After the merger, the expanded affiliated group that includes New Alkermes intends to conduct business activities in Ireland that should qualify as substantial business activities for purposes of Section 7874, including continuing the significant amount of business activities that members of the New Alkermes expanded affiliated group currently conduct. Section 7874 does not define the term substantial business activities or otherwise quantify the activities that the foreign corporation and its expanded affiliated group should have in the foreign corporation s country of incorporation. Rather, temporary Treasury Regulations issued under section 7874 of the Code in 2009, which are referred to in this proxy statement/prospectus as the 2009 Regulations, provide a facts and circumstances test that looks to whether a foreign corporation s expanded affiliated group has substantial business activities in the foreign corporation s country of organization relative to its worldwide activities, in order to determine whether the substantial business activities test is satisfied. Among the factors identified are (i) the historical conduct of continuous business activities in the foreign country by the expanded affiliated group; (ii) the conduct of continuous business activities in the foreign country by the expanded affiliated group in the ordinary course of one or more active trades or businesses, involving property located in the foreign country that is owned by members of the expanded affiliated group, the performance of services in the foreign country by employees of the expanded affiliated group, and the sales of goods to customers; (iii) the performance in the foreign country of substantial managerial activities by officers and employees of the expanded affiliated group who are based in the foreign country; (iv) a substantial degree of ownership of the expanded affiliated group by investors resident in the foreign country; and (v) business activities in the foreign country that are material to the achievement of the overall business objectives of the expanded affiliated group.

It is expected that the activities the New Alkermes expanded affiliated group will conduct in Ireland following the merger should satisfy the substantial business activities test set forth in the 2009 Regulations. However, the IRS could assert a contrary position, in which case, New Alkermes could become involved in tax controversy with the IRS regarding possible additional U.S. tax liability. If New Alkermes is unsuccessful in resolving any such tax controversy in its favor, New Alkermes could be liable for significantly greater U.S. federal income tax than New Alkermes anticipates being liable for through the merger and the reorganization, including as a result of the IP Transfer.

Tax Consequences of the Merger to U.S. Holders

While not entirely free from doubt, Alkermes believes that the receipt of the New Alkermes ordinary shares for shares of Alkermes common stock pursuant to the merger should be a taxable transaction for U.S. federal income tax purposes. Under such treatment, in general, for U.S. federal income tax purposes, a U.S. holder will recognize capital gain or loss equal to the difference between the shareholder s adjusted tax basis in the shares of the Alkermes common stock surrendered in the exchange, and the fair market value of the New Alkermes ordinary shares received as consideration in the merger. A U.S. holder s adjusted basis in the shares of Alkermes common stock generally should equal the holder s purchase price for such shares of Alkermes common stock, as adjusted to take into account stock dividends, stock splits, or similar transactions.

A U.S. holder s gain or loss on the receipt of New Alkermes ordinary shares for shares of Alkermes common stock generally will be capital gain or loss. Net capital gain (i.e., generally, capital gain in excess of capital loss) recognized by individuals, estates, and trusts from the sale of property held more than one year would generally be taxed at a rate not to exceed 15% for U.S. federal income tax purposes. Net capital gain from property held for one year or less will be subject to tax at ordinary income tax rates. In addition, capital gains recognized by a corporate taxpayer will be subject to tax at the ordinary income tax rates applicable to corporations. In general, capital losses are deductible only against capital gains and are not available to offset ordinary income. However, individual taxpayers are allowed to offset a limited amount of capital losses against ordinary income.

It is possible that the IRS could assert an alternative characterization of the merger that would prevent a U.S. holder from recognizing taxable loss on the exchange of Alkermes common stock for New Alkermes ordinary shares pursuant to the merger. Under such an alternative characterization, the U.S. holder s basis in New Alkermes ordinary shares received will be the same as the basis of Alkermes common stock surrendered

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in exchange therefor, increased by any gain recognized on the exchange (as determined on a share-by-share basis). The holding period of New Alkermes ordinary shares to be received by a U.S. holder will include the holding period of the Alkermes common stock surrendered in exchange therefor. Under such an alternative characterization, a U.S. holder would still recognize capital gain, if any, on the exchange. U.S. holders are urged to consult their advisers as to the particular consequences of the exchange of Alkermes common stock for New Alkermes ordinary shares pursuant to the merger.

Tax Consequences to U.S. Holders of Holding Shares in New Alkermes

The gross amount of any dividend (including any related applicable dividend withholding tax, which is referred to in this proxy statement/prospectus as DWT) paid by New Alkermes to a U.S. holder out of its current or accumulated earnings and profits (as determined for U.S. Federal income tax purposes) is subject to U.S. Federal income taxation. Dividends paid to a non-corporate U.S. holder prior to January 1, 2013 that constitute qualified dividend income will be taxable to the holder at a maximum federal tax rate of 15% provided that the U.S. holder holds the New Alkermes ordinary shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and the holder meets other holding period requirements. Dividends paid by New Alkermes with respect to its common stock generally will be qualified dividend income. The dividend will not be eligible for the dividends received deduction generally allowed to corporations. The amount of any dividend will be the U.S. dollar value of the euro payment (determined at the spot U.S. dollar/euro exchange rate) on the date of actual or constructive receipt by the U.S. holder, regardless of whether the payment is converted into dollars. Gain or loss, if any resulting from currency exchange fluctuations during the periods from the date or U.S. holder includes the dividend payment on income to the date such U.S. holder converts the payment into U.S. dollars, generally will be ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. Federal income tax purposes, will be treated as a non-taxable return of capital to the extent of the U.S. holder s basis in its shares of New Alkermes ordinary shares, and thereafter as capital gain.

Subject to certain limitations, any Irish tax (including DWT) withheld and paid over to Ireland will be creditable against the U.S. holder s U.S. federal income tax liability. Special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the maximum 15% federal tax rate. To the extent a refund of the tax withheld is available to a U.S. holder under Irish law or the Tax Treaty, the amount of tax withheld that is refundable will not be eligible for credit against a U.S. holder s U.S. Federal income tax liability.

Dividends paid by New Alkermes with respect to New Alkermes ordinary shares will be income from sources outside the United States and will, depending on a U.S. holder s circumstances, generally be passive income. For purposes of computing the foreign tax credit affordable to the holder, U.S. holders should consult their own tax advisers concerning the implications of U.S. foreign tax credit rules in light of their particular circumstances.

Gain on Disposition

Upon the sale, exchange or other disposition of New Alkermes ordinary shares, a U.S. holder will recognize gain or loss, if any, equal to the difference between the U.S. dollar amount realized upon the sale, exchange, or other disposition and the U.S. holder s tax basis in the stock. Capital gain of a non-corporate U.S. holder that is recognized before January 1, 2013 is generally taxed at a maximum rate of 15% where the U.S. holder has a holding period greater than one year. The deductibility of capital losses is subject to limitations. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes.

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Information Reporting and Backup Withholding

Dividends on New Alkermes ordinary shares paid within the United States or through certain U.S.-related financial intermediaries are subject to information reporting and may be subject to backup withholding (currently at a 28 percent rate) unless the holder (1) is a corporation or other exempt recipient (including generally non-U.S. holders who establish such foreign status) or (2) provides a taxpayer identification number and satisfies certain certification requirements. Information reporting requirements and backup withholding may also apply to the payment of proceeds from a sale (including a redemption) of New Alkermes ordinary shares within the United States. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the holder s U.S. federal income tax liability, provided that the holder timely furnishes certain required information to the IRS. Holders should consult their tax advisers regarding the application of information reporting and backup withholding to their particular situations.

If a U.S. holder of New Alkermes ordinary shares does not provide New Alkermes (or its paying agent) the holder s correct taxpayer identification number or other required information, the holder may be subject to penalties imposed by the IRS.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES SUMMARIZED ABOVE ARE FOR GENERAL INFORMATION ONLY. EACH HOLDER OF ALKERMES COMMON STOCK OR NEW ALKERMES ORDINARY SHARES SHOULD CONSULT HIS OR HER TAX ADVISER AS TO THE PARTICULAR CONSEQUENCES THAT MAY APPLY TO SUCH HOLDER.

Irish Tax Considerations

Scope of Discussion

The following is a general summary of the main Irish tax considerations applicable to certain beneficial owners of Alkermes shares who receive New Alkermes ordinary shares in the merger and who are the beneficial owners of such New Alkermes ordinary shares. It is based on existing Irish law and practices in effect on the date of this proxy statement/prospectus and on discussions and correspondence with the Irish Revenue Commissioners. Legislative, administrative or judicial changes may modify the tax consequences described below.

The statements do not constitute tax advice and are intended only as a general guide. Furthermore, this information applies only to New Alkermes ordinary shares held as capital assets and does not apply to all categories of shareholders, such as dealers in securities, trustees, insurance companies, collective investment schemes and shareholders who have, or who are deemed to have, acquired their New Alkermes ordinary shares by virtue of an office or employment. This summary is not exhaustive and shareholders should consult their own tax advisers as to the tax consequences in Ireland, or other relevant jurisdictions of the business combination, including the acquisition, ownership and disposition of the New Alkermes ordinary shares.

Irish Tax on Chargeable Gains

The receipt by Alkermes shareholders of New Alkermes ordinary shares as consideration for the cancellation of their Alkermes shares in the merger will not give rise to a liability to pay Irish tax on chargeable gains for persons that are not resident or ordinarily resident in Ireland for Irish tax purposes and do not hold such shares in connection with a trade or business carried on by such holder in Ireland through a branch or agency.

Alkermes shareholders who are resident or ordinarily resident for tax purposes in Ireland, or who hold their shares in connection with a trade or business carried on by such holder in Ireland through a branch or agency, should consult

their own tax advisers as to the Irish tax consequences of the business combination, including the merger.

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Withholding Tax on Dividends

While New Alkermes does not currently intend to pay dividends, distributions made by New Alkermes would generally be subject to DWT, at the standard rate of income tax (currently 20%) unless one of the exemptions described below applies, which New Alkermes believes will be the case for the majority of shareholders. For DWT purposes, a dividend includes any distribution made by New Alkermes to its shareholders, including cash dividends, non-cash dividends and additional stock or units taken in lieu of a cash dividend. New Alkermes is responsible for withholding DWT at source and forwarding the relevant payment to the Irish Revenue Commissioners.

Certain shareholders (both individual and corporate) are also entitled to an exemption from DWT. In particular, a non-Irish resident shareholder is not subject to DWT on dividends received from New Alkermes if the shareholder is:

an individual shareholder resident for tax purposes in a relevant territory, and the individual is neither resident nor ordinarily resident in Ireland. Relevant territories for the purposes of DWT are defined to include: Albania; Australia; Austria; Bahrain; Belarus; Belgium; Bosnia & Herzegovina; Bulgaria; Canada; Chile; China; Croatia; Cyprus; Czech Republic; Denmark; Estonia; Finland; France; Georgia; Germany; Greece; Hong Kong; Hungary; Iceland; India; Israel; Italy; Japan; Korea; Kuwait; Latvia; Lithuania; Luxembourg; Macedonia; Malaysia; Malta; Mexico; Moldova; Montenegro; Morocco; The Netherlands; New Zealand; Norway; Pakistan; Poland; Portugal; Romania; Russia; Serbia; Singapore; Slovak Republic; Slovenia; South Africa; Spain; Sweden; Switzerland; Turkey; United Arab Emirates; United Kingdom; United States; Vietnam; and Zambia;

a corporate shareholder that is not resident for tax purposes in Ireland and which is ultimately controlled, directly or indirectly, by persons resident in a relevant territory ;

a corporate shareholder resident for tax purposes in a relevant territory provided that the corporate shareholder is not under the control, whether directly or indirectly, of a person or persons who is or are resident in Ireland;

a corporate shareholder that is not resident for tax purposes in Ireland and whose principal class of shares (or those of its 75% parent) is substantially and regularly traded on a recognized stock exchange either in a relevant territory or on such other stock exchange approved by the Irish Minister for Finance; or

a corporate shareholder that is not resident for tax purposes in Ireland and is wholly-owned, directly or indirectly, by two or more companies where the principal class of shares of each of such companies is substantially and regularly traded on a recognized stock exchange in a relevant territory or on such other stock exchange approved by the Irish Minister for Finance,

and provided that, in all cases noted above but subject to the matters described below, the shareholder has provided the appropriate forms to his or her broker (and the relevant information is further transmitted to New Alkermes qualifying intermediary) before the record date for the dividend (in the case of shares held beneficially), or to New Alkermes transfer agent at least 14 business days before such record date (in the case of shares held directly).

Should it decide to pay a dividend, New Alkermes will enter into an agreement with an institution which will be recognized by the Irish Revenue Commissioners as a qualifying intermediary prior to paying any dividends or making any distributions. This will satisfy one of the Irish requirements for dividends to be paid free of DWT to certain shareholders who hold their shares through the Depositary Trust Company, which is referred to in this proxy statement/prospectus as DTC, as described below. The agreement will generally provide for certain arrangements relating to cash distributions in respect of those shares of New Alkermes that are held through DTC. The agreement will also provide that the qualifying intermediary shall distribute or otherwise make available to Cede & Co., as

nominee for DTC, any cash dividend or other cash distribution to be made to holders of the deposited securities, after New Alkermes delivers or causes to be delivered to the qualifying intermediary the cash to be distributed.

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New Alkermes will rely on information received directly or indirectly from brokers and its transfer agent in determining where shareholders reside, whether they have provided the required U.S. forms and whether they have provided the required Irish dividend withholding tax forms, as described below. Shareholders who are required to file Irish forms in order to receive their dividends free of DWT should note that such forms are valid for five years and new forms must be filed before the expiration of that period in order to continue to enable them to receive dividends without DWT.

Links to the various Irish Revenue forms are available at:

http://www.revenue.ie/en/tax/dwt/forms/index.html.

In most cases, individual shareholders resident in a relevant territory should complete a non-resident Form V2A and corporate (company) shareholders resident in a relevant territory should complete a non-resident Form V2B. Where a shareholder is neither an individual nor a company but is resident in a relevant territory, it should complete a non-resident Form V2C. Please contact your broker or your tax adviser if you have any questions regarding Irish dividend withholding tax.

Shares Held by U.S. Resident Shareholders

Dividends paid on New Alkermes ordinary shares that are owned by residents of the United States and held beneficially through DTC will not be subject to DWT provided that the address of the beneficial owner of the shares in the records of the broker is in the United States. Alkermes strongly recommends that such shareholders ensure that their information has been properly recorded by their brokers (so that such brokers can further transmit the relevant information to New Alkermes qualifying intermediary) by filing a Form W-9 with their broker.

Dividends paid on New Alkermes ordinary shares that are owned by residents of the United States and held directly will not be subject to DWT if the shareholder held shares on the date on which it is publicly announced that the last shareholder vote approving the transactions has been passed, which is referred to as the relevant date in this proxy statement/prospectus, and has provided a valid Form W-9 showing a U.S. address or a valid U.S. taxpayer identification number to New Alkermes transfer agent or if the shareholder became a shareholder after the relevant date and has provided the appropriate Irish dividend withholding tax forms to New Alkermes transfer agent, in either case, at least 14 business days before the record date for the first dividend to which the shareholder is entitled. Alkermes strongly recommends that such shareholders ensure that an appropriate Form W-9 or taxpayer identification number or Irish dividend withholding tax form has been provided to New Alkermes transfer agent.

If any shareholder who is resident in the United States receives a dividend subject to DWT, he or she should generally be able to make an application for a refund from the Irish Revenue Commissioners on the prescribed form.

Shares Held by Residents of Relevant Territories Other Than the United States

Dividends paid to New Alkermes shareholders who are residents of relevant territories other than the United States and (in the case of companies) who are not under the control, directly or indirectly, of a person or persons who are resident in Ireland, generally will not be subject to Irish dividend withholding tax, but those shareholders will need to provide the appropriate tax forms in order to receive their dividends without any Irish dividend withholding tax as summarized below.

Shareholders who are residents of relevant territories other than the United States who acquired their shares on or before the relevant date generally will receive dividends paid on or before one year after the relevant date without any DWT. For shares held beneficially through DTC, dividends will be paid on or before one year after the relevant date

without any DWT if the address of the relevant shareholder in his or her broker s records as evidenced by a Form W-8 is in a relevant territory other than the United States. Alkermes strongly recommends that such shareholders ensure that their information has been properly recorded by their brokers (so that such brokers can further transmit the relevant information to New Alkermes qualifying intermediary). For shares held directly, dividends will be paid on or before one year after the

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relevant date without any DWT if the shareholder has provided a valid U.S. Form W-8 showing an address in a relevant territory other than the United States to New Alkermes transfer agent at least 14 business days before the record date for the first dividend to which they are entitled. Alkermes strongly recommends that such shareholders ensure that the appropriate tax form has been provided to New Alkermes transfer agent.

Shareholders who are residents of relevant territories other than the United States who acquire all of their shares after the relevant date must complete the appropriate Irish dividend withholding tax forms in order to receive their dividends without DWT. Such shareholders must provide the appropriate Irish dividend withholding tax forms to their brokers (so that such brokers can further transmit the relevant information to New Alkermes qualifying intermediary) before the record date for the first dividend payment to which they are entitled (in the case of shares held beneficially), or to New Alkermes transfer agent at least 14 business days before such record date (in the case of shares held directly). Alkermes strongly recommends that such shareholders complete the appropriate Irish forms and provide them to their brokers or New Alkermes transfer agent, as the case may be, as soon as possible after acquiring their shares.

In addition, all shareholders who are residents of relevant territories other than the United States (regardless of when such shareholders acquired their shares) must complete the appropriate Irish dividend withholding tax forms in order to receive dividends paid later than one year after the relevant date without DWT. Such shareholders must provide the appropriate Irish forms to their brokers (so that such brokers can further transmit the relevant information to New Alkermes qualifying intermediary) before the record date for the first dividend paid later than one year after the relevant date (in the case of shares held beneficially), or to New Alkermes transfer agent at least 14 business days before such record date (in the case of shares held directly). Alkermes strongly recommends that such shareholders complete the appropriate Irish forms and provide them to their brokers or New Alkermes transfer agent, as the case may be, as soon as possible.

Shares Held by Residents of Ireland

Most Irish tax resident or ordinarily resident shareholders (other than Irish resident companies) will be subject to DWT in respect of dividend payments on their New Alkermes ordinary shares.

Shareholders that are residents of Ireland but are entitled to receive dividends without DWT must complete the appropriate Irish forms and provide them to their brokers (so that such brokers can further transmit the relevant information to New Alkermes qualifying intermediary) before the record date for the first dividend to which they are entitled (in the case of shares held beneficially), or to New Alkermes transfer agent at least 14 business days before such record date (in the case of shares held directly). Shareholders who are resident or ordinarily resident in Ireland or are otherwise subject to Irish tax should consult their own tax advisers.

Shares Held by Other Persons

New Alkermes shareholders who do not reside in relevant territories or in Ireland will be subject to DWT, but there are a number of other exemptions that could apply on a case-by-case basis. Dividends paid to such shareholders will be paid subject to DWT unless the relevant shareholder has provided the appropriate Irish dividend withholding tax form to his or her broker (so that such broker can further transmit the relevant information to New Alkermes qualifying intermediary) prior to the record date for the first dividend to which they are entitled (in the case of shares held beneficially), or to New Alkermes transfer agent at least 14 business days before such record date (in the case of shares held directly). Alkermes strongly recommends that such shareholders to whom an exemption applies complete the appropriate Irish forms and provide them to their brokers or New Alkermes transfer agent, as the case may be, as soon as possible.

If any shareholder who is not a resident of a relevant territory or Ireland but is exempt from withholding receives a dividend subject to DWT, he or she may make an application for a refund from the Irish Revenue Commissioners on the prescribed form.

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Income Tax on Dividends Paid on New Alkermes Ordinary Shares

Irish income tax (if any) arises in respect of dividends paid by New Alkermes.

A shareholder who is neither resident nor ordinarily resident in Ireland and who is entitled to an exemption from DWT, generally has no liability for Irish income tax or to the universal social charge on a dividend from New Alkermes unless he or she holds his or her New Alkermes ordinary shares through a branch or agency in Ireland through which a trade is carried on.

A shareholder who is neither resident nor ordinarily resident in Ireland and who is not entitled to an exemption from DWT generally has no additional liability to income tax or to the universal social charge unless he or she holds his or her New Alkermes ordinary shares through a branch or agency in Ireland through which a trade is carried on. The DWT deducted by New Alkermes discharges such liability to Irish income tax provided that the shareholder furnishes the statement of DWT imposed to the Irish Revenue.

A shareholder who is neither resident nor ordinarily resident in Ireland and is resident of a relevant territory or otherwise exempt from Irish dividend withholding tax but who receives dividends subject to DWT should be able to make a reclaim of the DWT from the Irish Revenue Commissioners unless he or she holds his or her New Alkermes ordinary shares through a branch or agency in Ireland through which a trade is carried on.

Irish resident or ordinarily resident shareholders may be subject to Irish tax and/or levies on dividends received from New Alkermes. Such shareholders should consult their own tax advisers.

Capital Acquisitions Tax

Irish capital acquisitions tax, which is referred to in this proxy statement/prospectus as CAT, is comprised principally of gift tax and inheritance tax. CAT could apply to a gift or inheritance of New Alkermes ordinary shares irrespective of the place of residence, ordinary residence or domicile of the parties. This is because New Alkermes ordinary shares are regarded as property situated in Ireland as the share register of New Alkermes must be held in Ireland. The person who receives the gift or inheritance has primary liability for CAT.

CAT is levied at a rate of 25% above certain tax-free thresholds. The appropriate tax-free threshold is dependent upon (i) the relationship between the donor and the donee and (ii) the aggregation of the values of previous gifts and inheritances received by the donee from persons within the same category of relationship for CAT purposes. Gifts and inheritances passing between spouses are exempt from CAT.

Shareholders should consult their own tax advisers as to whether CAT is creditable or deductible in computing any domestic tax liabilities.

Stamp Duty

Irish stamp duty (if any) becomes payable in respect of share transfers occurring after completion of the business combination.

Shares Held through DTC

It is anticipated that the majority of New Alkermes ordinary shares will be held in DTC. Accordingly, for the majority of transfers of New Alkermes ordinary shares, there will not be any Irish stamp duty.

A transfer of New Alkermes ordinary shares from a seller who holds shares through DTC to a buyer who holds the acquired shares through DTC will not be subject to Irish stamp duty.

Shares Held outside of DTC or Transferred into or out of DTC

A transfer of New Alkermes ordinary shares (i) by a seller who holds shares outside of DTC to any buyer, or (ii) by a seller who holds the shares through DTC to a buyer who holds the acquired shares outside

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of DTC, may be subject to Irish stamp duty (currently at the rate of 1% of the price paid or the market value of the shares acquired, if higher) payable by the buyer.

A shareholder who holds New Alkermes ordinary shares outside of DTC may transfer those shares into DTC (or vice versa) without giving rise to Irish stamp duty provided there is no change in the ultimate beneficial ownership of the shares as a result of the transfer and at the time of the transfer into DTC (or out of DTC) there is no sale of the shares to a third party being contemplated by a beneficial owner. In order to benefit from this exemption from Irish stamp duty, the seller must confirm to New Alkermes that there is no change in the ultimate beneficial ownership of the shares as a result of the transfer and there is no agreement for the sale of the shares by the beneficial owner to a third party being contemplated.

Because of the potential Irish stamp duty on transfers of New Alkermes ordinary shares, New Alkermes strongly recommends that all directly registered shareholders open broker accounts so they can transfer their ordinary shares into DTC as soon as possible. New Alkermes also strongly recommends that any person who wishes to acquire New Alkermes ordinary shares after completion of the business combination acquires such shares through DTC.

Payment of Stamp Duty

New Alkermes official share register must be maintained in Ireland. Registration in this share register will be determinative of shareholding in New Alkermes. Only shareholders of New Alkermes will be entitled to receive dividends. Subject to certain exceptions, only shareholders of New Alkermes will be entitled to vote in general meetings of New Alkermes.

A written instrument of transfer is required under Irish law in order for a transfer of the legal ownership of shares to be registered on New Alkermes official share register. Such instruments of transfer may be subject to Irish stamp duty, which must be paid prior to the official share register being updated.

A holder of ordinary shares in New Alkermes who holds shares through DTC will not be the legal owner of such shares (instead, the depository (for example, Cede & Co., as nominee for DTC) will be the holder of record of such shares). Accordingly, a transfer of shares from a person who holds such shares through DTC to a person who also holds such shares through DTC will not be registered in New Alkermes official share register, i.e., the depository will remain the record holder of such shares.

New Alkermes articles of association, as they will be in effect after the completion of the business combination, are substantially in the form set forth on Annex E to this proxy statement/prospectus and delegate to New Alkermes secretary the authority to execute an instrument of transfer on behalf of a transferring party, which the secretary may do if for any reason such instrument is required and has not already been lodged with New Alkermes.

To the extent that stamp duty is due but has not been paid, New Alkermes may, in its absolute discretion, pay (or cause one of its affiliates to pay) the outstanding stamp duty in respect of a transfer of shares. New Alkermes articles of association, as they will be in effect after the completion of the business combination, provide that, in the event of any such payment, New Alkermes (i) may seek reimbursement from the transferor or transferee (at its discretion), (ii) may set-off the amount of the stamp duty against future dividends payable to the transferor or transferee (at New Alkermes discretion), and (iii) will have a lien against the New Alkermes ordinary shares on which it has paid stamp duty.

IN LIGHT OF THE FOREGOING, HOLDERS ARE URGED TO CONSULT AND MUST RELY ON THE ADVICE OF THEIR OWN TAX ADVISERS REGARDING THE TAX CONSEQUENCES TO THEM OF THE MERGER, INCLUDING APPLICABLE U.S. FEDERAL, STATE, LOCAL, FOREIGN, AND OTHER TAX

CONSEQUENCES.

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NO DISSENTING SHAREHOLDERS RIGHTS

Dissenters rights are statutory rights that enable shareholders who object to extraordinary transactions, such as mergers, to demand that the corporation pay such shareholder the fair value of their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the extraordinary transaction. Dissenters rights are not available in all circumstances and exceptions to those rights are set forth in the PBCL.

Under the PBCL, shareholders of a corporation are not entitled to exercise dissenters rights if, as of the record date, shares of the corporation are either listed on a national securities exchange or held beneficially or of record by more than 2,000 people. As of the record date, Alkermes common stock was listed on NASDAQ. Therefore, holders of Alkermes common stock will not be entitled to exercise dissenters rights under the PBCL in connection with the business combination. If the merger agreement is adopted and the business combination is completed, holders of Alkermes common stock who voted against the adoption of the merger agreement will be treated the same as holders who voted to adopt the merger agreement and their shares will automatically be converted into the right to receive the merger consideration.

LISTING OF NEW ALKERMES ORDINARY SHARES ON NASDAQ

New Alkermes ordinary shares currently are not traded or quoted on a stock exchange or quotation system. New Alkermes expects that (and it is condition to the merger), following the business combination, New Alkermes ordinary shares will be listed for trading on NASDAQ. It is anticipated that the New Alkermes ordinary shares will be listed under the symbol ALKS.

DELISTING AND DEREGISTRATION OF SHARES OF ALKERMES COMMON STOCK

Following the consummation of the merger, Alkermes common stock will be delisted from NASDAQ and deregistered under the Exchange Act.

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THE COMPANIES

Antler Science Two plc

New Alkermes is a public limited company incorporated in Ireland (registered number 498284), formed solely for the purpose of effecting the business combination. To date, New Alkermes has not conducted any activities other than those incidental to its formation, the execution of the merger agreement and the preparation of applicable filings under the U.S. securities laws and regulatory filings made in connection with the proposed business combination.

New Alkermes was originally incorporated as a private limited company under the name Antler Science Two Limited and was re-registered as a public limited company on July 25, 2011. On or prior to the completion of the business combination, Antler Science Two plc will be renamed Alkermes plc. Following the reorganization and immediately prior to the closing, New Alkermes will be an indirect wholly-owned subsidiary of Elan. Immediately following the merger, the former shareholders of Alkermes will own approximately 75% of New Alkermes and the Elan Shareholder will own the remaining approximately 25% of New Alkermes subject to the terms of the shareholder s agreement.

As of the effective time, New Alkermes will amend and restate its memorandum and articles of association. At the effective time, Alkermes shareholders who receive New Alkermes ordinary shares in the merger will become New Alkermes shareholders and their rights as shareholders will be governed by the amended and restated memorandum and articles of association of New Alkermes and Irish law. The amended and restated memorandum and articles of association of New Alkermes effective upon completion of the merger will be substantially in the form set forth in Annex E of this proxy statement/prospectus. For a comparison of the rights of a holder of ordinary shares under the amended and restated memorandum and articles of association of New Alkermes and Irish law with the rights of a holder of Alkermes common stock under the articles of incorporation and bylaws of Alkermes and Pennsylvania law, see *Comparison of the Rights of Holders of Alkermes Common Stock and New Alkermes Ordinary Shares.*

At and as of the effective time, New Alkermes will be a publicly traded company and expects its ordinary shares will be listed on NASDAQ under the ticker symbol ALKS. New Alkermes registered address is Treasury Building, Lower Grand Canal Street, Dublin 2, Ireland.

Alkermes, Inc.

Alkermes is a Pennsylvania corporation which was formed on July 13, 1987 and which is currently listed on NASDAQ under the ticker symbol ALKS. A fully integrated biotechnology company, Alkermes is committed to developing innovative medicines to improve patients lives. Alkermes developed, manufactures and commercializes *Vivitrol* for alcohol and opioid dependence and manufactures *Risperdal Consta* for schizophrenia and bipolar I disorder. Alkermes robust pipeline includes extended-release injectable and oral products for the treatment of prevalent, chronic diseases, such as central nervous system disorders, addiction and diabetes. Headquartered in Waltham, Massachusetts, Alkermes has a research facility in Massachusetts and a commercial manufacturing facility in Ohio. Alkermes leverages its formulation expertise and proprietary product platforms to develop, both with partners and on its own, innovative and competitively advantaged medications that can enhance patient outcomes in major therapeutic areas.

As a result of the merger, Alkermes will become an indirect wholly-owned subsidiary of New Alkermes and will be delisted from NASDAQ.

Alkermes principal executive offices are located at 852 Winter Street, Waltham, Massachusetts 02451-1420 and its telephone number is (781) 609-6000. For additional information on Alkermes and its businesses, see *Where You Can Find More Information.*

Elan Corporation, plc

Elan is an Irish public limited company (registered number 30356) which was incorporated in December 1969 and became a public limited company in January 1984. Elan is currently listed on the Irish Stock

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Exchange and the New York Stock Exchange under the ticker symbol ELN. Elan is a neuroscience-based biotechnology company focused on discovering and developing advanced therapies in neurodegenerative and autoimmune diseases, and in realizing the potential of its scientific discoveries and drug delivery technologies to benefit patients and shareholders. Elan s principal R&D and manufacturing facilities are located in Ireland and the United States. Elan has two business units: BioNeurology, focused primarily on neurodegenerative diseases, and EDT, described below.

Elan s registered office and principal executive offices are located at Treasury Building, Lower Grand Canal Street, Dublin 2, Ireland (Telephone: +353-1-709-4000).

EDT

EDT develops and manufactures innovative pharmaceutical products that deliver clinical benefits to patients using EDT s experience and proprietary drug technologies in collaboration with pharmaceutical companies worldwide. Since the inception of its business in Ireland in 1969, EDT has focused on developing and applying technologies to unsolved drug formulation challenges. EDT has substantial business activities in Ireland and the United States, with manufacturing facilities located in each country. During 2010, EDT employed approximately 667 people, with over 400 located in Ireland. EDT s two principal drug technology platforms are the OCR platform and the bioavailability enhancement platform, which includes EDT s *NanoCrystal* technology. EDT s portfolio includes products marketed by EDT collaborators and products in clinical development.

The other parties to the merger agreement are Elan Science Four Limited, EDT Pharma Holdings Limited and EDT US Holdco Inc. Elan Science Four Limited, a wholly-owned indirect subsidiary of Elan, is a private limited company incorporated in Ireland (registered number 476691). Following the reorganization, Elan Science Four Limited will be a wholly-owned direct subsidiary of New Alkermes. EDT Pharma Holdings Limited is a private limited company incorporated in Ireland (registered number 448848). Following the reorganization, EDT Pharma Holdings Limited will be a wholly-owned direct subsidiary of Elan Science Four Limited. EDT US Holdco Inc., a wholly-owned direct subsidiary of EDT Pharma Holdings Limited, is a Delaware corporation. Following the reorganization, EDT US Holdco Inc. will be a wholly-owned direct subsidiary of EDT Pharma Holdings Limited. None of these companies has conducted any activities other than those incidental to their formation and the matters contemplated by the merger agreement.

Prior to the completion of the business combination, EDT operates as a business unit of Elan and its principal executive offices are located at Elan s principal executive offices listed above.

Antler Acquisition Corp.

Merger Sub, a wholly-owned subsidiary of EDT US Holdco Inc., is a Pennsylvania corporation formed solely for the purpose of effecting the merger with Alkermes. Upon the terms and conditions set forth in the merger agreement, Merger Sub will be merged with and into Alkermes and the separate existence of Merger Sub will cease. Alkermes will be the surviving corporation in the merger. Merger Sub has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement. Merger Sub s registered address is c/o CT Corporation System, Philadelphia, Pennsylvania.

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THE BUSINESS COMBINATION AGREEMENT AND PLAN OF MERGER

The following is a summary of certain material terms of the merger agreement and is qualified in its entirety by reference to the complete text of the merger agreement, which is incorporated into this proxy statement/prospectus by reference and attached as Annex A to this proxy statement/prospectus. Alkermes urges you to read carefully this entire proxy statement/prospectus, including the Annexes and the documents incorporated by reference. You should also review the section entitled Where You Can Find More Information.

The merger agreement has been included to provide you with information regarding its terms, and Alkermes recommends that you read the merger agreement carefully and in its entirety. Except for its status as the contractual document that establishes and governs the legal relations among the parties with respect to the business combination, Alkermes does not intend for the merger agreement to be a source of factual, business or operational information about the companies. The merger agreement contains representations and warranties of the parties as of specific dates and may have been used for purposes of allocating risk between the parties rather than establishing matters as facts. Those representations and warranties are qualified in several important respects, which you should consider as you read them in the merger agreement. The representations and warranties are qualified in their entirety by certain information Alkermes filed with the SEC prior to the date of the merger agreement, as well as by confidential disclosure letters that each of Elan and Alkermes prepared and delivered to the other in connection with the execution of the merger agreement, and are qualified by contractual standards of materiality that may differ from what shareholders consider to be material. Information concerning the subject matter of the representations and warranties may have changed since the date of the merger agreement and new information qualifying a representation or warranty may have been included in this proxy statement/prospectus. For the foregoing reasons, you should not rely on the representations and warranties contained in the merger agreement as statements of factual information.

The Reorganization

EDT operates as a business unit of Elan with its principal assets held by various Elan legal entities.

Prior to the effective time of the merger, and in accordance with the merger agreement, Elan, certain of its subsidiaries and New Alkermes will carry out a reorganization that carves out the assets and legal entities that comprise the EDT business and reposition them under New Alkermes. The reorganization will consist of a series of asset transfers, share transfers and other inter-company transfers following which the EDT business will be contained in its own corporate structure under New Alkermes, which, prior to the effective time of the merger, will be an indirect subsidiary of Elan. As of the date of this proxy statement/prospectus, certain steps in respect of the reorganization have already been completed.

The reorganization will result in (1) the Elan Shareholder beneficially owning 31,900,007 New Alkermes ordinary shares and the Euro Share Capital, which will constitute all of the then-issued share capital of New Alkermes and (2) New Alkermes owning, indirectly, the equity interests in the companies that carry out the EDT business, and (with certain identified exceptions and additions), owning all of the right, title and interest to the EDT business.

The Merger; Closing of the Business Combination

On the terms and subject to the conditions of the merger agreement, at the effective time, Merger Sub will be merged with and into Alkermes and the separate existence of Merger Sub will cease. Alkermes will survive the merger as an indirect wholly-owned subsidiary of New Alkermes. All properties, rights, privileges, immunities, powers, franchises,

debts, liabilities and duties of Alkermes and Merger Sub will become those of Alkermes, as the surviving corporation.

Unless the merger agreement is terminated prior to such time (see *The Business Combination Agreement and Plan of Merger Termination of the Merger Agreement*), the closing of the business combination will occur on the later of (1) the fifth business day after all of the conditions set forth in the merger agreement

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have been satisfied or waived (other than conditions that relate to actions to be taken, or documents to be delivered, at the closing) and (2) the earlier of (A) a date during the marketing period for the financing to be specified by Alkermes on at least three business days notice to Elan and (B) the final day of the marketing period, or on such other date as may be mutually agreed between Alkermes and Elan.

Upon the closing of the business combination, Merger Sub and Alkermes shall file articles of merger with the Department of State of the Commonwealth of Pennsylvania and make any and all other filings required under the PBCL. The effective time will occur at the time the parties duly file articles of merger with the Department of State of the Commonwealth of Pennsylvania (or at such later time as may be agreed by the parties and specified in the articles of merger).

Elan Proceeds of the Business Combination

In payment for the business combination (including Elan s contribution of EDT to New Alkermes), (i) the Elan Shareholder will retain 31,900,000 ordinary shares of New Alkermes and (ii) a payment will be made by or on behalf of New Alkermes, Alkermes or one or more of their subsidiaries in an aggregate amount of $500 million in full satisfaction of certain indebtedness of New Alkermes and certain of its subsidiaries to Elan and certain of its retained subsidiaries. The cash portion of the business combination consideration is subject to adjustment following the closing to reflect (i) the net cash of EDT as of the effective time and (ii) the deviation, positive or negative, of the actual modified working capital of EDT as of the effective time (applying agreed modifications) from $65,800,000, which amount represents the agreed target working capital to be contributed as part of EDT and which is the arithmetic average of the modified working capital of EDT as of and for the month end reporting date of each month in the twelve-month period ending on March 31, 2011 (calculated on a consistent basis using such agreed modifications).

Merger Consideration to Alkermes Shareholders

Upon the effectiveness of the merger, each share of Alkermes common stock issued and outstanding as of the effective time and all rights in respect thereof, including the associated Series A Junior Participating Preferred Stock Purchase Rights issuable under Alkermes rights agreement, shall be canceled and automatically converted into and become the right to receive one ordinary share of New Alkermes.

Treatment of Alkermes Stock Options and Other Stock-Based Awards

Each outstanding option to purchase shares of Alkermes common stock under the Alkermes stock plans, whether vested or unvested, will be converted into an option to acquire the same number of ordinary shares of New Alkermes, on substantially the same terms and conditions and at the same exercise price.

Each outstanding stock award in respect of Alkermes common stock will be converted into the right to receive, on substantially the same terms and conditions as were applicable under such stock award, the same number of ordinary shares of New Alkermes.

Governing Documents Following the Business Combination

Surviving Corporation. The articles of incorporation of Alkermes as the surviving corporation shall be amended at the effective time to be in substantially the same form as Annex D to this proxy statement/prospectus. The bylaws of Alkermes in effect immediately prior to the effective time will be the bylaws of the surviving corporation after the merger.

New Alkermes. Elan and New Alkermes have agreed to take, or cause to be taken, such actions as are necessary so that, effective as of the effective time, the memorandum and articles of association of New Alkermes shall be substantially in the form as set forth in Annex E to this proxy statement/prospectus.

Exchange of Stock Certificates Following the Merger

New Alkermes will engage Computershare or another exchange agent acceptable to Alkermes to act as exchange agent for the merger, which is referred to in this proxy statement/prospectus as the exchange agent.

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At the effective time, New Alkermes will deposit with the exchange agent, for the benefit of the holders of shares of Alkermes common stock, certificates representing the aggregate number of ordinary shares of New Alkermes issuable to the Alkermes shareholders in the merger (or shall make appropriate arrangements if uncertificated ordinary shares of New Alkermes will be issued). Following the effective time, New Alkermes will continue to deposit with the exchange agent certain dividends or other distributions, if any, with respect to New Alkermes ordinary shares issuable to the Alkermes shareholders in the merger.

As soon as practicable after the effective time, and in any event within ten business days after the effective time, the exchange agent will mail to each holder of record of a certificate for shares of Alkermes common stock a letter of transmittal and instructions for effecting the surrender of those certificates in exchange for certificates representing the appropriate number of New Alkermes ordinary shares and any dividends or distributions payable in respect of such New Alkermes ordinary shares as provided by the merger agreement.

Alkermes shareholders should not return their certificates with the enclosed proxy card. Stock certificates should be returned with a letter of transmittal that will be sent to Alkermes shareholders following the effective time as described above, validly executed in accordance with the instructions you will receive.

Upon surrender of a certificate representing shares of Alkermes common stock and a duly executed letter of transmittal, the holder of such certificate will be entitled to receive (1) such number of New Alkermes ordinary shares equal to the number of shares of Alkermes common stock represented by such certificate and (2) any dividends or distributions such holder is entitled to receive under the merger agreement. Alkermes shareholders will not receive any consideration until their certificates are surrendered as described above. No interest will be paid or accrued on any amount payable upon surrender of certificates representing shares of Alkermes common stock. New Alkermes and the exchange agent will be entitled to deduct and withhold from any amount payable as consideration to shareholders such amounts as required with respect to making any payment for taxes, and such amounts withheld shall be treated as having been paid to such shareholder.

After the effective time, the stock transfer books of Alkermes will be closed and there will be no further registration of transfers on the stock transfer books of Alkermes. If, after the effective time, certificates representing shares of Alkermes common stock are presented to Alkermes or the exchange agent, they will be canceled and exchanged as provided above. If a certificate representing shares of Alkermes common stock has been lost, stolen or destroyed, the exchange agent shall issue to such shareholder the consideration described above in respect of the shares of Alkermes common stock represented by such certificate only upon such shareholder making an affidavit regarding the loss, theft or destruction, and, if required by New Alkermes, an indemnification agreement in form reasonably satisfactory to New Alkermes, or a bond in such sum as New Alkermes may reasonably direct as indemnity, against any claim that may be made against New Alkermes or the exchange agent in respect of the certificate alleged to have been lost, stolen or destroyed.

Any portion of the consideration deposited with the exchange agent that has not been transferred to the holders of certificates representing shares of Alkermes common stock as of the one year anniversary of the effective time shall be delivered, upon demand, to New Alkermes or its designee and the remaining New Alkermes ordinary shares included in such consideration shall be sold at the best price reasonably obtainable at that time. Any former holder of Alkermes common stock who has not complied with the exchange procedures described above prior to such time shall thereafter look only to New Alkermes as a general creditor (and without any interest thereon) for payment of such holder s portion of the cash proceeds of the sale of the New Alkermes ordinary shares (and any related cash).

Representations and Warranties

Elan and Alkermes made customary representations and warranties in the merger agreement on behalf of themselves and their respective subsidiaries that are subject, in some cases, to specified exceptions and qualifications contained in the merger agreement or in information provided pursuant to certain disclosure obligations set forth in the merger agreement, including exceptions and qualifications that would not have a

material adverse effect on EDT or Alkermes. Unless specified otherwise, representations and warranties have been made by both Elan and Alkermes in relation to, among other things:

- the respective corporate organization, existence and good standing and requisite corporate power and authority to carry on the respective businesses of Elan and each of its applicable subsidiaries and of Alkermes and each of its subsidiaries;
- the respective authority of Elan and Alkermes to enter into the merger agreement and due execution, delivery and enforceability of the merger agreement and related agreements;
- the absence of conflicts with charter documents of Elan or certain of its subsidiaries, New Alkermes or any of its subsidiaries or of Alkermes;
- the absence of a violation or a change in rights relating to any contract, government authorization, permit or license of Alkermes, New Alkermes or any of its subsidiaries or Elan or certain of its subsidiaries or, in the case of Elan, an encumbrance on any of the contributed assets or the assets of a contributed subsidiary;
- the respective capital structures and equity securities of Alkermes, New Alkermes and certain subsidiaries of New Alkermes and Elan;
- certain financial statements of EDT (audited and unaudited) and the financial statements of Alkermes, in each case, including their preparation in accordance with U.S. GAAP and that they fairly present, in all material respects, the relevant financial position and results of operations;
- the absence of undisclosed material liabilities concerning EDT or Alkermes or any of their respective subsidiaries;
- the absence of undisclosed brokers fees or finders fees relating to the transaction;
- the receipt of a fairness opinion; and
- the approval of the merger agreement and the business combination by the respective boards of directors of Elan and Alkermes.

Elan made additional representations and warranties in the merger agreement on behalf of itself and on behalf of its subsidiaries in relation to:

- the title of Elan and certain of its subsidiaries to the outstanding capital stock of the subsidiaries to be contributed to New Alkermes by Elan;
- other than filings required under the HSR Act, the absence of any need for filings with or consents or approvals of government authorities or any other person in respect of the business combination by Elan, New Alkermes or any of their respective subsidiaries;
- title and rights to, and condition of, real and personal property of EDT;
- the sufficiency of the assets Elan and its subsidiaries will contribute to New Alkermes under the merger agreement, in combination with other services to be provided, to conduct the EDT business;

the absence of certain changes, including a material adverse change to EDT since December 31, 2010;

the absence of undisclosed litigation or injunctions concerning the EDT business;

intellectual property of EDT;

licenses and permits of EDT;

labor matters relating to EDT;

the compliance by Elan and its subsidiaries with respect to EDT with laws and government regulations, including environmental laws;

the absence of any unlawful payments by Elan and its subsidiaries relating to EDT;

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insurance relating to EDT;

certain material contracts of EDT, including validity and enforceability;

the absence of a required shareholder vote of Elan;

environmental matters and compliance with environmental laws relating to EDT;

the employee benefits and Employment Retirement Income Security Act, which is referred to in this proxy statement/prospectus as ERISA, and similar non-U.S. law compliance relating to EDT;

the absence of activities of New Alkermes and certain entities that will be subsidiaries of New Alkermes at the time of the business combination other than those incident to organization or related to the merger agreement or the business combination;

the absence of certain product recalls relating to EDT; and

solely with respect to those subsidiaries of Elan to be contributed to New Alkermes, and New Alkermes itself, representations on the proper filing of all tax returns, payment of tax liabilities, compliance with tax laws, absence of any deficiencies in those filings, absence of tax audits, tax basis of property transferred in the reorganization, and other customary tax representations.

Alkermes made additional representations and warranties in the merger agreement on behalf of itself and on behalf of its subsidiaries in relation to:

the absence of certain changes, including a material adverse change to Alkermes and its subsidiaries since March 31, 2010;

other than filings required under the HSR Act, the absence of any need for filings with or consents or approvals of government authorities or any other person in respect of the business combination by Alkermes or any of its subsidiaries;

the absence of undisclosed litigation or injunctions concerning Alkermes or any of its subsidiaries;

the compliance by Alkermes and its subsidiaries with laws and government regulations, including environmental laws;

the SEC filings and the accuracy and completeness of the information contained in the SEC filings, including the financial statements, made by Alkermes since January 1, 2008;

the requisite vote of shareholders of Alkermes;

the actions taken by Alkermes to ensure the inapplicability of restrictions under takeover statutes; and

financing commitment and related matters of Alkermes.

Many of the representations and warranties made by each of Elan and Alkermes are qualified by a material adverse effect standard. For the purposes of the merger agreement, a material adverse effect with respect to EDT means the

following:

any event, change, occurrence or development that, individually or when taken together with all other events, changes, occurrences or developments, has a material adverse effect on:

(a) the business, assets, liabilities, operations or condition (financial or otherwise) of EDT, taken as a whole; or

(b) the ability of Elan and certain of its subsidiaries to perform their material obligations under, or consummate the transactions contemplated by, the merger agreement or any ancillary agreement.

A material adverse effect with respect to EDT will not be deemed to have occurred under clause (a) above, however, as a result of certain events or conditions (including changes in laws, acts of God, changes in economic, financial market, regulatory or political conditions or changes in accounting principles applicable to

EDT) that generally affect participants in the industries and markets similar to EDT except to the extent that they adversely affect EDT disproportionately compared to such other participants.

For the purposes of the merger agreement, a material adverse effect with respect to Alkermes means the following:

any event, change, occurrence or development that, individually or when taken together with all other events, changes, occurrences or developments, has a material adverse effect on:

(a) the business, assets, liabilities, operations or condition (financial or otherwise) of Alkermes and its subsidiaries, taken as a whole; or

(b) the ability of Alkermes and its subsidiaries to perform their material obligations under, or consummate the transactions contemplated by, the merger agreement or any ancillary agreement.

A material adverse effect with respect to Alkermes and its subsidiaries will not be deemed to have occurred under clause (a) above, however, as a result of the following:

certain events or conditions (including changes in laws, acts of God, changes in economic, financial market, regulatory or political conditions or changes in accounting principles applicable to Alkermes and its subsidiaries) that generally affect participants in the industries and markets similar to Alkermes and its subsidiaries except to the extent that they adversely affect Alkermes and its subsidiaries disproportionately compared to such other participants;

any delays in, or rejection of, approval for commercial sale by the FDA, the European Medicines Agency, which is referred to in this proxy statement/prospectus as the EMA, or any other applicable governmental authority of *Bydureon*; or

any change in the market price or trading volume of Alkermes common stock in and of itself, it being understood that, except as provided above, any event, change, occurrence or development causing or contributing to such change may be considered for purposes of determining a material adverse effect.

Covenants

Elan Interim Operating Covenants

Under the merger agreement, unless (1) Alkermes provides written approval (not to be unreasonably withheld or delayed), (2) expressly required or permitted by the merger agreement (including the reorganization), (3) disclosed by Elan to Alkermes as of the date of the merger agreement or (4) required by applicable law, each of Elan and certain of its subsidiaries has agreed as to itself and its respective subsidiaries that, until the effective time, Elan and its subsidiaries will conduct the EDT business in the ordinary course of business consistent with past practice and use their respective reasonable best efforts to preserve and maintain existing relations and goodwill with governmental authorities, employees, customers, brokers, suppliers and other persons with which EDT has significant business relations and that Elan will not and will cause its subsidiaries not to:

repurchase, redeem or otherwise acquire any shares of capital stock or other securities of, or other ownership interests in, New Alkermes or any of its subsidiaries;

issue, deliver, pledge, encumber or sell any shares of capital stock of or other equity interests in New Alkermes or any of its subsidiaries, or any securities convertible into any such shares of capital stock or other equity

interests, or any rights, warrants or options to acquire any such shares of capital stock or other equity interests;

amend or otherwise alter (or propose any amendment or alteration to) the governing documents of New Alkermes or any of its subsidiaries or amend any terms of the outstanding securities of New Alkermes or any of its subsidiaries;

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with respect to EDT, New Alkermes and its subsidiaries only, merge or consolidate with any other person, make any investment in any other person, including any joint venture, or acquire the stock or assets or rights of any other person other than, in each case, in the ordinary course of business;

sell, lease, license, assign, transfer, abandon, convey or otherwise dispose of (1) any assets, securities, rights or property of New Alkermes or any of its subsidiaries or (2) any asset, rights or properties used in the EDT business, other than in each case (A) sales of inventory and equipment in the ordinary course of business, (B) transactions that are in the ordinary course of business and not individually in excess of $1 million, (C) transfers of cash and cash equivalents to or as directed by Elan or (D) transactions disclosed by Elan to Alkermes at or prior to the date of the merger agreement;

manage modified working capital and the net cash amount other than in the ordinary course of business, or take any action for the purpose of changing the calculation or amount of modified working capital or net cash amount;

fail to maintain inventory of EDT (as determined in accordance with U.S. GAAP) at a level between 85% and 115% of inventory reflected on the unaudited balance sheet of EDT as of December 31, 2010;

with respect to New Alkermes and its subsidiaries, incur any indebtedness, enter into any new or amend existing facilities relating to indebtedness, issue or sell any debt securities or warrants or other rights to acquire any debt securities or guarantee any debt securities;

create or permit the creation of (A) any lien on the equity interests of certain subsidiaries of New Alkermes or (B) any lien (other than certain permitted liens) on any asset of EDT other than in the ordinary course of business or that would not materially and adversely affect the ability to conduct the EDT business following the effective time in the same manner as currently conducted;

except in the ordinary course of business, enter into or adopt any new, or amend or terminate any existing, employee plan (including any trust or other funding arrangement), other than as required by law;

except to the extent required by employee plans existing on the date of the merger agreement, or as disclosed by Elan to Alkermes on the date of the merger agreement, make any new grants or awards to, vest, accelerate or otherwise modify any grant, benefit or awards made to, or increase the compensation payable or to become payable to its officers, directors or employees or pay any severance or bonus not otherwise due to its officers, directors or employees;

enter into or forgive any loan to employees, directors, or consultants;

enter into any new collective bargaining agreement or agreement with a trade union;

contribute any material amount to any trust or other arrangement funding any employee plan, except to the extent required by the existing terms of such employee plan, trust or other funding arrangement, by any collective bargaining agreement, by any written employment agreement existing on the date of the merger agreement, or by applicable law;

(A) adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization or (B) enter into any agreement or exercise any discretion providing for acceleration of payment or performance as a result of a change of control of New Alkermes or any of its

subsidiaries;

renew or (except pursuant to transactions disclosed by Elan to Alkermes as of the date of the merger agreement) enter into any non-compete, exclusivity or similar agreement that would restrict or limit the operations of New Alkermes or any of its subsidiaries or, after the effective time, of Alkermes or its Subsidiaries;

modify in any material respect, amend in any material respect or terminate any material contract of EDT;

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enter into any contract other than (A) as a result of the transactions disclosed by Elan to Alkermes as of the date of the merger agreement or (B) in the ordinary course of business and that does not require (x) a term in excess of one year or (y) payments by New Alkermes or any of its subsidiaries in excess of $1 million;

settle or compromise any material litigation relating to EDT (unless such settlement calls only for the payment of money by Elan or any person that will continue to be a subsidiary of Elan after the effective time), or waive, release or assign any material claims relating to EDT, including with respect to any intellectual property rights owned or licensed and used or held for use in the EDT business, which are referred to collectively as the business intellectual property rights in this proxy statement/prospectus;

adopt any change, other than as required by applicable generally accepted accounting principles, in its accounting policies, procedures or practices;

license (except pursuant to the transactions disclosed by Elan to Alkermes as of the date of the merger agreement) or permit any rights to lapse in any business intellectual property rights;

with respect to any subsidiary of New Alkermes, (A) make any change in any annual accounting period or adopt or change a method of accounting for tax purposes, except as required by applicable law, (B) make or change any tax election, (C) file or amend any tax return or (D) enter into any closing agreement, settle any tax claim or assessment relating to Elan or any of its subsidiaries, surrender any right to claim a refund of taxes, or consent to any extension or waiver of the limitation period applicable to any tax claim or assessment relating to Elan or any of its subsidiaries, other than elections, filings, settlements, closing agreements, extensions or waivers made in the ordinary course of business;

fail to make any capital expenditures with respect to EDT consistent with the ordinary course of business; or take any action that is reasonably likely to result in any of the conditions to the reorganization or the merger not being satisfied; or

agree or commit to do any of the foregoing.

Alkermes Interim Operating Covenants

Under the merger agreement, unless (1) Elan provides written approval (not to be unreasonably withheld or delayed), (2) expressly required or permitted by the merger agreement, (3) disclosed by Alkermes to Elan as of the date of the merger agreement or (4) required by applicable law, each of Alkermes and certain of its subsidiaries has agreed as to itself and its respective subsidiaries that, until the effective time, Alkermes and its subsidiaries will conduct their business in the ordinary course of business consistent with past practice and use their respective reasonable best efforts to preserve and maintain existing relations and goodwill with governmental authorities, employees, customers, brokers, suppliers and other persons with which Alkermes and its subsidiaries as a group have significant business relations and that Alkermes will not and will cause its subsidiaries not to:

in the case of Alkermes only, amend or otherwise change its governing documents, or amend, modify or terminate the rights agreement, dated as of February 7, 2003, as amended, between Alkermes and EquiServe Trust Company, N.A.;

in the case of Alkermes only, (A) declare, set aside, make or pay any dividend or other distribution, payable in stock, with respect to any of its capital stock, (B) split, combine or reclassify its outstanding shares of capital stock, or (C) repurchase, redeem or otherwise acquire, except in connection with any employee benefit plans or

arrangements and except pursuant to Alkermes ongoing stock repurchase program or hedging activities, or permit any of its subsidiaries to purchase or otherwise acquire, any shares of Alkermes capital stock or any securities convertible into or exchangeable or exercisable for any shares of Alkermes capital stock;

in the case of Alkermes only, adopt a plan of complete or partial liquidation or dissolution;

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in the case of Alkermes only, issue, sell, pledge, dispose of or encumber any shares of, or securities convertible into or exchangeable for, or options, warrants, calls, commitments or rights of any kind to acquire, any shares of its capital stock of any class or other equity interests, other than (A) issued upon the exercise of Alkermes options or other rights outstanding as of the date hereof, (B) issuable pursuant to any employee option or benefit plan or arrangement, (C) issued in connection with any merger, consolidation or acquisition permitted by the following paragraph, and (D) issued in other issuances that do not, in the aggregate, represent more than 5% of the outstanding Alkermes common stock;

acquire by merger, consolidation or acquisition of stock or assets (from any person other than Alkermes or any of its subsidiaries) any corporation, partnership or other business organization or division thereof if such acquisition would be reasonably likely to prevent the merger from occurring prior to the close of business on the 180th day following the date of the merger agreement; or

agree or commit to do any of the foregoing.

Board Recommendation; Alkermes Shareholder Meeting

The board of directors of Alkermes has adopted a resolution approving the merger agreement, recommending that the holders of Alkermes common stock vote to adopt the merger agreement and directing that the merger agreement be submitted to a vote of the shareholders of Alkermes. In furtherance thereof and subject to the requirements of applicable law, Alkermes has agreed to take all action necessary to convene a meeting of the shareholders of Alkermes at which the shareholders of Alkermes shall consider the approval and adoption of the merger agreement, as promptly as practicable after the registration statement on Form S-4 of which this proxy statement/prospectus is a part, is declared effective. Subject to the requirements of applicable law, Alkermes will submit the merger agreement to the holders of Alkermes common stock for approval and adoption at the shareholders meeting (and shall use its reasonable best efforts to do so within the time periods provided in the immediately preceding sentence) regardless of whether the Alkermes board changes its recommendation or approval after the date of the merger agreement unless the merger agreement is terminated prior to the date of such meeting pursuant to the terms thereof.

No Solicitation of Acquisition Proposals by Elan or Alkermes

Elan has agreed that neither it nor any of its subsidiaries, nor any of their officers, directors, consultants, advisers, employees, shareholders, agents or representatives or affiliates, will, directly or indirectly:

solicit, initiate, encourage or facilitate any EDT acquisition proposal (as defined below) or EDT alternative transaction (as defined below);

participate in any discussions or negotiations relating to, assist or cooperate with any person (other than Alkermes and its designees) to make, or furnish any person (other than Alkermes and its designees) with information in connection with, or take any other action to facilitate, any EDT acquisition proposal or EDT alternative transaction, except for any notification by Elan to any such person that Elan is contractually restricted from engaging in any such discussions or negotiations;

disclose any information to any person (other than Alkermes and its designees) concerning the business, technologies or properties of EDT, or afford to any person (other than Alkermes and its designees) access to the properties, technologies or books and records of EDT, other than in the ordinary course of business or as required by applicable law; or

propose, authorize or enter into any agreement or understanding (whether binding or nonbinding, written or oral) relating to, or engage in or consummate, any EDT alternative transaction or any agreement or understanding requiring Elan to abandon, terminate or fail to consummate the business combination or breach its obligations thereunder.

Elan shall promptly (but in any event within one business day) notify Alkermes orally and in writing of any EDT acquisition proposal or any inquiry regarding the making of any EDT acquisition proposal or request for disclosure or access reasonably likely to be related to the making of an EDT acquisition proposal,

indicating, in connection with such notice, the identity of the person making such EDT acquisition proposal or inquiry or request and the terms and conditions of any such EDT acquisition proposal or inquiry or request, including all written documentation relating thereto.

Alkermes has agreed that neither it nor any of its subsidiaries, nor any of their officers, directors, consultants, advisers, employees, shareholders, agents or representatives or affiliates, will, directly or indirectly:

- solicit, initiate, encourage or facilitate any Alkermes acquisition proposal (as defined below) or Alkermes alternative transaction (as defined below);
- participate in any discussions or negotiations relating to, assist or cooperate with any person (other than Elan and its designees) to make, or furnish any person (other than Elan and its designees) with information in connection with, or take any other action to facilitate, any Alkermes acquisition proposal or Alkermes alternative transaction, except for any notification by Alkermes to any such person that Alkermes is contractually restricted from engaging in any such discussions or negotiations;
- disclose any information to any person (other than Elan and its designees) concerning the business, technologies or properties of Alkermes, or afford to any person (other than Elan and its designees) access to the properties, technologies or books and records of Alkermes, other than in the ordinary course of business or as required by applicable law; or
- propose, authorize or enter into any agreement or understanding (whether binding or nonbinding, written or oral) relating to, or engage in or consummate, any Alkermes alternative transaction or any agreement or understanding requiring Alkermes to abandon, terminate or fail to consummate the business combination or breach its obligations thereunder.

Alkermes shall promptly (but in any event within one business day) notify Elan orally and in writing of any Alkermes acquisition proposal or any inquiry regarding the making of any Alkermes acquisition proposal or request for disclosure or access reasonably likely to be related to the making of an Alkermes acquisition proposal, indicating, in connection with such notice, the identity of the person making such Alkermes acquisition proposal or inquiry or request and the terms and conditions of any such Alkermes acquisition proposal or inquiry or request, including all written documentation relating thereto.

Notwithstanding the restrictions described above, the board of directors of Alkermes is permitted, at any time prior to the time at which the required vote by the holders of Alkermes common stock is obtained, to omit its recommendation, or withdraw or modify its recommendation, from the registration statement on Form S-4 that is a part of this proxy statement/prospectus, but if and only if, the board of directors of Alkermes receives an Alkermes acquisition proposal as to which the board of directors of Alkermes determines in good faith, after consultation with its financial advisers and outside counsel, that (A) the Alkermes alternative transaction contemplated by such Alkermes acquisition proposal is superior to the transactions provided for by the merger agreement from a financial point of view to Alkermes and its shareholders and (B) the failure to take such action would be inconsistent with its fiduciary duties to the shareholders of Alkermes under applicable law.

For purposes of the merger agreement, EDT acquisition proposal means any direct or indirect inquiry, proposal or offer (or any improvement, restatement, amendment, renewal or reiteration thereof) relating to any EDT alternative transaction. For purposes of the merger agreement, EDT alternative transaction means any direct or indirect acquisition or purchase by, or other transfer to, any person (other than pursuant to the merger agreement) of all or any substantial part of EDT, including by way of any merger, business combination, joint venture, reorganization, consolidation, recapitalization, liquidation, dissolution or other extraordinary transaction involving any of New

Alkermes or any subsidiary thereof or any assets or equity of New Alkermes or any subsidiary thereof or any interests constituting part of EDT.

For purposes of the merger agreement, Alkermes acquisition proposal means any direct or indirect inquiry, proposal or offer (or any improvement, restatement, amendment, renewal or reiteration thereof) relating to any Alkermes alternative transaction. For purposes of the merger agreement, Alkermes alternative

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transaction means any direct or indirect acquisition or purchase by, or other transfer to, any person (other than New Alkermes or any of its subsidiaries) of 50% or more of the Alkermes common stock or of Alkermes or the assets of Alkermes, including by way of any merger, business combination, joint venture, reorganization, consolidation, recapitalization, liquidation, dissolution or other extraordinary transaction (other than the merger).

Additional Agreements

The merger agreement contains certain other covenants, including covenants relating to cooperation between Elan and Alkermes in the preparation of this proxy statement/prospectus and other governmental filings, obtaining consents, access, notifications, providing information, confidentiality and performing their respective obligations regarding public announcements. Elan and Alkermes have further agreed, as applicable, to the following additional covenants and agreements in the merger agreement, among others:

Elan has agreed to cause the consummation of the reorganization.

Elan has agreed to ensure that New Alkermes and its subsidiaries hold all of the assets and liabilities of EDT (including certain designated assets and contracts), other than certain identified assets and liabilities (referred to in this proxy statement/prospectus as excluded assets), as well as certain additional assets of Elan, which are referred to in this proxy statement/prospectus as additional assets.

Elan has agreed to use its reasonable best efforts to obtain in respect of all contracts relating to EDT (other than specified contracts that are excluded assets), any necessary consents, waivers or approvals of any parties to such contracts that are required in connection with the transactions or for such contracts to remain in force and preserve the rights of, and benefits to, EDT under such contracts from and after the effective time.

Elan and Alkermes have each agreed to, and will cause each of their respective subsidiaries that is a party to an ancillary agreement to, execute each ancillary agreement to the merger agreement to which it is a party at or prior to the effective time.

Following the effective time, to the extent any assets or rights of the EDT business have been retained by Elan or its subsidiaries, Elan will and will cause such subsidiaries to use their best efforts to convey such assets or rights to New Alkermes, its subsidiaries or Alkermes as promptly as practicable.

Elan will and will cause its subsidiaries to terminate all affiliate agreements with New Alkermes and its subsidiaries other than certain affiliate agreements contemplated by the merger agreement.

Elan will, and will cause its subsidiaries to, use its reasonable best efforts to terminate all sale and leaseback agreements entered into by Elan or any of its subsidiaries in respect of any assets primarily used in the EDT business and provide to Alkermes evidence and documentation relating to such terminations. If any such arrangements are not terminated prior to the effective time, Elan will, and will cause its subsidiaries to, continue to use its reasonable best efforts to terminate such arrangements and until such termination is obtained, Elan and Alkermes will mutually agree in good faith on alternative arrangements that provide to New Alkermes and its subsidiaries all the benefits of ownership of the underlying assets of EDT to the extent permitted by applicable law.

Prior to the effective time, Elan will, and will cause its subsidiaries to, take such steps as are reasonably requested by Alkermes to provide for the governance of New Alkermes and its subsidiaries from and after the effective time, including electing directors and forming appropriate committees of the board of directors of New Alkermes or any subsidiary thereof, adopting committee charters, codes of conduct or other guidelines for

New Alkermes and its subsidiaries and adopting and approving employee benefit plans, including equity-based plans.

Elan has agreed on behalf of itself and its subsidiaries not to, directly or indirectly, subject to certain specified exceptions, for a period of three years following the effective time, engage in any competing business, own any interest in or manage or operate any competing business, or manufacture, market or

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distribute under, or use in any way, any intellectual property of EDT in connection with a competing business.

Until the eighteen-month anniversary of the effective time, Elan and its affiliates will not, directly or indirectly, solicit for employment or any similar arrangement, or hire, any transferred employee or any employee of Alkermes or any of its subsidiaries who is employed on the date of the merger agreement or at the effective time, other than such employees whose employment has been terminated by New Alkermes and its subsidiaries and other than general solicitations of employment not targeted specifically to such employees.

Alkermes and Elan have agreed that all rights to exculpation, indemnification and advancement of expenses for acts or omissions occurring at or prior to the completion of the business combination now existing in favor of the current or former directors, officers or employees of Alkermes or its subsidiaries or of New Alkermes or its subsidiaries shall survive the completion of the business combination and remain in full force and effect. Alkermes and Elan have agreed to use their respective reasonable best efforts to cause New Alkermes or one of its subsidiaries to enter into agreements effective as from the effective time with the directors, company secretary and officers of New Alkermes providing such individuals with such exculpation, indemnification and advancement of expenses to the extent permitted by applicable law.

Alkermes has entered into a debt commitment letter with MSSF and HSBC, pursuant to which MSSF and HSBC have committed, subject to customary conditions as further described below, to provide the First-Lien Term Loan Facility and the Second-Lien Term Loan Facility. The term of the First-Lien Term Loan Facility is six years and the term of the Second-Lien Term Loan Facility is seven years. The newly committed financing, in addition to existing cash balances, will be used to fund the cash portion of the merger consideration, to repay and redeem existing indebtedness of Alkermes and New Alkermes and their respective subsidiaries, if any, and to pay transaction fees and expenses. The debt financing commitments are available until November 5, 2011 and are subject to:

- consummation of the merger in accordance with the merger agreement, prior to or substantially simultaneously with the funding of the Term Loan Facilities;
- the absence of a Business Material Adverse Effect (as defined in the merger agreement) since December 31, 2010;
- the execution and delivery of definitive loan documentation for the Term Loan Facilities, including, but not limited to, credit agreements, security agreements and guaranties;
- delivery of certain historical and pro forma financial information for Alkermes and EDT;
- a 20-business-day period (with customary black-out dates) for marketing and syndication of the Term Loan Facilities after delivery by Alkermes of a confidential information memorandum relating to the Term Loan Facilities; and
- other customary financing conditions.

In the merger agreement, Alkermes has agreed to use its reasonable best efforts to obtain debt financing on the terms and conditions described in the debt commitment letter. Alkermes may amend, replace, supplement or otherwise modify, or waive its rights under the debt commitment letter, unless such amendment, replacement, supplement, modification or waiver would (A) expand upon the conditions precedent or contingencies to the financing commitment as set forth in the commitment letter or (B) would reasonably be expected to impair, materially delay or prevent the availability of the financing commitment

and/or the consummation of the business combination. Alkermes is further permitted to reduce the aggregate amount of the financing commitment, subject to (A) and (B) above, and provided that such a reduction would not reduce the committed amount of the financing commitment to an amount below the amount that is required, together with the financial resources of Alkermes (including its cash on hand), to pay the cash portion of the merger consideration.

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Alkermes obligations under the Term Loan Facilities will be guaranteed by New Alkermes, certain of its direct and indirect wholly-owned subsidiaries, including certain direct and indirect wholly-owned U.S. subsidiaries of Alkermes, and will be secured by substantially all the assets of Alkermes and the guarantors.

Elan and New Alkermes have agreed to the following relating to the employees of Elan and its subsidiaries who will be transferred to New Alkermes as a result of the business combination:

New Alkermes will maintain a performance-based bonus plan for the benefit of the transferred employees for calendar year 2011 pursuant to which New Alkermes will pay bonuses to the transferred employees that are no less than the sum of (A) the accrued bonus amounts under the Elan performance-based bonus plan prior to the closing date of the merger and (B) an additional amount based on the actual results of New Alkermes and its affiliates, on a consolidated basis, from the closing date of the merger through December 31, 2011, that is consistent with each transferred employee s bonus opportunity under the Elan performance-based bonus plan.

New Alkermes will credit transferred employees with (A) prior service with Elan for purposes of eligibility and vesting, and solely for purposes of any vacation pay plan and stock option accelerated vesting and extended exercise period, for benefit accrual purposes and (B) the amount of deductibles borne by transferred employees (on an individual basis) prior to the closing date of the merger under any welfare benefit plan for purposes of satisfying the deductible limitation under each New Alkermes employee plan maintained after the closing date of the merger that is a corresponding welfare benefit plan.

New Alkermes will, and will cause its subsidiaries to, continue to provide, for one year following the closing date of the merger, all U.S. transferred employees with (A) base compensation that is no less than the base compensation such employees received prior to the closing date of the merger and (B) benefits under employee benefit plans that are no less favorable in the aggregate than the benefits such employees received prior to the closing date of the merger or, at the election of New Alkermes, benefits that are no less favorable in the aggregate than those provided to similarly situated employees of Alkermes, in each case excluding equity compensation.

Elan will, and will cause its subsidiaries to, ensure that accounts for the U.S. transferred employees under the Elan 401(k) defined contribution plan qualified under section 401(a) of the Code are distributed and eligible for rollover into the New Alkermes defined contribution plan. New Alkermes will, and will cause its subsidiaries to, provide for receipt of such rollovers.

Elan and New Alkermes agree that Elan will remain responsible for the obligations under the Consolidated Omnibus Budget Reconciliation Act, which is referred to in this proxy statement/prospectus as COBRA (healthcare continuation), for any qualifying event arising prior to the effective time with respect to U.S. transferred employees and New Alkermes will be responsible for any such obligations with respect to any qualifying event arising after the effective time with respect to such employees.

Elan and New Alkermes will cause to be delivered to the Irish transferred employees letters and notices notifying the employees of the transfer of their employment under applicable Irish law.

New Alkermes will, and will cause its subsidiaries to, continue to provide, for one year following the closing date of the merger, all Irish transferred employees with (A) base compensation that is no less than the base compensation such employees received prior to the closing date of the merger and (B) benefits under

employee benefit plans that are required to be continued after the effective time under Irish law and that are no less favorable in the aggregate than the benefits such employees received prior to the official employment transfer date under Irish law (excluding equity compensation), except that in respect of pension and death benefits, the benefits that are required to be continued shall be no less favorable overall than the benefits provided under the Elan Defined Contribution Plan for Staff.

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Elan will, and will cause its subsidiaries to, ensure all salaries, wages, and all other employer obligations related to Irish transferred employees are discharged or accrued and all tax deductions and pay-related social insurance obligations related to the employees are complied with and made by Elan and its subsidiaries for all periods prior to the closing date of the merger.

Elan and New Alkermes have agreed to the following relating to tax matters:

Elan will file or cause to be filed any combined, consolidated or unitary tax return that includes Elan or any continuing affiliates of Elan after the effective time for any tax period, and any tax returns of New Alkermes or its subsidiaries for taxable periods ending on or prior to the effective time. New Alkermes will file or cause to be filed all other tax returns of New Alkermes or its subsidiaries, subject to the consent of Elan for all such tax returns that include taxes attributable to periods on or prior to the effective time.

The parties have agreed to (A) provide cooperation, documentation and information reasonably requested by the other party in connection with the filing of a tax return or claim for a refund of taxes, determining a tax liability or indemnification obligation with respect to taxes, conducting any audit, examination, contest, litigation or other proceeding involving a taxing authority, and determining the allocation of tax liabilities to periods on or before, and after, the effective time and (B) retain all material records relating to tax matters.

New Alkermes and its affiliates, on the one hand, and Elan and its affiliates after the effective time, on the other hand, agreed to terminate any and all tax allocation or sharing agreements, and other agreements relating to tax matters, among themselves, as of the day before the closing date.

Elan shall have the right to control any audit, examination, contest, litigation or other proceeding involving a taxing authority in respect of New Alkermes or its affiliates for taxable periods ending on or before the effective time, the portion of any other taxable period ending on or before the effective time if the proceeding relates to a matter that is indemnifiable under the merger agreement, and certain other specified matters. Alkermes shall have the right to control all other proceedings in respect of such entities.

New Alkermes has agreed not to dispose of shares in Elan Science Four Limited if such disposition would cause a clawback of certain Irish stamp duty relief granted in respect of a transfer of such shares in the reorganization.

EDT Pharma Holdings Limited has agreed to certain other restrictions to preserve the benefits sought to be obtained by the reorganization.

Conditions to the Completion of the Merger

The completion of the merger depends upon the satisfaction or waiver of a number of conditions, all of which, to the extent permitted by applicable law, may be waived Elan and/or Alkermes, as applicable. The following conditions must be satisfied before either party is obligated to complete the merger:

the adoption of the merger agreement by the Alkermes shareholders;

the absence of any law, order or injunction enacted, issued or promulgated by any court or government entity that is in effect and restrains or enjoins or otherwise prohibits consummation of the merger or the reorganization;

the expiration or termination of the waiting period applicable to the merger under the HSR Act and the filing or receipt of all other governmental authorizations required to be made or obtained by Elan or Alkermes other than those the failure of which to make or obtain would not, individually or in the aggregate, be reasonably likely to have a material adverse effect with respect to EDT;

the authorization for listing on NASDAQ of the New Alkermes ordinary shares to be issued in the merger, subject to official notice of issuance;

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the effectiveness of the registration statement of which this proxy statement/prospectus is a part, the absence of a stop order issued by the SEC suspending the effectiveness of that registration statement and the absence of any proceedings initiated for that purpose by the SEC;

all Irish financial assistance issues arising in respect of the reorganization shall have been validated in accordance with Section 60 of the Irish Companies Act 1963 and filed with the Irish Companies Registration Office; and

New Alkermes shall have been re-registered as a public limited company in accordance with the provisions of the Irish Companies (Amendment) Act 1983 and a certificate of incorporation on re-registration to this effect from the Irish Companies Registration Office shall have been provided to Alkermes.

The following additional conditions must be satisfied before Alkermes is obligated to complete the merger:

the accuracy of the representations and warranties made by Elan, without regard to any materiality qualifier contained therein, in each case, as of the date of the merger agreement and as of the date of completion of the business combination, except where any inaccuracy would not, individually or in the aggregate with any other such inaccuracy, have a material adverse effect with respect to EDT;

material compliance by Elan and certain of its subsidiaries with their respective obligations under the merger agreement;

the reorganization shall have been effected;

New Alkermes and its subsidiaries shall have no indebtedness as of the date of completion of the business combination other than indebtedness related to the reorganization;

the audited combined financial statements of EDT delivered pursuant to the merger agreement containing balance sheets as of December 31, 2010, 2009 and 2008, and the statements of operations and of cash flows of EDT for each of the fiscal years in the three-year period ended December 31, 2010, in each case prepared in accordance with U.S. GAAP applied on a consistent basis throughout the periods involved and audited in accordance with the standards of the Public Company Accounting Oversight Board (U.S.), shall not have differed in any material respect from the historical financial statements provided by Elan to Alkermes on or prior to the date of the merger agreement, other than in respect of the differing accounting standards under which they were prepared and any applicable agreed adjustments;

the execution and delivery by Elan and its subsidiaries to the extent applicable of the ancillary agreements including (i) a duly executed counterpart of the shareholder s agreement, (ii) counterparts to the IP transfer agreement and IP transfer loan note, effective as of immediately prior to the closing, and (iii) such other documents, instruments and certificates as Alkermes may reasonably request;

there shall have been no change in law with respect to Section 7874 of the Code, or official interpretation thereof, that in the opinion of nationally recognized tax counsel, would materially increase the risk that New Alkermes would be treated as a U.S. domestic corporation for U.S. federal tax purposes;

the general release and discharge from Elan, on behalf of itself and its subsidiaries, executed and delivered to New Alkermes releasing and discharging New Alkermes and its subsidiaries from any and all liabilities to Elan or any of its subsidiaries or any of their respective officers, directors and employees or agents, in such capacity,

at or prior to the effective time, except to the extent such liabilities are expressly contemplated to be retained or assumed by New Alkermes or its subsidiaries pursuant to the merger agreement; and

delivery of (i) certificates or notarial assignment deeds for, or such other instruments evidencing ownership by New Alkermes (directly or indirectly) under applicable law of, the purchased interests and all other outstanding equity of New Alkermes subsidiaries which constitute and will constitute as

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of the closing of the merger, 100% of the issued and outstanding shares of capital stock or other equity interests of New Alkermes subsidiaries, in each case with appropriate stock powers or other instruments of transfer and requisite tax stamps (including Irish e-stamping certificates) attached and properly signed (and, in the event that the reorganization includes the transfer of assets and/or assumption of liabilities by New Alkermes and its subsidiaries such other documentation as may be reasonably requested by Alkermes to reflect the transfer of such assets and liabilities to New Alkermes or the applicable subsidiary of New Alkermes) and, in the case of any Irish incorporated company, share registers showing the correct legal ownership of shares in such company; (ii) a bill of sale or other appropriate document of transfer, in form and substance reasonably acceptable to Alkermes, transferring certain assets designated by Elan and Alkermes; (iii) all transferred books and records, if any, in the possession of Elan to the extent not then in the custody of New Alkermes and its subsidiaries or located on the premises of New Alkermes and its subsidiaries, other than transferred books and records that are not reasonably practicable to deliver at the closing of the merger; (iv) counterparts to the IP transfer agreement and IP transfer loan note; (v) documentation reasonably satisfactory to Alkermes evidencing the payment in full of the Elan reorganization indebtedness; (vi) resignations in agreed form effective as of the effective time of those directors and officers of New Alkermes and its subsidiaries; (vii) a receipt acknowledging payment of the cash payment in full satisfaction of the Elan reorganization indebtedness (but subject to any further obligations contained in this Agreement); (viii) any written releases obtained by Elan pursuant to letters of credit and letters of comfort disclosed to Alkermes by Elan; and (ix) such other documents, instruments and certificates as Alkermes may reasonably request in connection with the transactions contemplated by the merger agreement or any ancillary agreements.

The following additional conditions must be satisfied before Elan is obligated to complete the merger:

the accuracy of the representations and warranties made by Alkermes and its subsidiaries without regard to any materiality qualifier contained therein, in each case, as of the date of the merger agreement and as of the date of completion of the business combination, except where any inaccuracy would not, individually or in the aggregate with any other such inaccuracy, have a material adverse effect with respect Alkermes;

material compliance by Alkermes with its obligations under the merger agreement;

the execution and delivery by Alkermes and its subsidiaries to the extent applicable of the ancillary agreements including (i) a duly executed counterpart of the shareholder s agreement, (ii) counterparts to the IP transfer agreement and IP transfer loan note, effective as of immediately prior to the closing, and (iii) such other documents, instruments and certificates as Elan may reasonably request;

the general release and discharge from New Alkermes, on behalf of itself and its subsidiaries, executed and delivered to Elan releasing and discharging Elan and its subsidiaries from any and all liabilities to New Alkermes or any of its subsidiaries or any of their respective officers, directors and employees or agents, in such capacity, at or prior to the effective time, except to the extent such liabilities are expressly contemplated to be retained or assumed by Elan or its subsidiaries pursuant to the merger agreement; and

the payment by wire transfer from or on behalf of Alkermes, New Alkermes or their respective subsidiaries, as applicable, of immediately available funds in an amount equal to $500 million subject to certain adjustments, in full and final satisfaction of the Elan reorganization indebtedness.

Survival of Representations and Warranties and Covenants; Indemnification

Survival of Representations and Warranties

The representations and warranties of Elan and Alkermes contained in the merger agreement will survive the effective time until the second anniversary of the effective time, except representations and warranties relating to intellectual property and governmental consents and licenses, which will survive until the third anniversary of the effective time, and representations and warranties relating to tax matters, which will survive

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until sixty days after the expiration of the applicable statute of limitations. The covenants and other agreements of Elan and Alkermes contained in the merger agreement which by their terms apply or are to be performed in whole or in part after the effective time shall survive the completion of the business combination until so performed or terminated.

Indemnification

Indemnification of Alkermes

From and after the closing, Elan has agreed to indemnify, defend and hold New Alkermes and its subsidiaries (including Alkermes) and their respective officers, directors and affiliates harmless from and against any and all losses incurred by any such Alkermes indemnified person arising out of or relating to:

any inaccuracy in or breach of any of the representations and warranties of Elan contained in the merger agreement or any ancillary agreement or of any breach or nonfulfillment of any covenants or agreements of Elan or any of its subsidiaries contained in the merger agreement or any ancillary agreement (as defined in the merger agreement);

any liability or obligation of any of New Alkermes or any of its subsidiaries (including Alkermes) arising from or relating to the excluded assets or any business or conduct of such entity prior to the effective time other than the EDT business;

except as specifically set forth in the merger agreement, (A) the employment of any employee or consultant by Elan or its subsidiaries in respect of EDT prior to the effective time, (B) otherwise in respect of employee matters as a result of the business combination, including (X) any benefit in the nature of severance pay arising from the consummation of the business combination, (Y) with respect to any employee or consultant whose employment or consulting service is transferred (or who claims that his or her employment or consulting service is transferred) pursuant to the European Communities (Protection of Employees of Transfer of Undertakings) Transfer Regulations, 2003, which are referred to in this proxy statement/prospectus as the Transfer Regulations, arising out of any failure by Elan or any of its subsidiaries to comply with obligations under the Transfer Regulations, or (Z) arising from any claim by or on behalf of any person, other than certain employees in Ireland disclosed by Elan to Alkermes as of the date of the merger agreement, who asserts that he or she is entitled to transfer to the employment of New Alkermes or a subsidiary thereof whether pursuant to the Transfer Regulations or otherwise, including all costs, to include remuneration costs, incurred as a result of New Alkermes or a subsidiary thereof being compelled to employ such person as a result of any such claim, (C) other than a claim for pension or death benefit entitlements in respect of service after the effective time, any matter or thing related to certain Irish defined benefit plans and any action or omission of Elan or any of its subsidiaries with respect to employees, or related to any Elan employee plan other than certain Irish defined benefit plans or (D) any liabilities of Elan or any entity that is treated as a single employer with Elan for purposes of certain provisions of ERISA or the Code;

any and all non-compliance with environmental laws or environmental licenses by or in respect of, any actions pursuant to environmental laws against, any liability resulting from release of or handling of hazardous substances, or any remediation required by environmental law in respect of, EDT, New Alkermes or its subsidiaries or the additional assets to the extent attributable to events, acts, failures to act or conditions which occurred or existed prior to or at the effective time;

the excluded assets;

any pre-closing taxes of New Alkermes or those subsidiaries of Elan to be contributed to New Alkermes, taxes incurred in connection with Elan s reorganization, and any taxes that may be imposed on Elan or any of its continuing affiliates, or New Alkermes, for which any of New Alkermes or its subsidiaries may be held liable as successor, transferee, on a joint and several basis, by contract, or otherwise;

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the reorganization, including as a result of any failure to seek or obtain a ruling or other relief from any governmental authority in respect of the reorganization, and

actions or claims by transferred employees relating to or arising from Elan s stock option plans.

Indemnification by Elan is subject to certain limitations on the amount of Elan s liability in respect of both individual and aggregate claims, certain processes required in order for Alkermes indemnified parties to recover from Elan and certain exclusions from such liabilities.

Indemnification of Elan

From and after the closing, Alkermes has agreed to indemnify, defend and hold Elan and its affiliates and their respective officers, directors and affiliates harmless from and against any and all losses incurred by any such Elan indemnified person arising out of or relating to:

any inaccuracy in or breach of any of the representations and warranties of Alkermes contained in the merger agreement or any ancillary agreement or of any breach or nonfulfillment of any covenants or agreements of Alkermes or, solely in respect of covenants or agreements to be performed after the effective time, by New Alkermes or any of its subsidiaries, contained in the merger agreement or any ancillary agreement;

any liability or obligation of any of New Alkermes or any of its subsidiaries (including Alkermes) arising from or relating to the assets primarily used or held for use in EDT other than the excluded assets, other than any liability for which the Elan indemnified parties have indemnified the Alkermes indemnified parties, or intellectual property rights transferred to a subsidiary of New Alkermes pursuant to the IP Transfer Agreement;

any action taken by Elan or its subsidiaries to provide for the governance of New Alkermes and its subsidiaries at the request of Alkermes prior to the effective time; or

(A) the employment of any employee or consultant by New Alkermes or its subsidiaries in respect of EDT after the effective time, including (X) any benefit in the nature of severance pay arising from the consummation of the business combination, (Y) with respect to any employee or consultant whose employment or consulting service is transferred (or who claims that his or her employment or consulting service is transferred) pursuant to the Transfer Regulations, arising out of any failure by Alkermes or any of its subsidiaries to comply with obligations under the Transfer Regulations from and after the effective time, including all costs, to include remuneration costs, incurred as a result of Elan being compelled to provide severance or to re-employ any such person or (Z) any claim to pension or death benefits in respect of services after the effective time, or (B) any action or omission of Alkermes or any of its subsidiaries with respect to employees, or related to any employment, severance or similar plan or arrangement (whether or not written) providing for compensation, bonus, profit-sharing, stock option, or other stock-related rights or other forms of incentive or deferred compensation, perquisites, vacation benefits, disability benefits and post-employment or retirement benefits maintained for the benefit of transferred employees in respect of service after the effective time by New Alkermes or any subsidiary thereof.

Indemnification by Alkermes is subject to certain limitations on the amount of Alkermes liability in respect of both individual and aggregate claims, certain processes required in order for Elan indemnified parties to recover from Alkermes and certain exclusions from such liabilities.

Termination of the Merger Agreement

The merger agreement may be terminated at any time prior to the closing, whether before or after the vote by the Alkermes shareholders, in any of the following ways:

(a) by mutual written consent of Elan and Alkermes;

(b) by either Elan or Alkermes if the effective time shall not have occurred by the close of business on the 180th day following the date of the merger agreement, except that the right to so terminate the

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merger agreement will not be available to Alkermes if its failure to fulfill any obligation under the merger agreement has been the cause of, or resulted in the failure of the effective time to occur on or before such date or to Elan if Elan or one or more of its subsidiaries failure to fulfill any obligation under the merger agreement has been the cause of, or resulted in the failure of the effective time to occur on or before such date;

(c) by either Elan or Alkermes if any governmental authority shall have issued an order, decree or ruling or taken any other action (which such person shall have used its reasonable best efforts to resist, resolve or lift) permanently restraining, enjoining or otherwise prohibiting the merger or the reorganization and such order, decree, ruling or other action shall have become final and nonappealable;

(d) by either Elan or Alkermes if the requisite vote for approval of the Alkermes shareholders shall not have been obtained upon the taking of such vote(s) at a duly held meeting of shareholders of Alkermes, or at any adjournment thereof;

(e) by Elan, prior to the Alkermes shareholders meeting, if the board of directors of Alkermes shall have withdrawn or modified in any manner adverse to Elan its recommendation that the shareholders of Alkermes approve the merger or shall have resolved to take any such action;

(f) by Alkermes, if Elan shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the merger agreement, which breach or failure (A) would render the conditions related to accuracy of Elan s representations and warranties and performance of Elan s covenants incapable of being satisfied, and (B) is incapable of being cured or has not been cured by Elan within 20 calendar days after written notice has been given by Alkermes to Elan of such breach or failure to perform; or

(g) by Elan, if Alkermes shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the merger agreement, which breach or failure (A) would render the conditions related to accuracy of Alkermes representations and warranties and performance of Alkermes covenants incapable of being satisfied, and (B) is incapable of being cured or has not been cured by Alkermes within 20 calendar days after written notice has been given by Elan to Alkermes of such breach or failure to perform.

Termination Fee

Elan has agreed to pay Alkermes a termination fee of $25 million in the event the merger agreement is terminated in accordance with clause (f) above or by Elan in accordance with clause (b) above if at any time on or after the date of the merger agreement and prior to such termination in accordance with clause (b) any EDT acquisition proposal shall have been made and not withdrawn or formally (and, if such EDT acquisition proposal was publicly made, publicly) rejected by Elan, in each case, prior to such termination.

Alkermes has agreed to pay Elan a termination fee of $25 million in the event the merger agreement is terminated by Elan in accordance with clause (e) above, in accordance with clause (d) or (g) above, or, by Alkermes, in accordance with clause (b) above if at any time on or after the date of the merger agreement and prior to such termination in accordance with clause (b), (d) or (g) any Alkermes acquisition proposal shall have been made and not withdrawn or formally (and, if such Alkermes acquisition proposal was publicly made, publicly) rejected by Alkermes, in each case, prior to such termination.

Obligations in Event of Termination

In the event of a termination as described above, the merger agreement will become void and of no effect with no liability of any party to the other parties to the merger agreement except with respect to certain designated sections in

the merger agreement, including the termination fee provisions described above. Such termination shall not relieve any party to the merger agreement of any liability for damages resulting from a breach of the merger agreement prior to the termination.

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Expenses

Except as otherwise provided under *The Business Combination Agreement and Plan of Merger Termination Fee*, regardless of whether the merger is consummated, all costs and expenses incurred in connection with the merger agreement and the transactions thereunder shall be paid by the party incurring such expense, except the following expenses will be shared equally by Alkermes and Elan: (1) filing fees paid under the HSR Act and in respect of this proxy statement/prospectus or the registration statement of which it is a part and (2) printing and mailing costs incurred in connection with the preparation, printing and dissemination of the proxy statement/prospectus.

Amendment and Waiver

The merger agreement may not be modified or amended except by an instrument in writing signed by the party against whom enforcement of such modification or amendment is sought. Any provision of the merger agreement may be waived, but only by an instrument in writing and subject to applicable law.

OTHER RELATED AGREEMENTS

Shareholder s Agreement

At the closing and as a condition to the consummation of the business combination and merger, Elan, the Elan Shareholder and New Alkermes will enter into a shareholder s agreement in substantially the same form as the form of shareholder s agreement which is attached as Annex C to this proxy statement/prospectus. The shareholder s agreement sets forth certain terms and conditions concerning the New Alkermes ordinary shares to be owned by the Elan Shareholder from and after the closing, which represent approximately 25% of the outstanding voting securities of New Alkermes immediately following the merger.

Board Representation

From and after the closing, the Elan Shareholder may designate one person for election to the New Alkermes board of directors. Any shareholder designee to the Alkermes board of directors must satisfy the following requirements: (i) be a resident of Ireland for as long as he or she is a director, (ii) qualify as an independent director under applicable provisions of the Exchange Act and under applicable NASDAQ rules and regulations, (iii) not be required to make any disclosure under Item 2(d) or (e) of Schedule 13D at the time of designation if he or she were the person filing Schedule 13D, (iv) not be prohibited from serving as a director of a public company pursuant to any applicable rule or regulation of the SEC or NASDAQ or pursuant to applicable law, including the Irish Companies Acts of 1963 to 2009, which are referred to in this proxy statement/prospectus as the Companies Acts, and (v) in the good faith judgment of New Alkermes Nominating and Corporate Governance Committee, satisfy the requirements of New Alkermes organizational documents and corporate governance guidelines applicable to all non-employee directors. In addition, any such designee is prohibited from communicating to Elan or any of its affiliates any non-public information he or she receives in his or her capacity as a director and any information regarding the substance or process of board deliberations.

Any person designated by the Elan Shareholder who serves as a director of New Alkermes will be entitled to the same rights, privileges and compensation as the other non-employee directors, including rights with respect to the term of office, indemnification, directors and officers insurances and expense reimbursement.

The Elan Shareholder s right to designate a nominee to the board of directors of New Alkermes will terminate and the Elan Shareholder must cause any existing designee to resign if at any time Elan beneficially owns ordinary shares representing less than 10% of the outstanding voting securities of New Alkermes. In addition, the Elan Shareholder s right to designate a board member will be suspended if it violates any of the voting, standstill or transfer restrictions by which it is bound.

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Voting

For at least one year following the closing, the Elan Shareholder will vote on all matters in accordance with the recommendation of the New Alkermes board of directors. Thereafter, the Elan Shareholder 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 New Alkermes or the 30-day volume weighted average trading price of New Alkermes ordinary shares is at least $7.595.

Standstill Restrictions

Under the terms of the shareholder s agreement, Elan will be subject to customary standstill restrictions for the longer of ten years from consummation of the merger and three years from the time the Elan Shareholder ceases to hold more than 10% of the outstanding voting securities of New Alkermes. The standstill restrictions will generally prevent Elan and its affiliates from acquiring any additional New Alkermes voting securities and from taking a number of actions that might result in Elan exerting influence or control over New Alkermes, including but not limited to the following: (i) acquiring any material assets of New Alkermes, (ii) initiating any scheme of arrangement, business combination or other extraordinary transaction that would result in a change of control of New Alkermes, (iii) seeking to elect or remove any directors other than any director designated by the Elan Shareholder, (iv) making any agreement with respect the voting of its shares, (v) soliciting proxies or (vi) calling any meeting of shareholders. Elan and its affiliates are also prohibited from inducing any third party to take any of the actions prohibited by the standstill restrictions.

The standstill provisions will terminate early in the event that (i) New Alkermes enters into a definitive agreement regarding a transaction that would result in a change of control of New Alkermes, (ii) the board of New Alkermes publicly announces that it will sell New Alkermes or all or substantially all of its assets or it will consider offers that would result in a change of control or (iii) a takeover, tender or exchange offer of New Alkermes is commenced or announced that the board does not recommend that the shareholders reject and Elan beneficially owns less than 15% of the outstanding voting securities of New Alkermes. The standstill restrictions will be reinstated under certain circumstances, primarily, if the contemplated transaction is not consummated. However, Elan and its affiliates may continue any activities commenced during the period in which the standstill restrictions were suspended.

Transfer Restrictions

Elan and the Elan Shareholder will be subject to certain restrictions on their ability to transfer New Alkermes ordinary shares without New Alkermes consent. For six months following the closing, Elan and the Elan Shareholder will be subject to a six-month lock-up, pursuant to which they are prohibited from transferring any New Alkermes ordinary shares without New Alkermes consent. Following the six-month lock-up, Elan and the Elan Shareholder may make an initial transfer of up to 40.75% (approximately 13 million shares) of their total stake in New Alkermes in a marketed registered underwritten offering. At least 90 days after such an initial transfer is completed, Elan and the Elan Shareholder may request a second marketed registered underwritten offering to transfer a further 31.5% (approximately 10 million shares) of their initial total stake in New Alkermes. The period from and after the closing until the 90th day following the completion of this second marketed registered underwritten offering is referred to in this proxy statement/prospectus as the Transfer Limitation Period.

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. These limitations include requirements that the Elan Shareholder may not knowingly make any transfers effected pursuant to a directed offering, privately negotiated transaction or in accordance with Rule 144 of the Securities Act: (i) to a single person or group of a number of shares in excess of 6.25% of the then outstanding voting securities of New Alkermes, (ii) to a person who is not one of the types of persons identified in Rule 13d-1 of the Exchange Act, other than a hedge fund, unless the transferee is a private equity

fund who has certified it has no intent to change or influence the control of New Alkermes or (iii) to any person who has engaged in a proxy contest or disclosed

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an intent to change or influence control over any other issuer during the two year period immediately preceding the transfer.

The transfer restrictions are subject to certain exceptions for transfers to affiliates of Elan, transfers to New Alkermes or its subsidiaries and transfers made in connection with certain extraordinary transactions approved by the board or any tender or exchange offer that the board does not publicly recommend that the shareholders of New Alkermes reject. In addition, the transfer restrictions do not prohibit Elan or the Elan Shareholder from establishing any put equivalent position, short position or equivalent. Any remaining transfer restrictions will terminate once the Elan Shareholder no longer beneficially owns at least 10% of the outstanding voting securities of New Alkermes.

Registration Rights

In connection with the two marketed registered underwritten offerings following the lock-up period and transfers made after the Transfer Limitation Period, the Elan Shareholder will have the right to demand that New Alkermes file a registration statement with the SEC, subject to certain minimum threshold requirements and other terms and conditions. The Elan Shareholder may not initiate more than six requests to exercise its demand registration rights (which include any shelf underwritten offerings) in the aggregate. Withdrawn requests will not count toward the total of six requests if certain conditions are satisfied. If New Alkermes is eligible to do so, the Elan Shareholder may request that it file an automatic shelf registration statement.

In addition, following the six-month anniversary of the closing, the Elan Shareholder will have customary piggyback registration rights, pursuant to which it may request that its shares be included in any offering of securities of the same class as the Elan Shareholder s securities that New Alkermes initiates in its own right or on behalf of another shareholder.

These registration rights will terminate four months after the date on which the Elan Shareholder beneficially owns less than 10% of the outstanding voting securities of New Alkermes or sooner if either the Elan Shareholder delivers a legal opinion that the shares may be freely sold without registration under the Securities Act or the beneficial ownership of the Elan Shareholder decreases to less than 5% of the outstanding voting securities of New Alkermes.

Preemption Rights

Elan and the Elan Shareholder will expressly and irrevocably waive any preemption rights to which they may otherwise be entitled under applicable law or the organizational documents of New Alkermes, subject to certain limited exceptions.

Redemption Right

If, at any time after the closing Elan undergoes a change of control while it still beneficially owns at least 10% of the outstanding voting securities of New Alkermes, New Alkermes may purchase all of the New Alkermes voting securities then beneficially owned by Elan at the Market Value of such securities on the date the change of control transaction was consummated. Market Value is defined in the shareholder s agreement in reference to the volume weighted average sale price for the 20 consecutive trading days immediately preceding the date of determination.

Termination

The shareholder s agreement will terminate upon the consummation of a change of control of New Alkermes and upon the later of the tenth anniversary of the closing or the third anniversary of the date on which the Elan Shareholder no longer beneficially at least 10% of the outstanding voting securities of New Alkermes.

The foregoing discussion of the shareholder s agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the form of the shareholder s agreement, a copy of which is included as Annex C to this proxy statement/prospectus.

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CREATION OF DISTRIBUTABLE RESERVES OF NEW ALKERMES

Under Irish law, dividends and distributions and, generally, share repurchases or redemptions may only be made from distributable reserves in New Alkermes unconsolidated balance sheet prepared in accordance with the Companies Acts. Distributable reserves generally means the accumulated realized profits of New Alkermes less accumulated realized losses of New Alkermes and includes reserves created by way of capital reductions. In addition, no distribution or dividend may be made unless the net assets of New Alkermes are equal to, or in excess of, the aggregate of New Alkermes called up share capital plus undistributable reserves and the distribution does not reduce New Alkermes net assets below such aggregate. Undistributable reserves include the share premium account, the capital redemption reserve fund and the amount by which New Alkermes accumulated unrealized profits, so far as not previously utilized by any capitalization, exceed New Alkermes accumulated unrealized losses, so far as not previously written off in a reduction or reorganization of capital. Please see *Description of New Alkermes Ordinary Shares Dividends* and *Description of New Alkermes Ordinary Shares Share Repurchases, Redemptions and Conversions.*

Immediately following the merger, the unconsolidated balance sheet of New Alkermes will not contain any distributable reserves, and shareholders equity in such balance sheet will be comprised entirely of share capital (equal to the aggregate par value of the New Alkermes shares issued in the business combination) and share premium resulting from the issuance of New Alkermes shares in the proposed transactions (equal to (1) the sum of the aggregate market value of the Alkermes common shares as of the close of trading on NASDAQ on the day the merger becomes effective and any share premium in respect of the 31,900,000 New Alkermes ordinary shares to be issued to the Elan Shareholder pursuant to the reorganization, less (2) the share capital). The Elan Shareholder and its nominees are expected to pass a resolution that would create distributable reserves following the merger by converting all of the share premium of New Alkermes as of the closing of the merger in excess of US$5 million to distributable reserves. New Alkermes has not paid any dividends since its formation and has no current plans to do so.

The Alkermes common shareholders are being asked at the special meeting to approve the reduction of the share premium of New Alkermes to allow the creation of distributable reserves of New Alkermes as previously approved by the Elan Shareholder and its nominees. If the common shareholders of Alkermes approve the creation of distributable reserves and the merger is completed, the Elan Shareholder approval and the approval of the distributable reserves proposal will facilitate New Alkermes seeking to obtain the approval of the Irish High Court, which is required for the creation of distributable reserves to be effective, as soon as practicable following the effective time. New Alkermes would expect to obtain the approval of the Irish High Court within 12 weeks after the consummation of the merger.

The approval of the distributable reserves proposal is not a condition to the consummation of the merger and whether or not it is approved will have no impact on the business combination. Accordingly, if the common shareholders of Alkermes approve the merger agreement but do not approve the distributable reserves proposal, the business combination will still be consummated. Until the Irish High Court approval is obtained, New Alkermes will not have sufficient distributable reserves to pay dividends or to repurchase or redeem shares following the merger, including under the current share repurchase plans of Alkermes or under the redemption right in the shareholder s agreement, until such time as New Alkermes has created distributable reserves through the generation of future profits from its operations. In addition, although New Alkermes is not aware of any reason why the Irish High Court would not approve the creation of distributable reserves, there is no guarantee that such approval will be forthcoming. Even if the Irish High Court does approve the creation of distributable reserves, it may take substantially longer than anticipated. Please see *Risk Factors.*

Required Vote

Approval of the proposal to create distributable reserves requires the affirmative vote of a majority of the votes cast by the holders of shares of Alkermes common stock outstanding and entitled to vote, assuming a quorum is present; however, the distributable reserves proposal is not a condition to the completion of the business combination and whether or not this proposal is approved will have no impact on the completion of the business combination.

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SELECTED HISTORICAL FINANCIAL DATA OF ALKERMES AND NEW ALKERMES

The information required by this item is incorporated by reference to the Alkermes Annual Report on Form 10-K, filed with the SEC on May 20, 2011, as amended, and the Alkermes Quarterly Report on Form 10-Q for the period ended June 30, 2011, filed with the SEC on August 1, 2011. Financial information for New Alkermes has not been presented because it is a business combination related shell company as defined in Rule 405 under the Securities Act.

SELECTED HISTORICAL FINANCIAL DATA OF EDT

The selected historical financial data and selected historical balance sheet data set forth below as of June 30, 2011 for the six-month periods ended June 30, 2011 and June 30, 2010 are derived from EDT s unaudited financial statements and related notes, which are included elsewhere in this proxy statement/prospectus. The selected historical financial data set forth below as of December 31, 2010 and 2009 and for the years ended December 31, 2010, 2009 and 2008 are derived from the audited carve-out combined financial statements of EDT, which are included elsewhere in this proxy statement/prospectus. The selected historical balance sheet data set forth below as of December 31, 2008, 2007, and 2006 and statement of operations data for the years ended on December 31, 2007 and 2006 have been derived from unaudited financial data.

The following selected financial data should be read in conjunction with *Management s Discussion and Analysis of Financial Condition and Results of Operations of EDT* and the audited and unaudited carve-out combined financial statements of EDT and the related notes thereto, which are included elsewhere in this proxy statement/prospectus.

	Six Months Ended		As of and for the Year Ended December 31,				
	June 30, 2011	June 30, 2010	2010	2009	2008	2007	2006
			(in thousands)				
Statement of Operations Data:							
Total revenue	$ 128,844	$ 132,476	$ 274,119	$ 275,886	$ 301,561	$ 295,495	$ 282,143
Operating income	$ 104,462(1)	$ 26,189(2)	$ 60,928(3)	$ 71,086(4)	$ 85,782	$ 84,768(5)	$ 118,573(6)
Net income	$ 88,338(1)	$ 21,763(2)	$ 48,889(3)	$ 48,380(4)	$ 60,522	$ 61,048(5)	$ 96,751(6)
Balance Sheet Data (at year end):							
Total Assets	$ 333,465	$ 344,765	$ 344,765	$ 369,049	$ 428,575	$ 436,180	$ 479,702
Total invested equity	$ 293,112	$ 305,215	$ 305,215	$ 333,013	$ 396,207	$ 403,770	$ 428,784

(1) Includes other net charges of $15.1 million, primarily relating to severance, restructuring and other costs, and legal settlement gains of $84.5 million.

(2) Includes other net charges of $0.4 million, primarily relating to severance, restructuring and other costs.

(3) Includes other net charges of $2.3 million, primarily relating to severance, restructuring and other costs.

(4) Includes other net charges of $5.7 million, primarily relating to severance, restructuring and other costs.

(5) Includes other net charges of $3.6 million, primarily relating to severance, restructuring and other costs.

(6) Includes other net gains of $46.6 million, primarily relating to an arbitration award of $49.8 million, offset in part by severance, restructuring and other costs of $3.2 million.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF EDT

The following should be read in conjunction with the carve-out combined financial statements of EDT and related notes included elsewhere in this proxy statement/prospectus. All references to EDT refer to Elan Drug Technologies, the global drug delivery technologies business of Elan.

Presentation and Preparation of the Carve-Out Combined Financial Statements of EDT

On May 9, 2011, Elan and Alkermes announced the execution of a definitive agreement under which Alkermes will merge with EDT in a cash and stock transaction valued at approximately $960 million at the time of the announcement. Alkermes and EDT will be combined under Antler Science Two plc, a new public limited holding company incorporated in Ireland. This newly created company, New Alkermes, was incorporated as a private limited company and re-registered as a public limited company on July 25, 2011, and will be renamed Alkermes plc at or prior to the closing. The transaction is subject to approval by Alkermes shareholders and the satisfaction of customary closing conditions and regulatory approvals, including antitrust approval in the United States. The transaction is expected to close during the third quarter of 2011.

EDT has historically operated as a part of Elan and not as a separate stand-alone entity. The carve-out combined financial statements of EDT have been prepared on a carve-out basis from the consolidated financial statements of Elan to represent the financial position and performance of EDT as if EDT had existed on a stand-alone basis during each of the six-month periods ended June 30, 2011 and June 30, 2010 and the fiscal years ended December 31, 2010, December 31, 2009 and December 31, 2008 for income statement and the cash flow statement amounts and as of June 30, 2011, December 31, 2010 and December 31, 2009 for balance sheet amounts; and as if the Financial Accounting Standards Board, which is referred to as FASB in this proxy statement/prospectus, Accounting Standard Codification, which is referred to as ASC in this proxy statement/prospectus, Topic 810, Consolidation, had been applied throughout. The accompanying carve-out combined financial statements of EDT only include assets and liabilities that are specifically identifiable with EDT. Certain general and administrative expenses that are maintained at the corporate level, which consist primarily of salaries and other employee costs, legal and professional fees and insurance costs, were allocated to EDT based on methodologies Elan management believes to be reasonable. The carve-out combined financial statements of EDT do not purport to represent what the results of operations would have been, or accurately reflect its assets and liabilities, had the entire EDT business and activities of EDT been a legal sub-group for each of the years being reported on, or for future years. Had EDT operated as an independent stand-alone entity, its results could have differed significantly from those presented in the carve-out combined financial statements of EDT.

Elan is a neuroscience-based biotechnology company headquartered in Dublin, Ireland. Elan was incorporated as a private limited company in Ireland in December 1969 and became a public limited company in January 1984. Elan s operations are organized into two business units: (A) BioNeurology, which engages in research, development and commercial activities primarily for neurodegenerative and autoimmune diseases, and (B) EDT, which focuses on the specialty pharmaceutical industry, including specialized drug delivery and manufacturing.

For additional information regarding the basis of preparation, please refer to Note 2 to the carve-out combined financial statements of EDT, which are included elsewhere in this proxy statement/prospectus.

Overview of EDT

EDT develops and manufactures innovative pharmaceutical products that provide clinical benefits to patients, leveraging EDT s experience and proprietary technologies for its own account in collaboration with pharmaceutical companies worldwide. Since the inception of its business in Ireland in 1969, EDT has focused its drug development efforts on improved therapeutic outcomes through the use of its proprietary technologies. EDT has substantial business activities in Ireland and the United States, with manufacturing facilities located in each country. During 2010, EDT employed approximately 667 people, with over 400 located in Ireland. EDT s two principal drug technologies are the OCR platform and the bioavailability enhancement platform,

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which includes EDT s *NanoCrystal* technology. EDT s portfolio includes products marketed by EDT collaborators and products in clinical development.

EDT is an established, profitable business that has applied its skills and knowledge to develop innovative medications that have been marketed worldwide. To date, EDT s drug delivery technologies have been commercialized in over 30 products around the world, contributing to annual end-user sales of approximately $3 billion in 2010. Since 2001, EDT s technologies have been incorporated and subsequently commercialized in 12 products in the United States.

EDT s original business model was based on advancing proprietary product concepts to a later stage of development for out-licensing to pharmaceutical collaborators. Today, EDT s strategic focus is on developing proprietary products, while continuing to leverage its technologies and capabilities through product development on behalf of its pharmaceutical collaborators. EDT s most advanced proprietary product is the post-operative pain product Meloxicam IV, which has recently completed Phase 2B studies.

EDT generates revenue from two sources: manufacturing and royalty fees from licensed products (96.6% of EDT revenues for the six-month period to June 30, 2011; 93.9% for the six-month period to June 30, 2010; 95.4% for the year ended December 31, 2010), and contract revenues relating to R&D services, license fees and milestones (3.4% of EDT revenues for the six-month period to June 30, 2011; 6.1% for the six-month period to June 30, 2010; 4.6% for the year ended December 31, 2010). EDT receives royalties and manufacturing fees on products that, as a share of in-market sales, range from percentages in the single digits to the high teens. During the six-month period to June 30, 2011, EDT generated $128.8 million (2010: $132.5 million) in revenue and $104.5 million (2010: $26.2 million) in operating income. EDT generated revenue for the year ended December 31, 2010 of $274.1 million (2009: $275.9 million; 2008: $301.6 million) and operating income for the year ended December 31, 2010 of $60.9 million (2009: $71.1 million; 2008: $85.8 million). Included in operating income of $104.5 million generated in the six-month period to June 30, 2011 are legal settlement gains of $84.5 million and net other charges of $15.1 million. The EDT revenue portfolio is transitioning from several legacy products to recently approved products such as *Ampyra*® and *Invega Sustenna*®.

EDT believes it is among the world s leaders in drug formulation and development due to its profitability, proprietary and partnered clinical development pipeline and multiple preclinical programs. EDT is a division of Elan headquartered in Dublin, Ireland. Prior to the merger, EDT will be carved out of Elan and reorganized under New Alkermes.

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Results of Operations

Results for the six-month periods ended June 30, 2011 and 2010

	Six Months Ended June 30,	
	2011	**2010**
	(in thousands)	
Product revenue	$ 124,404	$ 124,349
Contract revenue	4,440	8,127
Total revenue	128,844	132,476
Cost of sales	51,896	59,775
Gross margin	76,948	72,701
Operating expenses:		
Selling, general and administrative expenses	17,449	19,541
Research and development expenses	24,440	26,609
Legal settlement gains	(84,500)	
Other net charges	15,097	362
Total operating expenses	(27,514)	46,512
Operating income	104,462	26,189
Net interest expense/(income)	1,281	(1,541)
Net income before income taxes	103,181	27,730
Provision for income taxes	14,843	5,967
Net income	$ 88,338	$ 21,763

Revenues

EDT realized total revenues of $128.8 million for the six-month period ended June 30, 2011 (2010: $132.5 million). EDT s revenues during the periods under review principally consisted of product revenue and, to a lesser extent, contract revenue. Product revenue is made up of manufacturing fees and royalties on licensed products, and contract revenue consists of research fees and milestone payments arising from R&D activities that EDT performs on behalf of other third parties, and technology licensing fees.

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Product Revenue

Product revenue for the six-month periods ended June 30, can be analyzed as follows:

	2011	2010
	(in thousands)	
Manufacturing revenue (includes royalties on manufactured products):		
Ampyra	$ 22,424	$ 20,793
Focalin® XR/Ritalin® LA	18,176	16,632
Verelan®	13,154	11,903
Avinza®	6,696	6,355
Rapamune®	4,623	1,980
Naprelan®	4,389	7,760
Zanaflex®	3,471	2,962
Diltiazem®	2,534	4,181
Luvox CR®	1,889	2,294
Cymbalta®(1)	1,500	2,778
Other	2,297	1,884
Total manufacturing revenue	81,153	79,522
Royalty revenue:		
TriCor® 145	24,007	25,016
Invega Sustenna® /Xeplion®	6,243	2,712
Emend®(2)	5,488	4,355
Megace® ES	3,825	4,079
Skelaxin®(3)	170	5,206
Other	3,518	3,459
Total royalty revenue	43,251	44,827
Total product revenue	$ 124,404	$ 124,349

(1) *Cymbalta* is a registered trademark of Eli Lilly and Company.

(2) *Emend* is a registered trademark of Merck Sharp & Dohme Corporation.

(3) *Skelaxin* is a registered trademark of King Pharmaceuticals Research and Development, Inc.

Manufacturing Revenue

Manufacturing revenue represents revenues earned from products that EDT manufactures on behalf of collaborators and other third-party customers.

Manufacturing revenue increased 2.1% to $81.2 million for the six-month period ended June 30, 2011 compared to the same period in the prior year.

The increase in manufacturing revenue in the six-month period to June 30, 2011, compared to the same period of 2010, is primarily attributable to increased revenue from *Ampyra*, *Rapamune* and *Focalin XR*/*Ritalin LA*, partially offset by decreased revenue from *Naprelan* and Diltiazem.

The manufacturing and royalty revenue recorded for *Ampyra* for the six-month period ended June 30, 2010 of $20.8 million principally reflected shipments to Acorda Therapeutics, Inc., which is referred to as Acorda in this proxy statement/prospectus, of $18.9 million in the first quarter of 2010 to satisfy Acorda s initial stocking requirements for the launch of the product as well as build-up of safety stock supply. Elan records revenue upon shipment of *Ampyra* to Acorda, as this revenue is not contingent upon ultimate sale of the shipped product by Acorda or its customers. Consequently, revenue varies with shipments and is not based directly on in-market sales.

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Ampyra, which is globally licensed to Acorda, is marketed and distributed in the United States by Acorda and outside the United States will be marketed and distributed by Acorda s sub-licensee Biogen Idec, Inc., which is referred to as Biogen Idec in this proxy statement/prospectus. The product is called *Fampyra*® (prolonged-release fampridine tablets) outside the United States.

In January 2011, the Committee for Medicinal Products for Human Use, which is referred to as CHMP in this proxy statement/prospectus, of the EMA issued a negative opinion, recommending against approval of *Fampyra*. Biogen Idec appealed this opinion and requested a re-examination of the decision of the CHMP. In May 2011, the CHMP of the EMA recommended conditional marketing authorization of *Fampyra*. In May 2011, *Fampyra* was approved for use in Australia by the Australian Therapeutic Goods Administration. In March 2011, Biogen Idec also received a notice of deficiency from Health Canada for its application to sell *Fampyra* in Canada. On July 25, 2011, Biogen Idec announced that it had received conditional approval of the European Commission to market *Fampyra* in the European Union. EDT has the right to manufacture supplies of *Ampyra*/*Fampyra* for the global market at its Athlone, Ireland facility, under a supply agreement with Acorda.

As shown in the table above, no single product, with the exception of *Ampyra*, *Focalin XR*/*Ritalin LA* and *Verelan*, accounted for more than 10% of manufacturing revenue in the six-month periods ended June 30, 2011 or 2010.

Royalty Revenue

Royalties are typically earned on sales of licensee products using EDT s technology.

Royalty revenue decreased 3.5% to $43.3 million for the six-month period ended June 30, 2011 from $44.8 million for the same period in 2010, primarily due to decreased revenues of $5.0 million from *Skelaxin* driven by the impact of generic entries to the market, no further *Skelaxin* royalties are expected. This decrease was partially offset by increased revenues from *Invega Sustenna* of $3.5 million as in-market sales of the product continue to grow following its launch in the fourth quarter of 2009, and the EU launch of *Xeplion* (marketed as *Invega Sustenna* in the United States) in the first half of 2011.

As shown in the table above, no single product, with the exception of *TriCor 145*, *Invega Sustenna*, *Skelaxin* and *Emend*, accounted for more than 10% of royalty revenue in the six-month periods ended June 30, 2011 and 2010.

Contract Revenue

Contract revenue arises from contracts to perform R&D services on behalf of clients, or technology licensing to third parties. Contract research revenue consists of payments or milestones arising from R&D activities EDT performs on behalf of third parties.

Contract revenue for the six-month period ended June 30, 2011 was $4.4 million compared to $8.1 million for the same period in 2010. The decrease in contract revenue in the six-month period ended June 30, 2011 compared to June 30, 2010 was primarily due to the timing of recognition of milestones, partially offset by development fees from clients.

During the first half of 2011, EDT has continued to make progress on its development pipeline with its clients:

> In March 2011, EDT s collaborator, Janssen Pharmaceutica N.V., one of the Janssen Pharmaceutical Companies, which are referred to in this proxy statement/prospectus as Janssen and which are a part of J&J, announced the approval of *Xeplion*®, a once monthly atypical antipsychotic injection, by the European

Commission. This is the first European approval of an injectible product using EDT s *NanoCrystal* technology. Xeplion is marketed in the United States under the name *Invega Sustenna*. Other regulatory advances included approvals for new strengths for *Focalin XR* (25mg and 35mg) in the United States, and *Morphelan*® filed in the United Kingdom by Elan.

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In May 2011, the CHMP of the EMA recommended conditional marketing authorization of *Fampyra*. In May 2011, *Fampyra* was approved for use in Australia by the Australian Therapeutic Goods Administration. Biogen Idec also received a notice of deficiency in March 2011 from Health Canada for its application to sell *Fampyra* in Canada. On July 25, 2011, Biogen Idec announced that it had received conditional approval of the European Commission to market *Fampyra* in the European Union. EDT has the right to manufacture supplies of *Ampyra/Fampyra* for the global market at its Athlone, Ireland facility.

Cost of Sales

Cost of sales was $51.9 million for the six-month period ended June 30, 2011, compared to $59.8 million for the same period in 2010. The decrease in cost of sales in the six-month period ended June 30, 2011 is primarily due to decreased amortization expense on the *Verelan* intangible asset, which was fully amortized in December 2010. The gross margin increased by 5.8% in the six-month period ended June 30, 2011 to $76.9 million, as compared to $72.7 million in the same period in 2010. The increased gross margin in the six-month period ended June 30, 2011, principally reflects higher revenues and higher margins from *Invega Sustenna* and *Ampyra*, partially offset by lower contract revenue as a result of the timing of milestone receipts. In the six-month period ended June 30, 2011, EDT s royalties on products that EDT does not manufacture were 34.8% of total product revenue (2010: 36.0%).

Operating Expenses

Total operating expenses, which consist of R&D expense, selling, general and administrative (SG&A) expense and other net charges, have been offset by legal settlement gains in the six-month period ended June 30, 2011. R&D expenses primarily consists of expenses for EDT s proprietary programs, development of existing and new technologies, the costs of identifying suitable collaborative products for EDT s technologies and spending on external client projects. These expenses primarily comprise salary and related costs and external clinical spending. SG&A expenses primarily consists of legal expenses, management compensation expenses and certain central services costs that had been allocated to EDT by Elan based on estimated usage of resources by EDT.

Research and Development Expenses

R&D expenses were $24.4 million in the six-month period ended June 30, 2011 (2010: $26.6 million). This decrease of 8.2% was primarily due to timing of R&D spending on proprietary projects.

Selling, General and Administrative Expenses

SG&A expenses were $17.5 million for the six-month period ended June 30, 2011 and $19.5 million for the same period in 2010. This decrease of 10.7% primarily relates to lower legal costs.

Legal Settlement Gains

In June 2008, a jury ruled in the U.S. District Court for the District of Delaware that Abraxis (since acquired by Celgene Corporation) had infringed a patent owned by Elan in relation to the application of its *NanoCrystal* technology to *Abraxane*. EDT was awarded $55 million, applying a royalty rate of 6% to sales of *Abraxane* from January 1, 2005 through June 13, 2008 (the date of the verdict). This award and damages associated with the continuing sales of the *Abraxane* product were subject to interest. In February 2011, EDT entered into an agreement with Abraxis to settle this litigation. As part of the settlement agreement with Abraxis, EDT received $78.0 million in full and final settlement of the litigation. EDT will not receive future royalties in respect of *Abraxane*.

In May 2011, EDT entered into an agreement with Alcon to settle litigation in relation to the application of its *NanoCrystal* technology. As part of the settlement agreement with Alcon, EDT received $6.5 million in May 2011 in full and final settlement.

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Other Net Charges

During the second quarter of 2011, Elan decided to close its King of Prussia, Pennsylvania, site which is part of EDT, and consequently, a non-cash asset impairment charge of $5.1 million and severance, restructuring and other charges of $10.0 million were recorded for the six-month period ended June 30, 2011. It is expected that the closure will take place in the second half of 2011.

During the six-month period ended June 30, 2010, EDT incurred severance, restructuring and other costs of $0.4 million, arising from the realignment of resources to better fit EDT s business structure.

Taxation

The current and deferred tax charges have been prepared as if the business were a separate taxable group and consistent with the asset and liability method prescribed by ASC 740. Current tax liabilities and receivables (other than amounts actually paid or refunded by/or to the business) are included in the calculation of the net funding transfer to Elan that is recorded in invested equity. The current and deferred tax charges/(benefits) and the related tax disclosures are not necessarily representative of the tax charges/(benefits) that may arise in the future. EDT had a net tax charge of $14.8 million for the six-month period to June 30, 2011 (2010: $6.0 million). The tax charge reflects U.S federal and state taxes, Irish corporation tax, and other taxes at standard rates in the jurisdictions in which EDT operates, the availability of tax losses, foreign withholding tax and exempt income derived from Irish patents. EDT s effective tax rate was 14.4% in the six-month period to June 30, 2011 (2010: 21.5%). The lower effective tax rate in 2011 compared to 2010 was due to a decrease in 2011 in the proportion of total income subject to the U.S. statutory tax rate and an increase in the proportion of total income subject to the Irish statutory tax rate, which is lower than the U.S. statutory tax rate. Please refer to Note 7 to the Interim Statements of EDT for additional information in relation to EDT s effective tax rate.

Adjusted EBITDA Non-GAAP Financial Information

	Six Months Ended June 30,	
	2011	**2010**
	(in thousands)	
Net income	$ 88,338	$ 21,763
Net interest expense/(income)	1,281	(456)
Provision for income taxes	14,843	5,967
Depreciation and amortization	10,591	16,265
Amortized fees, net	(162)	(234)
EBITDA	$ 114,891	$ 43,305
Share-based compensation expense[(1)]	4,658	4,217
Legal settlement gains	(84,500)	
Other net charges	15,097	362
Adjusted EBITDA	$ 50,146	$ 47,884

(1) Share-based compensation expense excludes share based compensation included in other net charges of $0.5 million (2010)

Adjusted EBITDA is a non-GAAP measure of operating results. EDT s management uses this measure to evaluate EDT s operating performance and it is among the factors considered as a basis for EDT s planning and forecasting for future periods. EDT believes that Adjusted EBITDA is a measure of performance used by some investors, equity analysts and others to make informed investment decisions.

Adjusted EBITDA is defined as net income plus or minus net interest income or expense, provision for income taxes, depreciation and amortization of costs and revenue, share-based compensation expense, legal

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settlement gains and other net charges. Adjusted EBITDA is not presented as, and should not be considered an alternative measure of, operating results or cash flows from operations, as determined in accordance with U.S. GAAP. A reconciliation of Adjusted EBITDA to net income is set out in the table above.

In the six-month period ended June 30, 2011, EDT reported Adjusted EBITDA of $50.1 million, compared to Adjusted EBITDA of $47.8 million for the same period in 2010. The $2.3 million increase in 2011 reflects the transition of the business away from some of the older products, such as *Skelaxin*, and the increased revenues and margins from newer products, such as *Ampyra* and *Invega Sustenna*, as well as the 9.2% reduction in combined SG&A and R&D expenses.

Results for the years ended December 31, 2010, 2009 and 2008

	Year Ended December 31,		
	2010	**2009**	**2008**
		(in thousands)	
Product revenue	$ 261,420	$ 257,199	$ 281,557
Contract revenue	12,699	18,687	20,004
Total revenue	274,119	275,886	301,561
Cost of sales	118,379	116,251	123,654
Gross margin	155,740	159,635	177,907
Operating expenses:			
Selling, general and administrative expenses	38,933	35,919	44,534
Research and development expenses	53,579	46,961	47,591
Other net charges	2,300	5,669	
Total operating expenses	94,812	88,549	92,125
Operating income	60,928	71,086	85,782
Net interest (income)/expense	(575)	1,824	(538)
Net income before income taxes	61,503	69,262	86,320
Provision for income taxes	12,614	20,882	25,798
Net income	$ 48,889	$ 48,380	$ 60,522

Revenues

EDT realized total revenues of $274.1 million for the twelve months ended on December 31, 2010 compared to total revenues of $275.9 million in 2009 and $301.6 million in 2008. EDT s revenues during the years under review principally consisted of product revenue and, to a lesser extent, contract revenue. Product revenue is made up of manufacturing fees and royalties on licensed products, and contract revenue consists of research fees and milestone payments arising from R&D activities that EDT performs on behalf of other third parties, and technology licensing fees.

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Product Revenue

Product revenue for the years ended December 31, can be analyzed as follows:

	2010	2009	2008
		(in thousands)	
Manufacturing revenue (includes royalties on manufactured products):			
Ampyra	$ 56,781	$ 17	$
Focalin XR/Ritalin® LA	32,998	32,617	33,468
Verelan	21,824	22,085	24,601
Naprelan®	12,615	15,955	11,083
Avinza	12,027	12,624	13,388
Diltiazem	7,617	7,504	13,674
Zanaflex	5,944	11,559	12,741
Rapamune	5,940	6,600	4,960
Luvox CR	3,955	2,584	7,450
Cymbalta®	2,778	14,367	13,360
Other	7,555	9,542	15,825
Total manufacturing revenue	170,034	135,454	150,550
Royalty revenue:			
TriCor 145	54,459	61,635	67,697
Skelaxin®	5,930	34,901	39,709
Megace® ES	8,207	8,959	9,791
Invega Sustenna®	7,656	1,667	
Emend®	8,347	7,939	7,070
Other	6,787	6,644	6,740
Total royalty revenue	91,386	121,745	131,007
Total product revenue	$ 261,420	$ 257,199	$ 281,557

Manufacturing Revenue

Manufacturing revenue represents revenues earned from products that EDT manufactures on behalf of collaborators and other third-party customers.

Manufacturing revenue increased 25.5% to $170.0 million in 2010 from EDT s 2009 revenue levels and decreased 10.0% to $135.5 million in 2009 from its 2008 revenue levels.

The increase in manufacturing revenue in 2010, as compared to 2009, was principally due to the launch of *Ampyra*, which was approved by the FDA in January 2010 as a treatment to improve walking ability in patients with multiple sclerosis, which is referred to as MS in this proxy statement/prospectus. The product was subsequently launched in the

United States in March 2010.

This increase in revenue in 2010, as compared to 2009, was partially offset by decreased revenue from *Zanaflex*, *Naprelan* and *Cymbalta*. The decrease in *Zanaflex* and *Naprelan* revenue was due to changes in customer inventory levels. Revenue from *Cymbalta* decreased by $11.6 million due to the scheduled termination of a supply agreement for this product. The decrease in manufacturing revenue in 2009, as compared to 2008, was primarily due to decreased revenue from Diltiazem, *Luvox CR* and *Verelan*. The decrease in Diltiazem revenue was due to the scheduled expiration of a supply agreement for the product. Revenue from Luvox CR decreased primarily as a result of timing of shipments to customers and the inclusion of launch quantities in 2008 revenues. *Verelan* revenues continue to reflect the declining overall market for the

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product. As shown in the table above, no single product, with the exception of *Ampyra, Focalin XR, Verelan* and *Naprelan*, accounted for more than 10% of manufacturing revenue in 2010, 2009 or 2008.

Royalty Revenue

Royalties are typically earned on sales of licensee products using EDT s technology.

Royalty revenue decreased 24.9% to $91.4 million in 2010 from $121.7 million in 2009, primarily due to decreased revenues of $29.0 million from *Skelaxin* due to the impact of generic entries to the market. In addition, royalty revenue from *TriCor 145* decreased by 11.6% during 2010 due to falling in-market sales of the product. These decreases were partially offset by increased revenues from *Invega Sustenna* as in-market sales of the product grew following its launch in the fourth quarter of 2009.

Royalty revenue decreased 7.1% to $121.7 million in 2009 from $131.0 million in 2008, primarily due to decreased revenues from both *Skelaxin* and *TriCor 145*, primarily due to lower in-market sales of these products in 2009. As shown in the table above, no single product, with the exception of *TriCor 145* and *Skelaxin*, accounted for more than 10% of royalty revenue in 2010, 2009 or 2008.

Contract Revenue

Contract revenue decreased 32.0% to $12.7 million in 2010 from EDT s 2009 revenue level and decreased 6.6% to $18.7 million in 2009 from its 2008 revenue level. The decrease in contract revenue in 2010, as compared to 2009, was primarily due to the timing of the recognition of milestones, notably with respect to *Ampyra*. The decrease in contract revenue in 2009, as compared to 2008, was primarily due to lower development fees from clients, partially offset by the recognition of certain milestones in 2009, notably with respect to *Ampyra*.

During 2010, EDT made progress on its development pipeline with its clients:

In March 2010, EDT s collaborator, Acorda, launched Ampyra following its approval by the FDA in late January 2010 as a treatment to improve walking abilities of patients with MS. *Ampyra* is marketed and distributed in the United States by Acorda and outside the United States, where it is called Fampyra (prolonged-release fampridine tablets), it will be marketed and distributed by Biogen Idec. *Ampyra* is the first NDA approved by the FDA for a product using EDT s MXDAS® (matrix drug absorption system) technology and is the first medicine approved by the FDA indicated to improve walking speed in people with MS.

In January 2010, Biogen Idec announced the submission of a Marketing Authorization Application to the EMA for *Fampyra*. Biogen Idec also announced that it has filed a New Drug Submission with Health Canada. In January 2011, the CHMP of the EMA issued a negative opinion, recommending against approval of *Fampyra*. Biogen Idec appealed this opinion and requested a reexamination of the decision of the CHMP. In May 2011, the CHMP of the EMA recommended conditional marketing authorization of *Fampyra*. In May 2011, Fampyra was approved for use in Australia by the Australian Therapeutic Goods Administration. Biogen Idec also received a notice of deficiency in March 2011 from Health Canada for its application to sell *Fampyra* in Canada. On July 25, 2011, Biogen Idec announced that it had received conditional approval of the European Commission to market *Fampyra* in the European Union. EDT has the right to manufacture supplies of *Ampyra/Fampyra* for the global market at its Athlone, Ireland facility.

In 2010, the hydrocodone ER product (ZX002) from EDT s U.S. collaborator, Zogenix, Inc., which is referred to as Zogenix in this proxy statement/prospectus, progressed in Phase 3 clinical trials. By the end of 2010, the enrollment of the twelve-month safety study, which is referred to as Study 802 in this proxy

statement/prospectus, was completed and the twelve-week doubleblind, placebo controlled efficacy study was underway with full enrollment completed in February 2011. Pending positive clinical results, Zogenix expects to submit an NDA to the FDA by early 2012. ZX002 is a novel controlled release formulation of hydrocodone, developed by EDT using its SODAS® (spheroidal oral drug absorption system) technology and is in clinical trials for the treatment of moderate to severe chronic pain in individuals who require continuous opioid treatment for pain management.

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Cost of Sales

Cost of sales was $118.4 million in 2010, $116.3 million in 2009 and $123.7 million in 2008. The gross profit margin was 56.8% in 2010, 57.9% in 2009 and 59.0% in 2008. The gross margin decreased by 2.4% in 2010 ($155.7 million), compared to 2009 ($159.6 million), and by 10.3% in 2009, compared to 2008 ($177.9 million). The decreased gross margin in 2010 principally reflects lower revenues from Skelaxin and TriCor 145, partially offset by revenues from the Ampyra launch. The decreased gross margin in 2009 was primarily due to the reduction in manufacturing revenue and royalties. In 2010, EDT s royalties on products that it does not manufacture were 35.0% of total manufacturing revenue and royalties, compared to 47.3% in 2009 and 46.5% in 2008.

Operating Expenses

Total operating expenses, which consists of R&D expense, SG&A expenses and other net charges, was $94.8 million for the twelve months ended December 31, 2010 compared to $88.5 million in 2009 and $92.1 million in 2008. R&D expenses primarily consists of expenses for EDT s proprietary programs, development of existing and new technologies, the costs of identifying suitable collaborative products for EDT s technologies and spending on external client projects. These expenses primarily comprise salary and related costs and external clinical spending. SG&A expenses primarily consists of legal expenses, management compensation expenses and certain central services costs that had been allocated to EDT by Elan based on estimated usage of resources by EDT. For additional information regarding the allocation of central services costs, please refer to Note 2 to the carve-out combined financial statements of EDT, which are included elsewhere in this proxy statement/prospectus.

Research and Development Expenses

Research and development expenses were $53.6 million in 2010, $47.0 million in 2009 and $47.6 million in 2008. This increase of 14.1% in 2010 was primarily due to increased clinical spending on an internal EDT proprietary product which advanced to Phase 2 during 2010.

Selling, General and Administrative Expenses

SG&A expenses were $38.9 million in 2010, $35.9 million in 2009, and $44.5 million in 2008. The increase of 8.4% in 2010 primarily reflects higher marketing and promotion spend and also higher legal spending. The decrease of 19.3% in 2009 primarily reflects lower litigation costs in 2009 associated with the protection of EDT s intellectual property, in particular costs related to the Abraxis litigation, which was settled in February 2011. As part of the settlement agreement with Abraxis, EDT received $78.0 million in full and final settlement, which is recognized as a gain in 2011. No continuing royalties will be received by EDT in respect of Abraxane® (registered trademark of Abraxis Bioscience, LLC). Please refer to Note 20 to the combined carve-out combined financial statements, which are included elsewhere in this proxy statement/prospectus for additional information on this litigation settlement.

Other Net Charges

EDT incurred other net charges of $2.3 million in 2010, $5.7 million in 2009 and $0 in 2008. During 2010, EDT incurred severance, restructuring and other costs arising from the realignment of resources to better fit its business strategy. During 2009, EDT incurred severance, restructuring and other costs related to the scheduled completion of a manufacturing contract with an external pharmaceutical company. Please refer to Note 14 to the carve-out combined financial statements, which are included elsewhere in this proxy statement/prospectus for additional information in relation to severance, restructuring and other charges.

Taxation

The current and deferred tax charges have been prepared as if the business were a separate taxable group and consistent with the asset and liability method prescribed by ASC Topic 740 Income Taxes. Current tax liabilities and receivables (other than amounts actually paid or refunded by/or to the business) are included in the calculation of the net funding transfer to Elan that is recorded in invested equity. The current and deferred

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tax charges and benefits and the related tax disclosures are not necessarily representative of the tax charges and benefits that may arise in the future.

EDT had a net tax charge of $12.6 million in 2010 as compared to $20.9 million in 2009 and $25.8 million in 2008. EDT s effective tax rate was 20.5% in 2010, 30.1% in 2009 and 29.9% in 2008. The tax charge reflects U.S. Federal and State taxes, Irish corporation tax, and other taxes at standard rates in the jurisdictions in which EDT operates, the availability of tax losses, foreign withholding tax and exempt income derived from Irish patents. The lower effective tax rate in 2010 compared to 2009 and 2008 was due to the decrease in 2010 in the proportion of total income subject to the U.S. statutory tax rate and an increase in 2010 in the proportion of total income subject to the Irish statutory tax rate, which is lower than the U.S. statutory tax rate. Please refer to Note 7 to the carve-out combined financial statements of EDT, which are included elsewhere in this proxy statement/prospectus, for additional information in relation to EDT s effective tax rate.

EDT s Irish patent derived income was exempt from taxation pursuant to Irish legislation, which exempts income derived from qualifying patents. For each of 2010, 2009 and 2008, the amount of income that can qualify for the patent exemption was capped at 5.0 million (approximately $7.0 million) per annum. The patent exemption was withdrawn on November 24, 2010. The net deferred tax asset, which is referred to as DTA in this proxy statement/prospectus, that existed as of December 31, 2010 was $0.2 million (as compared to $0.3 million deferred tax liability as of December 31, 2009). The valuation allowance recorded against the DTAs as of December 31, 2010 was $15.4 million, compared to $15.6 million as of December 31, 2009, which primarily relates to Irish operating losses, the recoverability of which is uncertain.

Adjusted EBITDA Non-GAAP Financial Information

	Year Ended December 31,		
	2010	**2009**	**2008**
	(in thousands)		
Net income	$ 48,889	$ 48,380	$ 60,522
Net interest (income)/expense	(575)	1,824	(538)
Provision for income taxes	12,614	20,882	25,798
Depreciation and amortization	32,554	33,161	35,915
Amortized fees, net	(180)	34	(2,498)
EBITDA	$ 93,302	$ 104,281	$ 119,199
Share-based compensation expense	7,929	7,176	9,865
Other net charges	2,300	5,669	
Adjusted EBITDA	$ 103,531	$ 117,126	$ 129,064

In 2010, EDT reported Adjusted EBITDA of $103.5 million, compared to Adjusted EBITDA of $117.1 million in 2009 and $129.1 million in 2008. The decrease in 2010 compared to 2009 arises primarily as a result of lower contract revenue and higher operating expenses, partially offset by lower other net charges during 2010. The decrease in 2009 compared to 2008 arises primarily as a result of decreased revenues in 2009, partially offset by lower SG&A expenses.

Liquidity and Capital Resources

Overview

Elan uses a centralized approach to manage substantially all of its liquid resources and to finance its operations and, as a result, debt and liquid resources maintained at the Elan group level are not included in the carve-out combined financial statements of EDT. Elan defines liquid resources as the total of its cash and cash equivalents, current restricted cash and current investment securities. EDT has historically financed its operating and capital resource requirements through cash flows from operations, with funding transferred between EDT and Elan as part of the group s cash and treasury management strategy.

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The invested equity balance in the carve-out combined financial statements of EDT constitutes Elan s investment in EDT and represents the excess of total assets over total liabilities, including the netting of intercompany funding balances between EDT and Elan. Invested equity in EDT includes the results of EDT s operations, contributions from Elan in the form of share-based compensation to EDT employees less net transfers of intercompany funding from EDT to Elan. As of June 30, 2011, EDT s invested equity was $292.1 million (December 31, 2010: $305.2 million; December 31, 2009: $333.0 million).

Cash Flows for the Six-Month Periods Ended June 30, 2011 and 2010

	Six Months Ended June 30,	
	2011	**2010**
	(in thousands)	
Cash flows from operating activities:		
Net income	$ 88,338	$ 21,763
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of deferred revenue	(162)	(234)
Depreciation and amortization	10,591	16,265
Share-based compensation	5,148	4,217
Recognition of deferred tax asset	(7,674)	(478)
Impairment of tangible and intangible assets	5,118	
Other	35	(24)
Net changes in assets and liabilities:		
Decrease in accounts receivable	7,236	8,679
Increase in prepaid and other assets	(1,071)	(164)
Decrease in inventory	174	4,307
Increase/(decrease) in accounts payable and accruals and other liabilities	2,679	(3,316)
Net cash provided by operating activities	110,412	51,015
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment		36
Purchase of property, plant and equipment	(4,916)	(6,416)
Purchase of intangible assets	(205)	(72)
Net cash used in investing activities	(5,121)	(6,452)
Cash flows from financing activities:		
Net funding transfer to Elan	(105,291)	(44,563)
Net cash used in financing activities	$ (105,291)	$ (44,563)
Net increase/(decrease) in cash and cash equivalents		
Cash and cash equivalents at beginning of year		

Cash and cash equivalents at end of year

Six-month period ended June 30, 2011

Net cash provided by operating activities was $110.4 million for the six-month period ended June 30, 2011. The primary components of cash provided by operating activities in 2011 were net income (adjusted to exclude non-cash charges and gains), changes in working capital accounts and cash received from legal settlement gains of $84.5 million. The changes in working capital accounts included the decrease in accounts receivables of $7.2 million, the increase in prepaid and other assets of $1.1 million, the decrease in inventory of $0.2 million and the increase in accounts payable, accruals and other liabilities of $2.7 million. The decrease in accounts receivable of $7.2 million was primarily due to the timing of revenue receipts from

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customers. The net increase of $2.7 million in accounts payable and accruals and other liabilities was due to timing of payments before the period end.

Net cash used in investing activities was $5.1 million for the six-month period ended June 30, 2011, related to property, plant and equipment and computer software capital expenditures.

Net cash used in financing activities totaled $105.3 million for the six-month period ended June 30, 2011, reflecting the transfer in net funding to Elan.

Six-month period ended June 30, 2010

Net cash provided by operating activities was $51.0 million for the six-month period ended June 30, 2010. The primary components of cash provided by operating activities in 2010 were net income (adjusted to exclude non-cash charges and gains) and changes in working capital accounts. The changes in working capital accounts included the decrease in accounts receivables of $8.7 million, an increase in prepaid and other current assets of $0.2 million, the decrease in inventory of $4.3 million and the decrease in accounts payable and accruals and other liabilities of $3.3 million. The decrease in accounts receivable of $8.7 million was primarily due to the timing of revenue receipts from customers. The net decrease of $3.3 million in accounts payable and accruals and other liabilities was due to timing of payments before the period end.

Net cash used in investing activities was $6.5 million for the six-month period ended June 30, 2010, primarily related to property, plant and equipment capital expenditures.

Net cash used in financing activities totaled $44.6 million for the six-month period ended June 30, 2010, reflecting the transfer in net funding to Elan.

Cash Flows for the Year Ended December 31, 2010, 2009 and 2008

	Year Ended December 31,		
	2010	2009	2008
	(in thousands)		
Cash flows from operating activities:			
Net income	$ 48,889	$ 48,380	$ 60,522
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of deferred revenue	(180)	34	(2,498)
Depreciation and amortization	32,554	33,161	35,915
Share-based compensation	7,929	7,176	9,865
(Recognition)/utilization of deferred tax asset	(1,037)	224	202
Excess tax benefit from share-based compensation			(1,567)
Other		639	1,222
Net changes in assets and liabilities:			
(Increase)/decrease in accounts receivable	(1,678)	42,480	(18,855)
Decrease/(increase) in prepaid and other assets	403	(1,948)	4,655
Decrease/(increase) in inventory	8,172	(5,882)	(1,371)
Increase in accounts payable and accruals and other liabilities	4,439	3,821	2,486

Net cash provided by operating activities	99,491	128,085	90,576

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	Year Ended December 31,		
	2010	2009	2008
	(in thousands)		
Cash flows from investing activities:			
Proceeds from disposal of property, plant and equipment	44	26	
Purchase of property, plant and equipment	(15,108)	(9,774)	(11,696)
Purchase of intangible assets	(301)	(96)	(930)
Net cash used in investing activities	(15,365)	(9,844)	(12,626)
Cash flows from financing activities:			
Excess tax benefit from share-based compensation			1,567
Net funding transfer to Elan	(84,126)	(118,241)	(79,517)
Net cash used in financing activities	$ (84,126)	$ (118,241)	$ (77,950)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of year			
Cash and cash equivalents at end of year			

Year ended December 31, 2010

Net cash provided by operating activities was $99.5 million in 2010. The primary components of cash provided by operating activities in 2010 were net income (adjusted to exclude non-cash charges and benefits) and changes in working capital accounts. The changes in working capital accounts included the increase in accounts receivable of $1.7 million, the decrease in other assets of $0.4 million, the decrease in inventory of $8.2 million and the increase in accounts payable and accruals and other liabilities of $4.4 million. The increase in accounts receivable of $1.7 million was primarily due to the timing of revenue receipts from customers. The decrease in inventory of $8.2 million is due to a reduction in the finished goods inventory level. The net increase of $4.4 million in accounts payable and accruals and other liabilities was due to timing of payments before year end.

Net cash used in investing activities was $15.4 million in 2010. The major components of cash used in investing activities in 2010 included $15.1 million for property, plant and equipment capital expenditures and $0.3 million for the purchase of intangible assets, mainly computer software. As of December 31, 2010, EDT had commitments of $5.3 million for the purchase of property, plant and equipment.

Net cash used in financing activities totaled $84.1 million in 2010, reflecting the transfer in net funding to Elan.

Year ended December 31, 2009

Net cash provided by operating activities was $128.1 million in 2009. The primary components of cash provided by operating activities in 2009 were net income (adjusted to exclude non-cash charges and benefits) and changes in working capital accounts. The changes in working capital accounts included the decrease in accounts receivable of $42.5 million, the increase in other current assets of $1.9 million, the increase in inventory of $5.9 million and the

increase in accounts payable and accruals and other liabilities of $3.8 million. The decrease in accounts receivable of $42.5 million was primarily due to the timing of receipt of royalty payments from customers. In addition, the decreased revenues resulted in a lower accounts receivable balance at year end. The net increase of $3.8 million in accounts payable and accruals and other liabilities was due to timing of payments before year end.

Net cash used in investing activities was $9.8 million in 2009, primarily related to property, plant and equipment capital expenditures. As of December 31, 2009, EDT had commitments of $8.0 million for the purchase of property, plant and equipment.

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Net cash used in financing activities totaled $118.2 million in 2009, reflecting the transfer in net funding to Elan.

Year ended December 31, 2008

Net cash provided by operating activities was $90.6 million in 2008. The primary components of cash provided by operating activities in 2008 were net income (adjusted to exclude non-cash charges and benefits) and changes in working capital accounts. The changes in working capital accounts included the increase in accounts receivable of $18.9 million, the decrease in other current assets of $4.7 million, the increase in inventory of $1.4 million and the increase in accounts payable and accruals and other liabilities of $2.5 million. The increase in accounts receivable of $18.9 million was primarily due to the timing of receipt of royalty payments from customers. In addition, the increased revenues resulted in a higher accounts receivable balance at year end. The net increase of $2.5 million in accounts payable and accruals and other liabilities was due to timing of payments before year end.

Net cash used in investing activities was $12.6 million in 2008. The major components of cash used in investing activities in 2008 included $11.7 million for property, plant and equipment capital expenditures and $0.9 million for the purchase of intangible assets, mainly computer software.

Net cash used in financing activities totaled $78.0 million in 2008, primarily reflecting the transfer in net funding to Elan, partially offset by the excess tax benefit from share-based compensation.

Contractual Obligations

The following table sets out, at December 31, 2010, EDT s main contractual obligations due by period, including operating leases. These represent the major contractual, future payments that may be made by EDT. The table does not include items such as future investments in financial assets. There have been no other significant changes in EDT s contractual obligations since December 31, 2010.

	Total	Less than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
			(in thousands)		
Operating lease obligations	$ 17,291	$ 1,931	$ 3,945	$ 3,731	$ 7,684
Purchase obligations[1]	7,208	7,208			
Total contractual obligations	$ 24,499	$ 9,139	$ 3,945	$ 3,731	$ 7,684

(1) Includes all open purchase orders as of December 31, 2010 for capital and operating expenditure. Excludes capital expenditure of $2.2 million that had been authorized by the directors of Elan for EDT and had not been contracted for as of December 31, 2010.

The operating lease obligations in the table above relate primarily to the R&D facility located in King of Prussia, PA, and will be retained by Elan upon the closing.

In disposing of assets, EDT often provides customary representations, warranties and indemnities (if any) to cover various risks. EDT does not have the ability to estimate the potential liability from such indemnities because they

relate to unknown conditions. However, EDT has no reason to believe that these uncertainties would have a material adverse effect on its financial condition or results of operations.

Off-Balance Sheet Arrangements

As of June 30, 2011, EDT was not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on its financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Policies

The carve-out combined financial statements of EDT include certain estimates based on EDT s management s best judgments. Estimates are used in determining items such as the carrying amounts of long-

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lived assets, revenue recognition and share-based compensation among other items. Because of the uncertainties inherent in such estimates, actual results may differ materially from these estimates.

Long-Lived Assets and Impairment

Total property, plant and equipment had a carrying amount as of June 30, 2011 of $193.0 million, compared to $203.4 million as of December 31, 2010, $203.4 million as of June 30, 2010 and $208.7 million as of December 31, 2009, and EDT s goodwill and other intangible assets amounted to $52.8 million as of 30 June 2011, compared to $53.3 million as of December 31, 2010 and $65.2 million as of December 31, 2009.

Property, plant and equipment are depreciated using the straight line method based on the estimated useful life of each asset. Land is not depreciated as it is deemed to have an indefinite useful life. Intangible assets with estimable useful lives are amortized on a straight-line basis over their respective estimated useful lives to their estimated residual values and, as with other long-lived assets such as property, plant and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, EDT compares undiscounted cash flows expected to be generated by an asset to the carrying amount of the asset. If the carrying amount of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. EDT determines fair value using the income approach based on the present value of expected cash flows. EDT s cash flow assumptions consider historical and forecasted revenue and operating costs and other relevant factors. If EDT were to use different estimates, particularly with respect to the likelihood of R&D success, the likelihood and date of commencement of generic competition or the impact of any reorganization or change of business focus, then a material impairment charge could arise. EDT believes that it has used reasonable estimates in assessing the carrying amounts of its intangible assets.

The carrying amount of property, plant and equipment included $156.8 million as of June 30, 2011, compared to $159.8 million as of December 31, 2010 and $162.5 million as of December 31, 2009, relating to EDT s manufacturing facility in Athlone, Ireland. EDT has invested significant resources in its manufacturing facilities in Ireland to provide it with the capability to manufacture products from its product development pipeline. To the extent that EDT is not successful in developing these pipeline products or does not acquire products to be manufactured at its facilities, the carrying amount of these facilities may become impaired. As of December 31, 2010, EDT s best estimates of the likely success of development and commercialization of its pipeline products support the carrying amount of its manufacturing facilities.

Goodwill is not amortized, but is instead tested for impairment at least annually. EDT reviews its goodwill for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The goodwill impairment test is a two-step test and is performed at the reporting-unit level. EDT constitutes a single reporting unit. Under the first step, EDT compares the fair value of the reporting unit with its carrying amount, including goodwill. If the fair value of the reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired and step two does not need to be performed. If the carrying amount of the reporting unit exceeds its fair value, the second step of the goodwill impairment test would be performed to measure the amount of impairment charge, if any.

The second step of the goodwill impairment test compares the implied fair value of the reporting-unit goodwill with the carrying amount of that goodwill, and any excess of the carrying amount over the implied fair value is recognized as an impairment charge. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination is determined, by allocating the fair value of the reporting unit to individual assets and liabilities. The excess of the fair value of the reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. In evaluating goodwill for impairment, EDT determines the

fair values of the reporting unit using the income approach, based on the present value of expected cash flows. EDT completed the annual goodwill impairment test on September 30 of each year and the result of its tests did not indicate any impairment in 2010 or 2009.

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There were no impairment charges relating to EDT s property, plant and equipment or intangible assets in 2010 or 2009.

Revenue Recognition

EDT recognizes revenue from the sale of its products, royalties earned and contract arrangements. Upfront fees received by EDT are deferred and amortized when there is a significant continuing involvement by EDT (such as an ongoing product manufacturing contract or joint development activities) after an asset disposal. EDT defers and amortizes up-front license fees to the income statement over the performance period. The performance period is the period over which EDT expects to provide services to the licensee as determined by the contract provisions. Generally, milestone payments are recognized when earned and nonrefundable, and when EDT has no future legal obligation pursuant to the payment. However, the actual accounting for milestones depends on the facts and circumstances of each contract. EDT applies the substantive milestone method in accounting for milestone payments. This method requires that substantive effort must have been applied to achieve the milestone prior to revenue recognition. If substantive effort has been applied, the milestone is recognized as revenue, subject to it being earned, non-refundable and not subject to future legal obligation. This requires an examination of the facts and circumstances of each contract. Substantive effort may be demonstrated by various factors, including the risks associated with achieving the milestone, the period of time over which effort was expended to achieve the milestone, the economic basis for the milestone payment and licensing arrangement and the costs and staffing to achieve the milestone. It is expected that the substantive milestone method will be appropriate for most contracts. If EDT determines the substantive milestone method is not appropriate, EDT applies the proportional performance method to the relevant contract. This method recognizes as revenue the percentage of cumulative non-refundable cash payments earned under the contract, based on the percentage of costs incurred to date compared to the total costs expected under the contract.

Share-Based Compensation

Elan sponsors certain equity award plans in which certain employees of EDT participate. The share-based payment expense funded by Elan represents share-based compensation expenses, allocated to EDT, based on actual EDT employees participating in the Elan plans.

Share-based compensation expense for all equity-settled awards made to EDT employees is measured and recognized based on estimated grant date fair values. These awards include employee stock options, restricted stock units, which are referred in this proxy statement/prospectus as RSUs, and stock purchases related to Elan s employee equity purchase plans, which is referred to in this proxy statement/prospectus as EEPPs. Share-based compensation cost for RSUs awarded to EDT employees is measured based on the closing fair market value of Elan s common stock on the date of grant. Share-based compensation cost for stock options awarded to EDT employees and common stock issued under EEPPs is estimated at the grant date based on each option s fair value as calculated using an option-pricing model. The value of awards expected to vest is recognized as an expense over the requisite service periods.

Estimating the fair value of share-based awards at grant or vest date using an option-pricing model, such as the binomial model, is affected by EDT s share price as well as assumptions regarding a number of complex variables. These variables include, but are not limited to, the expected share price volatility over the term of the awards, risk-free interest rates, and actual and projected employee exercise behaviors. If factors change and/or different assumptions are employed in estimating the fair value of share-based awards in future periods, the compensation expense recorded for future grants may differ significantly from what has been recorded in the carve-out combined financial statements of EDT. However, management believes that reasonable assumptions have been used to estimate the fair value of the share-based awards.

For additional information on share-based compensation, please refer to Note 16 to the carve-out combined financial statements of EDT, which are included elsewhere in this proxy statement/prospectus.

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Quantitative and Qualitative Disclosures About Financial Risk

Overview

EDT is exposed to various financial risks arising in the normal course of business. As discussed in Note 2(a) to the carve-out combined financial statements of EDT, Elan uses a centralized approach to manage substantially all of its liquid resources and to finance its operations and, as a result, debt and liquid resources maintained at the Elan group level are not included in the carve-out combined financial statements of EDT. Therefore, EDT s financial risk exposures primarily relate to accounts receivable and accounts payable, the impact of changes in foreign exchange rates and the creditworthiness of its counterparties.

As part of the Elan group, EDT has historically managed its financial risk exposures through the use of derivative financial instruments, where appropriate. A derivative is a financial instrument or other contract whose value changes in response to a change in some underlying variable that has an initial net investment smaller than would be required for other instruments that have a similar response to the variable and that will be settled at a later date. EDT does not enter into derivatives for trading or speculative purposes. All derivative contracts entered into are in liquid markets with credit-approved parties. The treasury function operates within strict terms of reference that have been approved by the directors of Elan.

There have been no material changes to EDT s financial risks during the six-month period ended June 30, 2011, and EDT does not anticipate any near-term changes in the nature of its financial; risk exposures or in its management s objectives and strategies with respect to managing such exposures.

Exchange Rate Exposures

EDT is a multinational business operating in a number of countries and the U.S. dollar is the primary currency in which EDT conducts business. The principal foreign currency risk to which EDT is exposed relates to movements in the exchange rate of the U.S. dollar against the Euro. The main exposures are net costs in Euro arising from a manufacturing and research presence in Ireland and the sourcing of raw materials in European markets.

The U.S. dollar is used for planning and budgetary purposes and is the functional and reporting currency for financial reporting. EDT does, however, have costs, assets and liabilities denominated in currencies other than U.S. dollars. Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. The resulting monetary assets and liabilities are translated into the appropriate functional currency at exchange rates prevailing at the balance sheet date and the resulting gains and losses are recognized in the carve-out combined statement of operations of EDT. Consequently, where appropriate, EDT enters into forward contracts to manage its non-U.S. dollar foreign exchange risks and reduce exposures to market fluctuations in foreign exchange rates. EDT does not enter into derivative financial instruments for trading or speculative purposes. All forward contracts entered into are in liquid markets with credit-approved parties. The treasury function operates within strict terms of reference that are determined by Elan directors from time to time. During 2010, EDT entered into forward foreign exchange contracts that required EDT to sell U.S. dollars for Euro and sell Euro for U.S. dollars. These forward contracts expired during 2010 and there were no forward contracts outstanding as of December 31, 2010. EDT did not enter into any forward contracts or other derivative instruments during 2009. EDT recorded a net loss of $0.1 million on the forward exchange contracts during 2010, compared to no gain or loss in 2009 or 2008.

The table below shows EDT s foreign currency exposure. Such exposure comprises the monetary liabilities that are not denominated in U.S. dollars. These exposures were as follows:

	Year Ended December 31,		
	2010	2009	2008
	(in thousands)		
Euro	$ 10,224	$ 8,020	$ 11,922
Sterling		396	280
Total	$ 10,224	$ 8,416	$ 12,202

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A 10% strengthening of the U.S. dollar against the following currencies in which EDT held monetary balances, would have increased net income by the amounts shown below for the years ended December 31. This analysis assumes that all other variables, including interest rates, remain constant.

	Year Ended December 31,		
	2010	2009	2008
	(in thousands)		
Euro	$ 1,022	$ 842	$ 1,220
Sterling			

A 10% weakening of the U.S. dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

There have been no material changes in EDT s assessment of its sensitivity to foreign currency exchange rate risk during the six-month period ended June 30, 2011.

Credit Risk

EDT transacts its business with counterparties that it considers to have a low credit risk. Credit limits are established commensurate with the credit rating of the financial institution that business is being transacted with. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the carve-out combined balance sheet of EDT.

For customers, EDT has a credit policy in place which involves credit evaluation and ongoing account monitoring. There is a significant concentration of credit risk given that EDT s top three customers account, in aggregate, for 61.1% of its gross accounts receivable balance as of December 31, 2010, compared to 54.3% as of December 31, 2009. However, EDT does not believe the credit risk in relation to these three customers or its other customers is significant.

There have been no material changes in EDT s assessment of credit risk during the six-month period ended June 30, 2011.

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UNAUDITED PRO FORMA FINANCIAL DATA

New Alkermes Unaudited Pro Forma Condensed Combined Financial Data

The following unaudited pro forma condensed combined financial data give effect to the merger of Alkermes with a wholly-owned subsidiary of New Alkermes (which will be the parent of Alkermes immediately following the merger) in a transaction to be accounted for as a reverse acquisition with Alkermes treated as the accounting acquirer. Alkermes is considered the accounting acquirer even though New Alkermes will be the issuer of ordinary shares in the transaction based in part on the fact that upon completion of the merger, Alkermes stockholders will retain approximately 75% ownership of the combined entity, and a subsidiary of Elan will own the remaining approximately 25% of the outstanding ordinary shares of New Alkermes on a fully diluted basis.

Alkermes fiscal year ends on March 31 and EDT s fiscal year ends on December 31. New Alkermes is expected to have a fiscal year end of March 31. The unaudited pro forma condensed combined balance sheet at June 30, 2011 is based on the individual historical consolidated balance sheets of Alkermes and the carve-out combined financial statements of EDT as of June 30, 2011 and has been prepared to reflect the merger of Alkermes and a wholly owned subsidiary of New Alkermes as if it had occurred on June 30, 2011. The unaudited pro forma condensed combined statement of operations for the year ended March 31, 2011 is based on the historical consolidated statement of operations of Alkermes and the carve-out combined financial statements of EDT and combines the results of operations of Alkermes and EDT for the fiscal years ended March 31, 2011 and December 31, 2010, respectively. The unaudited pro forma condensed combined statement of operations for the three months ended June 30, 2011 is based on the historical consolidated statement of operations of Alkermes and is derived from the financial books and records of EDT and combines the results of operations of Alkermes and EDT for the three months ended June 30, 2011. Both pro forma statements of operations give effect to the merger as if it had occurred on April 1, 2010, reflecting only pro forma adjustments expected to have a continuing impact on the combined results.

These unaudited pro forma condensed combined financial data are for informational purposes only. They do not purport to indicate the results that would have actually been obtained had the merger been completed on the assumed date or for the periods presented, or which may be realized in the future. To produce the pro forma financial data, Alkermes allocated the purchase price using its best estimates of fair value. These estimates are based on the most recently available information. To the extent there are significant changes to EDT s business, the assumptions and estimates herein could change significantly. The allocation is dependent upon certain valuation and other studies that are not yet final. Accordingly, the pro forma purchase price adjustments are preliminary and subject to further adjustments as additional information becomes available and as additional analyses are performed. Upon completion of the transaction, final valuations will be performed. There can be no assurances that these final valuations will not result in material changes to the purchase price allocation. Furthermore, the parties expect to have reorganization and restructuring expenses as well as potential operating efficiencies as a result of combining the companies. The pro forma financial data do not reflect these potential expenses and efficiencies. The unaudited pro forma condensed combined financial data should be read in conjunction with *Management s Discussion and Analysis of Financial Condition and Results of Operations* and the historical financial statements, including the related notes thereto, of Alkermes and EDT covering these periods, incorporated by reference in, or included in this proxy statement/prospectus. See *Where You Can Find More Information* for more information.

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Unaudited Pro Forma Condensed Combined Balance Sheet

	Alkermes June 30, 2011	EDT June 30, 2011	Pro Forma Adjustments (in thousands)	Notes	New Alkermes Pro Forma Combined
		ASSETS			
CURRENT ASSETS:					
Cash and cash equivalents	$ 35,947	$	$		$ 35,947
Investments short-term	211,796		(50,000)	(A)	161,796
Receivables	34,584	52,794	(75)	(M)	87,303
Inventory	17,569	18,122	5,320	(C)	41,011
Deferred tax assets current		5,680	(5,680)	(L)	
Prepaid expenses and other current assets	8,489	4,117	(363)	(M)	12,243
Total Current Assets	308,385	80,713	(50,798)		338,300
INTANGIBLE ASSETS, NET		3,106	713,100	(D)	713,100
			(3,106)	(H)	
PROPERTY, PLANT AND EQUIPMENT, NET	94,332	192,964	13,277	(C)	303,512
			2,939	(M)	
INVESTMENTS LONG-TERM	37,637				37,637
GOODWILL		49,684	118,182	(D)	118,182
			(49,684)	(H)	
OTHER ASSETS	10,882	6,998	10,825	(B)	26,592
			(1,913)	(L)	
			(200)	(M)	
TOTAL ASSETS	$ 451,236	$ 333,465	$ 752,622		$ 1,537,323
		LIABILITIES AND SHAREHOLDERS EQUITY			
CURRENT LIABILITIES:					
Accounts payable and accrued expenses	$ 41,621	$ 32,111	$ 10,825	(B)	$ 71,757
			(12,800)	(M)	
Deferred revenue current	3,905	263	(263)	(I)	3,905
Deferred tax liability current			484	(L)	484
Total current liabilities	45,526	32,374	(1,754)		76,146
DEBT LONG-TERM			450,000	(B)	450,000
DEFERRED REVENUE LONG-TERM	4,529				4,529
DEFERRED TAX LIABILITY			50,354	(L)	50,354
OTHER LONG-TERM LIABILITIES	7,292	7,979	(6,339)	(K)	8,302

			(630)	**(M)**	
TOTAL LIABILITIES	57,347	40,353	491,631		589,331
SHAREHOLDERS EQUITY:					
Common stock	1,067		319	**(A)**	1,386
Non-voting common stock	4				4
Treasury stock, at cost	(133,933)				(133,933)
Additional paid-in capital	953,701	293,112	553,784	**(A)**	1,507,485
			(293,112)	**(J)**	
Accumulated other comprehensive loss	(2,484)				(2,484)
Accumulated deficit	(424,466)				(424,466)
TOTAL SHAREHOLDERS EQUITY	393,889	293,112	260,991		947,992
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	$ 451,236	$ 333,465	$ 752,622		$ 1,537,323

See the accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements, which are an integral part of these statements.

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Unaudited Pro Forma Condensed Combined Statement of Operations

	Twelve Months Ended EDT				
	Alkermes March 31, 2011	December 31, 2010	Pro Forma Adjustments	Notes	New Alkermes Pro Forma Combined
			(in thousands)		
REVENUES:					
Manufacturing revenues	$ 118,521	$ 170,034	$		$ 288,555
Royalty revenues	38,319	91,386			129,705
Product sales, net	28,920				28,920
Research and development revenue	880	12,699			13,579
Total revenues	186,640	274,119			460,759
EXPENSES:					
Cost of goods manufactured and sold	52,185	118,379			165,012
			6,102	**(G)**	
			(11,654)	**(H)**	
Research and development	97,239	53,579	(513)	**(H)**	135,181
			(15,124)	**(M)**	
Selling, general and administrative	82,847	38,933	(1,115)	**(F)**	116,311
			(18)	**(H)**	
			(4,336)	**(M)**	
Amortization of intangible assets			45,958	**(E)**	45,958
Restructuring		2,300			2,300
Total Expenses	232,271	213,191	19,300		464,762
OPERATING (LOSS) INCOME	(45,631)	60,928	(19,300)		(4,003)
OTHER (EXPENSE) INCOME:					
Interest income	2,728				2,728
Interest expense	(3,298)		(34,200)	**(B)**	(39,663)
			(2,165)	**(B)**	
Other (expense) income, net	(290)	575			285
Total other expense, net	(860)	575	(36,365)		(36,650)
(LOSS) INCOME BEFORE INCOME TAXES	(46,491)	61,503	(55,665)		(40,653)
(BENEFIT) PROVISION FOR INCOME TAXES	(951)	12,614	(12,507)	**(L)**	(844)
NET (LOSS) INCOME	$ (45,540)	$ 48,889	$ (43,158)		$ (39,809)

(LOSS) PER COMMON SHARE:								
BASIC	$	(0.48)	$	$	(1.35)		$	(0.31)
DILUTED	$	(0.48)	$	$	(1.35)		$	(0.31)
SHARES USED IN CALCULATING BASIC AND DILUTED LOSS PER COMMON SHARE		95,610			31,900	**(A)**		127,510

See the accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements, which are an integral part of these statements.

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Unaudited Pro Forma Condensed Combined Statement of Operations

	Three Months Ended				
	Alkermes June 30, 2011	EDT June 30, 2011	Pro Forma Adjustments (in thousands)	Notes	New Alkermes Pro Forma Combined
REVENUES:					
Manufacturing revenues	$ 38,759	$ 54,422	$		$ 93,181
Royalty revenues	10,181	6,121			16,302
Product sales, net	9,686				9,686
Research and development revenue	3,257	2,411			5,668
Total revenues	61,883	62,954			124,837
EXPENSES:					
Cost of goods manufactured and sold	16,219	27,244			44,775
			1,525	(G)	
			(213)	(H)	
Research and development	28,050	12,008	(170)	(H)	36,532
			(3,356)	(M)	
Selling, general and administrative	31,497	8,721	(9,487)	(F)	30,014
			(8)	(H)	
			(709)	(M)	
Amortization of intangible assets			13,900	(E)	13,900
Legal settlement gain		(6,500)			(6,500)
Restructuring		15,097	(15,097)	(M)	
Total Expenses	75,766	56,570	(13,615)		118,721
OPERATING (LOSS) INCOME	(13,883)	6,384	13,615		6,116
OTHER INCOME (EXPENSE):					
Interest income	502				502
Interest expense			(8,550)	(B)	(9,091)
			(541)	(B)	
Other income (expense), net	89	(259)			(170)
Total other income (expense), net	591	(259)	(9,091)		(8,759)
(LOSS) INCOME BEFORE INCOME TAXES	(13,292)	6,125	4,524		(2,643)
	(54)	1,765	(1,407)	(L)	304

(BENEFIT) PROVISION FOR INCOME TAXES								
NET (LOSS) INCOME	$	(13,238)	$	4,360	$	5,931		$ (2,947)
(LOSS) PER COMMON SHARE:								
BASIC	$	(0.14)	$		$	0.19		$ (0.02)
DILUTED	$	(0.14)	$		$	0.19		$ (0.02)
SHARES USED IN CALCULATING BASIC AND DILUTED LOSS PER COMMON SHARE		96,649				31,900	**(A)**	128,549

See the accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements, which are an integral part of these statements.

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1. Description of Transaction and Basis of Presentation

On May 9, 2011, Elan and Alkermes entered into the merger agreement to combine the business of Alkermes with EDT, in a transaction to be accounted for as a business combination under U.S. GAAP, with Alkermes treated as the accounting acquirer. Under the acquisition method of accounting, the assets and liabilities of EDT will be recorded as of the acquisition date at their fair values and added to those of Alkermes. Under the terms of the agreement, the businesses will be combined under a new holding company incorporated in Ireland that will be re-registered in Ireland as a public limited company, and renamed Alkermes plc, at or prior to the consummation of the merger. The transaction was approved by the board of directors of both Elan and Alkermes. At the closing of the transaction, Elan will receive $500 million in cash and own 31,900,000 New Alkermes ordinary shares. Alkermes has obtained a commitment from MSSF and HSBC to provide up to $450 million in term loan financing to finance the transaction.

2. Purchase Price

A preliminary estimate of the purchase price is as follows (table in thousands):

Upfront payment in accordance with agreement	$ 500,000
Equity consideration in accordance with agreement	554,103
Total estimated purchase price	$ 1,054,103

The fair value of the Alkermes shares used in the determination of the purchase price was $17.37 per share based on the closing price of Alkermes common stock on July 28, 2011. The final purchase price will be updated for the fair value of Alkermes shares upon the date of issuance. The estimated purchase price has been allocated, on a preliminary basis, to the acquired tangible and intangible assets and liabilities assumed based on their estimated fair values as of June 30, 2011 (table in thousands):

Receivables	$ 52,719
Inventory	23,442
Prepaid expenses and other assets	3,754
Property plant and equipment	209,180
Acquired identifiable intangible assets, net	713,100
Goodwill	118,182
Other assets	4,885
Accounts payable and accrued expenses	(19,311)
Deferred tax liabilities	(50,838)
Other long-term liabilities	(1,010)
Total	$ 1,054,103

The allocation of the purchase price is preliminary. The final determination of the purchase price allocation will be based on the fair values of assets acquired, including the fair values of in-process research and development, other identifiable intangible assets and the fair values of liabilities assumed as of the date that the merger is consummated. The excess of the purchase price over the fair value of assets acquired and liabilities assumed is allocated to goodwill.

The purchase price allocation will remain preliminary until a final valuation of significant identifiable intangible assets acquired (including in-process research and development) is completed and the fair values of other assets acquired and liabilities assumed is determined. The final determination of the purchase price allocation is expected to be completed as soon as practicable after consummation of the merger. The final amounts allocated to assets acquired and liabilities assumed could differ significantly from the amounts presented in the unaudited pro forma condensed combined financial statements.

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The amount allocated to acquired identifiable intangible assets has been attributed to the following categories (table in thousands):

Collaboration agreements	$ 510,300
NanoCrystal® technology	76,300
Oral Controlled Release (OCR) technology	69,000
In-process research and development	54,300
Trademark	3,200
Total	$ 713,100

The estimated fair value attributed to collaboration agreements was determined based on a discounted forecast of the estimated net future cash flows to be generated from the collaboration agreements. The estimated fair value attributed to collaboration agreements will be amortized over 12 years based upon the expected period of economic benefit using a pattern in which the economic benefits of the collaboration agreements are consumed.

The estimated fair value attributed to the *NanoCrystal* technology was determined based on a discounted forecast of the estimated net future cash flows to be generated from the technology. The estimated fair value attributed to the *NanoCrystal* technology will be amortized over 13 years based upon the expected period of economic benefit using a pattern in which the economic benefits of the technology are consumed.

The estimated fair value attributed to the OCR technology was determined based on a discounted forecast of the estimated net future cash flows to be generated from the technology. The estimated fair value attributed to the OCR technology will be amortized over 12 years based upon the expected period of economic benefit using a pattern in which the economic benefits of the technology are consumed.

The amount allocated to in-process research and development represents an estimate of the fair value of purchased in-process research projects that, as of the expected closing date of the business combination, will not have reached technological feasibility and have no alternative future use. Only those research projects that had advanced to a stage of development where management believed reasonable net future cash flow forecasts could be prepared and a reasonable likelihood of technical success existed were included in the estimated fair value. The estimated fair value of the in-process research and development was determined using market participant assumptions and capitalized as an indefinite-lived intangible asset. The capitalized research and development assets will be amortized in future periods or impaired, depending upon the ability of Alkermes to use the acquired research and development in the post-combination period.

The estimated fair value attributed to the EDT trademarks was determined based on a discounted forecast of the estimated net future cash flows to be generated from the trademark. The estimated fair value attributed to the trademark will be amortized over a one year period on a straight-line basis (no other method was deemed preferable), which is the estimated useful life of the trademark from the expected closing date of the business combination.

3. Pro Forma Adjustments

(A) To record the fair value of 31,900,000 ordinary shares of New Alkermes issued based on the closing price of Alkermes common stock of $17.37 per share on July 28, 2011 to be owned by the Elan Shareholder and $500.0 million of cash and investments used to purchase EDT, net of proceeds from anticipated borrowings. The final

purchase price will be updated for the fair value of Alkermes shares upon the date of issuance.

(B) To record the issuance of $450.0 million of long-term debt with a scheduled repayment period of five years at an interest rate of approximately 7.6% per year. Included in the issuance of long-term debt are debt financing costs of $10.8 million that are capitalized within other assets and are being amortized over the debt repayment term on an effective interest rate basis.

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(C) To record the step-up in fair value of inventory and fixed assets acquired. The expense related to the inventory step-up in fair value of $5.3 million has not been included as an adjustment to cost of goods manufactured and sold in the pro forma statement of operations as its impact is not expected to extend beyond the twelve month period following the closing date of the merger.

(D) To record the estimated fair value of intangible assets and goodwill acquired in the merger.

(E) To reflect the amortization of acquired intangible assets over the expected period of economic benefit using a pattern in which the economic benefits of the acquired intangible assets are consumed.

(F) To reflect the reversal of costs related to the merger incurred by Alkermes during the year ended March 31, 2011 and three months ended June 30, 2011.

(G) To reflect the depreciation expense related to the step-up of the personal property acquired from EDT.

(H) To eliminate goodwill and intangible assets from EDT s historical balance sheet. Amortization expense related to the intangible assets of EDT has been eliminated from cost of goods manufactured and sold, research and development and SG&A expense in the pro forma statement of operations as this expense will not be recurring.

(I) To eliminate deferred revenue from EDT s historical balance sheet.

(J) To eliminate invested equity in EDT from EDT s historical balance sheet.

(K) To eliminate pension liability from EDT s historical balance sheet as this liability will not be assumed by Alkermes as part of the transaction.

(L) To eliminate the deferred taxes from EDT s historical balance sheet and record an adjustment to income taxes to reflect the merger of the companies as if the transaction had occurred on April 1, 2010. The statements do not reflect an income tax provision on EDT s U.S. income as there is a consolidated U.S. loss, and all deferred tax assets are offset by a full valuation allowance.

(M) To record the acquisition of approximately $3.0 million of certain fixed assets located at EDT s King of Prussia, Pennsylvania facility and the elimination of assets, liabilities and certain non-recurring costs generated from the activities at EDT s King of Prussia, Pennsylvania facility that were not acquired by Alkermes as part of the transaction.

4. Forward-Looking Statements

The statements contained in this section may be deemed to be forward-looking statements within the meaning of Section 21E of the Exchange Act and Section 27A of the Securities Act. Forward-looking statements are typically identified by the words believe, expect, anticipate, intend, estimate and similar expressions. These forward-look statements are based largely on management s expectations and are subject to a number of uncertainties. Actual results could differ materially from these forward-looking statements. Neither EDT nor Alkermes undertakes any obligation to update publicly or revise any forward-looking statements. For a more complete discussion of the risks and uncertainties which may affect such forward-looking statements, please refer to the section entitled *Cautionary Statement Regarding Forward-Looking Statements* on page 30.

5. Comparative Per Share Data

The following table sets forth selected historical share information of Alkermes and unaudited pro forma share information after giving effect to the business combination between EDT and Alkermes, assuming a weighted average of 95,610 thousand shares of Alkermes common stock outstanding as of March 31, 2011, a weighted average of 96,649 thousand shares of Alkermes common stock outstanding as of June 30, 2011, and 31,900 thousand ordinary shares of New Alkermes issued in connection with the business combination. Per

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share data for EDT are not presented because it did not have outstanding capital stock since its historical financial information has been prepared on a carve-out basis.

You should read this information in conjunction with the selected historical financial information, the unaudited pro forma condensed combined financial statements and the separate historical financial statements of EDT and Alkermes and the notes thereto included elsewhere in this proxy statement/prospectus. The historical share information is derived from audited consolidated financial statements of Alkermes as of and for the year ended March 31, 2011 and unaudited condensed consolidated financial statements of Alkermes as of and for the three months ended June 30, 2011. The amounts set forth below are in thousands of dollars, except per share amounts, which are in thousands of shares. The unaudited pro forma condensed combined financial statements are not necessarily indicative of the operating results or financial position that would have been achieved had the merger been consummated at the beginning of the period presented and should not be construed as representative of future operations.

	Alkermes Year Ended March 31, 2011		Alkermes Three Months Ended June 30, 2011	
	Historical	**Pro Forma**	**Historical**	**Pro Forma**
(LOSS) PER COMMON SHARE:				
BASIC	$ (0.48)	$ (0.31)	$ (0.14)	$ (0.02)
DILUTED	$ (0.48)	$ (0.31)	$ (0.14)	$ (0.02)
SHARES USED IN CALCULATING BASIC AND DILUTED LOSS PER COMMON SHARE	95,610	127,510	96,649	128,549

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THE BUSINESS OF ALKERMES

The following discussion contains forward-looking statements. Actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ materially from those projected in the forward-looking statements include, but are not limited to, those discussed in Risk Factors and elsewhere in this proxy statement/prospectus. A description of the business of Alkermes can be found in the Alkermes Annual Report on Form 10-K for the fiscal year ended March 31, 2011, filed with the SEC on May 20, 2011, as amended, which is incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information. See also Cautionary Statement Regarding Forward-Looking Statements.

Overview

Alkermes is a Pennsylvania corporation which was formed on July 13, 1987 and which is currently listed on NASDAQ under the ticker symbol ALKS. A fully integrated biotechnology company, Alkermes is committed to developing innovative medicines to improve patients lives. Alkermes developed, manufactures and commercializes *Vivitrol* for alcohol and opioid dependence and manufactures *Risperdal Consta* for schizophrenia and bipolar I disorder. *Vivitrol* is a registered trademark of Alkermes and *Risperdal Consta* is a registered trademark of Johnson & Johnson Corporation, which is referred to in this proxy statement/prospectus as J&J. Alkermes robust pipeline includes extended-release injectable and oral products for the treatment of prevalent, chronic diseases, such as central nervous system disorders, addiction and diabetes. Headquartered in Waltham, Massachusetts, Alkermes has a research facility in Massachusetts and a commercial manufacturing facility in Ohio. Alkermes leverages its formulation expertise and proprietary product platforms to develop, both with partners and on its own, innovative and competitively advantaged medications that can enhance patient outcomes in major therapeutic areas.

Alkermes Strategy

Alkermes leverages its formulation expertise and proprietary product platforms to develop, both with partners and on its own, innovative and competitively advantaged medications that can enhance patient outcomes in major therapeutic areas. Alkermes enters into select collaborations with pharmaceutical and biotechnology companies to develop significant new product candidates, based on existing drugs and incorporating its proprietary product platforms. In addition, Alkermes applies its innovative formulation expertise and drug development capabilities to create its own new, proprietary pharmaceutical products.

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THE BUSINESS OF EDT

The following discussion contains forward-looking statements. Actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ materially from those projected in the forward-looking statements include, but are not limited to, those discussed in Risk Factors and elsewhere in this prospectus/proxy statement. See also Cautionary Statement Regarding Forward-Looking Statements.

General

EDT develops and manufactures innovative pharmaceutical products that provide clinical benefits to patients, leveraging EDT s experience and proprietary technologies for its own account in collaboration with pharmaceutical companies worldwide. Since the inception of its business in Ireland in 1969, EDT has focused its drug development efforts on improved therapeutic outcomes through the use of its proprietary technologies. EDT has substantial business activities in Ireland and the United States, with manufacturing facilities located in each country. During 2010, EDT employed approximately 667 people, with over 400 located in Ireland. EDT s two principal drug technologies are the OCR platform and the bioavailability enhancement platform, which includes EDT s *NanoCrystal* technology. *NanoCrystal* is a registered trademark of Elan Pharma International Limited. EDT s portfolio includes products marketed by EDT collaborators and products in clinical development.

EDT is an established, profitable business that has applied its skills and knowledge to develop innovative medications that have been marketed worldwide. To date, EDT s drug delivery technologies have been commercialized in over 30 products around the world, contributing to annual end-user sales of approximately $3 billion in 2010. Since 2001, EDT s technologies have been incorporated and subsequently commercialized in 12 products in the United States.

EDT s original business model was based on advancing proprietary product concepts to a later stage of development for out-licensing to pharmaceutical collaborators. Today, EDT s strategic focus is on developing proprietary products, while continuing to leverage its technologies and capabilities through product development on behalf of its pharmaceutical collaborators. EDT s most advanced proprietary product is the post-operative pain product Meloxicam IV, which has recently completed Phase 2B studies.

EDT generates revenue from two sources: manufacturing and royalty fees from licensed products (approximately 95.4% of EDT revenues in 2010) and contract revenues relating to R&D services, license fees and milestones (4.6% of EDT revenues in 2010). EDT receives royalties and manufacturing fees on products that, as a share of in-market sales, range from percentages in the single digits to the high teens. During 2010, EDT generated $274.1 million (2009: $275.9 million; 2008: $301.6 million) in revenue and operating income of $60.9 million (2009: $71.1 million; 2008: $85.8 million). The EDT revenue portfolio is transitioning from several legacy products to recently approved products such as *Ampyra* and *Invega Sustenna*.

EDT believes it is among the world s leaders in drug formulation and development due to its profitability, proprietary and partnered clinical development pipeline and, multiple preclinical programs. EDT is a division of Elan headquartered in Dublin, Ireland. Prior to the merger, EDT will be carved out of Elan and reorganized under New Alkermes.

Recent Events

In March 2010, EDT s collaborator Acorda launched *Ampyra* following its approval by the FDA in January 2010 as a treatment to improve walking speed in patients with MS. *Ampyra*, a prolonged-release tablet of dalfampridine, is a registered trademark of Acorda and is marketed and distributed in the United States by Acorda. Acorda sub-licensed to Biogen Idec the commercial rights to *Ampyra* outside the United States, where the product is called *Fampyra.* *Fampyra* is a registered trademark (European Union) of Acorda.

Ampyra is the first NDA approved by the FDA for a product using EDT s *MXDAS* (matrix drug absorption system) technology and is the first medicine approved by the FDA indicated to improve walking speed in people with MS.

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In January 2011, the CHMP issued a negative opinion, recommending against approval of *Fampyra*. Biogen Idec appealed this opinion and requested a re-examiniation of the decision of the CHMP. In May 2011, Biogen Idec announced that *Fampyra* had been granted a positive opinion for conditional approval from CHMP. Biogen Idec also received marketing approval for *Fampyra* in Australia in May 2011, as well as a notice of deficiency from Health Canada in March 2011 for Biogen Idec s application to sell *Fampyra* in Canada. On July 25, 2011, Biogen Idec announced that it had received conditional approval of the European Commission to market *Fampyra* in the European Union. EDT has the right to manufacture supplies of *Ampyra*/*Fampyra* for the global market at its Athlone, Ireland facility.

In March 2011, EDT s collaborator Janssen announced the approval of *Xeplion* (paliperidone palimtate), a once monthly atypical antipsychotic injection, by the European Commission. *Xeplion* is the first injectable product using EDT s *NanoCrystal* technology that has been approved by the European Commission. *Xeplion* is a registered trademark (European Union) of J&J and is marketed by Janssen in the United States under the name *Invega Sustenna*, which is also a registered trademark of J&J.

In 2010, one of EDT s collaborators, Zogenix, progressed the hydrocodone ER product ZX002 into two Phase 3 clinical trials and expects to announce top line results from those clinical trials in the third quarter of 2011. ZX002 is a single agent controlled release formulation of hydrocodone. ZX002 was developed by EDT using *SODAS*, technology and is in clinical trials for the treatment of moderate to severe chronic pain in individuals who require continuous opioid treatment for pain management. Pending positive clinical results, Zogenix expects to submit an NDA to the FDA by early 2012. If approved, ZX002 has the potential to be the first oral controlled-release version of hydrocodone and also the first hydrocodone product that is not combined with another analgesic. This novel formulation has the potential to address safety concerns identified by the FDA regarding the use of certain combination prescription pain products that contain acetaminophen, which can cause liver toxicity at high doses over time. In May 2011, EDT licensed marketing and distribution rights of ZX002 for the Canadian market to Paladin Labs.

In addition to licensed products, EDT also manufactures products that do not incorporate EDT s proprietary technologies. In October 2010, EDT formally launched its Manufacturing Services as a separate line of business, building on over 40 years experience and innovation in developing and manufacturing complex products. Since then, EDT has entered into a number of new agreements whereby it will tech-transfer, scale-up and manufacture third-party products.

Other recent advances include regulatory approvals for new strengths for Novartis *Focalin XR* (25mg and 35mg) in the United States as well as the filing of *Morphelan* and megestrol acetate oral suspension in the United Kingdom. *Focalin XR* is a registered trademark of Novartis and *Morphelan* is a registered trademark (European Union) of Elan Pharma International Limited.

EDT s Business Strategy

EDT is focused on growing its product portfolio and pipeline, enabled by its strong development capabilities, product technologies and manufacturing expertise. EDT s strategic focus is on developing proprietary products, while continuing to leverage its technologies and capabilities through product development on behalf of its pharmaceutical collaborators.

Key Technologies

EDT has a unique platform of validated technologies, including OCR (e.g., oral delayed release and pulsatile release delivery systems), as well as technology solutions for poorly water-soluble compounds, such as *NanoCrystal* technology, which are supported by its patent estate. EDT has a complete range of capabilities from formulation development through to commercial-scale manufacture in modern facilities. A significant feature of EDT s *NanoCrystal* and OCR technology platforms is that they can be combined to produce therapeutic benefits, as described in *The Business of EDT Intellectual Property.*

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NanoCrystal Technology

EDT s *NanoCrystal* technology is applicable to poorly water-soluble compounds. *NanoCrystal* technology involves formulating and stabilizing drugs into particles that are nanometers in size. A drug in *NanoCrystal* form can be incorporated into common dosage forms, including tablets, capsules, inhalation devices, and sterile forms for injection, with the potential for substantial improvements in patient outcomes.

EDT s *NanoCrystal* technology is applicable to all dosage forms and has been manufactured on a commercial scale since 2001. Five licensed products using EDT s *NanoCrystal* technology have been launched to date, achieving over $1.9 billion in-market sales in 2010, with more than 20 other compounds at various stages of development.

The potential benefits of applying the *NanoCrystal* technology for existing and new products include:

enhancing oral bioavailability;

increased therapeutic effectiveness;

reducing/eliminating fed/fasted variability;

sustaining duration of IV/IM release; and

optimizing delivery.

The marketed products that incorporate EDT s *NanoCrystal* technology are as follows:

Marketer	Product	Trademark Registered by	Indication	Territory
Merck Inc.	*Emend*	Merck Sharp & Dohme Corporation	Nausea post chemo	All major territories worldwide
Pfizer Inc.	*Rapamune*	Wyeth LLC	Transplant rejection	All major territories worldwide
Par Pharmaceuticals (Strativa)	*Megace ES*	E.R. Squibb & Sons L.L.C.	Cachexia	U.S.
Abbott Labs	*TriCor 145* *Lipanthyl®*	Fournier Industrie et. Sante (S.A.S.)	Cholesterol reduction	U.S. Certain European territories
Janssen	*Invega Sustenna* *Xeplion*	Johnson & Johnson Corporation	Schizophrenia	U.S. EU

These products and other products under development cover a range of dosage forms and administration routes (e.g., solid oral, liquid oral and long acting depot injection). EDT s *NanoCrystal* technology has also been successfully applied to nasal and pulmonary formulations in development. In 2010, products using *NanoCrystal* technology accounted for $84.6 million of EDT s revenue.

Oral Controlled Release Technology Platform

EDT has developed a range of OCR technologies, which it applies to help overcome many of the technical difficulties that have been encountered in developing long-acting oral products.

EDT uses its OCR technology and manufacturing expertise to formulate, develop and manufacture oral dosage forms of pharmaceutical products that improve and control the release characteristics and efficacy of standard dosage forms. Products incorporating OCR technology may also result in improved patient convenience and compliance. EDT s OCR technology platform allows for the engineering of a range of release profiles and dosage forms. Customized release profiles for oral dosage forms such as extended release, delayed release and pulsatile release have all been developed and commercialized.

With manufacturing capabilities in the United States and Ireland, EDT has supported the commercialization of 17 products currently on the market. EDT s OCR platform includes specific technologies for tailored pharmacokinetic profiles including *SODAS* technology, *IPDAS*® technology, *CODAS*® technology and the *MXDAS* drug absorption system, each as described below.

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The principal OCR technologies are:

SODAS Technology: *SODAS* (Spheroidal Oral Drug Absorption System) technology is based on the production of uniform spherical beads of 1 to 2 mm in diameter containing drug plus excipients and coated with product-specific modified-release polymers. As each candidate drug presents itself with different physiochemical and pharmacokinetic properties, the composition of the polymer membrane will differ for each individual *SODAS* formulation. Varying the nature and combination of polymers within a selectively permeable membrane enables varying degrees of modified release depending upon the required product profile. *SODAS* is a registered trademark of Elan Pharma International Limited.

CODAS Technology: *CODAS* (Chronotherapeutic Oral Drug Absorption System) enables the delayed onset of drug release incorporating the use of specific polymers, resulting in a drug release profile that more accurately complements circadian patterns. *CODAS* is a registered trademark of Elan Pharma International Limited.

IPDAS Technology: *IPDAS* (Intestinal Protective Drug Absorption System) technology confers the advantages of multiparticulate technology in a table dosage form initially targeted for use in compounds known for gastrointestinal irritation. *IPDAS* conveys its gastrointestinal protection by a wide dispersion of the irritant drug candidates throughout the gastrointestinal tract in a controlled and gradual manner. The *IPDAS* delivery system is comprised of numerous high-density controlled-release beads compressed into a tablet form. Release characteristics can be modified by the application of polymers to the micro matrix and subsequent coatings which form a rate-limiting semi-permeable membrane. *IPDAS* is a registered trademark of Elan Pharma International Limited.

MXDAS Technology: *MXDAS* (Matrix Drug Absorption System) formulates the drug candidate in a hydrophilic matrix, involves the incorporation of one or more hydrophilic matrix forming polymers into a solid oral dosage form, which controls the release of drug through a process of diffusion and erosion in the gastrointestinal tract controlling the release of the active drug ingredient. *MXDAS* is a registered trademark of Elan Pharma International Limited.

Currently marketed products that incorporate EDT s OCR technologies include the following:

Marketer	Product	Trademark Registered by	Indication	Territory
Acorda Therapeutics, Inc.	*Zanaflex Capsules®*	Acorda Therapeutics, Inc.	Muscle spasticity	U.S.
Acorda Therapeutics, Inc.	*Ampyra*	Acorda Therapeutics, Inc.	Walking disability associated with MS	U.S.
Jazz Pharmaceuticals Inc.	*Luvox CR*	Abbott Products Inc.	Social Anxiety Disorder and Obsessive Compulsive Disorder	U.S.
Pfizer Inc.	*Avinza*	King Pharmaceuticals Research and Development Inc.	Chronic pain	U.S.
Novartis AG		Novartis AG		

	Focalin XR/Ritalin LA		Attention Deficit Hyperactivity Disorder	All major territories worldwide
Victory Pharma	*Naprelan*	Elan Pharma International Limited	Non-Steroidal Anti-Inflammatory Drug Pain	U.S.

In 2010, products using OCR technologies accounted for $164.6 million of EDT s revenue.

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Manufacturing and Research & Development Capabilities

Manufacturing, Development and Scale-up Expertise

EDT s principal manufacturing facilities are located in Athlone, Ireland and Gainesville, Georgia. EDT has developed scale-up and manufacture of pharmaceutical dosage forms for pharmaceutical markets worldwide, with multiple products launched in North America, Asia, Europe, Latin America, Asia Pacific and, more recently, India and China. At present, over 30 pharmaceutical companies are clients of EDT.

EDT s development and manufacturing capabilities include:

formulation through process development, scale-up and full scale commercial manufacturing;

specialized capabilities for the development and manufacturing of controlled substances; and

full project leadership and management.

EDT s manufacturing services business provides a range of contract development and manufacturing services that includes analytical development, clinical trial manufacturing, product scale-up, product registration support and supply chain management for client products. The range of manufacturing services includes:

dedicated development, scale-up and commercial manufacturing facilities;

FDA and EMA inspected sites with capacity to manufacture up to 1.5 billion units annually of solid oral dosage product;

270,000 square feet of facilities compliant with current good manufacturing practices between EDT s sites in Ireland and the United States;

process and analytical equipment, a site controlled by the U.S. Drug Enforcement Administration (which is referred to in this proxy statement/prospectus as the DEA), packaging facilities in United States and Ireland; and

other services include regulatory support, supply chain support, and launch management.

Research & Development Capabilities

EDT s research and development, which is sometimes referred to in this proxy statement/prospectus as R&D, focuses on areas such as pharmaceutical formulation, analytical chemistry, process development, engineering, scale-up and drug optimization/delivery. At its facilities in Athlone, Ireland, Gainesville, Georgia and King of Prussia, Pennsylvania (which facility is not being acquired in connection with the business combination and will be closed in the second half of 2011), EDT conducts research and development on its product candidates, explores new applications of its existing technologies and develops new technologies. An in-house product pipeline team oversees all development activities.

R&D operations are generally performed under a license arrangement with a client company pursuant to which EDT and the client enter into a development services arrangement whereby EDT performs formulation development work

on the compound in question on a fee for services/milestone basis. EDT has also conducted, and is continuing to conduct, internal screening activities to identify compounds with market potential that could be developed by EDT and then either be out-licensed at a later stage or commercialized.

Internal research projects are also underway that are not as yet the subject matter of a license agreement with a third party. R&D work is also carried out by collaborators under broad *NanoCrystal* technology based licenses. EDT is not aware of this activity unless and until it is disclosed to EDT by the collaborators.

In almost all cases in which EDT is collaborating with third parties on the formulation development of specified compound(s), EDT does not carry out clinical development, which is the responsibility of the collaborator. EDT does carry out some clinical development activities related to proprietary products, managed through in-house staff and a network of clinical research organizations.

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EDT s drug optimization and development business has successfully assisted a number of companies with various applications to the regulatory authorities in the United States, Europe and Japan. EDT also provides assistance to its clients with the preparation of NDAs and updates, ANDAs, Drug Master Files, which are referred to in this proxy statement/prospectus as DMFs, and post-marketing supplements. In addition, EDT maintains site reference files and authorized access to DMFs as required.

EDT incurred research and development expenses of $53.6 million, $47.0 million and $47.6 million during 2010, 2009 and 2008, respectively. These expenses do not include expenses incurred by EDT s pharmaceutical collaborators to develop products under license agreements with EDT, which are typically related to clinical development and product registration expenses.

Products

Marketed Products

Twenty-two products incorporating EDT technologies are currently marketed by EDT collaborators. EDT receives royalties and, in some cases, manufacturing fees on these products, which include:

Collaborator	Product	Indication	Territory
Abbott Laboratories	*TriCor 145, Lipanthyl*	Cholesterol reduction	U.S. Certain European territories
Acorda Therapeutics, Inc.	*Zanaflex Capsules*	Muscle spasticity	U.S.
Acorda Therapeutics, Inc.	*Ampyra, Fampyra (not being sold yet in the E.U.)*	Walking disability associated with MS	U.S. E.U.
Janssen	*Invega Sustenna, Xeplion*	Schizophrenia	U.S. E.U.
Jazz Pharmaceuticals Inc.	*Luvox CR*	Social Anxiety Disorder and Obsessive Compulsive Disorder	U.S.
Pfizer Inc.	*Avinza*	Chronic pain	U.S.
Merck & Co., Inc.	*Emend*	Nausea post chemo	All major territories worldwide
Novartis AG	*Focalin XR/Ritalin LA*	Attention Deficit Hyperactivity Disorder	All major territories worldwide
Par Pharmaceutical Co., Inc. (Strativa)	*Megace ES*	Cachexia	U.S.
Pfizer Inc.	*Rapamune*	Transplant rejection	All major territories worldwide
Victory Pharma	*Naprelan*	Non-Steroidal Anti-Inflammatory Drug Pain	U.S. and Canada
UCB	*Verelan, Verelan® PM*	Hypertension	U.S.

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Product Pipeline

EDT s proprietary and partnered pipeline is in various stages of development for a broad range of indications. In addition, EDT has a large number of projects at the preclinical or formulation development stage.

(1) Approved in the United States. Conditional approval in the European Union. Filed in Canada.

(2) Improved Existing Product.

Collaborative Research and Development Agreements

EDT has entered into collaborative agreements relating to both OCR technologies and the *NanoCrystal* technology. At present EDT has over twenty collaborations ongoing with pharma companies.

For a typical program where a collaborator with a compound desires an improved formulation using EDT s *NanoCrystal* technology or using EDT s suite of OCR technologies, EDT would enter into an agreement or series of agreements with the client to assess the feasibility of developing the improved formulation and then, if feasible, assist the collaborator in the development of the new formulation of the product. The collaborator is responsible for the commercialization of any new formulation of the product that is successfully developed and approved for marketing. EDT receives a royalty or other payments with respect to sales of the product and sometimes manufactures the product. Most of EDT s research, development and license agreements may be terminated by the client upon short notice to EDT. See *The Business of EDT Products Product Pipeline.*

An example of an EDT agreement with respect to its *NanoCrystal* technology is EDT s March 1999 license agreement with Janssen. Under the license agreement, EDT granted to Janssen a worldwide exclusive license under the *NanoCrystal* technology to develop and commercialize injectable formulations of risperidone and related compounds.

A once-monthly formulation of paliperidone palmitate, a metabolite of risperidone, was approved by the FDA in July 2009 for the treatment of schizophrenia in adults. It was subsequently launched in the United States under the name *Invega Sustenna*.

In March 2011, Janssen announced the approval of the formulation by the European Commission under the name *Xeplion. Xeplion* was launched in the United Kingdom in April 2011 and in Germany, the Netherlands and Denmark in May 2011.

Invega Sustenna/Xeplion was developed by Janssen using the *NanoCrystal* technology, and is now commercialized by Janssen. Janssen pays EDT a tiered royalty in the range of 5-9% on its net sales of *Invega Sustenna/Xeplion*, the amount of which depends on certain thresholds being met.

The license agreement will expire in 2019, or, if later, upon the last expiry of a patent licensed by EDT to Janssen or, in certain cases, developed in the course of the collaboration. Janssen may terminate the license agreement upon three months notice, and either Janssen or EDT may terminate upon the other s breach or insolvency.

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An example of an EDT agreement related to EDT s OCR technology is EDT s amended and restated license agreement entered into with Acorda in September 2003, which replaced two prior license agreements for *Ampyra* in oral sustained release dosage form. Under this agreement, EDT granted to Acorda exclusive worldwide rights to *Ampyra* for all indications, including spinal cord injury and MS. Acorda agreed to pay EDT various milestone payments, royalties based on net sales of products with dalfampridine as the active ingredient, and a percentage of any up-front and milestone payments that Acorda receives from the sublicensing of rights to *Ampyra* or other aminopyridine products. *Ampyra* was approved by the FDA in 2009 and is currently marketed in the United States by Acorda.

In June 2009, Acorda sub-licensed its rights outside the United States to Biogen Idec. In May 2011, *Ampyra* under the name *Fampyra* was approved for sale in Australia. Additionally in May 2011, the EMA recommended the conditional approval of dalfampridine in the European Union (under the name *Fampyra*). On July 25, 2011, Biogen Idec announced that it had received conditional approval of the European Commission to market *Fampyra* in the European Union. In March 2011, Biogen Idec received a notice of deficiency from Health Canada for its application to sell *Fampyra* in Canada.

EDT will supply Acorda with its and Biogen Idec s requirements for *Ampyra* and *Fampyra*. Acorda and Biogen Idec are entitled to source up to 25% of their requirements from a third party.

Royalties and manufacturing fees which EDT receives from Acorda on the sale of *Ampyra* and *Fampyra* are in the high teens as a percentage of net selling price.

EDT has the right to terminate Acorda s license in countries in which Acorda fails to file regulatory approvals within a commercially reasonable time after completion and receipt of positive data from all preclinical and clinical studies required for the related NDA equivalent. If EDT terminates Acorda s license in any applicable country, EDT is entitled to license from Acorda its patent rights and know-how relating to the product and to market the product in the applicable country, subject to royalty payments to Acorda.

Acorda has the right to terminate the license agreement at any time by 30 days written notice prior to regulatory approval or 90 days written notice after regulatory approval. In addition, the license may be immediately terminated by either party following an incurable breach of any term or provision of the license agreement by the other party. The license agreement may also be terminated by either party following notice and the expiration of a cure period with respect to an uncured breach by the other party.

Subject to the early termination provisions, the license to Acorda terminates on a country-by-country basis on the last to occur of fifteen years from the date of the agreement (September 2018), the expiration of the last to expire EDT patent or the existence of competition in that country.

In January 2011, EDT entered into a development and supplemental agreement with Acorda. This agreement allows Acorda to develop new formulations of dalfampridine or another aminopyridine both with EDT and with third parties. Acorda may select either a formulation developed by EDT or a third party developed formulation for commercialization.

If Acorda selects an EDT formulation, EDT will be entitled to milestone payments at various stages of development and commercialization, together with royalties if this formulation were to be approved and sold, and payments based upon up-front and milestone payments that Acorda receives from the sublicensing of rights to that formulation. EDT will also be obliged to manufacture and supply this formulation, and Acorda will be entitled to source up to 25% of its requirements elsewhere, in the same manner as with *Ampyra*.

If Acorda selects a third party formulation, EDT will be entitled to various compensation payments for permitting Acorda to pursue the third party formulation. Additionally, EDT has the first option to manufacture this third party formulation, if selected.

Whichever formulation is selected by Acorda, EDT will have rights to payment for a minimum of ten years from the first commercial sale of that formulation. Those payment rights may be extended for a longer term, depending on the existence of intellectual property rights protecting the formulation, regulatory exclusivity for that formulation and/or the absence of significant market competition.

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Intellectual Property

Patents, proprietary rights and trade secrets are important to EDT s business. Multiple aspects of EDT s proprietary technologies are protected by numerous patents and patent applications. EDT s *NanoCrystal* and OCR technologies patent portfolios contain approximately 1,800 patents and pending patent applications protecting such technologies in countries around the world.

EDT continues to file new patent applications protecting its technologies in the United States, European Union, Japan and many other countries. EDT s current patent portfolio is largely composed of patents with claims directed to formulation technologies and related materials, processes, equipment and methods of manufacture. EDT continuously supplements its patent portfolio with product patents, which, by way of example, may contain more specific claims directed to a particular drug or class of drugs in combination with a formulation technology. In most cases, the pharmaceutical compound in the products that EDT develops for its third party collaborators is either proprietary to EDT s collaborator or readily available.

NanoCrystal technology patents

EDT s *NanoCrystal* technology patent portfolio contains a number of patents granted throughout the world, including approximately 100 in the United States and approximately 600 outside the United States, with expiration dates between 2011 and 2023 (unless otherwise extended or reduced). EDT also has a significant number of pending patent applications covering its *NanoCrystal* technology.

U.S. Patent No. 5,145,684, which is referred to in this proxy statement/prospectus as the 684 patent, is the patent which provided the broadest degree of protection in the United States for EDT s *NanoCrystal* technology. The 684 patent was issued in September 1992 on a patent application that was filed on January 25, 1991. The 20-year term of this patent expired on January 25, 2011. A six-month extension of the 684 patent was granted in respect of the *Rapamune* product, extending the expiration date of the patent for this product only to July 2011.

The European patent corresponding to the 684 U.S. patent was revoked in March 2007 following an opposition proceeding, initiated by GlaxoSmithKline, at the European Patent Office, which is referred to in this proxy statement/prospectus as the EPO. The decision to revoke the European patent was based on a procedural ground: the EPO s Technical Board of Appeal found that during prosecution of the European application, subject matter was added to the application in a manner not permitted under the European Patent Convention. There were no findings on any issue of patentability and this decision did not have a bearing on the validity of the 684 patent.

There are a number of levels of patent protection for EDT s *NanoCrystal* technology. The 684 patent (and its family of corresponding patents in other countries) represented the broadest tier of patent protection for the technology generally, below which there are several further levels of protection embodied in a large number of patents and applications covering variously (i) therapeutic categories (e.g. anti-cancer agents, non-steroidal anti-inflammatory drugs, statins, COX-2 inhibitors, cephalosporins, HIV protease inhibitors), (ii) routes/methods of administration (e.g. intravenous, nasal, pulmonary, controlled release), (iii) approaches to making and stabilizing nanoparticulates, and (iv) milling apparatus and systems. The final tier of protection is provided via a large number of product or formulation specific patent families (covering compounds such as fluticasone, sildenafil, meloxicam, budesonide, clopidogrel and ziprasidone, for example).

As the *NanoCrystal* technology evolves, EDT continues to carve out new patent positions to protect new inventions arising from its various development programs.

OCR Technologies

Since EDT pioneered its original OCR technology, *SODAS*, more than 40 years ago, it has produced more than 30 marketed products containing this and other OCR technologies.

EDT s OCR technologies are incorporated within a number of products, amongst others, *Avinza* (registered trademark of King Pharmaceuticals Research and Development, Inc.), *Dilzem®XL* (registered

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trademark (United Kingdom) of Cephalon (UK) Limited), *Verelan* (registered trademark of Elan Pharma International Limited) *PM* and *Focalin XR*. Similar to its *NanoCrystal* technology, EDT s OCR technology is protected by a patent estate including approximately 300 patents and patent applications worldwide. Some of these patents have expiry dates extending out to 2019 (unless otherwise extended or reduced). Some of EDT s OCR patent families are product specific whereas others cover generic delivery platforms (e.g. different release profiles, taste masking, etc.).

General

At any given time, the precise composition of EDT s patent/patent application portfolio may change due to decisions it makes in the course of its normal business practices including the decision not to maintain certain issued patents or to cease the prosecution of patent applications in certain selected territories or technology areas.

EDT s employees and consultants execute a confidentiality agreement upon commencement of an employment or consulting relationship with EDT. The agreements provide that all confidential information developed or made known to an individual during the course of the employment or consulting relationship will be kept confidential and will not be disclosed to third parties except in specific circumstances. In the case of employees, the agreements provide that all inventions made by the individuals while employed by EDT will be assigned to EDT and are EDT s exclusive property.

Permits and Regulatory Approvals

EDT holds various licenses in respect of its manufacturing activities conducted in Gainesville, Georgia and Athlone, Ireland. The primary licenses held in this regard are FDA Registrations of Drug Establishment and DEA Controlled Substance Registration. EDT also holds a Manufacturers Authorisation (No. M516), an Investigational Medicinal Products Manufacturers Authorisation (No. IMP008) and Certificates of Good Manufacturing Practice Compliance of a Manufacturer (Ref. 2010-096 and 2010-097) from the Irish Medicines Board, which is referred to in this proxy statement/prospectus as the IMB, in respect of its Athlone facility, and a number of Controlled Substance Licences granted by the Minister for Health and Children in Ireland. Further, due to certain U.S. state law requirements, EDT also holds certain state licenses, ostensibly to cover distribution activities through certain states and not in respect of any manufacturing activities conducted in those states.

EDT does not generally act as the product authorization holder for any product incorporating its drug delivery technologies that has been developed on behalf of a collaborator. In such cases, EDT s collaborator would usually hold the relevant authorization from the FDA or other national regulator, and EDT would support this authorization by furnishing a copy of the DMF or the chemistry, manufacturing and controls data to the relevant regulator to prove adequate manufacturing data in respect of the product. EDT would generally update this information annually with the relevant regulator. In other cases where EDT is developing proprietary product candidates, EDT may hold the appropriate regulatory documentation itself.

Environmental, Health and Safety Regulation

EDT s operations are subject to environmental, health and safety law requirements in the countries where EDT operates and in particular where EDT has manufacturing facilities, namely the United States and Ireland. Environmental and health and safety authorities in the relevant jurisdictions, including the EPA and the Occupational Safety and Health Administration in the United States and the Environmental Protection Agency and the Health and Safety Authority in Ireland, administer laws which regulate, among others, the emission of pollutants into the air (including the workplace), the discharge of pollutants into bodies of water; the storage, use and handling of hazardous substances; the disposal of hazardous substances; the exposure of persons to hazardous substances; and the general health, safety and welfare of employees and members of the public. In certain cases, such laws may impose strict

liability for pollution of the environment and/or cleaning up contamination resulting from spills, disposals or other releases of hazardous substances or waste and/or any migration of such hazardous substances or waste. Costs, damages and/or fines may result from investigation

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and remediation of such contamination at properties operated by EDT and/or off-site locations, including where EDT has arranged for the disposal of hazardous substances or waste. If it is determined that EDT s operations or facilities are not in compliance with environmental and/or health and safety law, EDT could be subject to litigation, regulatory enforcement, fines, penalties and/or additional costs to comply.

Competition

The pharmaceutical industry is highly competitive. EDT competes with major international companies, many of which are larger and have greater financial resources, technical staff, manufacturing, research and development and marketing capabilities than EDT has. EDT also competes with smaller research companies and generic drug manufacturers. The successful innovation of competing technologies and the launch of competing products may materially and adversely affect EDT s business, financial condition, results of operations and prospects. EDT is aware of other pharmaceutical companies that are developing competing technologies, which could significantly damage EDT s current portfolio of products, product candidates and technologies. For example, there are a range of technology approaches to address poorly water soluble drugs including nanoparticles, cyclodextrins, lipid based self emulsifying drug delivery systems, dendrimers, micelles, among others, which could limit the potential success of EDT s *NanoCrystal* technology and its growth prospects could be materially impaired. As EDT s *NanoCrystal* technology matures, the competitive threat will increase, particularly as the base patent in the United States expired in 2011 and the base patent in Europe has been declared invalid. In addition, there are many competing technologies to EDT s OCR technology, some of which are owned by large pharmaceutical companies and others of which are owned by other smaller drug-delivery specific companies.

Certain of EDT s competitors seek to produce generic versions of EDT s products. In order to do so, such generic competitors challenge EDT s existing patent protection or regulatory exclusivity, or, alternatively, may wait until EDT s patents expire. Generic competitors do not have to bear the same level of research and development and other expenses as those associated with bringing a new branded product to market. As a result, they can charge much less for competing versions of EDT s products. Furthermore, it is typically easier to market generic drugs than branded drugs. Managed care organizations generally favor generics over branded drugs, and certain governments encourage, and under some circumstances mandate, the use of generic products thereby reducing the sales of branded products that are no longer patent protected. Historically, when a generic version of one of EDT s products has been marketed by a competitor, EDT has typically seen a substantial decline in the revenues of the relevant product.

Accordingly, competition from other companies, including those producing generic versions of EDT products that are no longer patent protected, may rapidly and significantly reduce, slow, or reverse the growth in sales and profitability of any of EDT s products not protected by patents or regulatory exclusivity, and may materially and adversely affect EDT s business, financial condition, results of operations and prospects.

Pharmaceutical technologies and products are subject to rapid and significant technological change. EDT expects its competitors to develop new technologies, products and processes that may be more effective than those developed by EDT. As a result, EDT s products and product candidates may become uncompetitive or obsolete before EDT recovers expenses incurred in connection with their development or realizes revenues from any commercialized product.

The success of EDT s business strategy depends to a significant extent on EDT s ability to reformulate existing drugs, and to develop these drugs into new product candidates on a cost-effective basis. Research and discoveries by EDT s competitors may render some or all of EDT s product candidates uncompetitive or obsolete. Furthermore, unforeseen problems may develop with technologies or applications EDT uses in its development programs, and EDT may be unable to successfully address these challenges. This could result in the inability of EDT to develop commercially feasible products, which could have a material adverse effect on EDT s business, financial condition, results of operations and prospects.

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Employees

As of June 30, 2011 EDT had approximately 406 employees in Ireland. The majority of these were based in Athlone. In addition, there were approximately 251 EDT employees in the United States as of June 30, 2011. Of the EDT employees in the United States, approximately 100 worked at the King of Prussia site which is expected to close in the second half of 2011.

Properties

The following table lists the location, ownership interest, use and approximate size of EDT s principal properties:

Location and Ownership Interest	Use	Size (Sq. Ft.)
Owned: Athlone, Ireland	R&D, manufacturing and administration	463,000
Owned: Gainesville, GA, United States	R&D, manufacturing and administration	89,000

Legal Matters

EDT and/or its product collaborators are involved in various sets of patent infringement litigations (also known as Paragraph IV litigations in the United States) in Canada, France and the United States.

In the United States, putative generics of innovator drug products may file ANDAs and, in doing so, are not required to include preclinical and clinical data to establish safety and effectiveness of their drug. Instead, they would rely on such data provided in the innovator drug NDA. However, to benefit from this less costly abbreviated procedure, the ANDA applicant must demonstrate that its drug is generic or bioequivalent to the innovator drug, and, to the extent that patents protecting the innovator drug are listed in the Orange Book , the ANDA applicant must write to the innovator NDA holder and the patent holder (to the extent that the Orange Book-listed patents are not owned by the innovator NDA holder) certifying that its product either does not infringe the innovator s and, if applicable, the patent holder s patents and/or that the relevant patents are invalid. The innovator and the patent holder may sue the ANDA applicant within 45 days of receiving the certification and, if they do so, the FDA may not approve the ANDA for 30 months from the date of certification unless, at some point before the expiry of those 30 months, a court makes a final decision in the ANDA applicant s favor.

EDT is involved in a number of Paragraph IV litigations and similar suits outside the United States in respect of six different products: *TriCor*, *Focalin XR*, *Avinza*, *Zanaflex*, *Rapamune* and *Luvox CR* either as plaintiff or as an interested party (where the suit is being brought in the name of one of EDT s collaborators). EDT has recently received a Paragraph IV certification with respect to *Megace ES*.

BOARD OF DIRECTORS OF NEW ALKERMES FOLLOWING THE MERGER

Each director currently expected to serve on New Alkermes board of directors, with the exception of Richard F. Pops, would be an independent director, as defined by the NASDAQ rules. Any nominating committee or compensation committee will be composed entirely of independent directors. At all times New Alkermes will be required to have at least three directors satisfying the independence requirements for directors serving on an audit committee, as prescribed by the NASDAQ rules.

Immediately following the completion of the business combination, the board of directors of New Alkermes will have eight members, all of whom have been named by Alkermes in accordance with the merger agreement. Pursuant to the shareholder s agreement, Elan has the right to appoint a director to the board of directors of New Alkermes. For more information on Elan s right of appointment, see *Other Related Agreements Shareholder s Agreement Board Representation.* The initial directors will serve until their

successors are elected at the first annual meeting of New Alkermes. Following the transactions, the directors of New Alkermes are expected to be:

David W. Anstice

Mr. Anstice, age 63, has been a director of Alkermes since October 2008. From 2006 to 2008, he served as Executive Vice President of Merck & Co., Inc. with responsibility for enterprise strategy and implementation. During two separate parts of this period he was acting President, Global Human Health and President of Merck s business in Japan. From 2003 to 2006, Mr. Anstice served as President of Merck, with responsibility for Merck s Asia Pacific businesses. In his 34 years with Merck, he held a variety of positions with their worldwide ventures, including President, U.S. Human Health; President Human Health, the Americas; and President, Human Health, Europe. Mr. Anstice is also Chairman and President of the board for the University of Sydney USA Foundation, a member of the board of the United States Studies Centre at the University of Sydney, Australia and the University Del Valle of Guatemala, a member of the United States Advisory Council for the American Australian Association in New York, a director of CSL Limited, a global specialty biopharmaceutical company, and an Adjunct Professor at the University of Sydney Business School.

Mr. Anstice s lengthy service with Merck & Co., in combination with the breadth of his responsibilities while at Merck, will provide New Alkermes with experience in and knowledge about the pharmaceutical industry. Mr. Anstice s prior leadership positions in industry organizations, including as a board member of the Biotechnology Industry Organization, which is referred to in this proxy statement/prospectus as BIO, for approximately ten years, augment his pharmaceutical management and organizational expertise and industry knowledge. Mr. Anstice also has expertise in the areas of strategic planning, risk management and corporate governance.

Floyd E. Bloom

Dr. Bloom, age 74, is a founder of Alkermes and has been a director of Alkermes since 1987. Dr. Bloom has been active in neuropharmacology for more than 35 years, holding positions at Yale University, the National Institute of Mental Health and The Salk Institute. From 1983 to February 2005, Dr. Bloom was the Chairman of the Neuropharmacology Department at The Scripps Research Institute and Professor Emeritus. Dr. Bloom served as Editor-in-Chief of Science from 1995 to May 2000. He is a member of the National Academy of Science, the Institute of Medicine, the Royal Swedish Academy of Science, Veteran s Administration Gulf War Veterans Illness Research and the Washington University Board of Trustees. Dr. Bloom serves on the Scientific Advisory Boards of aTyr Pharma, RxGen, MiddleBrook Pharmaceuticals, Riverest and GeneBio, Inc., all privately held pharmaceutical companies. Dr. Bloom served as a member of the board of directors of Elan Corporation, plc from 2007 to 2009 and serves as an advisor to its Science and Technology Committee.

Dr. Bloom is a distinguished scientist and long-standing member of various scientific societies, including the National Academy of Sciences. His scientific knowledge will make him a resource to New Alkermes research and development and commercial teams and a reference point for other directors. Dr. Bloom s service on other publicly traded company boards will provide experience relevant to good corporate governance practices. As a founder of Alkermes, Dr. Bloom will bring a historical perspective to the board.

Robert A. Breyer

Mr. Breyer, age 67, has been a director of Alkermes since July 1994. He served as the President of Alkermes from July 1994 until his retirement in December 2001 and Chief Operating Officer from July 1994 to February 2001. Prior to that time, Mr. Breyer was an executive and held various positions in the global pharmaceutical and medical device industries, including in the United States, the Netherlands, Belgium and Italy. Mr. Breyer also served on the board of

directors of Lentigen, Inc., a privately held, diversified biology company from 2007 to 2009.

Mr. Breyer s experience as an executive in the pharmaceutical and medical device industries will provide management and operational skills to the New Alkermes board of directors. Mr. Breyer has experience with

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managing the overall financial performance of pharmaceutical and medical device units and in pharmaceutical manufacturing and sales and marketing operations. As a former executive at Alkermes, Mr. Breyer also has first-hand knowledge of New Alkermes technology, manufacturing operations, research and development and management team.

Wendy L. Dixon

Dr. Dixon, age 56, was elected to the Board of Directors of Alkermes in January 2011. She has extensive experience in the pharmaceutical and biotech industry, combining a technical background with experience in drug development, regulatory affairs and marketing. She directed the launches of and growth of more than 20 pharmaceutical products. From 2001 to 2009 she was Chief Marketing Officer and President, Global Marketing for Bristol-Myers Squibb where she served on the Executive Committee. From 1996 to 2001 she was Senior Vice President, Marketing at Merck & Co. and prior to that she held executive management positions at West Pharmaceuticals, Osteotech, and Centocor and various positions at SmithKline and French (now GlaxoSmithKline) in marketing, regulatory affairs, project management and as a biochemist. Dr. Dixon is on the board of directors of Furiex Pharmaceuticals, Orexigen Therapeutics, Ardea Biosciences and Incyte Corporation, all publicly traded biotechnology or pharmaceutical companies, and was formerly on the board of Dentsply International. She is also a Senior Advisor to The Monitor Group, a worldwide consulting firm.

Dr. Dixon brings a depth of experience in the marketing of pharmaceutical products across a broad variety of disease states and on a global basis to the board of New Alkermes. Dr. Dixon has a strong technical background and direct experience in product development and regulatory affairs, and has successfully built and grown commercial organizations in the United States and Europe, each of which provide valuable insight to the board regarding the development and commercialization of pharmaceutical products. Dr. Dixon s additional qualifications include her deep industry knowledge and her reputation as a strategic thinker with a focus on execution, as well as the ability to provide direction regarding improvements to the interface between research and development and marketing.

Geraldine A. Henwood

Ms. Henwood, age 58, has been a director of Alkermes since April 2003. She is currently the Chief Executive Officer and director of both Recro Pharma, a privately held specialty pharmaceutical company, and Garnet BioTherapeutics, Inc., a privately held clinical stage cell therapy company, and is a consultant with Malvern Consulting Group. She was the co-founder of Auxilium Pharmaceuticals, Inc. and served as its President, Chief Executive Officer and director from 1999 to 2006. Prior to founding Auxilium, Ms. Henwood founded, in 1985, a contract research organization (CRO), IBAH, Inc. Prior to founding IBAH, Ms. Henwood was employed by SmithKline Beecham in various capacities including senior medical and regulatory positions. Ms. Henwood is a member of the board of directors of MAP Pharmaceuticals, Inc., a publicly traded pharmaceutical company, and previously served as a director of ImmunoScience, Inc., a privately held vaccine development company. She is also a trustee of LaSalle Academy and Neumann University.

Ms. Henwood brings expertise in clinical development and regulatory approval processes to the board of New Alkermes. Ms. Henwood s experience at large and small pharmaceutical and biotech companies provides insight into drug development, both as conducted by Alkermes itself or in partnership with large pharmaceutical companies. Ms. Henwood s additional qualifications include her industry knowledge and the management and operational experience she acquired as the Chief Executive Officer of several pharmaceutical and biotechnology companies. Her service on various life science boards will also bring relevant corporate governance experience to the New Alkermes board.

Paul J. Mitchell

Mr. Mitchell, age 58, has been a director of Alkermes since April 2003. He served as the Chief Financial Officer and Treasurer of Kenet, Inc. from April 2002 until January 2009. Prior to joining Kenet, Mr. Mitchell was the Chief Financial Officer and Treasurer of Kopin Corporation from April 1985 through September 1998. From September 1998 through June 2001, Mr. Mitchell served in a consulting role at Kopin as Director of

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Strategic Planning. Prior to joining Kopin, Mr. Mitchell worked for the international accounting firm of Touche Ross & Co. from 1975 to 1984. Mr. Mitchell is also President of Mitchell Financial Group and a member of the board of directors of several private companies. Mr. Mitchell is a Certified Public Accountant.

Mr. Mitchell s background as the Chief Financial Officer of several companies, including a publicly traded company, and as a certified public accountant will provide expertise to the New Alkermes board in the areas of financial reporting, treasury, financing issues, executive compensation and compliance with securities obligations. His business judgment can be relied upon by the New Alkermes board when contemplating a variety of organizational and strategic issues.

Richard F. Pops

Mr. Pops, age 49, is the Chief Executive Officer, President and Chairman of the Board of Alkermes. Mr. Pops served as Chief Executive Officer of Alkermes from February 1991 to April 2007 and again assumed this role, along with that of President, in September 2009. He has been a director of Alkermes since February 1991 and has been Chairman of the Board of Alkermes since April 2007. Mr. Pops serves on the board of directors of Neurocrine Biosciences, Inc., a publicly traded biopharmaceutical company, Acceleron Pharma, Inc. and Epizyme Inc., both of which are privately held biotechnology companies, BIO, the Pharmaceutical Research and Manufacturers of America, which is referred to in this proxy statement/prospectus as PhRMA, and the New England Healthcare Institute. He has previously served on the board of directors of two other publicly traded biopharmaceutical companies, Sirtris Pharmaceuticals (from 2004 until 2008), and CombinatoRx, Incorporated (from 2001 until 2009). Mr. Pops also served on the board of directors of Reliant Pharmaceuticals, a privately held pharmaceutical company purchased by GlaxoSmithKline in 2007, and on the advisory board of Polaris Venture Partners. He is also a member of the Harvard Medical School Board of Fellows.

Mr. Pops qualifications for the board include his leadership experience, business judgment and industry knowledge. As a senior executive of Alkermes for over twenty years, he will provide in-depth knowledge derived from leading its day to day operations. His ongoing involvement as a board member of BIO and PhRMA brings to the organization extensive knowledge of the current state of the pharmaceutical industry.

Mark B. Skaletsky

Mr. Skaletsky, age 63, has been a director of Alkermes since June 2004 and currently serves as the Lead Independent Director. He is currently the Chief Executive Officer and President of Fenway Pharmaceuticals. From 2001 to 2007, Mr. Skaletsky was the Chairman, Chief Executive Officer and President of Trine Pharmaceuticals, Inc. Prior to that, Mr. Skaletsky was the Chairman and Chief Executive Officer of The Althexis Company from 2000 to 2001 and President and Chief Executive Officer of GelTex Pharmaceuticals, Inc. from 1993 to 2000, which was acquired by Genzyme in December 2000. Mr. Skaletsky held the position of Chairman and Chief Executive Officer of Enzytech, Inc., from 1988 to 1993, and he was President and Chief Operating Officer of Biogen, Inc., from 1981 to 1988. Mr. Skaletsky was among the founders of the Industrial Biotechnology Association, a predecessor to BIO, and is a former chairman of BIO. He serves on the board of directors of ImmunoGen, Inc. and Targacept, Inc. He served on the board of directors of AMAG Pharmaceuticals from 2005 to 2009. In addition, Mr. Skaletsky is a member of the Board of Trustees of Bentley University.

Mr. Skaletsky s qualifications to serve on the New Alkermes plc board include his broad industry knowledge as well as the leadership and financial expertise he acquired as an executive officer of several pharmaceutical and biotechnology companies. As the past and present Chief Executive Officer of several biotechnology companies, as well as director of several other life science companies, he will bring to the board knowledge and expertise on corporate governance, executive compensation, corporate alliances and financial management of publicly traded companies.

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EXECUTIVE OFFICERS OF NEW ALKERMES

Executive Officers of New Alkermes

The following individuals are expected to serve as the initial executive officers of New Alkermes following the effective time:

Kathryn L. Biberstein
Position: Senior Vice President

Ms. Biberstein, age 52, is Senior Vice President, General Counsel and Secretary of Alkermes. She is also the Chief Compliance Officer of Alkermes and the head of Government Relations and Public Policy. From March 2003 to May 2007, Ms. Biberstein served as Vice President and General Counsel of Alkermes. She has served as Secretary of Alkermes since June 2004. She was Of Counsel at Crowell & Moring LLC from February 2002 to February 2003 and performed legal consulting services for various clients from March 2000 to February 2002. She was also employed by Serono S.A., a biotechnology company, as General Counsel from 1993 to March 2000, where she was a member of the Executive Committee.

James L. Botkin
Position: Senior Vice President

Mr. Botkin, age 62, is currently Senior Vice President, Head of Operations of Elan Drug Technologies having been appointed in June 2007. He was formerly Vice President and General Manager of Elan s operations in Gainesville, Georgia from October 2001 to June 2007, President of Sharp Corporation, a private pharmaceutical packaging company, from January 1996 to June 2001, as well as Vice President, U.S. Production Operations of Sandoz Pharmaceutical Corporation from January 1993 to December 1995. Mr Botkin has over 40 years of experience in pharmaceutical industry operations. Mr. Botkin is a former Director of FirsTier Bank, Lincoln General Hospital and the Healthcare Compliance Packaging Council.

Shane Cooke
Position: President

Shane Cooke, age 49, has served as a Director of Elan since May 2005. He has been Executive Vice President of Elan and Head of EDT since May 2007, and had been Chief Financial Officer of Elan from July 2001, when he joined Elan, until May 2011. Prior to joining Elan, Mr. Cooke was Chief Executive of Pembroke Capital Limited, an aviation leasing company, and prior to that held a number of senior positions in finance in the banking and aviation industries. He is a chartered accountant and a graduate of University College Dublin.

Elliot W. Ehrich, M.D.
Position: Senior Vice President

Dr. Ehrich, age 52, serves as Senior Vice President of Research and Development and Chief Medical Officer at Alkermes. Dr. Ehrich leads the Research and Development, Clinical Sciences and Drug Safety functions at Alkermes. Prior to assuming this position in May 2007, Dr. Ehrich served as Vice President, Science Development and Chief Medical Officer. Prior to joining Alkermes in 2000, Dr. Ehrich spent seven years at Merck & Co., Inc., a publicly traded pharmaceutical company, overseeing the clinical development and registration of novel pharmaceuticals. Dr. Ehrich is a Fellow of the American College of Rheumatology and has had numerous publications in peer-reviewed

journals. Dr. Ehrich worked as a research associate at the European Molecular Biology Laboratory in Heidelberg, Germany before attending medical school. Dr. Ehrich is also a member of the scientific advisory board for Aileron Therapeutics, a privately held biopharmaceutical company.

James M. Frates
Position: Senior Vice President and Chief Financial Officer

Mr. Frates, age 44, is Senior Vice President, Chief Financial Officer and Treasurer of Alkermes. From June 1998 to May 2007, Mr. Frates served as Vice President, Chief Financial Officer and Treasurer of

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Alkermes. From June 1996 to June 1998, he was employed at Robertson, Stephens & Company, most recently as a Vice President in Investment Banking. Prior to that time he was employed at Morgan Stanley & Co. Mr. Frates served on the Board of Directors of GPC Biotech AG, a biotechnology company, from June 2004 to 2009, and was a national director of the Association of Bioscience Financial Officers from 2004 to 2009.

Michael J. Landine
Position: Senior Vice President

Mr. Landine, age 57, is Senior Vice President, Corporate Development of Alkermes. From March 1999 until May 2007, Mr. Landine served as Vice President, Corporate Development of Alkermes. From March 1988 until June 1998, he was Chief Financial Officer and Treasurer of Alkermes. Mr. Landine is a member of the board of directors of Kopin Corporation, a publicly traded manufacturer of components for electronic products, and ECI Biotech, a privately held protein sensor company. He also served as a director of GTC Biotherapeutics, Inc., a publicly traded biotechnology company, from 2005 to 2010. Mr. Landine is a Certified Public Accountant.

Richard F. Pops
Position: Chairman and Chief Executive Officer

Mr. Pops, age 49, is the Chief Executive Officer, President and Chairman of the Board of Alkermes. Mr. Pops served as Chief Executive Officer of Alkermes from February 1991 to April 2007 and again assumed this role, along with that of President, in September 2009. He has been a director of Alkermes since February 1991 and has been Chairman of the Board of Alkermes since April 2007. Mr. Pops serves on the board of directors of Neurocrine Biosciences, Inc., a publicly traded biopharmaceutical company, Acceleron Pharma, Inc. and Epizyme Inc., both of which are privately held biotechnology companies, BIO, PhRMA, and the New England Healthcare Institute. He has previously served on the board of directors of two other publicly traded biopharmaceutical companies, Sirtris Pharmaceuticals (from 2004 until 2008), and CombinatoRx, Incorporated (from 2001 until 2009). Mr. Pops also served on the board of directors of Reliant Pharmaceuticals, a privately held pharmaceutical company purchased by GlaxoSmithKline in 2007, and on the advisory board of Polaris Venture Partners. He is also a member of the Harvard Medical School Board of Fellows.

Gordon G. Pugh
Position: Senior Vice President

Mr. Pugh, age 53, serves as Senior Vice President, Chief Operating Officer and Chief Risk Officer of Alkermes. In his current role, he is responsible for the overall leadership of the Operations departments at Alkermes. Additionally, he oversees site management in Waltham, Massachusetts, and Wilmington, Ohio. Prior to assuming the Senior Vice President and Chief Operating Officer positions in May 2007 and the Chief Risk Officer position in July 2010, Mr. Pugh served as Vice President of Operations at Alkermes. Mr. Pugh has over 25 years of operations and manufacturing experience. For the eight-year period prior to joining Alkermes, Mr. Pugh worked at Lonza Biologics, Inc., a publicly traded life sciences company, as the Vice President of manufacturing operations in the United States and Europe. Mr. Pugh served on the board of directors of KC Bio LLC, a privately held company, from 2005 to 2009.

EXECUTIVE COMPENSATION

Compensation of Directors and Executive Officers

Information about director and executive compensation for Alkermes is incorporated herein by reference from Item 11 of Amendment No. 1 on Form 10-K/A to the Annual Report on Form 10-K of Alkermes, Inc. for the fiscal year ended March 31, 2011. New Alkermes has not yet paid compensation to its directors, executive officers or other managers. The form and amount of compensation to be paid to each of New Alkermes directors, executive officers and other

managers will be determined by the board of directors of New Alkermes as soon as practicable prior to or following the completion of the business combination.

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The executive officers and directors of New Alkermes after the business combination will receive compensation and benefits as determined to be appropriate for persons performing the types of services to be performed. Following the proposed transactions, the board of directors of New Alkermes will consider compensation paid to executive officers and directors of comparable public companies and workload in determining appropriate compensation for New Alkermes executive officers and directors of the New Alkermes board.

DESCRIPTION OF NEW ALKERMES ORDINARY SHARES

The following description of New Alkermes share capital is a summary. This summary does not purport to be complete and is qualified in its entirety by reference to the Companies Acts and the complete text of New Alkermes memorandum and articles of association substantially in the form attached as Annex E to this proxy statement/prospectus. You should read those laws and documents carefully.

There are differences between Alkermes bylaws and articles of incorporation and New Alkermes memorandum and articles of association as they will be in effect after the closing, especially as they relate to changes (i) that are required by Irish law or (ii) that are necessary in order to preserve the current rights of shareholders and powers of the board of directors of New Alkermes following the consummation of the business combination. Certain provisions of the Alkermes bylaws and articles of incorporation were not replicated in the New Alkermes memorandum and articles of association because Irish law would not permit such replication, and certain provisions were included in the New Alkermes memorandum and articles of association although they were not in the Alkermes bylaws and articles of incorporation because Irish law requires such provisions to be included in the memorandum and articles of association of an Irish public limited company. See *Comparison of the Rights of Holders of Alkermes Common Stock and New Alkermes Ordinary Shares.* Except where otherwise indicated, the description below reflects New Alkermes memorandum and articles of association as those documents will be in effect as of the effective time.

Capital Structure

Authorized Share Capital

The authorized share capital of New Alkermes is 40,000 and $5,000,000, of which 40,000 are ordinary shares with a nominal value of 1.00 each, 450,000,000 are ordinary shares with a nominal value of $0.01 each and 50,000,000 are undesignated preferred shares with a nominal value of $0.01 each.

New Alkermes may issue shares subject to the maximum authorized share capital contained in its memorandum and articles of association. The authorized share capital may be increased or reduced by a resolution approved by a simple majority of the votes of a company s shareholders cast at a general meeting (referred to under Irish law as an ordinary resolution). The shares comprising the authorized share capital of New Alkermes may be divided into shares of such nominal value as the resolution shall prescribe. As a matter of Irish company law, the directors of a company may issue new ordinary or preferred shares without shareholder approval once authorized to do so by the articles of association or by an ordinary resolution adopted by the shareholders at a general meeting. The authorization may be granted for a maximum period of five years, at which point it must be renewed by the shareholders by an ordinary resolution. The articles of association of New Alkermes authorize the board of directors of New Alkermes to issue new ordinary or preferred shares without shareholder approval for a period of five years from the date of adoption of such articles of association, which is expected to be effective in the third quarter of calendar year 2011.

The rights and restrictions to which the ordinary shares will be subject will be prescribed in New Alkermes articles of association. New Alkermes articles of association permit the board of directors, without shareholder approval, to determine the terms of the preferred shares issued by New Alkermes. The New Alkermes board of directors will be authorized, without obtaining any vote or consent of the holders of any class or series of shares, unless expressly

provided by the terms of that class or series of shares, to provide from time to time for the issuance of other classes or series of shares and to establish the characteristics of each class or series, including the number of shares, designations, relative voting rights, dividend rights,

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liquidation and other rights, redemption, repurchase or exchange rights and any other preferences and relative, participating, optional or other rights and limitations not inconsistent with applicable law.

Irish law does not recognize fractional shares held of record. Accordingly, New Alkermes articles of association will not provide for the issuance of fractional shares of New Alkermes, and the official Irish register of New Alkermes will not reflect any fractional shares.

Issued Share Capital

Immediately prior to the completion of the reorganization, the issued share capital of New Alkermes will be 40,000, comprised of 40,000 ordinary shares, with nominal value of 1 per share, which is referred to in this proxy statement/prospectus as the Euro Share Capital and seven ordinary shares of $0.01 each. New Alkermes will issue 31,900,000 ordinary shares with a nominal value of $0.01 per share to the Elan Shareholder on completion of the reorganization. In connection with the consummation of the merger, New Alkermes will simultaneously issue a number of ordinary shares with a nominal value of $0.01 per share that is equal to the number of shares of Alkermes common stock that will be automatically converted into the right to receive New Alkermes ordinary shares and canceled as part of the merger. All shares issued upon consummation of the merger will be issued as fully paid-up and non-assessable. On the consummation of the merger, New Alkermes will acquire the Euro Share Capital and the seven ordinary shares of $0.01 each held by Elan nominees in issue immediately prior to the completion of the business combination for no consideration and then cancel them.

Preemption Rights, Share Warrants and Share Options

Under Irish law certain statutory preemption rights apply automatically in favor of shareholders where shares are to be issued for cash. However, New Alkermes has opted out of these preemption rights in its articles of association as permitted under Irish company law. Because Irish law requires this opt-out to be renewed every five years by a resolution approved by not less than 75% of the votes of the shareholders of New Alkermes cast at a general meeting (referred to under Irish law as a special resolution), New Alkermes articles of association provide that this opt-out must be so renewed. If the opt-out is not renewed, shares issued for cash must be offered to existing shareholders of New Alkermes on a pro rata basis to their existing shareholding before the shares can be issued to any new shareholders. The statutory preemption rights do not apply where shares are issued for non-cash consideration (such as in a stock-for-stock acquisition) and do not apply to the issue of non-equity shares (that is, shares that have the right to participate only up to a specified amount in any income or capital distribution) or where shares are issued pursuant to an employee stock option or similar equity plan.

The articles of association of New Alkermes provide that, subject to any shareholder approval requirement under any laws, regulations or the rules of any stock exchange to which New Alkermes is subject, the board is authorized, from time to time, in its discretion, to grant such persons, for such periods and upon such terms as the board deems advisable, options to purchase such number of shares of any class or classes or of any series of any class as the board may deem advisable, and to cause warrants or other appropriate instruments evidencing such options to be issued. The Companies Acts provide that directors may issue share warrants or options without shareholder approval once authorized to do so by the articles of association or an ordinary resolution of shareholders. New Alkermes will be subject to the rules of NASDAQ and the Code that require shareholder approval of certain equity plan and share issuances. New Alkermes board of directors may issue shares upon exercise of warrants or options without shareholder approval or authorization (up to the relevant authorized share capital limit). In connection with the business combination, New Alkermes will assume Alkermes existing obligations to deliver shares under its equity incentive plans, pursuant to the terms thereof.

Dividends

Under Irish law, dividends and distributions may only be made from distributable reserves. Distributable reserves generally means accumulated realized profits less accumulated realized losses and includes reserves created by way of capital reduction. In addition, no distribution or dividend may be made unless the net assets

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of New Alkermes are equal to, or in excess of, the aggregate of New Alkermes called up share capital plus undistributable reserves and the distribution does not reduce New Alkermes net assets below such aggregate. Undistributable reserves include the share premium account, the capital redemption reserve fund and the amount by which New Alkermes accumulated unrealized profits, so far as not previously utilized by any capitalization, exceed New Alkermes accumulated unrealized losses, so far as not previously written off in a reduction or reorganization of capital.

The determination as to whether or not New Alkermes has sufficient distributable reserves to fund a dividend must be made by reference to relevant accounts of New Alkermes. The relevant accounts will be either the last set of unconsolidated annual audited financial statements or other financial statements properly prepared in accordance with the Companies Acts, which give a true and fair view of New Alkermes unconsolidated financial position and accord with accepted accounting practice. The relevant accounts must be filed in the Companies Registration Office (the official public registry for companies in Ireland).

Although New Alkermes will not have any distributable reserves immediately following the effective time, Alkermes and New Alkermes are taking steps to create such distributable reserves, which includes the proposal to create distributable reserves on which Alkermes shareholders will vote at the special meeting. Please see *Risk Factors, Creation of Distributable Reserves of New Alkermes* and *Special Meeting of Alkermes Shareholders.*

New Alkermes articles of association authorize the directors to declare dividends to the extent they appear justified by profits without shareholder approval. The board of directors may also recommend a dividend to be approved and declared by the shareholders at a general meeting. The board of directors may direct that the payment be made by distribution of assets, shares or cash and no dividend issued may exceed the amount recommended by the directors. Dividends may be declared and paid in the form of cash or non-cash assets and may be paid in U.S. dollars or any other currency.

The directors of New Alkermes may deduct from any dividend payable to any shareholder any amounts payable by such shareholder to New Alkermes in relation to the shares of New Alkermes.

The directors may also authorize New Alkermes to issue shares with preferred rights to participate in dividends declared by New Alkermes. The holders of preferred shares may, depending on their terms, rank senior to the New Alkermes ordinary shares in terms of dividend rights and/or be entitled to claim arrears of a declared dividend out of subsequently declared dividends in priority to ordinary shareholders.

For information about the Irish tax issues relating to dividend payments, please see the section entitled *Certain Tax Consequences of the Merger Irish Tax Considerations Withholding Tax on Dividends.*

Share Repurchases, Redemptions and Conversions

Overview

New Alkermes articles of association provide that any ordinary share which New Alkermes has agreed to acquire shall be deemed to be a redeemable share. Accordingly, for Irish company law purposes, the repurchase of ordinary shares by New Alkermes will technically be effected as a redemption of those shares as described below under *Description of New Alkermes Ordinary Shares Share Repurchases, Redemptions and Conversions Repurchases and Redemptions by New Alkermes.* If the articles of association of New Alkermes did not contain such provision, repurchases by New Alkermes would be subject to many of the same rules that apply to purchases of New Alkermes ordinary shares by subsidiaries described below under *Description of New Alkermes Ordinary Shares Share Repurchases, Redemptions and Conversions Purchases by Subsidiaries of New Alkermes* including the shareholder

approval requirements described below and the requirement that any on-market purchases be effected on a recognized stock exchange. Neither Irish law nor any constituent document of New Alkermes places limitations on the right of nonresident or foreign owners to vote or hold New Alkermes ordinary shares. Except where otherwise noted, references elsewhere in this proxy statement/prospectus to repurchasing or buying back ordinary shares of New Alkermes refer to the redemption of ordinary shares by New Alkermes or the purchase of ordinary shares of New Alkermes by a

subsidiary of New Alkermes, in each case in accordance with the New Alkermes articles of association and Irish company law as described below.

Repurchases and Redemptions by New Alkermes

Under Irish law, a company may issue redeemable shares and redeem them out of distributable reserves or the proceeds of a new issue of shares for that purpose. As described in *Creation of Distributable Reserves of New Alkermes,* New Alkermes will not have any distributable reserves immediately following the effective time, however, it will take steps to create such distributable reserves. Please see also *Description of New Alkermes Ordinary Shares Dividends* and *Risk Factors.* New Alkermes may only issue redeemable shares if the nominal value of the issued share capital that is not redeemable is not less than 10% of the nominal value of the total issued share capital of New Alkermes. All redeemable shares must also be fully-paid and the terms of redemption of the shares must provide for payment on redemption. Redeemable shares may, upon redemption, be canceled or held in treasury. Based on the provision of New Alkermes articles described above, shareholder approval will not be required to redeem New Alkermes shares.

New Alkermes may also be given an additional general authority to purchase its own shares on-market which would take effect on the same terms and be subject to the same conditions as applicable to purchases by New Alkermes subsidiaries as described below.

The board of directors of New Alkermes may also issue preferred shares which may be redeemed at the option of either New Alkermes or the shareholder, depending on the terms of such preferred shares. Please see *Description of New Alkermes Ordinary Shares Capital Structure Authorized Share Capital* for additional information on preferred shares.

Repurchased and redeemed shares may be canceled or held as treasury shares. The nominal value of treasury shares held by New Alkermes at any time must not exceed 10% of the nominal value of the issued share capital of New Alkermes. New Alkermes may not exercise any voting rights in respect of any shares held as treasury shares. Treasury shares may be canceled by New Alkermes or re-issued subject to certain conditions.

Purchases by Subsidiaries of New Alkermes

Under Irish law, an Irish or non-Irish subsidiary may purchase shares of New Alkermes either on-market or off-market. For a subsidiary of New Alkermes to make on-market purchases of New Alkermes ordinary shares, the shareholders of New Alkermes must provide general authorization for such purchase by way of ordinary resolution. However, as long as this general authority has been granted, no specific shareholder authority for a particular on-market purchase by a subsidiary of New Alkermes ordinary shares is required. For an off-market purchase by a subsidiary of New Alkermes, the proposed purchase contract must be authorized by special resolution of the shareholders before the contract is entered into. The person whose shares are to be bought back cannot vote in favor of the special resolution and, for at least 21 days prior to the special resolution being passed, the purchase contract must be on display or must be available for inspection by shareholders at the registered office of New Alkermes.

Prior to the effective time, the Elan Shareholder is expected to authorize the purchase of New Alkermes ordinary shares by subsidiaries of New Alkermes, in an aggregate amount approximately equal to the then remaining authorization under the existing Alkermes share repurchase program. This authorization will expire no later than 18 months after the date on which it takes effect.

In order for a subsidiary of New Alkermes to make an on-market purchase of New Alkermes shares, such shares must be purchased on a recognized stock exchange. NASDAQ, on which the shares of New Alkermes will be listed

following the closing, is specified as a recognized stock exchange for this purpose by Irish company law.

The number of shares held by the subsidiaries of New Alkermes at any time will count as treasury shares and will be included in any calculation of the permitted treasury share threshold of 10% of the nominal value of the issued share capital of New Alkermes. While a subsidiary holds shares of New Alkermes, it cannot exercise any voting rights in respect of those shares. The acquisition of the shares of New Alkermes by a subsidiary must be funded out of distributable reserves of the subsidiary.

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Existing Share Repurchase Program

In November 2007, the Alkermes board of directors authorized a share repurchase program to repurchase up to $175 million of Alkermes common stock at the discretion of management from time to time in the open market or through privately negotiated transactions. On February 7, 2008, Alkermes entered into and completed a structured stock repurchase arrangement with Morgan Stanley in order to lower the average cost to acquire shares.

Alkermes made an up-front payment of $60 million to Morgan Stanley and took delivery of 4,690,542 shares at an average price of $12.79. In June 2008, the board of directors authorized the expansion of this repurchase program by an additional $40 million, bringing the total authorization under this program to $215 million. The repurchase program has no set expiration date and may be suspended or discontinued at any time. As of June 30, 2011, Alkermes had purchased a total of 8,866,342 shares under this program at a cost of $114 million.

Lien on Shares, Calls on Shares and Forfeiture of Shares

New Alkermes articles of association provide that New Alkermes will have a first and paramount lien on every share that is not a fully paid up share for all amounts payable at a fixed time or called in respect of that share. Subject to the terms of their allotment, directors may call for any unpaid amounts in respect of any shares to be paid, and if payment is not made, the shares may be forfeited. These provisions are standard inclusions in the articles of association of an Irish company limited by shares such as New Alkermes and will only be applicable to shares of New Alkermes that have not been fully paid up.

Consolidation and Division; Subdivision

Under its articles of association, New Alkermes may, by ordinary resolution, consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares or subdivide its shares into smaller amounts than is fixed by its articles of association.

Reduction of Share Capital

New Alkermes may, by ordinary resolution, reduce its authorized share capital in any way. New Alkermes also may, by special resolution and subject to confirmation by the Irish High Court, reduce or cancel its issued share capital in any way.

Annual Meetings of Shareholders

New Alkermes will be required to hold an annual general meeting within 18 months of incorporation and at intervals of no more than 15 months thereafter, provided that an annual general meeting is held in each calendar year following the first annual general meeting and no more than nine months after New Alkermes fiscal year-end. New Alkermes plans to hold its first annual general meeting in 2012 if the business combination is consummated. Under Irish law, the first annual general meeting of New Alkermes is permitted to be held outside Ireland. Thereafter, any annual general meeting may be held outside Ireland if a resolution so authorizing has been passed at the preceding annual general meeting.

Notice of an annual general meeting must be given to all New Alkermes shareholders and to the auditors of New Alkermes. The articles of association of New Alkermes provide for a minimum notice period of 21 days, which is the minimum permitted under Irish law.

The only matters which must, as a matter of Irish company law, be transacted at an annual general meeting are the presentation of the annual accounts, balance sheet and reports of the directors and auditors, the appointment of new auditors and the fixing of the auditor s remuneration (or delegation of same). If no resolution is made in respect of the reappointment of an existing auditor at an annual general meeting, the existing auditor will be deemed to have continued in office.

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Extraordinary General Meetings of Shareholders

Extraordinary general meetings of New Alkermes may be convened by (i) the board of directors, (ii) on requisition of the shareholders holding not less than 10% of the paid up share capital of New Alkermes carrying voting rights or (iii) on requisition of New Alkermes auditors. Extraordinary general meetings are generally held for the purposes of approving shareholder resolutions as may be required from time to time. At any extraordinary general meeting only such business shall be conducted as is set forth in the notice thereof.

Notice of an extraordinary general meeting must be given to all New Alkermes shareholders and to the auditors of New Alkermes. Under Irish law and New Alkermes articles of association, the minimum notice periods are 21 days notice in writing for an extraordinary general meeting to approve a special resolution and 14 days notice in writing for any other extraordinary general meeting.

In the case of an extraordinary general meeting convened by shareholders of New Alkermes, the proposed purpose of the meeting must be set out in the requisition notice. Upon receipt of this requisition notice, the board of directors has 21 days to convene a meeting of New Alkermes shareholders to vote on the matters set out in the requisition notice. This meeting must be held within two months of the receipt of the requisition notice. If the board of directors does not convene the meeting within such 21-day period, the requisitioning shareholders, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, which meeting must be held within three months of New Alkermes receipt of the requisition notice.

If the board of directors becomes aware that the net assets of New Alkermes are not greater than half of the amount of New Alkermes called-up share capital, the directors of New Alkermes must convene an extraordinary general meeting of New Alkermes shareholders not later than 28 days from the date that they learn of this fact to consider how to address the situation.

Quorum for General Meetings

The articles of association of New Alkermes provide that no business shall be transacted at any general meeting unless a quorum is present. One or more shareholders present in person or by proxy holding not less than a majority of the issued and outstanding shares of New Alkermes entitled to vote at the meeting in question constitute a quorum.

Voting

New Alkermes articles of association provide that the board or the chairman may determine the manner in which the poll is to be taken and the manner in which the votes are to be counted.

Every shareholder is entitled to one vote for each ordinary share that he or she holds as of the record date for the meeting. Voting rights may be exercised by shareholders registered in New Alkermes share register as of the record date for the meeting or by a duly appointed proxy, which proxy need not be a shareholder. Where interests in shares are held by a nominee trust company this company may exercise the rights of the beneficial holders on their behalf as their proxy. All proxies must be appointed in the manner prescribed by New Alkermes articles of association, which permit shareholders to notify New Alkermes of their proxy appointments electronically in such manner as may be approved by the board.

In accordance with the articles of association of New Alkermes, the directors of New Alkermes may from time to time authorize New Alkermes to issue preferred shares. These preferred shares may have such voting rights as may be

specified in the terms of such preferred shares (e.g., they may carry more votes per share than ordinary shares or may entitle their holders to a class vote on such matters as may be specified in the terms of the preferred shares). Treasury shares or shares of New Alkermes that are held by subsidiaries of New Alkermes will not be entitled to be voted at general meetings of shareholders.

Irish company law requires special resolutions of the shareholders at a general meeting to approve certain matters. Examples of matters requiring special resolutions include:

(a) amending the objects or memorandum of association of New Alkermes;

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(b) amending the articles of association of New Alkermes;

(c) approving a change of name of New Alkermes;

(d) authorizing the entering into of a guarantee or provision of security in connection with a loan, quasi-loan or credit transaction to a director or connected person;

(e) opting out of preemption rights on the issuance of new shares;

(f) re-registration of New Alkermes from a public limited company to a private company;

(g) variation of class rights attaching to classes of shares (where the articles of association do not provide otherwise);

(h) purchase of own shares off-market;

(i) reduction of issued share capital;

(j) sanctioning a compromise/scheme of arrangement;

(k) resolving that New Alkermes be wound up by the Irish courts;

(l) resolving in favor of a shareholders voluntary winding-up;

(m) re-designation of shares into different share classes; and

(n) setting the re-issue price of treasury shares.

Variation of Rights Attaching to a Class or Series of Shares

Under the New Alkermes articles of association and the Companies Acts, any variation of class rights attaching to the issued shares of New Alkermes must be approved by a special resolution of the shareholders of the affected class or with the consent in writing of the holders of three-quarters of all the votes of that class of shares.

The provisions of the articles of association of New Alkermes relating to general meetings apply to general meetings of the holders of any class of shares except that the necessary quorum is determined in reference to the shares of the holders of the class. Accordingly, for general meetings of holders of a particular class of shares, a quorum consists of the holders present in person or by proxy representing at least one half of the issued shares of the class.

Inspection of Books and Records

Under Irish law, shareholders have the right to: (i) receive a copy of the memorandum and articles of association of New Alkermes and any act of the Irish Government which alters the memorandum of New Alkermes; (ii) inspect and obtain copies of the minutes of general meetings and resolutions of New Alkermes; (iii) inspect and receive a copy of the register of shareholders, register of directors and secretaries, register of directors interests and other statutory registers maintained by New Alkermes; (iv) receive copies of balance sheets and directors and auditors reports which have previously been sent to shareholders prior to an annual general meeting; and (v) receive balance sheets of any subsidiary of New Alkermes which have previously been sent to shareholders prior to an annual general meeting for the preceding ten years. The auditors of New Alkermes will also have the right to inspect all books, records and vouchers of New Alkermes. The auditors report must be circulated to the shareholders with New Alkermes financial

statements prepared in accordance with Irish law 21 days before the annual general meeting and must be read to the shareholders at New Alkermes annual general meeting.

Acquisitions

An Irish public limited company may be acquired in a number of ways, including:

(a) a court-approved scheme of arrangement under the Companies Acts. A scheme of arrangement with shareholders requires a court order from the Irish High Court and the approval of a majority in

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number representing 75% in value of the shareholders present and voting in person or by proxy at a meeting called to approve the scheme;

(b) through a tender or takeover offer by a third party for all of the shares of New Alkermes. Where the holders of 80% or more of New Alkermes shares have accepted an offer for their shares in New Alkermes, the remaining shareholders may also be statutorily required to transfer their shares. If the bidder does not exercise its squeeze out right, then the non-accepting shareholders also have a statutory right to require the bidder to acquire their shares on the same terms. If shares of New Alkermes were to be listed on the Irish Stock Exchange or another regulated stock exchange in the European Union, this threshold would be increased to 90%; and

(c) it is also possible for New Alkermes to be acquired by way of a merger with an EU-incorporated company under the EU Cross-Border Mergers Directive 2005/56/EC. Such a merger must be approved by a special resolution. If New Alkermes is being merged with another EU company under the EU Cross-Border Mergers Directive 2005/56/EC and the consideration payable to New Alkermes shareholders is not all in the form of cash, New Alkermes shareholders may be entitled to require their shares to be acquired at fair value.

Irish law does not generally require shareholder approval for a sale, lease or exchange of all or substantially all of a company s property and assets.

Appraisal Rights

Generally, under Irish law, shareholders of an Irish company do not have dissenters or appraisal rights. Under the European Communities (Cross-Border Mergers) Regulations 2008 governing the merger of an Irish company limited by shares such as New Alkermes and a company incorporated in the European Economic Area (the European Economic Area includes all member states of the European Union and Norway, Iceland and Liechtenstein), a shareholder (i) who voted against the special resolution approving the merger or (ii) of a company in which 90% of the shares are held by the other party to the merger has the right to request that the company acquire its shares for cash at a price determined in accordance with the share exchange ratio set out in the merger agreement.

Disclosure of Interests in Shares

Under the Companies Acts, shareholders must notify New Alkermes if, as a result of a transaction, the shareholder will become interested in 5% or more of the shares of New Alkermes; or if as a result of a transaction a shareholder who was interested in more than 5% of the shares of New Alkermes ceases to be so interested. Where a shareholder is interested in more than 5% of the shares of New Alkermes, the shareholder must notify New Alkermes of any alteration of his or her interest that brings his or her total holding through the nearest whole percentage number, whether an increase or a reduction. The relevant percentage figure is calculated by reference to the aggregate nominal value of the shares in which the shareholder is interested as a proportion of the entire nominal value of the issued share capital of New Alkermes (or any such class of share capital in issue). Where the percentage level of the shareholder s interest does not amount to a whole percentage this figure may be rounded down to the next whole number. New Alkermes must be notified within five business days of the transaction or alteration of the shareholder s interests that gave rise to the notification requirement. If a shareholder fails to comply with these notification requirements, the shareholder s rights in respect of any New Alkermes shares it holds will not be enforceable, either directly or indirectly. However, such person may apply to the court to have the rights attaching to such shares reinstated.

In addition to these disclosure requirements, New Alkermes, under the Companies Acts, may, by notice in writing, require a person whom New Alkermes knows or has reasonable cause to believe to be, or at any time during the three years immediately preceding the date on which such notice is issued to have been, interested in shares comprised in

New Alkermes relevant share capital to: (i) indicate whether or not it is the case; and (ii) where such person holds or has during that time held an interest in the shares of New Alkermes, to provide additional information, including the person s own past or present interests in shares of New Alkermes If the recipient of the notice fails to respond within the reasonable time period specified in the notice, New

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Alkermes may apply to court for an order directing that the affected shares be subject to certain restrictions, as prescribed by the Companies Acts, as follows:

(a) any transfer of those shares, or in the case of unissued shares any transfer of the right to be issued with shares and any issue of shares, shall be void;

(b) no voting rights shall be exercisable in respect of those shares;

(c) no further shares shall be issued in right of those shares or in pursuance of any offer made to the holder of those shares; and

(d) no payment shall be made of any sums due from New Alkermes on those shares, whether in respect of capital or otherwise.

The court may also order that shares subject to any of these restrictions be sold with the restrictions terminating upon the completion of the sale.

Anti-Takeover Provisions

Irish Takeover Rules and Substantial Acquisition Rules

A transaction in which a third party seeks to acquire 30% or more of the voting rights of New Alkermes will be governed by the Irish Takeover Panel Act 1997 and the Irish Takeover Rules made thereunder and will be regulated by the Irish Takeover Panel. The General Principles of the Irish Takeover Rules and certain important aspects of the Irish Takeover Rules are described below.

General Principles

The Irish Takeover Rules are built on the following General Principles which will apply to any transaction regulated by the Irish Takeover Panel:

(a) in the event of an offer, all classes of shareholders of the target company should be afforded equivalent treatment and, if a person acquires control of a company, the other holders of securities must be protected;

(b) the holders of securities in the target company must have sufficient time to allow them to make an informed decision regarding the offer;

(c) the board of a company must act in the interests of the company as a whole. If the board of the target company advises the holders of securities as regards the offer it must advise on the effects of the implementation of the offer on employment, employment conditions and the locations of the target company s place of business;

(d) false markets in the securities of the target company or any other company concerned by the offer must not be created;

(e) a bidder can only announce an offer after ensuring that he or she can fulfill in full the consideration offered;

(f) a target company may not be hindered longer than is reasonable by an offer for its securities. This is a recognition that an offer will disrupt the day-to-day running of a target company particularly if the offer is hostile and the board of the target company must divert its attention to resist the offer; and

(g) a substantial acquisition of securities (whether such acquisition is to be effected by one transaction or a series of transactions) will only be allowed to take place at an acceptable speed and shall be subject to adequate and timely disclosure.

Mandatory Bid

Under certain circumstances, a person who acquires shares in New Alkermes may be required under the Irish Takeover Rules to make a mandatory cash offer for the remaining outstanding shares in New Alkermes at

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a price not less than the highest price paid for the shares by the acquirer or (any parties acting in concert with the acquirer) during the previous twelve months. This mandatory bid requirement is triggered if an acquisition of shares would increase the aggregate holding of an acquirer (including the holdings of any parties acting in concert with the acquirer) to shares representing 30% or more of the voting rights in New Alkermes, unless the Irish Takeover Panel otherwise consents. An acquisition of shares by a person holding (together with its concert parties) shares representing between 30% and 50% of the voting rights in New Alkermes would also trigger the mandatory bid requirement if, after giving effect to the acquisition, the percentage of the voting rights held by that person (together with its concert parties) would increase by 0.05% within a twelve-month period. Any person (excluding any parties acting in concert with the holder) holding shares representing more than 50% of the voting rights of a company is not subject to these mandatory offer requirements.

Voluntary Bid; Requirements to Make a Cash Offer and Minimum Price Requirements

If a person makes a voluntary offer to acquire outstanding ordinary shares of New Alkermes, the offer price must be no less than the highest price paid for New Alkermes ordinary shares by the bidder or its concert parties during the three-month period prior to the commencement of the offer period. The Irish Takeover Panel has the power to extend the look back period to twelve months if the Irish Takeover Panel, taking into account the General Principles, believes it is appropriate to do so.

If the bidder or any of its concert parties has acquired ordinary shares of New Alkermes (i) during the period of twelve months prior to the commencement of the offer period which represent more than 10% of the total ordinary shares of New Alkermes or (ii) at any time after the commencement of the offer period, the offer must be in cash (or accompanied by a full cash alternative) and the price per New Alkermes ordinary share must not be less than the highest price paid by the bidder or its concert parties during, in the case of (i), the 12-month period prior to the commencement of the offer period and, in the case of (ii), the offer period. The Irish Takeover Panel may apply this rule to a bidder who, together with its concert parties, has acquired less than 10% of the total ordinary shares of New Alkermes in the 12-month period prior to the commencement of the offer period if the Irish Takeover Panel, taking into account the General Principles, considers it just and proper to do so.

An offer period will generally commence from the date of the first announcement of the offer or proposed offer.

Substantial Acquisition Rules

The Irish Takeover Rules also contain rules governing substantial acquisitions of shares which restrict the speed at which a person may increase his or her holding of shares and rights over shares to an aggregate of between 15% and 30% of the voting rights of New Alkermes. Except in certain circumstances, an acquisition or series of acquisitions of shares or rights over shares representing 10% or more of the voting rights of New Alkermes is prohibited, if such acquisition(s), when aggregated with shares or rights already held, would result in the acquirer holding 15% or more but less than 30% of the voting rights of New Alkermes and such acquisitions are made within a period of seven days. These rules also require accelerated disclosure of acquisitions of shares or rights over shares relating to such holdings.

Frustrating Action

Under the Irish Takeover Rules, the New Alkermes board of directors is not permitted to take any action which might frustrate an offer for the shares of New Alkermes once the board of directors has received an approach which may lead to an offer or has reason to believe an offer is imminent, subject to certain exceptions. Potentially frustrating actions such as (i) the issue of shares, options or convertible securities, (ii) material acquisitions or disposals, (iii) entering into contracts other than in the ordinary course of business or (iv) any action, other than seeking alternative offers, which may result in frustration of an offer, are

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prohibited during the course of an offer or at any time during which the board has reason to believe an offer is imminent. Exceptions to this prohibition are available where:

(a) the action is approved by New Alkermes shareholders at a general meeting; or

(b) the Irish Takeover Panel has given its consent, where:

(i) it is satisfied the action would not constitute frustrating action;

(ii) the holders of 50% of the voting rights state in writing that they approve the proposed action and would vote in favor of it at a general meeting;

(iii) the action is taken in accordance with a contract entered into prior to the announcement of the offer; or

(iv) the decision to take such action was made before the announcement of the offer and either has been at least partially implemented or is in the ordinary course of business.

Certain other provisions of Irish law or the New Alkermes memorandum and articles of association may be considered to have anti-takeover effects, including those described under the following captions: *Description of New Alkermes Ordinary Shares Capital Structure Authorized Share Capital* (regarding issuance of preferred shares), *Description of New Alkermes Ordinary Shares Preemption Rights, Share Warrants and Share Options, Description of New Alkermes Ordinary Shares Disclosure of Interests in Shares, Description of New Alkermes Ordinary Shares Corporate Governance, Comparison of the Rights of Holders of Alkermes Common Stock and New Alkermes Ordinary Shares Election of Directors, Comparison of the Rights of Holders of Alkermes Common Stock and New Alkermes Ordinary Shares Removal of Directors*; *Vacancies, Comparison of the Rights of Holders of Alkermes Common Stock and New Alkermes Ordinary Shares Amendments of Constituent Documents, Comparison of the Rights of Holders of Alkermes Common Stock and New Alkermes Ordinary Shares Calling Special Meetings of Shareholders* and *Comparison of the Rights of Holders of Alkermes Common Stock and New Alkermes Ordinary Shares Advance Notice of Director Nominations and Other Shareholder Proposals.*

Corporate Governance

The articles of association of New Alkermes allocate authority over the day-to-day management of New Alkermes to the board of directors. The board of directors may then delegate the management of New Alkermes to committees of the board (consisting of one or more members of the board) or executives, but regardless, the directors will remain responsible, as a matter of Irish law, for the proper management of the affairs of New Alkermes. Committees may meet and adjourn as they determine proper. A vote at any committee meeting will be determined by a majority of votes of the members present.

New Alkermes will replicate the existing committees that are currently in place for Alkermes which include an Audit and Risk Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. It also is the intention of New Alkermes to adopt Alkermes current Reporting Procedures for Auditing and Accounting, Internal Control Matters and Illegal or Unethical Behavior and No Retaliation Policy, Audit and Non-Audit Services Pre-Approval Policy, Charter of the Lead Independent Director, Insider Trading Policy, Corporate Governance Guidelines and Code of Business Conduct and Ethics.

Legal Name; Formation; Fiscal Year; Registered Office

The current legal and commercial name of New Alkermes is Antler Science Two plc, to be renamed Alkermes plc effective as of or prior to completion of the business combination. New Alkermes was incorporated in Ireland on May 4, 2011 as a private limited company, under the name Antler Science Two Limited (registration number 498284). On July 25, 2011, New Alkermes was re-registered as a public limited company. New Alkermes fiscal year ends on March 31 and New Alkermes registered address is Treasury Building, Lower Grand Canal Street, Dublin 2, Ireland. For more information regarding New Alkermes, see *The Companies*.

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Duration; Dissolution; Rights upon Liquidation

New Alkermes duration will be unlimited. New Alkermes may be dissolved and wound up at any time by way of a shareholders voluntary winding up or a creditors winding up. In the case of a shareholders voluntary winding-up, a special resolution of shareholders is required. New Alkermes may also be dissolved by way of court order on the application of a creditor, or by the Companies Registration Office as an enforcement measure where New Alkermes has failed to file certain returns.

The rights of the shareholders to a return of New Alkermes assets on dissolution or winding up, following the settlement of all claims of creditors, may be prescribed in New Alkermes articles of association or the terms of any preferred shares issued by the directors of New Alkermes from time to time. The holders of preferred shares in particular may have the right to priority in a dissolution or winding up of New Alkermes. If the articles of association contain no specific provisions in respect of a dissolution or winding up then, subject to the priorities of any creditors, the assets will be distributed to shareholders in proportion to the paid-up nominal value of the shares held. New Alkermes articles of association provide that the ordinary shareholders of New Alkermes are entitled to participate pro rata in a winding up, but their right to do so may be subject to the rights of any preferred shareholders to participate under the terms of any series or class of preferred shares.

Uncertificated Shares

Holders of ordinary shares of New Alkermes will not have the right to require New Alkermes to issue certificates for their shares. New Alkermes will only issue uncertificated ordinary shares.

Stock Exchange Listing

Alkermes intends to file a listing application with NASDAQ in respect of the New Alkermes ordinary shares that the Elan Shareholder will receive in the reorganization and that holders of Alkermes common stock will receive in the merger. It is expected that following the effective time, the New Alkermes ordinary shares will be listed on NASDAQ under the symbol ALKS the same symbol under which Alkermes common stock is currently listed. New Alkermes ordinary shares are not currently intended to be listed on the Irish Stock Exchange.

No Sinking Fund

The New Alkermes ordinary shares have no sinking fund provisions.

No Liability for Further Calls or Assessments

The shares to be issued in the merger will be duly and validly issued and fully-paid.

Transfer and Registration of Shares

The transfer agent for New Alkermes will maintain the share register, registration in which will be determinative of membership in New Alkermes. A shareholder of New Alkermes who holds shares beneficially will not be the holder of record of such shares. Instead, the depository (for example, Cede & Co., as nominee for DTC) or other nominee will be the holder of record of those shares. Accordingly, a transfer of shares from a person who holds such shares beneficially to a person who also holds such shares beneficially through a depository or other nominee will not be registered in New Alkermes official share register, as the depository or other nominee will remain the record holder of

any such shares.

A written instrument of transfer is required under Irish law in order to register on New Alkermes official share register any transfer of shares (i) from a person who holds such shares directly to any other person, (ii) from a person who holds such shares beneficially to a person who holds such shares directly, or (iii) from a person who holds such shares beneficially to another person who holds such shares beneficially where the transfer involves a change in the depository or other nominee that is the record owner of the transferred shares. An instrument of transfer is also required for a shareholder who directly holds shares to transfer those

shares into his or her own broker account (or vice versa). Such instruments of transfer may give rise to Irish stamp duty, which must be paid prior to registration of the transfer on New Alkermes official Irish share register. However, a shareholder who directly holds shares may transfer those shares into his or her own broker account (or vice versa) without giving rise to Irish stamp duty provided there is no change in the ultimate beneficial ownership of the shares as a result of the transfer and the transfer is not made in contemplation of a sale of the shares.

Any transfer of New Alkermes ordinary shares that is subject to Irish stamp duty will not be registered in the name of the buyer unless an instrument of transfer is duly stamped and provided to the transfer agent. New Alkermes articles of association allow New Alkermes, in its absolute discretion, to create an instrument of transfer and pay (or procure the payment of) any stamp duty, which is the legal obligation of a buyer. In the event of any such payment, New Alkermes is (on behalf of itself or its affiliates) entitled to (i) seek reimbursement from the buyer or seller (at its discretion), (ii) set-off the amount of the stamp duty against future dividends payable to the buyer or seller (at its discretion), and (iii) claim a lien against the New Alkermes ordinary shares on which it has paid stamp duty. Parties to a share transfer may assume that any stamp duty arising in respect of a transaction in New Alkermes ordinary shares has been paid unless one or both of such parties is otherwise notified by New Alkermes.

New Alkermes articles of association as they will be in effect as of the effective date of the merger delegate to New Alkermes secretary the authority to execute an instrument of transfer on behalf of a transferring party.

In order to help ensure that the official share register is regularly updated to reflect trading of New Alkermes ordinary shares occurring through normal electronic systems, New Alkermes intends to regularly produce any required instruments of transfer in connection with any transactions for which it pays stamp duty (subject to the reimbursement and set-off rights described above). In the event that New Alkermes notifies one or both of the parties to a share transfer that it believes stamp duty is required to be paid in connection with the transfer and that it will not pay the stamp duty, the parties may either themselves arrange for the execution of the required instrument of transfer (and may request a form of instrument of transfer from New Alkermes for this purpose) or request that New Alkermes execute an instrument of transfer on behalf of the transferring party in a form determined by New Alkermes. In either event, if the parties to the share transfer have the instrument of transfer duly stamped (to the extent required) and then provide it to New Alkermes transfer agent, the buyer will be registered as the legal owner of the relevant shares on New Alkermes official Irish share register (subject to the matters described below).

The directors may suspend registration of transfers from time to time, not exceeding 30 days in aggregate each year.

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COMPARISON OF THE RIGHTS OF HOLDERS OF ALKERMES COMMON STOCK AND NEW ALKERMES ORDINARY SHARES

The rights of the shareholders of Alkermes and the relative powers of Alkermes board of directors are governed by the laws of the Commonwealth of Pennsylvania, including the PBCL, and Alkermes articles of incorporation and bylaws. As a result of the merger, each outstanding share of Alkermes common stock and all associated rights will be canceled and automatically converted into the right to receive one New Alkermes ordinary share. Because New Alkermes will be, at the effective time, a public limited company organized under the laws of Ireland, the rights of the shareholders of New Alkermes will be governed by applicable Irish law, including the Companies Acts, and by New Alkermes memorandum and articles of association.

Many of the principal attributes of Alkermes common stock and New Alkermes ordinary shares will be similar. However, there are differences between the rights of shareholders of Alkermes under Pennsylvania law and the rights of shareholders of New Alkermes following the merger under Irish law. In addition, there are differences between Alkermes articles of incorporation and bylaws and New Alkermes memorandum and articles of association as they will be in effect from and after the effective time, including (i) as required by Irish law (i.e., as a result of differences in Irish law and Pennsylvania law, the New Alkermes memorandum and articles of association include provisions not included in the Alkermes articles of incorporation and bylaws and exclude provisions that are in the Alkermes articles of incorporation and bylaws), or (ii) as necessary in order to preserve the current rights of shareholders and powers of the board of directors of Alkermes as compared to those of New Alkermes following the effective time.

The following is a summary comparison of the material differences between the rights of Alkermes shareholders under the PBCL and the Alkermes articles of incorporation and bylaws and the rights Alkermes shareholders will have as shareholders of New Alkermes under the Companies Acts, and New Alkermes memorandum and articles of association effective upon the consummation of the business combination. The discussion in this section does not include a description of rights or obligations under the U.S. federal securities laws or NASDAQ listing requirements, many of which are similar to, or have an effect on, matters described herein under Pennsylvania or Irish law. Such rights or obligations generally apply equally to the Alkermes common stock and the New Alkermes ordinary shares.

The statements in this section are qualified in their entirety by reference to, and are subject to, the detailed provisions of the PBCL, the Companies Acts, Alkermes articles of incorporation and bylaws and New Alkermes memorandum and articles of association as they will be in effect from and after the closing. The form of New Alkermes memorandum and articles of association substantially as they will be in effect from and after the closing are attached as Annex E to this proxy statement/prospectus. The Alkermes articles of incorporation and bylaws are incorporated by reference herein and have been furnished to the Alkermes shareholders with this proxy statement/prospectus. See *Where You Can Find More Information.*

	Alkermes	New Alkermes
Authorized and Outstanding Capital Stock	The authorized share capital of Alkermes is 165 million shares, of which 160,000,000 are common shares, par value $0.01 per share, and 450,000 shares are non-voting common stock, par value $0.01 per share. In addition, Alkermes has authorized 3,000,000 shares of preferred stock, of	The authorized share capital of New Alkermes is 40,000 and $5,000,000, of which 40,000 are ordinary shares with a nominal value of 1.00 each, 450,000,000 are ordinary shares with a nominal value of $0.01 each and 50,000,000 are undesignated preferred shares with a nominal value of

which 3,000 are designated as 2002 Redeemable Convertible Preferred Stock and 110,000 are designated Series A junior Participating Preferred Stock reserved for issuance upon the exercise of the rights distributed to holders of Alkermes common stock pursuant to the rights agreement.

$0.01 each.

Immediately prior to the acquisition of New Alkermes by Elan as part of the reorganization, the issued share capital of New Alkermes will consist solely of the Euro Share Capital and seven ordinary shares with a nominal value of $0.01 each held by Elan nominees. New Alkermes

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	Alkermes	New Alkermes
	As of August 1, 2011, the record date for the special meeting, Alkermes had 97,618,711 shares of common stock issued and outstanding. There is no outstanding preferred stock. Alkermes articles of incorporation and Pennsylvania law permit the board to issue new shares of authorized but unissued share capital, at such times and on such terms as the directors think proper, without obtaining additional shareholder approval up to the authorized maximum. However, an increase in the authorized share capital requires shareholder approval. The board may determine the class, rights and other terms that will attach to such shares.	will issue 31,900,000 ordinary shares with a nominal value of $0.01 per share to the Elan Shareholder on completion of the reorganization. In connection with the consummation of the merger, New Alkermes will simultaneously issue a number of ordinary shares with a nominal value of $0.01 per share that is equal to the number of shares of Alkermes common stock then outstanding that will automatically be canceled and converted into the right to receive New Alkermes ordinary shares as part of the merger. All shares issued upon consummation of the merger will be issued as fully paid- up and non-assessable. Upon the consummation of the merger, New Alkermes will also acquire the Euro Share Capital and the seven ordinary shares of $0.01 each held by Elan nominees for no consideration and will then cancel them. Under Irish law, the board of directors may issue new ordinary or preferred shares without shareholder approval once authorized to do so by the articles of association or by an ordinary resolution adopted by the shareholders at a general meeting. The authorization may be granted for a maximum period of five years, after which it must be renewed by the shareholders by ordinary resolution. The articles of association of New Alkermes authorize the board of directors of New Alkermes to issue new ordinary or preferred shares without shareholder approval for a period of five years from the date of adoption.
Reduction of Share Capital	The Alkermes articles of incorporation authorize the board to decrease the number of shares of any class or series to a number not less than the number of shares then	New Alkermes may, by ordinary resolution, reduce its authorized share capital. New Alkermes also may, by special resolution and subject to confirmation by the Irish High

	outstanding.	Court, reduce or cancel its issued share capital.
Preemption Rights, Share Warrants and Share Options	Alkermes shareholders do not have preemption rights.	Under Irish law certain statutory preemption rights apply automatically in favor of shareholders where shares are to be issued for cash. New Alkermes has opted out of these preemption rights in its articles of association as permitted under

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	Alkermes	New Alkermes
		Irish law. However, Irish law requires this opt-out to be renewed at least every five years by a special resolution of the shareholders requiring the approval of no less than 75% of the votes cast at a general meeting. If the opt-out is not renewed, shares issued for cash must be offered to pre-existing shareholders on a pro rata basis before shares can be issued to any new shareholders. The statutory preemption rights do not apply where shares are issued for non-cash consideration (such as in a stock-for- stock acquisition) and do not apply to the issue of non-equity shares (that is, shares that have the right to participate only up to a specified amount in any income or capital distribution). Under Irish law, New Alkermes is prohibited from allotting shares for nil or no consideration. Accordingly, at least the nominal value of the shares issued underlying any restricted share award, restricted share unit, performance shares awards, bonus shares or any other share-based grants must be paid pursuant to the Companies Acts.
Distributions, Dividends, Repurchases and Redemptions	Under the Alkermes articles of incorporation, the holders of Alkermes common stock will be entitled to receive dividends when and as declared by the board of directors, but only out of funds legally available for this purpose. Under Pennsylvania law, a dividend may not be made if, after giving effect to the dividend, either: (i) the corporation would be unable to pay its debts as they become due in the usual course of business, or (ii) the total assets of the corporation would be less than the sum of its total liabilities plus	Under Irish law, dividends and distributions may only be made from distributable reserves. Distributable reserves generally means the accumulated realized profits less accumulated realized losses and includes reserves created by way of capital reduction. In addition, no distribution or dividend may be made unless the net assets of New Alkermes are equal to, or in excess of, the aggregate of New Alkermes called up share capital plus undistributable reserves and the distribution does not reduce New Alkermes net assets below such aggregate. Undistributable reserves include the share

(unless otherwise provided in its articles of incorporation) the amount that would be needed, were the corporation to be dissolved at the time the dividend is measured, to satisfy the preferential rights of shareholders with superior rights to those receiving the dividend.

The board of directors may base its determination that a dividend is not premium account, the capital redemption reserve fund and the amount by which New Alkermes accumulated unrealized profits, so far as not previously utilized by any capitalization, exceed New Alkermes accumulated unrealized losses, so far as not previously written off in a reduction or reorganization of capital.

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Alkermes	New Alkermes
prohibited because total liabilities (including other applicable preferential rights of shareholders) will not exceed total assets on one or more of the following: the book values of the assets and liabilities of the corporation; a valuation that takes into consideration unrealized appreciation and depreciation or other changes in value of the assets and liabilities of the corporation;	The determination as to whether or not New Alkermes has sufficient distributable reserves to fund a dividend must be made by reference to relevant accounts of New Alkermes. The relevant accounts will be either the last set of unconsolidated annual audited financial statements or other financial statements properly prepared in accordance with the Companies Acts, which give a true and fair view of New Alkermes unconsolidated financial position and accord with accepted accounting practice. The relevant accounts must be filed in the Companies Registration Office.
the current value of assets and liabilities of the corporation, either valued separately or in segments or as an entirety as a going concern; or any other method that is reasonable under the circumstances. To date, Alkermes has never paid a dividend to holders of any class of stock. *Repurchases*	Although New Alkermes will not have any distributable reserves immediately after the effective time, New Alkermes will take steps to create such distributable reserves. New Alkermes articles of association authorize the directors to declare dividends to the extent they appear justified by profits without shareholder approval. The board of directors may also recommend a dividend to be approved and declared by the shareholders at a general meeting. The board of directors may direct that the payment be made by distribution of assets, shares or cash and no dividend issued may exceed the amount recommended by the directors.
Under Pennsylvania law, Alkermes has the power to acquire its own shares. Because Alkermes articles of incorporation do not prevent reacquired shares from being reissued, any shares acquired by Alkermes will be deemed to be issued but not outstanding, unless the board restores any or all of the previously issued shares of the corporation it acquires to the status of authorized but unissued shares.	New Alkermes may pay dividends in U.S. dollars or any other currency. The directors of New Alkermes may deduct from any dividend payable to any shareholder any amounts payable by such shareholder to New Alkermes in relation to the shares of New Alkermes. *Share Repurchases and Redemptions by New Alkermes*

New Alkermes articles of association provide that any ordinary share which New Alkermes has agreed to acquire shall be deemed to be a redeemable share. Accordingly, for Irish company law purposes, the repurchase of ordinary shares by New Alkermes will technically be effected as a redemption.

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Alkermes	New Alkermes
	Under Irish law, New Alkermes may issue redeemable shares and redeem them out of distributable reserves or the proceeds of a new issue of shares for that purpose. New Alkermes may only issue redeemable shares if the nominal value of the issued share capital that is not redeemable is no less than 10% of the nominal value of the total issued share capital of New Alkermes. All redeemable shares must also be fully-paid and the terms of redemption of the shares must provide for payment on redemption.
	New Alkermes may also be given an additional general authority to purchase its own shares on-market which would take effect on the same terms and be subject to the same conditions as applicable to purchases by New Alkermes subsidiaries as described below.
	New Alkermes may also issue preferred shares which may be redeemed at the option of either New Alkermes or the shareholder, depending on the terms of such preferred shares.
	The nominal value of treasury shares held by New Alkermes at any time must not exceed 10% of the nominal value of the issued share capital of New Alkermes. New Alkermes cannot exercise any voting rights in respect of any shares held as treasury shares. Treasury shares may be canceled by New Alkermes or re-issued subject to certain conditions.
	Purchases by Subsidiaries of New Alkermes

Under Irish law, New Alkermes subsidiaries may purchase shares of New Alkermes either on-market, on a recognized stock exchange such as NASDAQ or off- market.

For a subsidiary of New Alkermes to make on-market purchases of New Alkermes ordinary shares, the shareholders of New Alkermes must provide general authorization for such purchase by way of ordinary resolution, however, as long as this general authority has been granted, no specific shareholder authority for a

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Alkermes	New Alkermes
	particular on-market purchase by a subsidiary of New Alkermes ordinary shares is required. For an off-market purchase by a subsidiary of New Alkermes, the proposed purchase contract must be authorized by special resolution of the shareholders before the contract is entered into. The person whose shares are to be bought back cannot vote in favor of the special resolution and, for at least 21 days prior to the special resolution, the purchase contract must be on display or must be available for inspection by shareholders at the registered office of New Alkermes.
	The number of shares held by the subsidiaries of New Alkermes at any time will count as treasury shares and will be included in any calculation of the permitted treasury share threshold of 10% of the nominal value of the issued share capital of New Alkermes. While a subsidiary holds shares of New Alkermes, it cannot exercise any voting rights in respect of those shares. The acquisition of the shares of New Alkermes by a subsidiary must be funded out of distributable reserves of the subsidiary.
	Prior to the effective time, the existing shareholders of New Alkermes at that time are expected to authorize the purchase of New Alkermes shares by subsidiaries of New Alkermes, in an aggregate amount approximately equal to the then remaining authorization under the existing Alkermes share repurchase program. This authorization is expected to take effect as of the effective time and will expire no later than 18 months after the effective date and it is expected that New Alkermes would seek shareholder approval to renew this authorization at future annual general

		meetings.
Bonus Shares	Alkermes is not prohibited from making non-cash distributions in the form of shares so long as the relative rights of the holders of any class or series are not adversely affected thereby and any such distributions are subject to the same requirements applicable to distributions	Under New Alkermes articles of association, upon recommendation of the board of directors, the shareholders by ordinary resolution may authorize the board of directors to capitalize any amount for the time being standing to the credit of any of New Alkermes reserves (including

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	Alkermes	New Alkermes
	generally set forth under *Comparison of the Rights of Holders of Alkermes Common Stock and New Alkermes Ordinary Shares Distributions, Dividends, Repurchases and Redemptions.*	any capital redemption reserve fund or share premium account) or to the credit of profit and loss account for issuance and distribution to shareholders as fully-paid up bonus shares on the same basis of entitlement as would apply in respect of a dividend distribution.
Lien on Shares, Calls on Shares and Forfeiture of Shares	Not applicable.	New Alkermes articles of association provide that New Alkermes will have a first and paramount lien on every share that is not a fully paid up share for all amounts payable at a fixed time or called in respect of that share. Subject to the terms of their allotment, directors may call for any unpaid amounts in respect of any shares to be paid, and if payment is not made, the shares may be forfeited. These provisions are standard inclusions in the articles of association of an Irish company limited by shares such as New Alkermes and will only be applicable to shares of New Alkermes that have not been fully paid up.
Election of Directors	The Alkermes bylaws provide that the board will consist of at least five and no more than 15 directors, as fixed from time to time by the board. Currently, the Alkermes board of directors has ten members. While Pennsylvania law permits companies to have classified boards, the Alkermes board is not currently classified. Under the Alkermes bylaws, directors will be elected by the shareholders at each annual meeting to hold office until the next succeeding annual meeting and until their successors have been elected and qualified.	The Companies Acts provide for a minimum of two directors. New Alkermes articles of association provide that the board may determine the size of its board from time to time. At the effective time, the New Alkermes board will consist of eight members. The directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as possible, of one- third of the total number of directors constituting the entire board. The term of the initial Class I directors shall terminate on the date of the 2012 annual general meeting; the term of the initial Class II directors shall terminate on the date

of the 2013 annual general meeting; and the term of the initial Class III directors shall terminate on the date of the 2014 annual general meeting. At each annual general meeting of shareholders beginning in 2012, successors to the class of directors whose term expires at that annual general meeting will be elected for a three-year term. If the number of directors is changed, any

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	Alkermes	New Alkermes
		increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible. In no case will a decrease in the number of directors shorten the term of any incumbent director. A director may hold office until the annual general meeting for the year in which his or her term expires and until his or her successor is elected and duly qualified, subject, to prior death, resignation, retirement, disqualification or removal from office. Directors are elected by ordinary resolution at a general meeting. Irish law requires majority voting for the election of directors, which could result in the number of directors falling below the minimum prescribed by the board due to the failure of nominees to be elected. Accordingly, New Alkermes articles of association provide that if, at any general meeting of shareholders, the number of directors is reduced below the minimum prescribed by the articles of association due to the failure of any person nominated to be a director to be elected, then in those circumstances, the nominee or nominees who receive the highest number of votes in favor of election will be elected in order to maintain such prescribed minimum number of directors. Each director will remain a director (subject to the provisions of the Companies Acts and the articles) only until the conclusion of the next annual general meeting of New Alkermes unless he or she is reelected.
Removal of Directors; Vacancies	Under Pennsylvania law and the Alkermes bylaws, vacancies of the board of directors, including vacancies resulting from an increase in the number of directors, will be filled by a majority of the remaining	Under the Companies Acts and notwithstanding anything contained in the articles of association or in any agreement between a company and a director, the shareholders may by an ordinary resolution

directors even though the number of directors at that time may be less than a quorum. A director elected to fill a vacancy will serve until the next annual meeting of shareholders and until his successor is elected or qualified.

Under Pennsylvania law, directors may be removed from office without cause by the remove a director from office before the expiration of his or her term at a meeting held on no less than 28 days notice and at which the director is entitled to be heard. The power of removal is without prejudice to any claim for damages for breach of contract (e.g. employment contract) which the director

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	Alkermes	New Alkermes
	vote of the shareholders entitled to elect directors.	may have against New Alkermes in respect of his or her removal. New Alkermes articles of association provide that the board may fill any vacancy occurring in the board of directors. If the board of directors fills a vacancy, the director s term expires at the next annual general meeting. A vacancy on the board created by the removal of a director may be filled by the shareholders at the meeting at which such director is removed and, in the absence of such election or appointment, the remaining directors may fill the vacancy.
Quorum of the Board	Under Alkermes bylaws, a majority of the directors in office will be necessary to constitute a quorum for the transaction of business.	The quorum necessary for the transaction of business by the board may be fixed by the board and unless so fixed will be a majority of the directors in office.
Duties of Directors	Under Pennsylvania law, a corporation s directors have a duty to act in good faith in a manner which they reasonably believe to be in the best interests of the corporation. In discharging their responsibility, directors owe a duty of care and a duty of loyalty to the corporation. Under Pennsylvania law, in considering the best interests of the corporation, directors may consider to the extent they deem appropriate, the effects of any action on all groups affected, including without limitation, shareholders, employees, customers, creditors and communities and the short-term and long- term interests of the corporation. In considering the best interests of the corporation or the effects of any action, directors are not required to regard any corporate interest or the interests of any	The directors of New Alkermes have certain statutory and fiduciary duties. All of the directors have equal and overall responsibility for the management of New Alkermes (although directors who also serve as employees will have additional responsibilities and duties arising under their employment agreements and it is likely that more will be expected of them in compliance with their duties than non-executive directors). The principal directors duties include the common law fiduciary duties of good faith and exercising due care and skill. The statutory duties include ensuring the maintenance of proper books of account, having annual accounts prepared, having an annual audit performed, the duty to maintain certain registers and make certain filings as well as disclosure of personal interests. For public limited

particular group affected by such action, including the interests of shareholders, as a dominant or controlling interest or factor.

Under Pennsylvania law, directors are required to act with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under such circumstances.

Directors are required to exercise an informed business judgment in the

companies like New Alkermes, directors are under a specific duty to ensure that the secretary is a person with the requisite knowledge and experience to discharge the role.

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	Alkermes	New Alkermes
	performance of their duties. To do so, directors must have informed themselves of all material information reasonably available to them. Under Pennsylvania law, absent a breach of fiduciary duty, lack of good faith or self-dealing, any act of the board of directors, committee thereof or any individual director shall be presumed to be in the best interests of the corporation.	
Conflicts of Interest of Directors	Under Pennsylvania law, a director s fiduciary duties require the director to avoid conflicts of interest. Under the PBCL, a transaction in which a director is interested will not be voided due to the conflict or because the interested director participates in the board meeting or the vote authorizing the transaction if: (i) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors and the board authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors even though the disinterested directors are less than a quorum; (ii) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the shareholders entitled to vote thereon and the contract or transaction is specifically approved in good faith by vote of those shareholders; or (iii) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the board of directors or the shareholders.	As a matter of Irish law, a director is under a general fiduciary duty to avoid conflicts of interest. Under Irish law, directors who have a personal interest in a contract or a proposed contract with New Alkermes are required to declare the nature of their interest at the meeting of the directors of New Alkermes. New Alkermes is required to maintain a register of declared interests which must be available for shareholder inspection. New Alkermes articles of association provide that a director must declare any interest he or she may have in a contract with New Alkermes at a meeting of the board of directors or otherwise provide notice to the board of directors. No director shall be prevented by his or her office from contracting with New Alkermes provided that he or she has declared the nature of his or her interest in the contracts and the contract or transaction has been approved by a majority of the disinterested directors. Under the New Alkermes articles of association, a director of New Alkermes may be a director or other officer of, or otherwise interested in, any company promoted by New Alkermes or in which

New Alkermes is interested, and such director will not be accountable to New Alkermes for any remuneration received from such employment or other interest. The articles of association further provide that (i) no director will be prevented from contracting with New Alkermes because of his or her position as a director, (ii) any contract entered into between a director and New Alkermes will not be subject to

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	Alkermes	New Alkermes
		avoidance, and (iii) no director will be liable to account to New Alkermes for any profits realized by virtue of any contract between such director and New Alkermes because the director holds such office or the fiduciary relationship established thereby. A director of New Alkermes will be at liberty to vote in respect of any transaction in which he or she is interested, provided that such director discloses the nature of his or her interest prior to consideration of the transaction and any vote thereon.
Indemnification of Officers and Directors	Alkermes bylaws include indemnification provisions under which it is required to indemnify, to the fullest extent permitted under Pennsylvania law, each person made, threatened to be made a party to or otherwise involved in, any claim, action, suit or proceeding as a result of being or having been a director or officer, of Alkermes, or serving or having served as a director, officer, employee or agent to another entity at Alkermes request. Alkermes is required to pay, in advance, any expenses (including attorneys fees and disbursements) a person entitled to indemnification incurs in defending any such claim, action or proceeding upon receipt of an undertaking by the indemnified person to repay all amounts advanced if it is ultimately determined by final judicial decision that the indemnified person is not entitled to indemnification. These indemnity provisions survive repeal or amendment for claims arising out of periods in which the provisions were effective. In addition, Alkermes also has indemnification agreements with its	Pursuant to New Alkermes articles of association, its directors and secretary are indemnified to the extent permitted by the Companies Acts. New Alkermes may indemnify the directors or secretary only if the indemnified party receives a favorable judgment in respect of the liability, or where an Irish court determines that the director or the secretary acted honestly and reasonably and ought fairly to be excused. This restriction in the Companies Acts does not apply to executives who are not directors or the secretary of New Alkermes. Any provision for indemnification to a greater extent is void under Irish law, whether contained in its articles of association or any contract between the director and the Irish company. New Alkermes articles of association also contain indemnification and expense advancement provisions for current or former executives who are not directors or the secretary of New Alkermes. The directors of New Alkermes may, on a case-by-case basis, decide at their discretion that it is in the best interests of New Alkermes to indemnify an individual director from any liability arising from his or

directors which are described more fully under the heading *The Business Combination Interests of Certain Persons in the Transactions.*

her position as a director of New Alkermes. However, this discretion must be exercised bona fide in the best interests of New Alkermes as a whole.

In addition, due to more restrictive provisions of Irish law in relation to the indemnification of directors and the

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	Alkermes	New Alkermes
		secretary, in connection with the business combination, New Alkermes expects to indemnify its directors and certain officers, as well as with individuals serving as directors or officers of its subsidiaries pursuant to indemnification agreements existing or to be entered into by Alkermes (or deed poll indemnities). New Alkermes expects that the indemnification and expense advancement to be provided to the directors and certain officers of New Alkermes under the indemnification agreement (or deed poll indemnity) will, to the extent permitted by Irish law, be the same or substantially similar to that afforded in the current indemnification agreements between Alkermes and its officers and directors.
Limitation on Director Liability	Under Pennsylvania law and Alkermes bylaws, a director will not be personally liable unless the director breaches his or her fiduciary duties and the breach constitutes self-dealing, willful misconduct or recklessness. These liability provisions survive repeal or amendment for claims arising out of periods in which the provisions were effective.	Under Irish law, a company may not exempt its directors from liability for negligence or a breach of duty. However, where a breach of duty has been established, directors may be statutorily exempted by an Irish court from personal liability for negligence or breach of duty if, among other things, the court determines that they have acted honestly and reasonably, and that they may fairly be excused as a result. Under Irish law, shareholders may not agree to exempt a director or officer from any claim or right of action the shareholder may have, whether individually or in the right of a company, on account of any action taken or the failure to take any action in the performance of his or her duties to the company.
Annual Meetings of Shareholders	Under the Alkermes bylaws, an annual meeting of shareholders for the election of directors and the transaction of other	New Alkermes will be required to hold an annual general meeting within 18 months of incorporation and at intervals of no more

business must be held in each calendar year at the date, time and place determined by the board. The PBCL permits any shareholder to call the meeting at any time, if the annual meeting is not called and held within six months after the designated time.

than 15 months thereafter, provided that an annual general meeting is held in each calendar year following the first annual general meeting, no more than nine months after New Alkermes fiscal year-end. The first annual general meeting of New Alkermes may be held outside Ireland. New Alkermes intends to hold its

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	Alkermes	New Alkermes
		first annual general meeting in 2012. Thereafter, any annual general meeting may be held outside Ireland if a resolution so authorizing has been passed at the preceding annual general meeting. The only matters which must, as a matter of Irish company law, be transacted at an annual general meeting are the presentation of the annual accounts, balance sheet and reports of the directors and auditors, the appointment of new auditors and the fixing of the auditor s remuneration (or delegation of same). If no resolution is made in respect of the reappointment of an existing auditor at an annual general meeting, the existing auditor will be deemed to have continued in office. The provisions of the articles of association of New Alkermes relating to general meetings shall apply to every such general meeting of the holders of any class of shares except that the necessary quorum shall be one person holding or representing by proxy at least one-half of the issued shares of such class.
Calling Special Meetings of Shareholders	Under the Alkermes bylaws, special meetings of shareholders may be called at any time by the Chief Executive Officer or by the board of directors. Under the PBCL, the shareholders of a registered corporation, such as Alkermes, are not entitled by statute to call a special meeting.	Extraordinary general meetings of New Alkermes may be convened (i) by the board of directors, (ii) on requisition of the shareholders holding not less than 10% of the paid up share capital of New Alkermes carrying voting rights or (iii) on requisition of New Alkermes auditors. Extraordinary general meetings are generally held for the purposes of approving shareholder resolutions of New Alkermes as may be required from time to time. At any extraordinary general meeting only the business set forth in the notice may be

conducted. Notice of an extraordinary general meeting must be given to all shareholders of New Alkermes and to the auditors of New Alkermes. Under Irish law and the New Alkermes articles of association, the minimum notice periods are 21 days notice in writing for an extraordinary general meeting to approve a special resolution and 14 days notice in writing for any other extraordinary general meeting. The

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	Alkermes	New Alkermes
		purpose of an extraordinary general meeting convened by shareholders of New Alkermes must be set out in the requisition notice. The board must set a meeting dating within 21 days of receipt of the requisition notice and the meeting must be held within two months of the receipt of the requisition notice. If the board of directors does not convene the meeting within 21 days, the requisitioning shareholders, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting that must be held within three months of the receipt of the requisition notice. If the board of directors becomes aware that the net assets of New Alkermes are half or less of the amount of New Alkermes called-up share capital, the directors of New Alkermes must convene an extraordinary general meeting of New Alkermes shareholders not later than 28 days from the date that they learn of this fact. This meeting must be convened for the purposes of considering whether any, and if so what, measures should be taken to address the situation.
Record Date; Notice Provisions	Under the Alkermes bylaws, the board of directors may fix a date not more than 90 days prior to (i) the date of any meeting of shareholders, (ii) the date fixed for the payment of any dividend or distribution, (iii) the date for the allotment of rights or (iv) the date when any change or conversion or exchange of shares will be made or will go into effect, as the record date to determine the shareholders (i) entitled to notice of or to vote at any such meeting, (ii) entitled to receive payment of any dividend or distribution, (iii) entitled to receive any such	New Alkermes articles of association provide that the board may fix in advance a record date (i) to determine the shareholders entitled to notice of or to vote at a meeting of the shareholders that is no more than 90 days and no less than 10 days before the date of the meeting, and (ii) for the purpose of determining the shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose that is no more than 90 days prior to the date of payment of the dividend or the date of any other action

allotment of rights or (iv) entitled to exercise the rights in respect to any such change, conversion or exchange of shares.

Written notice, stating the place, day and hour of each meeting of shareholders, and in the case of a special meeting, the general nature of the business to be transacted, must be given to each

to which the determination of shareholders is relevant. The record date may not precede the date upon which the resolution fixing the record date is adopted by the directors.

If the register of shareholders is closed in connection with a meeting, it must be closed for at least 5 days preceding the

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	shareholder of record entitled to vote at the meeting at least 5 days prior to the day named for the meeting, or 10 days in the case of a meeting that will consider a fundamental change.	meeting and the record date for such determination will be the date of the closing of the register of shareholders. Notice of an annual general meeting must be given to all shareholders of New Alkermes and to the auditors of New Alkermes. The articles of association provide that New Alkermes must provide at least 21 days advanced written notice of an annual general meeting.
Advance Notice of Director Nominations and Other Shareholder Proposals	Alkermes bylaws establish procedures that shareholders must follow in order to nominate persons for election to the Alkermes board of directors. Any director nomination made by a shareholder must be made in writing and delivered or mailed to the chairman of the board of directors not later than 90 days in advance of the anniversary date of Alkermes proxy statement for its annual meeting of shareholders in the previous calendar year. This notification must contain, to the extent known by the nominating shareholder(s), (i) the name and address of each proposed nominee, (ii) the principal occupation of each proposed nominee, (iii) the total number of shares of Alkermes voting stock that will be voted for each proposed nominee by the nominating shareholder(s), (iv) the name and residence address of the nominating shareholders, (v) the number of shares of Alkermes owned by the nominating shareholder(s), (vi) such other information about each nominee proposed by such shareholder(s) as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC had the nominee been nominated or intended to be nominated by the board of directors and (vii) the consent of each nominee to serve as a director of Alkermes if so elected.	The Companies Acts provide that shareholders holding not less than 10% of the total voting rights may call an extraordinary general meeting for the purpose of considering director nominations or other proposals, as described *under Comparison of the Rights of Holders of Alkermes Common Stock and New Alkermes Ordinary Shares Calling Special Meetings of Shareholders.* New Alkermes articles of association provide that shareholder nominations of persons to be elected to the board of directors at an annual general meeting must be made following written notice to the secretary of New Alkermes executed by a shareholder accompanied by certain background and other information specified in the articles of association. Such written notice and information must be received by the secretary of New Alkermes not less than 90 days nor more than 150 days before the first anniversary of the date of New Alkermes proxy statement for the prior year s annual general meeting.

Nominations not made in accordance with the bylaws shall be disregarded.	
Alkermes bylaws do not contain any provisions for advance notice of proposals to be made at a meeting of shareholders other than director nominations; therefore, shareholder proposals (other than director nominations) may be submitted at any	The notice must set forth the following information: (a) as to each person whom the shareholder proposes to nominate for election or re-election as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act, or any successor

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	time including at the meeting of shareholders pursuant to the Exchange Act proxy rules. A proxy may confer discretionary authority to vote on matters if a specific statement in the proxy is made to that effect (i) at an annual meeting, if Alkermes does not have notice of the matter at least 45 days before the first anniversary of the date on which it sent its proxy materials for the prior year s annual meeting or (ii) at a special meeting or annual meeting the date for which has changed by more than 30 days from the prior year if Alkermes does not have notice within a reasonable amount of time.	provisions thereto, including such person s written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (b) as to the shareholder giving the notice: (i) the name and address of such shareholder, as they appear on the register of members; (ii) the class and number of ordinary shares that are owned beneficially and/or of record by such shareholder; (iii) a representation that the shareholder is a registered holder of ordinary shares entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such nomination; and (iv) a statement as to whether the shareholder intends or is part of a group that intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the company s outstanding share capital required to approve or elect the nominee and/or otherwise to solicit proxies from shareholders in support of such nomination.
Quorum at Shareholder Meetings	Under Alkermes bylaws, a quorum consists of the presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast on a particular matter, except that in the case of a meeting called for the election of directors and adjourned for the lack of a quorum, shareholders entitled to vote who attend a second	The articles of association of New Alkermes provide that no business shall be transacted at any general meeting unless a quorum is present. One or more shareholders present in person or by proxy holding no less than a majority of the issued and outstanding shares of New Alkermes entitled to vote at the meeting in question shall be a quorum.

	adjourned meeting, although less than a quorum, shall constitute a quorum for the election of directors.	
Adjournment of Shareholder Meetings	Under the PBCL, the shareholders can adjourn any regular or special meeting of shareholders, including one at which directors are to be elected, for any period as the shareholders present and entitled to vote shall direct, regardless of whether a quorum is present.	The articles of association of New Alkermes provide that if within one hour after the time appointed for a general meeting a quorum is not present, the meeting will stand adjourned to the same day in the next week at the same time and place or otherwise as the board of directors determines, unless convened by

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		shareholder requisition, in which case the meeting is dissolved. If at the adjourned meeting a quorum is not present within one hour after the time appointed for the meeting the shareholders present shall be a quorum. If a quorum is present, the chairman of the meeting may adjourn a general meeting with the consent of, and must adjourn the meeting at the direction of, the shareholders. No business may be transacted at any adjourned meeting other than the business left unfinished at the meeting at which the adjournment took place. New notice must be given for meetings adjourned for 30 days or more.
Voting Rights	Under Alkermes articles of incorporation, each holder of Alkermes common stock is entitled to one vote for each share owned of record. For general corporate action of the shareholders of Alkermes, the affirmative vote of a majority of the votes cast at a shareholders meeting is required for approval. Under Pennsylvania law, unless the articles of incorporation provide otherwise, shareholders have the right to multiply the number of votes to which they may be entitled to vote by the number of directors to be elected, and they may cast the whole number of their votes for one candidate or distribute them among the candidates.	Every shareholder shall have one vote for each ordinary share that he or she holds as of the record date for the meeting. Irish company law requires special resolutions of the shareholders at a general meeting to approve certain matters. A special resolution requires the approval of not less than 75% of the votes of New Alkermes shareholders cast at a general meeting at which a quorum is present. Ordinary resolutions, by contrast, require a simple majority of the votes of New Alkermes cast at a general meeting at which a quorum is present. Irish company law also distinguishes between ordinary business and special business . Most matters are deemed special with the exception of declaring a dividend, the consideration of the accounts, balance sheets and the reports of the directors and

		auditors, the election of directors, the re-appointment of the retiring auditors and the fixing of the remuneration of the auditors, all of which are deemed to be ordinary business .
Shareholder Action by Written Consent	Under Alkermes articles of incorporation, any action required or permitted to be taken at a meeting of shareholders or of a class of shareholders may be taken without a meeting upon written consent of shareholders who would have been entitled to cast the minimum number of votes that	The Companies Acts provide that shareholders may approve a resolution without a meeting if (i) all shareholders sign the written resolution and (ii) the company s articles of association permit written resolutions of shareholders. Accordingly, New Alkermes articles of

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	would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. Under Pennsylvania law, actions by less than unanimous consent may be effective immediately, but prompt notice of the action must be given to those shareholders who were entitled to vote thereon, who did not consent.	association provide that shareholders have the right to take action by written consent only where such consent is unanimous.
Shareholder Suits	Under Pennsylvania law, a shareholder may initiate a derivative action to enforce a right of a corporation if the corporation fails to enforce the right itself. The complaint must state that the plaintiff was a shareholder or the owner of a beneficial interest in the shares at the time of the transaction of which the plaintiff complains or that the plaintiff s shares or interest thereafter devolved on the plaintiff by operation of law; and A shareholder or holder of a beneficial interest in shares may, at the discretion of the court, be allowed to maintain a derivative action even if such shareholder was not a shareholder at the time of the wrongdoing, if a court determines that a preliminary showing can be made that there is a strong prima facie case in favor of the claim and that serious injustice would result without such suit. If a derivative action is instituted or maintained by holders or owners of less than 5% of the outstanding shares of any class of shares, unless the aggregate fair market value of such shares is in excess of $200,000, the corporation shall be entitled to require the plaintiffs to give security for reasonable expenses, including attorneys fees.	In certain limited circumstances, a shareholder may be entitled to bring a derivative action on behalf of New Alkermes if a wrong committed against New Alkermes would otherwise go un redressed. The principal case law in Ireland indicates that to bring a derivative action a person must first establish a prima facie case (i) that the company is entitled to the relief claimed and (ii) that the action falls within one of the five exceptions derived from case law, as follows: (a) where an ultra vires or illegal act is perpetrated; (b) where more than a bare majority is required to ratify the wrong complained of; (c) where the shareholders personal rights are infringed; (d) where a fraud has been perpetrated upon a minority by those in control; and (e) where the justice of the case requires a minority to be permitted to institute proceedings.

Under Pennsylvania law, if a shareholder files a derivative action without first making a demand upon the corporation s board of directors, the action will be dismissed unless the plaintiff makes a specific showing that irreparable injury to the corporation would otherwise result.	
	Irish law also permits shareholders of New Alkermes to bring proceedings against New Alkermes where the affairs of New Alkermes are being conducted, or the powers of the directors are being exercised, in a manner oppressive to the shareholders or in disregard of their interests. The court can grant any relief it sees fit and the usual remedy is the purchase or transfer of the shares of any shareholder.

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Inspection of Books and Records	Under Pennsylvania law, every shareholder has a statutory right to inspect and make copies of the share register, books and records of accounts and records of the proceedings of shareholders and directors of a corporation for a proper purpose during the usual hours of business upon submitting a written verified demand stating such purpose. If a corporation refuses to permit inspection or does not reply to the demand within five business days after it is made, the shareholder may apply to the court for an order to enforce his or her demand. A proper purpose is a purpose reasonably related to the interest of the person as a shareholder.	Under Irish law, shareholders have the right to: (i) receive a copy of the memorandum and articles of association of New Alkermes and any act of the Irish Government which alters the memorandum of New Alkermes; (ii) inspect and obtain copies of the minutes of general meetings and resolutions of New Alkermes; (iii) inspect and receive a copy of the register of shareholders, register of directors and secretaries, register of directors interests and other statutory registers maintained by New Alkermes; (iv) receive copies of balance sheets and directors and auditors reports which have previously been sent to shareholders prior to an annual general meeting; and (v) receive balance sheets of a subsidiary company of New Alkermes which have previously been sent to shareholders prior to an annual general meeting for the preceding ten years.
Disclosure of Interests in Shares	Under the PBCL, a person who acquires the direct or indirect beneficial ownership of shares entitled to cast at least 20% of the total votes entitled to be cast for the election of directors becomes a controlling person. Upon the occurrence of a control transaction, a controlling person is required to notify all shareholders of record holding voting shares, and the court, along with a petition for a determination of the fair value of voting shares. In connection with a control transaction, shareholders have the right to demand from the controlling person fair value for their shares under specified procedures. Fair value may not be less than the highest price paid per share by the controlling person at any time during the 90-day period ending on and including the date on which the controlling person became such, plus any increment representing any value, such as a control premium, that is not reflected in such	Under Irish law, shareholders who acquire or cease to be interested in 5% of the shares of New Alkermes must notify New Alkermes, as an Irish public limited company. A shareholder who is interested in 5% or more of the shares of New Alkermes must notify the company of any change of his or her interest that brings his or her total holding through the nearest whole percentage number. The relevant percentage figure is calculated by reference to the aggregate nominal value of the shares in which the shareholder is interested as a proportion of the entire nominal value of New Alkermes share capital. Where the percentage level of the shareholder s interest does not amount to a whole percentage, this figure may be rounded down to the next whole number. All such notifications must be made within five business days of the transaction or alteration of the shareholder s interests that gave rise to the requirement to notify. If these notification requirements are

price.

not complied with, no right or interest of any kind whatsoever in respect of any shares in New Alkermes concerned held by such person shall be enforceable, whether directly or indirectly, by action or legal proceeding. However, such person may apply to the court to have the rights attaching to the

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	shares reinstated. In addition, New Alkermes, under the Companies Acts, may by notice in writing require a person whom New Alkermes knows or has reasonable cause to believe to be, or, at any time during the three years immediately preceding the date on which such notice is issued, to have been interested in shares comprised in New Alkermes relevant share capital to: (i) indicate whether or not it is the case; and (ii) where such person holds or has during that time held an interest in the shares of New Alkermes, to give such further information as may be required by New Alkermes including particulars of such person s own past or present interests in shares of New Alkermes. Any information given in response to the notice is required to be given in writing within such reasonable time as may be specified in the notice.
	If the person fails to give New Alkermes any information required within the reasonable time specified, New Alkermes may apply to court for an order directing that the affected shares be subject to certain restrictions. Under the Companies Acts, the restrictions that may be placed on the shares by the court are as follows:
	any transfer of those shares, or in the case of unissued shares any transfer of the right to be issued with shares and any issue of shares, shall be void;
	no voting rights shall be exercisable in respect of those shares;
	no further shares shall be issued in right of those shares or in pursuance of any offer made to the holder of those shares; and

no payment shall be made of any sums due from New Alkermes on those shares, whether in respect of capital or otherwise.

Where the shares in New Alkermes are subject to these restrictions, the court may order the shares to be sold and may also direct that the shares shall cease to be subject to these restrictions.

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Shareholder Approval of Business Combinations	Under the PBCL, except as set forth below in this entry, a merger or other similar business combination in which a Pennsylvania corporation is a constituent corporation requires the affirmative vote of a majority of the votes cast by holders of common stock outstanding and entitled to vote. Under the PBCL, a person who acquires the direct or indirect beneficial ownership of shares entitled to cast at least 20% of the total votes entitled to be cast for the election of directors becomes an interested shareholder. A corporation with an interested shareholder may not effect mergers or certain other business combinations, including certain asset dispositions, with the interested shareholder for a period of five years, unless: the business combination or the acquisition of stock by means of which the interested shareholder became an interested shareholder is approved by the corporation s board of directors prior to such stock acquisition; the business combination is approved by the affirmative vote of the holders of all the outstanding common shares of the corporation; or the business combination is approved by the affirmative vote of the holders of a majority of all shares entitled to vote, excluding votes of shares held by the interested shareholder, and at the time of such vote, the interested shareholder is the beneficial owner of at least 80% of the voting shares of the corporation. This exception applies only if the value of the consideration to be paid by the interested shareholder in connection with the business combination satisfies certain fair price requirements.	Shareholder approval in connection with a business combination involving New Alkermes would be required under the following circumstances: in connection with a scheme of arrangement, both a court order from the Irish High Court and the approval of a majority in number representing 75% in value of the shareholders present and voting in person or by proxy, at a meeting called to approve the scheme; in connection with an acquisition of New Alkermes by way of a merger with an EU-incorporated company under the EU Cross-Border Mergers Directive 2005/56/EC by a special resolution of the shareholders. Under Irish law, there is no requirement for a company s shareholders to approve a sale, lease or exchange of all or substantially all of a company s property and assets.

After the five-year restricted period, an interested shareholder of the corporation may engage in a business combination with the corporation if (i) the business combination is approved by the affirmative vote of a majority of the shares other than

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	those beneficially owned by the interested shareholder and its affiliates, or (ii) the merger is approved at a shareholders meeting and certain fair price requirements are met.	
Appraisal Rights	Under the PBCL, a shareholder may dissent from, and receive payment of the fair value of its shares in the event of certain mergers, consolidations, share exchanges, asset transfers and corporate divisions. However, no dissenters rights are available with respect to shares which, at the applicable record date, were either listed on a national securities exchange or held beneficially or of record by more than 2,000 shareholders, unless the shares are of a preferred or special class and the terms of the transaction do not require for the effectuation of the transaction the affirmative vote of a majority of the votes cast by all shareholders of such class or series.	Generally, under Irish law, shareholders of an Irish company do not have dissenters or appraisal rights. Under the European Communities (Cross-Border Mergers) Regulations 2008 governing the merger of an Irish company limited by shares such as New Alkermes and a company incorporated in the European Economic Area (the European Economic Area includes all member states of the EU and Norway, Iceland and Liechtenstein), a shareholder (i) who voted against the special resolution approving the merger or (ii) of a company in which 90% of the shares are held by the other party to the merger, has the right to request that the company acquire its shares for cash.
Anti-takeover Measures	Under the PBCL, certain anti- takeover provisions apply to Alkermes as a publicly-traded company including those relating to (i) control share acquisitions, (ii) disgorgement of profits by certain controlling persons, (iii) business combination transactions with interested shareholders, (iv) the rights of shareholders to demand fair value for their stock following a control transaction and (v) transactions with interested shareholders. Pennsylvania law allows corporations to opt-out of these anti-takeover sections. A general summary of these applicable anti-takeover provisions is set forth below.	*Irish Takeover Rules and Substantial Acquisition Rules* A transaction in which a third party seeks to acquire 30% or more of the voting rights of New Alkermes will be governed by the Irish Takeover Panel Act 1997 and the Irish Takeover Rules thereunder and will be regulated by the Irish Takeover Panel. The General Principles of the Irish Takeover Rules and certain important aspects of the Irish Takeover Rules are described below.

Control Share Acquisitions. Pennsylvania law regarding control share acquisitions relates to the act of acquiring for the first time voting power over voting shares (other than shares owned since January 1, 1988 and any additional shares distributed with respect to such shares) equal to at least 20%, 331/3% and 50% of the voting power of the corporation. Once a control share acquisition has occurred, then all shares in excess of the triggering

General Principles

The Irish Takeover Rules are built on the following General Principles which will apply to any transaction regulated by the Irish Takeover Panel:

(i) in the event of an offer, all classes of shareholders of the target company should be afforded equivalent treatment and, if a person acquires control of a company, the other holders of securities must be protected;

(ii) the holders of securities in the target company must have sufficient time to

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threshold, plus shares purchased at any time with the intention of acquiring such voting power and shares purchased within 180 days of the date the triggering threshold was exceeded, are considered control shares. Control shares cannot vote either until their voting rights have been restored by two separate votes of the shareholders, described below, at a meeting or until they have been transferred to a person who does not thereby also become the holder of control shares. The holder of control shares may wait until the next annual or special meeting after the acquisition took place to submit the question of the restoration of voting rights to the shareholders, or the acquiring person may accelerate the process by agreeing to underwrite the cost of a special meeting of shareholders for that purpose. In either case, the acquiring person is required to furnish for distribution to the shareholders an information statement containing a detailed disclosure concerning the acquiring person, its intentions with respect to ownership of securities of the corporation and other matters. As an alternative, a person proposing to make a control share acquisition may request prospective approval by the shareholders of the exercise of the voting rights of the shares proposed to be acquired. Two shareholders votes are required to approve the restoration of voting rights. First, the approval of an absolute majority of all voting power must be obtained. All voting shares are entitled to participate in this vote. Second, the approval of an absolute majority of all disinterested shareholders must be obtained. For a period of 24 months after the later of (i) a control share acquisition by an acquiring person who does not properly request consideration of voting rights, or (ii) the denial of such a request or lapse of	allow them to make an informed decision regarding the offer; (iii) a company board must act in the interests of the company as a whole. If the board of the target company advises the holders of securities as regards the offer it must advise on the effects of the implementation of the offer on employment, employment conditions and the locations of the target company s place of business; (iv) false markets in the securities of the target company or any other company concerned by the offer must not be created; (v) a bidder can only announce an offer after ensuring that he or she can fulfill in full the consideration offered; (vi) a target company may not be hindered longer than is reasonable by an offer for its securities. This is a recognition that an offer will disrupt the day-to-day running of a target company particularly if the offer is hostile and the board of the target company must divert its attention to resist the offer; and (vii) a substantial acquisition of securities (whether such acquisition is to be effected by one transaction or a series of transactions) will only be allowed to take place at an acceptable speed and shall be subject to adequate and timely disclosure. *Mandatory Bid* If an acquisition of shares were to increase the aggregate holding of an acquirer and the parties acting in concert with it to shares carrying 30% or more of the voting rights in New Alkermes, the acquirer and, depending on the circumstances, its concert parties would be required (except with the consent

voting rights, the corporation may redeem all the control shares at the average public market sales price of the shares on the date notice of the call for redemption is given by the corporation.

of the Irish Takeover Panel) to make a cash offer for the remaining outstanding shares at a price not less than the highest price paid for the shares by the acquirer or its concert parties during the previous 12 months.

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Disgorgement of Profits by Certain Controlling Persons. Pennsylvania law regarding disgorgement of profits by certain controlling persons applies in the event that (i) a person or group acquires (or publicly discloses an intent to acquire) 20% or more of the voting power of the corporation or (ii) any person or group publicly discloses that the person or group may acquire control of the corporation, and, in either case, sells shares within 18 months thereafter. Any profits from sales of equity securities of the corporation received by the person or group during such 18-month period will belong to the corporation if the securities that were sold were acquired during the 18-month period or within 24 months prior thereto.	This requirement would also be triggered by an acquisition of shares by a person holding (together with its concert parties) shares carrying between 30% and 50% of the voting rights in New Alkermes if the effect of such acquisition were to increase the percentage of the voting rights held by that person (together with its concert parties) by 0.05% within a twelve-month period. A single holder (that is, a holder excluding any parties acting in concert with the holder) holding more than 50% of the voting rights of a company is not subject to this rule.
Business Combination Transactions with Interested Shareholders.	*Voluntary Bid; Requirements to Make a Cash Offer and Minimum Price Requirements*
See Comparison of the Rights of Holders of Alkermes Common Stock and New Alkermes Ordinary Shares Shareholder Approval of Business Combinations.	If a party makes a voluntary bid to acquire shares of New Alkermes and the bidder or any of its concert parties acquire ordinary shares of New Alkermes within the period of three months prior to the commencement of the offer period, the offer price must be not less than the highest price paid for New Alkermes ordinary shares by the bidder or its concert parties during that period. The Irish Takeover Panel has the power to extend the look-back period to 12 months if the Irish Takeover Panel, having regard to the General Principles, believes it is appropriate to do so.
Rights of Shareholders to Demand Fair Value for Stock Following a Control Transaction.	If the bidder or any of its concert parties has acquired ordinary shares of New Alkermes (i) during the period of 12 months prior to the commencement of the offer period which represent more than 10% of the total ordinary shares of New Alkermes or (ii) at any time after the commencement of the offer period, the offer shall be in cash (or accompanied by a full cash alternative) and the price per New Alkermes ordinary share shall be not less than the highest price paid by the bidder or its concert parties during, in
See Comparison of the Rights of Holders of Alkermes Common Stock and New Alkermes Ordinary Shares Disclosure of Interests in Shares.	
Transactions with Interested Shareholders. Generally, under Pennsylvania law, transactions between a corporation and an interested shareholder must satisfy a heightened shareholder approval requirement in addition to any other approvals that may otherwise be applicable. Pennsylvania law requires certain transactions (including mergers) with interested shareholders to be approved by a	

majority of the disinterested shareholders, unless the transaction is (i) approved by a majority of the disinterested directors, (ii) one in which the consideration to be received by shareholders is not less than the highest amount paid by the interested shareholder in acquiring the interested shareholder s

the case of (i), the period of 12 months prior to the commencement of the offer period and, in the case of (ii), the offer period. The Irish Takeover Panel may apply this rule to a bidder who, together with its

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Alkermes	New Alkermes
shares or (iii) a merger where a party to the merger owns 80% or more of the stock of another party to the merger and is effected by the board of directors without shareholder approval as permitted under the PBCL. Interested shareholder is defined as a shareholder who is a party to the transaction or who is treated differently from other shareholders and any person or group of persons that is acting jointly or in concert with the interested shareholder.	concert parties, has acquired less than 10% of the total ordinary shares of New Alkermes in the 12-month period prior to the commencement of the offer period if the Irish Takeover Panel, having regard to the General Principles, considers it just and proper to do so. An offer period will generally commence from the date of the first announcement of the offer or proposed offer. *Substantial Acquisition Rules* The Irish Takeover Rules also contain rules governing substantial acquisitions of shares which restrict the speed at which a person may increase his or her holding of shares and rights over shares to an aggregate of between 15% and 30% of the voting rights of New Alkermes. Except in certain circumstances, an acquisition or series of acquisitions of shares or rights over shares representing 10% or more of the voting rights of New Alkermes is prohibited, if such acquisition(s), when aggregated with shares or rights already held, would result in the acquirer holding 15% or more but less than 30% of the voting rights of New Alkermes and such acquisitions are made within a period of seven days. These rules also require accelerated disclosure of acquisitions of shares or rights over shares relating to such holdings. *Frustrating Action* Under the Irish Takeover Rules, the board of directors of New Alkermes is not permitted to take any action which might frustrate an offer for the shares of New Alkermes once the board of directors has received an

approach which may lead to an offer or has reason to believe an offer is imminent except as noted below. Potentially frustrating actions such as (i) the issue of shares, options or convertible securities, (ii) material acquisitions or disposals, (iii) entering into contracts other than in the ordinary course of business or (iv) any action, other than seeking alternative offers, which may result in frustration of an offer, are prohibited

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	Alkermes	New Alkermes
		during the course of an offer or at any time during which the board has reason to believe an offer is imminent. Exceptions to this prohibition are available where: (a) the action is approved by New Alkermes shareholders at a general meeting; or (b) with the consent of the Irish Takeover Panel where: (i) the Irish Takeover Panel is satisfied the action would not constitute frustrating action; (ii) the holders of 50% of the voting rights state in writing that they approve the proposed action and would vote in favor of it at a general meeting; (iii) in accordance with a contract entered into prior to the announcement of the offer; or (iv) the decision to take such action was made before the announcement of the offer and either has been at least partially implemented or is in the ordinary course of business.
Rights Agreement	Under the Alkermes rights agreement, subject to certain exceptions, if any person or group acquires 15% or more of Alkermes common stock, all share holders, except the acquiring person or group, will be entitled to acquire Alkermes common stock (and in certain instances, the stock of the acquirer)	The New Alkermes articles of association expressly authorize the adoption of a shareholders rights plan. Irish law does not expressly authorize or prohibit companies from issuing share purchase rights or adopting a shareholder rights plan as an anti-takeover measure. However, there is no

at a discount.

directly relevant case law on the validity of such plans under Irish law.

Subject to the Irish Takeover Rules described in Anti- takeover Measures , the board also has power to issue any authorized and unissued shares of New Alkermes on such terms and conditions as it may determine and any such action should be taken in the best interests of New Alkermes. The terms and conditions of any issue of preferred shares could discourage a takeover or other transaction that holders of some or a majority of the ordinary shares believe to be in their best interests or in which holders might receive

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	Alkermes	New Alkermes
		a premium for their shares over the then market price of the shares.
Variation of Rights Attaching to a Class or Series of Shares	Under the articles of incorporation, the board of directors has the full authority permitted by law to make divisions of shares into classes and to determine the designation and the number of shares of any class or series and to determine the voting rights, preferences, limitations and special rights, if any, of the shares of any class or series.	Any variation of class rights attaching to the issued shares of New Alkermes must be approved by a special resolution of the shareholders of the class affected or with the consent in writing of the holders of three-quarters of all the votes of that class of shares.
Amendments of Constituent Documents	The Alkermes articles of incorporation may be amended upon the affirmative vote of a majority of all votes cast by shareholders entitled to vote thereon and, if any class or series of shares is entitled to vote thereon as a class, the affirmative vote of a majority of the votes cast in each such class. Alkermes bylaws may be amended (i) at any annual, regular or special meeting of the board of directors by a majority vote of all the directors in office or (ii) by a majority of the votes cast at any annual, regular or special meeting of shareholders. Bylaws that limit indemnification rights, increase the liability of directors or change the manner or vote required to make such alteration, amendment or repeal, may not be amended except by the affirmative vote of the shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast on such matters.	Irish companies may only alter their memorandum and articles of association by the passing of a special resolution of shareholders. A special resolution under Irish law requires the approval of not less than 75% of the votes cast.
Rights Upon Liquidation	The rights of the shareholders to a return of Alkermes assets on dissolution or winding up, following the settlement of all claims of	The rights of the shareholders to a return of New Alkermes assets on dissolution or winding up, following the settlement of all

creditors, may be prescribed in Alkermes articles of association or the terms of any preferred shares issued by the directors of Alkermes from time to time. The holders of preferred shares in particular may have the right to priority in a dissolution or winding up of Alkermes.

claims of creditors, may be prescribed in New Alkermes articles of association or the terms of any preferred shares issued by the directors of New Alkermes from time to time. The holders of preferred shares in particular may have the right to priority in a dissolution or winding up of New Alkermes. If the articles of association contain no specific provisions in respect of dissolution or winding up then, subject to the priorities of any creditors, the assets

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	Alkermes	New Alkermes
		will be distributed to shareholders in proportion to the paid-up nominal value of the shares held. New Alkermes articles of association provide that the ordinary shareholders of New Alkermes are entitled to participate pro rata in a winding up, but their right to do so may be subject to the rights of any preferred shareholders to participate under the terms of any series or class of preferred shares. New Alkermes may be dissolved and wound up at any time by way of shareholders voluntary winding up or a creditors winding up. In the case of a shareholders voluntary winding up, a special resolution of shareholders is required. New Alkermes may also be dissolved by way of court order on the application of a creditor, or by the Companies Registration Office as an enforcement measure where New Alkermes has failed to file certain returns.
Enforcement of Civil Liabilities Against Foreign Persons	Not applicable.	New Alkermes has been advised by its Irish counsel, Arthur Cox, that a judgment for the payment of money rendered by a court in the United States based on civil liability would not be automatically enforceable in Ireland. There is no treaty between Ireland and the United States providing for the reciprocal enforcement of foreign judgments. The following requirements must be met before the foreign judgment will be deemed to be enforceable in Ireland: (i) the judgment must be for a definite sum; (ii) the judgment must be final and conclusive; and (iii) the judgment must be provided by a court of competent jurisdiction.

An Irish court will also exercise its right to refuse judgment if the foreign judgment was obtained by fraud, if the judgment violated Irish public policy, if the judgment is in breach of natural justice or if it is irreconcilable with an earlier foreign judgment.

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LEGAL MATTERS

A&L Goodbody, counsel for EDT, will provide an opinion regarding the validity of the New Alkermes ordinary shares to be issued in the business combination.

EXPERTS

The carve-out combined financial statements of EDT at December 31, 2010 and December 31, 2009, and for each of the three years in the period ended December 31, 2010, have been included herein in reliance upon the report of KPMG, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and upon the authority of such firm as experts in accounting and auditing.

The consolidated financial statements and management s assessment of the effectiveness of internal control over financial reporting of Alkermes (which is included in Management s Report on Internal Control over Financial Reporting) incorporated in this proxy statement/prospectus by reference to the Annual Report on Form 10-K of Alkermes, Inc. for the year ended March 31, 2011 have been so incorporated in reliance on the report of PwC, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

ENFORCEABILITY OF CIVIL LIABILITIES

CERTAIN OF THE DIRECTORS AND EXECUTIVE OFFICERS OF NEW ALKERMES MAY BE NON-RESIDENTS OF THE UNITED STATES. ALL OR A SUBSTANTIAL PORTION OF THE ASSETS OF SUCH NON-RESIDENT PERSONS AND OF NEW ALKERMES ARE LOCATED OUTSIDE THE UNITED STATES. AS A RESULT, IT MAY NOT BE POSSIBLE TO EFFECT SERVICE OF PROCESS WITHIN THE UNITED STATES UPON SUCH PERSONS OR NEW ALKERMES, OR TO ENFORCE AGAINST SUCH PERSONS OR NEW ALKERMES IN U.S. COURTS JUDGMENTS OBTAINED IN SUCH COURTS PREDICATED UPON THE CIVIL LIABILITY PROVISIONS OF THE FEDERAL SECURITIES LAWS OF THE UNITED STATES. NEW ALKERMES HAS BEEN ADVISED BY COUNSEL THAT THERE IS DOUBT AS TO THE ENFORCEABILITY IN IRELAND, IN ORIGINAL ACTIONS OR IN ACTIONS FOR ENFORCEMENT OF JUDGMENTS OF U.S. COURTS, OF LIABILITIES PREDICATED SOLELY UPON THE SECURITIES LAWS OF THE UNITED STATES.

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WHERE YOU CAN FIND MORE INFORMATION

Alkermes files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document that Alkermes files at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. SEC filings are also available to the public at the SEC s website at http://www.sec.gov. Information contained on any website referenced in this proxy statement/prospectus is not incorporated by reference in this proxy statement/prospectus.

This proxy statement/prospectus is part of a registration statement and constitutes a prospectus of New Alkermes in addition to being a proxy statement of Alkermes for its special meeting. As allowed by SEC rules, this proxy statement/prospectus does not contain all of the information you can find in the registration statement or the exhibits to the registration statement. You may inspect and copy the registration statement at any of the addresses listed above. The SEC allows Alkermes to incorporate by reference information into this proxy statement/ prospectus. This means New Alkermes can disclose important information to you by referring you to another document separately filed with the SEC. The information incorporated by reference is considered a part of this proxy statement/prospectus, except for any information superseded by information in this proxy statement/prospectus. In addition, any later information that Alkermes files with the SEC will automatically update and supersede this information. This proxy statement/prospectus incorporates by reference the documents listed below that Alkermes has previously filed with the SEC. These documents contain important information about New Alkermes and its finances.

You should rely only on the information contained in this proxy statement/prospectus or that New Alkermes has referred to you. Neither Alkermes, New Alkermes nor Elan has authorized anyone to provide you with any additional information. This proxy statement/prospectus is dated as of the date listed on the cover page. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than such date, and neither the mailing of this proxy statement/prospectus to shareholders of Alkermes nor the issuance of ordinary shares of New Alkermes in the merger shall create any implication to the contrary.

The following documents, which have been filed with the SEC by Alkermes, are hereby incorporated by reference into this proxy statement/prospectus:

Annual Report on Form 10-K of Alkermes, Inc. for the fiscal year ended March 31, 2011.

Amendment No. 1 to the Annual Report on Form 10-K of Alkermes, Inc. for the fiscal year ended March 31, 2011.

Quarterly Report on Form 10-Q of Alkermes, Inc. for the period ended June 30, 2011.

All additional documents that Alkermes may file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this proxy statement/prospectus and prior to the earlier of the effective time and the termination of the merger agreement, shall also be deemed to be incorporated by reference.

If you are a shareholder of Alkermes, you can obtain any of the documents incorporated by reference through Alkermes or the SEC. Documents incorporated by reference are available from Alkermes without charge, excluding all exhibits unless such exhibits have been specifically incorporated by reference in this proxy statement/prospectus. You may obtain documents incorporated by reference in this proxy statement/prospectus free of charge by requesting them in writing or by telephone as follows:

MacKenzie Partners, Inc.
105 Madison Avenue
New York, NY 10016
Banks and Brokers call collect: (212) 929-5500
All others call toll free: (800) 322-2885
Email: proxy@mackenziepartners.com

Alkermes Investor Relations
(781)609-6378

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In order to ensure timely delivery of the documents, you must make your request no later than five business days prior to the date of the special meeting of Alkermes shareholders, or no later than August 31, 2011.

Any statement contained in a document incorporated or deemed to be incorporated by reference into this proxy statement/prospectus will be deemed to be modified or superseded for purposes of this proxy statement/prospectus to the extent that a statement contained in this proxy statement/prospectus or any other subsequently filed document that is deemed to be incorporated by reference into this proxy statement/prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this proxy statement/prospectus. Any statement concerning the contents of any contract or other document filed as an exhibit to the registration statement is not necessarily complete. With respect to each contract or other document filed as an exhibit to the registration statement, you are referred to that exhibit for a more complete description of the matter involved, and each such statement is qualified in its entirety by such reference.

EXCHANGE RATES

On August 1, 2011, the noon buying rate was $1.4254 to 1.00, according to the U.S. Federal Reserve Board.

The following table sets forth, for the periods indicated, the high, low, average and period-end exchange rate expressed in U.S. dollar per Euro.

Exchange Rate

Period	High	Low	Average[(1)]	Period End
2006	1.33	1.18	1.26	1.32
2007	1.49	1.29	1.37	1.46
2008	1.60	1.24	1.50	1.39
2009	1.51	1.25	1.39	1.43
2010	1.45	1.20	1.33	1.33

Source: The Federal Reserve Bank of New York and U.S. Federal Reserve Board

(1) Average month-end rates.

Exchange Rate

Period	High	Low	Average	Period End
December 2010	1.34	1.31	1.32	1.33
January 2011	1.37	1.29	1.34	1.37
February 2011	1.38	1.35	1.37	1.38
March 2011	1.42	1.38	1.40	1.42
April 2011	1.48	1.41	1.44	1.48
May 2011	1.49	1.40	1.43	1.44

June 2011	1.47	1.42	1.44	1.45
July 2011 (through July 22)	1.45	1.40	1.42	1.44

Source: The Federal Reserve Bank of New York and U.S. Federal Reserve Board

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INDEX TO FINANCIAL STATEMENTS OF EDT

Carve-out Combined Financials Statements for the Years Ended December 31, 2010, 2009 and 2008

Unaudited Interim Condensed Carve-out Combined Financial Statements for the Six Months Ended June 30, 2011 and 2010

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the management of Elan Corporation, plc

We have audited the accompanying carve-out combined financial statements of the EDT business unit, which comprises the carve-out combined balance sheets as at December 31, 2010 and 2009, the carve-out combined statements of operations, comprehensive income/(loss), invested equity and cash flows for each of the years in the three-year period ended December 31, 2010 (together and hereinafter, the Combined Financial Statements). These Combined Financial Statements are the responsibility of the management of Elan Corporation, plc. Our responsibility is to express an opinion on these Combined Financial Statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards as established by the Auditing Standards Board (United States) and in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Combined Financial Statements are free of material misstatement. The EDT business unit is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the EDT business unit s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the Combined Financial Statements, assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Combined Financial Statements referred to above present fairly, in all material respects, the financial position of the EDT business unit as at December 31, 2010 and 2009 and the results of its operations and cash flows for each of the years in the three-year period ended December 31, 2010, in accordance with U.S. generally accepted accounting principles.

/s/ KPMG

Chartered Accountants

Dublin, Ireland
June 9, 2011

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Elan Drug Technologies
Carve-out Combined Statements of Operations

For the Years Ended December 31, 2010, 2009 and 2008

	Notes	2010	2009	2008
			(In thousands)	
Product revenue		$ 261,420	$ 257,199	$ 281,557
Contract revenue		12,699	18,687	20,004
Total revenue	3	274,119	275,886	301,561
Cost of sales		118,379	116,251	123,654
Gross margin		155,740	159,635	177,907
Operating expenses:				
Selling, general and administrative expenses		38,933	35,919	44,534
Research and development expenses		53,579	46,961	47,591
Other net charges	5	2,300	5,669	
Total operating expenses		94,812	88,549	92,125
Operating income		60,928	71,086	85,782
Net interest (income)/expense	6	(575)	1,824	(538)
Net income before income taxes		61,503	69,262	86,320
Provision for income taxes	7	12,614	20,882	25,798
Net income		$ 48,889	$ 48,380	$ 60,522

The accompanying notes are an integral part of these Carve-out Combined Financial Statements.

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Elan Drug Technologies

Carve-out Combined Statements of Comprehensive Income/(Loss)
For the Years Ended December 31, 2010, 2009 and 2008

	Notes	2010	2009	2008
			(In thousands)	
Net income		$ 48,889	$ 48,380	$ 60,522
Other comprehensive income/(loss):				
Movement on unrealized components of defined benefit pension plans	15	(3,246)	917	(9,131)
Total comprehensive income		$ 45,643	$ 49,297	$ 51,391

The accompanying notes are an integral part of these Carve-out Combined Financial Statements.

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Elan Drug Technologies

Carve-out Combined Balance Sheets
As of December 31, 2010 and 2009

	Notes	2010	2009
		(In thousands)	
ASSETS			
Current Assets:			
Accounts receivable, net	8	$ 60,030	$ 58,352
Inventory	9	18,296	26,468
Deferred tax assets current	7	1,555	1,747
Prepaid and other current assets	10	3,071	4,907
Total current assets		82,952	91,474
Non-Current Assets:			
Property, plant and equipment, net	11	203,415	208,709
Goodwill and other intangible assets, net	12	53,338	65,239
Other non-current assets	13	5,060	3,627
Total assets		$ 344,765	$ 369,049
LIABILITIES AND INVESTED EQUITY			
Current Liabilities:			
Accounts payable	14	$ 4,085	$ 5,500
Accruals and other current liabilities		24,290	21,640
Total current liabilities	14	28,375	27,140
Other non-current liabilities		11,175	8,896
Total liabilities		39,550	36,036
Invested equity		305,215	333,013
Total liabilities and invested equity		$ 344,765	$ 369,049

The accompanying notes are an integral part of these Carve-out Combined Financial Statements.

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Elan Drug Technologies

Carve-out Combined Statements of Invested Equity
For the Years Ended December 31, 2010, 2009 and 2008

	Total Invested Equity (in thousands)
Balance at January 1, 2008	$ 403,770
Net income	60,522
Share-based compensation	9,865
Excess tax benefit related to equity awards	1,567
Net funding transfer to Elan	(79,517)
Balance at December 31, 2008	$ 396,207
Net income	48,380
Share-based compensation	7,176
Net tax shortfall related to equity awards	(509)
Net funding transfer to Elan	(118,241)
Balance at December 31, 2009	$ 333,013
Net income	48,889
Share-based compensation	7,929
Net tax shortfall related to equity awards	(490)
Net funding transfer to Elan	(84,126)
Balance at December 31, 2010	$ 305,215

The accompanying notes are an integral part of these Carve-out Combined Financial Statements.

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Elan Drug Technologies

Carve-out Combined Statements of Cash Flows
For the Years Ended December 31, 2010, 2009 and 2008

	2010	2009	2008
		(In thousands)	
Cash flows from operating activities:			
Net income	$ 48,889	$ 48,380	$ 60,522
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of deferred revenue	(180)	34	(2,498)
Depreciation and amortization	32,554	33,161	35,915
Share-based compensation	7,929	7,176	9,865
(Recognition)/utilization of deferred tax asset	(1,037)	224	202
Excess tax benefit from share-based compensation			(1,567)
Other		639	1,222
Net changes in assets and liabilities:			
(Increase)/decrease in accounts receivable	(1,678)	42,480	(18,855)
Decrease/(increase) in prepaid and other assets	403	(1,948)	4,655
Decrease/(increase) in inventory	8,172	(5,882)	(1,371)
Increase in accounts payable and accruals and other liabilities	4,439	3,821	2,486
Net cash provided by operating activities	99,491	128,085	90,576
Cash flows from investing activities:			
Proceeds from disposal of property, plant and equipment	44	26	
Purchase of property, plant and equipment	(15,108)	(9,774)	(11,696)
Purchase of intangible assets	(301)	(96)	(930)
Net cash used in investing activities	(15,365)	(9,844)	(12,626)
Cash flows from financing activities:			
Excess tax benefit from share-based compensation			1,567
Net funding transfer to Elan	(84,126)	(118,241)	(79,517)
Net cash used in financing activities	$ (84,126)	$ (118,241)	$ (77,950)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of year			
Cash and cash equivalents at end of year			
Supplemental cash flow information:			
Cash paid for income taxes by EDT	$ 1,012	$ 3,128	$ 2,199

The accompanying notes are an integral part of these Carve-out Combined Financial Statements.

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Elan Drug Technologies

NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS

1. Description of Business

Elan Corporation, plc (Elan), an Irish public limited company, is a neuroscience-based biotechnology company headquartered in Dublin, Ireland. Elan was incorporated as a private limited company in Ireland in December 1969 and became a public limited company in January 1984. Elan operations are organized into two business units: BioNeurology, which engages in research, development and commercial activities primarily for neurodegenerative and autoimmune diseases, and Elan Drug Technologies (EDT), which focuses on the specialty pharmaceutical industry, including specialized drug delivery and manufacturing.

EDT develops and manufactures innovative pharmaceutical products that deliver clinically meaningful benefits to patients, using its extensive experience and proprietary delivery technologies in collaboration with pharmaceutical companies.

2. Significant Accounting Policies

The following accounting policies have been applied in the preparation of these Carve-out Combined Financial Statements.

(a) Basis of preparation and presentation of financial information

On May 9, 2011, Elan and Alkermes Inc. (Alkermes) announced the execution of a definitive agreement under which Alkermes will merge with EDT in a cash and stock transaction valued at approximately $960 million at the time of the announcement. Alkermes and EDT will be combined under a new holding company incorporated in Ireland. This newly created company will be named Alkermes plc. The transaction is subject to approval by Alkermes shareholders and the satisfaction of customary closing conditions and regulatory approvals, including antitrust approvals in the United States. The transaction is expected to close during the second half of 2011.

EDT has historically operated as part of Elan and not as a separate stand-alone entity. These Carve-out Combined Financial Statements have been prepared on a carve-out basis from the consolidated financial statements of Elan to represent the financial position and performance of EDT as if EDT had existed on a stand-alone basis during each of the fiscal years ended December 31, 2010, December 31, 2009 and December 31, 2008 for statement of operations and cash flow statement amounts and as of December 31, 2010 and December 31, 2009 for balance sheet amounts; and as if the Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) Topic 810, Consolidation, had been applied throughout. The accompanying Carve-out Combined Financial Statements only include assets and liabilities that are specifically identifiable with EDT. Certain general and administrative expenses that are maintained at the corporate level, which consist primarily of salaries and other employee costs, legal and professional fees and insurance costs, were allocated to EDT based on methodologies Elan management believes to be reasonable. The Carve-out Combined Financial Statements do not purport to represent what the results of operations would have been, or accurately reflect its assets and liabilities, had the entire EDT business and activities of EDT been a legal sub-group for each of the years being reported on, or for future years. Had EDT operated as an independent stand-alone entity, its results could have differed significantly from those presented in the Carve-out Combined Financial Statements.

As EDT did not constitute a legal sub-group at each of the dates being reported on, historically, no consolidated financial statements of EDT were prepared at the reporting dates. However, EDT has historically operated as part of

Elan and within the Elan infrastructure and has been included as a separate operating segment in the segment reporting of Elan in the consolidated financial statements of Elan for each of the fiscal years ended December 31, 2010, December 31, 2009 and December 31, 2008.

The Carve-out Combined Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), by aggregating financial

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Elan Drug Technologies

NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

information from the consolidation reporting packages of relevant subsidiaries of Elan focused entirely on EDT activities. Where legal entities have historically had both EDT and non-EDT activities, the statement of operations, asset and liability balances pertaining to EDT activities have been identified and aggregated. Intra-group transactions and balances between the EDT entities have been eliminated.

As a separate operating segment within Elan, EDT has certain of its own management and administrative functions. However, Elan provides certain central services including, but not limited to:

Accounting, information technology, taxation, legal, corporate strategy, investor relations, corporate governance and other professional services;

Employee benefit administration, including equity award and pension services; and

Cash and treasury management.

Central services costs for the fiscal year ended December 31, 2010 amounted to $17.4 million (2009: $16.8 million; 2008: $16.9 million). These costs have been allocated to EDT based on estimated usage of the resources by EDT for the purposes of preparing the Carve-out Combined Financial Statements. The estimated usage of the central service resources by EDT has been determined by estimating EDT s portion of the most appropriate driver of each category of central service costs including headcount, labor hours and utilization of office space. Management considers that such allocations have been made on a reasonable basis, but may not necessarily be indicative of the costs that would have been incurred if EDT had been operated on a stand-alone basis.

Certain EDT employees participate in the equity award plans of Elan. The share-based payment compensation expense recognized in these Carve-out Combined Financial Statements is based on the expense attributable to EDT employees participating in the Elan equity award plans.

Elan funds the pension entitlements of certain of its employees, including employees of EDT, through two defined benefit plans and a number of defined contribution plans. The amounts allocated in the Carve-out Combined Financial Statements for the defined benefit plans were determined based on the projected benefit obligation, or underlying membership data for the service cost amounts, relating to members of the plans that are EDT employees. Defined benefit pension plan assets and liabilities are included in the calculation of the net funding transfer to Elan that is recorded in invested equity. The costs of the defined contribution plans in respect of EDT employees are expensed in the Carve-out Combined Financial Statements in the periods they are incurred.

Elan uses a centralized approach to manage substantially all of its liquid resources and to finance its operations and, as a result, debt and liquid resources maintained at the Elan group level are not included in the accompanying Carve-out Combined Financial Statements. Liquid resources are defined as the total of cash and cash equivalents, current restricted cash and current investment securities. EDT has historically financed its operating and capital resource requirements through cash flows from operations, with funding transferred between EDT and Elan as part of the Elan group s cash and treasury management strategy.

The invested equity balance in the Carve-out Combined Financial Statements of EDT constitutes Elan s investment in EDT and represents the excess of total assets over total liabilities, including the netting of intercompany funding balances between EDT and Elan. Invested equity in EDT includes the results of EDT s operations, contributions from

Elan in the form of share-based compensation to EDT employees less net transfers of intercompany funding from EDT to Elan.

The tax amounts in the Carve-out Combined Financial Statements have been calculated as if the business were a separate taxable entity and consistent with the asset and liability method prescribed in ASC 740 Income Taxes , (ASC 740). Current tax liabilities and receivables (other than amounts actually paid by or

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Elan Drug Technologies

NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

refunded to EDT) are included in the calculation of the net funding transfer to Elan that is recorded in invested equity.

The Carve-out Combined Financial Statements of EDT are presented in U.S. dollars ($), which is the functional currency of EDT, and have been prepared on a going concern basis.

(b) Use of estimates

The preparation of the Carve-out Combined Financial Statements in conformity with U.S. GAAP requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Estimates are used in determining items such as the carrying amounts of intangible assets and property, plant and equipment, revenue recognition and the fair value of share-based compensation, among other items. Because of the uncertainties inherent in such estimates, actual results may differ materially from these estimates.

(c) Accounts receivable

Accounts receivable are initially recognized at fair value, which represents the invoiced amounts, less adjustments for estimated revenue deductions such as sales discounts and allowances. An allowance for doubtful accounts is established based upon the difference between the recognized value and the estimated net collectible amount with the estimated loss recognized within operating expenses in the Carve-out Combined Statement of Operations. When an account receivable balance becomes uncollectible, it is written off against the allowance for doubtful accounts.

(d) Inventory

Inventory is valued at the lower of cost or market value. In the case of raw materials and supplies, cost is calculated on a first-in, first-out basis and includes the purchase price, including import duties, transport and handling costs and any other directly attributable costs, less trade discounts. In the case of work-in-progress and finished goods, costs include direct labor, material costs and attributable overheads, based on normal operating capacity.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is computed using the straight-line method based on estimated useful lives as follows:

Buildings	15-40 years
Plant and equipment	3-10 years
Leasehold improvements	Shorter of expected useful life or lease term

Land is not depreciated as it is deemed to have an indefinite useful life.

Where events or circumstances indicate that the carrying amount of a property, plant and equipment may not be recoverable, EDT compares the carrying amount of the asset to its fair value. The carrying amount of the asset is not deemed recoverable if its carrying amount exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of that asset. In such event, an impairment loss is recognized for the excess of the carrying amount over the asset s fair value.

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NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

(f) Leasing

Property, plant and equipment acquired under a lease that transfers substantially all of the risks and rewards of ownership to us (a capital lease) are capitalized. Amounts payable under such leases, net of finance charges, are shown as current or non-current as appropriate. An asset acquired through capital lease is stated at an amount equal to the lower of its fair value or the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses, and is included in property, plant and equipment. Finance charges on capital leases are expensed over the term of the lease to give a constant periodic rate of interest charge in proportion to the capital balances outstanding.

All other leases that are not capital leases are considered operating leases. Rentals on operating leases are charged to expense on a straight-line basis over the period of the lease.

(g) Property, plant and equipment, goodwill and other intangible assets and impairment

Goodwill is not amortized, but is instead tested for impairment at least annually.

Intangible assets with estimable useful lives are amortized on a straight-line basis over their respective estimated useful lives to their estimated residual values and, as with other long-lived assets such as property, plant and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, EDT compares undiscounted cash flows expected to be generated by an asset to the carrying amount of the asset. If the carrying amount of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. EDT determines fair value using the income approach based on the present value of expected cash flows. Our cash flow assumptions consider historical and forecasted revenue and operating costs and other relevant factors.

We review our goodwill for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The goodwill impairment test is a two-step test and is performed at the reporting-unit level. EDT constitutes a single reporting unit. Under the first step, EDT compares the fair value of the reporting unit with its carrying amount, including goodwill. If the fair value of the reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired and step two does not need to be performed. If the carrying amount of the reporting unit exceeds its fair value, the second step of the goodwill impairment test would be performed to measure the amount of impairment charge, if any.

The second step of the goodwill impairment test compares the implied fair value of the reporting-unit goodwill with the carrying amount of that goodwill, and any excess of the carrying amount over the implied fair value is recognized as an impairment charge. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination is determined, by allocating the fair value of the reporting unit to individual assets and liabilities. The excess of the fair value of the reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. In evaluating goodwill for impairment, EDT determines the fair values of the reporting unit using the income approach, based on the present value of expected cash flows. EDT completed the annual goodwill impairment test on September 30 of each year and the result of our tests did not indicate any impairment in 2010 or 2009.

(h) Derivative financial instruments

We enter into transactions in the normal course of business using various financial instruments in order to hedge against exposures to fluctuating exchange and interest rates. EDT uses derivative financial instruments to reduce exposure to fluctuations in foreign exchange rates. A derivative is a financial instrument or other contract whose value changes in response to some underlying variable, that has an initial net investment

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NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

smaller than would be required for other instruments that have a similar response to the variable and that will be settled at a future date. EDT does not enter into derivative financial instruments for trading or speculative purposes.

EDT s accounting policies for derivative financial instruments are based on whether they meet the criteria for designation as cash flow or fair value hedges. A designated hedge of the exposure to variability in the future cash flows of an asset or a liability, or of a forecasted transaction, is referred to as a cash flow hedge. A designated hedge of the exposure to changes in fair value of an asset or a liability is referred to as a fair value hedge. The criteria for designating a derivative as a hedge include the assessment of the instrument s effectiveness in risk reduction, matching of the derivative instrument to its underlying transaction, and the probability that the underlying transaction will occur. For derivatives with cash flow hedge accounting designation, EDT reports the gain or loss from the effective portion of the hedge as a component of equity and reclassifies it into earnings in the same period or periods in which the hedged transaction affects earnings, and within the same income statement line item as the impact of the hedged transaction. For derivatives with fair value hedge accounting designation, EDT recognizes gains or losses from the change in fair value of these derivatives, as well as the offsetting change in the fair value of the underlying hedged item, in earnings. Fair value gains and losses arising on derivative financial instruments not qualifying for hedge accounting are reported in our Carve-out Combined Statement of Operations. The carrying amount of derivative financial instruments is reported within current assets or other current liabilities.

We did not hold any interest rate swap contracts or forward currency contracts at December 31, 2010, 2009 or 2008. During 2010, EDT entered into forward foreign exchange contracts that required it to sell U.S. dollars for Euro and sell Euro for U.S. dollars. These forward contracts, which did not qualify for hedge accounting, expired during 2010 and resulted in a net loss of $0.1 million. EDT did not enter into any forward contracts during 2009 or 2008.

(i) Revenue

EDT recognizes revenue from the sale of its products, royalties earned and contract arrangements. EDT s revenues are classified into two categories: product revenue and contract revenue.

Product Revenue Product revenue includes: (i) manufacturing fees and (ii) royalties. EDT recognizes product revenue when there is persuasive evidence that an arrangement exists, title passes, the price is fixed or determinable, and collectability is reasonably assured. Revenue is recorded net of applicable sales tax and sales discounts and allowances, which are described below.

(i) EDT earns royalties on partners sales of its products or third-party products that incorporate EDT s technologies. Royalties are recognized as earned in accordance with the contract terms when royalties can be reliably measured and collectability is reasonably assured.

(ii) EDT receives manufacturing fees for products that EDT manufactures on behalf of other third-party customers.

Contract Revenue Contract revenue arises from contracts to perform research and development (R&D) services on behalf of clients, or from technology licensing. Contract revenue is recognized when earned and non-refundable, and when EDT has no future obligation with respect to the revenue, in accordance with the terms prescribed in the applicable contract. Contract research revenue consists of payments or milestones arising from R&D activities EDT performs on behalf of third parties. EDT s revenue arrangements with multiple elements are divided into separate units of accounting if certain criteria are met, including whether the delivered element has stand-alone value to the customer

and whether there is objective and reliable evidence of the fair value of the undelivered items. The consideration EDT receives is allocated among the separate units based on their respective fair values, and the applicable revenue recognition criteria are applied

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to each of the separate units. Advance payments received in excess of amounts earned are classified as deferred revenue until earned.

Up-front fees received by us are deferred and amortized when there is a significant continuing involvement by us (such as an ongoing product manufacturing contract or joint development activities) after an asset disposal. EDT defers and amortizes up-front license fees to income over the performance period as applicable. The performance period is the period over which EDT expects to provide services to the licensee as determined by the contract provisions.

Accounting for milestone payments depends on the facts and circumstances of each contract. EDT applies the substantive milestone method in accounting for milestone payments. This method requires that substantive effort must have been applied to achieve the milestone prior to revenue recognition. If substantive effort has been applied, the milestone is recognized as revenue, subject to it being earned, non-refundable and not subject to future legal obligation. This requires an examination of the facts and circumstances of each contract. Substantive effort may be demonstrated by various factors, including the risks associated with achieving the milestone, the period of time over which effort was expended to achieve the milestone, the economic basis for the milestone payment and licensing arrangement and the costs and staffing necessary to achieve the milestone. It is expected that the substantive milestone method will be appropriate for most contracts. If EDT determines the substantive milestone method is not appropriate, then EDT applies the proportional performance method to the relevant contracts. This method recognizes as revenue the percentage of cumulative non-refundable cash payments earned under the contract, based on the percentage of costs incurred to date compared to the total costs expected under the contract.

(j) Advertising expenses

We expense the costs of advertising as incurred. Advertising expenses were $0.7 million in 2010 (2009: $0.3 million; 2008: $0.2 million).

(k) Research and development

R&D costs are expensed as incurred. Costs to acquire intellectual property, product rights and other similar intangible assets are capitalized and amortized on a straight-line basis over the estimated useful life of the asset. The method of amortization chosen best reflects the manner in which individual intangible assets are consumed.

(l) Taxation

The operations of the EDT business have historically been included in the Elan group and taxes of the business were calculated on the basis of been part of the Elan group.

Income taxes reflected in these financial statements have been calculated as if the business were a separate taxable group and consistent with the asset and liability method prescribed by ASC 740. Current tax liabilities and receivables (other than amounts actually paid by or refunded to EDT) are included in the calculation of the net funding transfer to Elan that is recorded in invested equity.

Deferred tax assets (DTAs) and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using the enacted tax rates projected to be in effect for the year in which the

differences are expected to reverse. DTAs are recognized for the expected future tax consequences, for all deductible temporary differences and operating loss carryforwards. A valuation allowance is required for DTAs if, based on available evidence, it is more likely than not that all or some of the asset will not be realized due to the inability to generate sufficient future taxable income.

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NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

Significant estimates are required in determining EDT s provision for income taxes. Some of these estimates are based on management s interpretations of jurisdiction-specific tax laws or regulations and the likelihood of settlement related to tax audit issues. Various internal and external factors may have favorable or unfavorable effects on EDT s future effective income tax rate. These factors include, but are not limited to, changes in tax laws, regulations and/or rates, changing interpretations of existing tax laws or regulations, changes in estimates of prior years items, past and future levels of R&D spending, likelihood of settlement, and changes in overall levels of income before taxes.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. EDT accounts for interest and penalties related to unrecognized tax benefits in income tax expense.

(m) Foreign exchange transactions

The functional and reporting currency of EDT is U.S. dollars. Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. The resulting monetary assets and liabilities are translated into U.S. dollars at exchange rates prevailing at subsequent balance sheet dates, and the resulting gains and losses are recognized in the Carve-out Combined Statement of Operations and, where material, separately disclosed.

(n) Share-based compensation

Elan sponsors certain equity award plans in which certain employees of EDT participate. The share-based payment expense funded by Elan represents share-based compensation expenses, allocated to EDT, based on actual EDT employees participating in the Elan plans.

Share-based compensation expense for equity-settled awards made to EDT employees is measured and recognized based on estimated grant date fair values. These awards include employee stock options, restricted stock units (RSUs) and stock purchases related to Elan s employee equity purchase plans (EEPPs).

Share-based compensation cost for stock options awarded to EDT employees and common stock issued to EDT employees under Elan s EEPPs is estimated at the grant date based on each option s fair value as calculated using an option-pricing model. Share-based compensation cost for RSUs awarded to EDT employees measured based on the closing fair market value of Elan s common stock on the date of grant. The value of awards expected to vest is recognized as an expense over the requisite service periods.

Estimating the fair value of share-based awards as of the grant or vest date using an option-pricing model, such as the binomial model, is affected by Elan s share price as well as assumptions regarding a number of complex variables. These variables include, but are not limited to, the expected share price volatility over the term of the awards, risk-free interest rates, and actual and projected employee exercise behaviors.

(o) Pensions and other employee benefit plans

Elan has two defined benefit pension plans covering eligible employees based in Ireland, which provide benefits to employees and former employees of Elan. These plans were closed to new entrants from March 31, 2009. The amounts allocated to and recognized in the Carve-out Combined Financial Statements were determined based on the projected benefit obligation, or underlying membership data for the service costs amounts, relating to members of the plans who are EDT employees.

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NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

The defined benefit pension plans are managed externally and the related pension costs and liabilities are assessed at least annually in accordance with the advice of a qualified professional actuary. Two significant assumptions, the discount rate and the expected rate of return on plan assets, are important elements of the expense and/or liability measurement. These assumptions are evaluated at least annually, with the assistance of an actuary. Other assumptions involve employee demographic factors such as retirement patterns, mortality, turnover and the rate of compensation increase. A December 31 measurement date is used and all plan assets and liabilities are reported as of that date. The cost or benefit of plan changes, which increase or decrease benefits for prior employee service, is included in expense on a straight-line basis over the period the employee is expected to receive the benefits.

Actuarial gains and losses are recognized using the corridor method. Under the corridor method, to the extent that any cumulative unrecognized net actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets, that portion is recognized over the expected average remaining working lives of the plan participants. Otherwise, the net actuarial gain or loss is not recognized.

EDT s portion of the funded status of benefit plans is recognized in the Carve-out Combined Balance Sheet. In addition, EDT recognizes in other comprehensive income or loss its portion of the gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net periodic pension cost of the period. Defined benefit pension plan assets and liabilities are included in the calculation of the net funding transfer to Elan that is recorded in invested equity.

Elan has a number of defined contribution plans and the costs relating to EDT employees in these plans are expensed as incurred.

(p) Contingencies

We assess the likelihood of any adverse outcomes to contingencies, including legal matters, as well as the potential range of probable losses. EDT records accruals for such contingencies when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. If an unfavorable outcome is probable, but the amount of the loss cannot be reasonably estimated, EDT estimates the range of probable loss and accrues the most probable loss within the range. If no amount within the range is deemed more probable, EDT accrues the minimum amount within the range. If neither a range of loss nor a minimum amount of loss is estimable, then appropriate disclosure is provided, but no amounts are accrued.

3. Revenue

The composition of revenue for the years ended December 31 was as follows (in thousands):

	2010	2009	2008
Product revenue	$ 261,420	$ 257,199	$ 281,557
Contract revenue	12,699	18,687	20,004
Total revenue	$ 274,119	$ 275,886	$ 301,561

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NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

Product revenue at December 31 can be further analyzed as follows (in thousands):

	2010	2009	2008
Manufacturing revenue (includes royalties on manufactured products):			
Ampyra	$ 56,781	$ 17	$
Focalin XR/Ritalin LA	32,998	32,617	33,468
Verelan	21,824	22,085	24,601
Naprelan	12,615	15,955	11,083
Avinza	12,027	12,624	13,388
Diltiazem	7,617	7,504	13,674
Zanaflex	5,944	11,559	12,741
Rapamune	5,940	6,600	4,960
Luvox CR	3,955	2,584	7,450
Cymbalta	2,778	14,367	13,360
Other	7,555	9,542	15,825
Total manufacturing revenue	170,034	135,454	150,550
Royalty revenue:			
TriCor 145	54,459	61,635	67,697
Skelaxin	5,930	34,901	39,709
Megace ES	8,207	8,959	9,791
Invega Sustenna	7,656	1,667	
Emend	8,347	7,939	7,070
Other	6,787	6,644	6,740
Total royalty revenue	91,386	121,745	131,007
Total product revenue	$ 261,420	$ 257,199	$ 281,557

Contract revenue at December 31 can be further analyzed as follows (in thousands):

	2010	2009	2008
Research revenue	$ 8,249	$ 8,203	$ 17,904
Milestone payments	4,450	10,484	2,100
Total contract revenue	$ 12,699	$ 18,687	$ 20,004

In 2010, manufacturing and royalty revenue recorded for Ampyra was $56.8 million and principally reflects shipments to Acorda to satisfy Acorda s initial stock requirements for the U.S. launch of the product as well as build-up of safety stock supply, and patient demand. EDT records revenue upon shipment of Ampyra to Acorda, as this revenue is not contingent upon ultimate sale of the shipped product by Acorda or its customers.

4. Segment, Geographical and Major Customers Information

At December 31, 2010, December 31, 2009 and December 31, 2008 EDT s chief operating decision maker (CODM) was identified as Mr. Shane Cooke, Head of EDT. EDT has a single reporting segment and operating unit structure and the CODM evaluates its performance from this perspective based on operating income and Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA).

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NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

For the years ended December 31, 2010, 2009 and 2008, EDT s revenue is presented below by geographical area. Similarly, total assets, property, plant and equipment, and goodwill and intangible assets are presented below on a geographical basis at December 31, 2010 and 2009.

Revenue by region (by destination of customers) (in thousands):

	2010	2009	2008
United States	$ 186,447	$ 170,782	$ 169,728
Ireland	56,096	65,835	71,550
Rest of world	31,576	39,269	60,283
Total revenue	$ 274,119	$ 275,886	$ 301,561

Total assets by region (in thousands):

	2010	2009
Ireland	$ 283,054	$ 295,768
United States	60,776	72,457
Rest of world	935	824
Total assets	$ 344,765	$ 369,049

Property, plant and equipment by region (in thousands):

	2010	2009
Ireland	$ 159,818	$ 162,515
United States	43,597	46,194
Total property, plant and equipment	$ 203,415	$ 208,709

Goodwill and other intangible assets by region (in thousands):

	2010	2009
Ireland	$ 53,041	$ 64,534

United States	297	705
Total goodwill and other intangible assets	$ 53,338	$ 65,239

Major customers

The following customers contributed 10% or more of EDT s total revenue in 2010, 2009 and 2008:

	2010	**2009**	**2008**
Acorda	24%	8%	3%
Fournier Pharma Corp.	20%	23%	23%
Novartis	12%	12%	10%
King Pharmaceuticals, Inc	5%	15%	16%

No other customer accounted for more than 10% of EDT s total revenue in 2010, 2009 or 2008.

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NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

5. Other Net Charges

We incurred other net charges of $2.3 million in 2010 (2009: $5.7 million, 2008: $Nil) primarily related to severance, restructuring and other costs, arising from the realignment of resources to meet EDT s business structure. During 2009, EDT incurred severance, restructuring and other costs related to the scheduled completion of a manufacturing contract with an external pharmaceutical company. For additional information in relation to severance, restructuring and other charges, please refer to Note 14.

6. Net Interest Expense

The net interest (income)/expense for the years ended December 31, is as follows (in thousands):

	2010	2009	2008
Foreign exchange (gain)/loss	$ (575)	$ 1,134	$ (293)
Other		690	(245)
Net interest (income)/expense	$ (575)	$ 1,824	$ (538)

7. Income Taxes

Income taxes reflected in these financial statements have been calculated as if the business were a separate taxable group and consistent with the asset and liability method prescribed by ASC 740. Current tax liabilities and receivables (other than amounts actually paid or refunded by/or to the business) are transferred to Elan and recorded in invested equity.

The following table sets forth the details of the provision for income taxes for the years ended December 31 (in thousands):

	2010	2009	2008
Irish corporation tax current	$ 3,636	$ 2,800	$ 231
Irish corporation tax deferred	$	$	$ 952
Foreign taxes current	$ 10,015	$ 17,858	$ 25,365
Foreign taxes deferred	$ (1,037)	$ 224	$ (750)
Provision for income taxes	$ 12,614	$ 20,882	$ 25,798
Tax expense/(benefit) reported in invested equity related to equity awards	$ 490	$ 509	$ (1,567)

The overall tax provision for 2010 was $13.1 million (2009: $21.4 million, 2008: $24.2 million). Of this amount $0.5 million (2009: $0.5 million debit, 2008: $1.6 million credit) has been debited to shareholders equity to reflect net

shortfalls/(windfalls) related to equity awards. The remaining $12.6 million provision (2009: $20.9 million; 2008: $25.8 million) is allocated to ordinary activities and reflects U.S. Federal and State taxes, Irish corporate taxes, income derived from Irish patents, foreign withholding tax, other taxes at standard rates in the jurisdictions in which EDT operates and a deferred tax benefit of $1.0 million for 2010 (2009: $0.2 million expense; 2008: $0.2 million expense).

Current tax, including Irish corporation tax, U.S. Federal and State taxes, and other foreign taxes, is provided on EDT s taxable profits, using the tax rates and laws that have been enacted by the balance sheet date.

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NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

The effective tax rate differs from the Irish statutory tax rate of 12.5% as follows (in thousands):

	2010	2009	2008
Irish standard tax rate	12.5%	12.5%	12.5%
Taxes at the Irish standard rate	$ 7,688	$ 8,658	$ 10,790
Irish income at rates other than Irish standard rate	(457)	(367)	(8)
Foreign income at rates other than the Irish standard rate	5,619	12,224	16,769
Permanent differences	354	195	459
R&D tax credit	(343)	(330)	(2,491)
Other	(247)	502	279
Provision for income taxes	$ 12,614	$ 20,882	$ 25,798
Effective tax rate	20.5%	30.1%	29.9%

For the years ended December 31, the distribution of income before provision for income taxes by geographical area was as follows (in thousands):

	2010	2009	2008
Ireland	$ 32,433	$ 20,266	$ 22,026
Foreign	29,070	48,996	64,294
Income before provision for income taxes	$ 61,503	$ 69,262	$ 86,320

Deferred Tax

The full potential amounts of deferred tax comprised the following DTAs and deferred tax liabilities at December 31 (in thousands):

	2010	2009
Deferred tax liabilities:		
Property, plant and equipment	$ (8,775)	$ (9,058)
Total deferred tax liabilities	$ (8,775)	$ (9,058)
Deferred tax assets:		
Net operating losses	$ 19,676	$ 19,676

Reserves/provisions	1,117	1,330
Share-based compensation expense	3,193	2,891
Other	438	417
Total deferred tax assets	$ 24,424	$ 24,314
Valuation allowance	$ (15,432)	$ (15,586)
Net deferred tax asset/(liability)	$ 217	$ (330)

The valuation allowance recorded against the DTAs as of December 31, 2010 was $15.4 million (2009: $15.6 million) which primarily relates to Irish net operating losses, the recoverability of which is uncertain.

In 2010, EDT recorded a reduction in invested equity of $0.5 million (2009: $0.5 million decrease; 2008: $1.6 million increase) to reflect net tax shortfalls (tax shortfall in 2009; tax benefit in 2008) related to equity awards.

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NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

The gross amounts of unused tax loss carryforwards with their expiration dates are as follows (in thousands):

	At December 31, 2010				
	Ireland	U.S. State	U.S. Federal	Rest of World	Total
More than five years	$ 442,331	$	$	$	$ 442,331

At December 31, 2010, EDT in Ireland had net operating loss carryovers for income tax purposes of $442.3 million. These can be carried forward indefinitely but are subject to the same trade and change of control restrictions. The calculation of DTAs excludes $284.9 million of the net operating losses on the basis that these losses would have been utilized by the business or would not have accrued if the business was a stand-alone group. Notwithstanding that, EDT has disclosed the full net operating loss carryovers of $442.3 million in the above table as these net operating losses are available to transfer with the business.

No taxes have been provided for the unremitted earnings of EDT s overseas subsidiaries as these are considered permanently employed in the business of these companies. Cumulative unremitted earnings of overseas subsidiaries totaled approximately $18.4 million at December 31, 2010 (2009: $8.0 million). Unremitted earnings may be liable to overseas taxes or Irish taxation if they were to be distributed as dividends. It is impractical to determine at this time the potential amount of additional tax due upon remittance of such earnings.

We have immaterial unrecognized tax benefits as at December 31, 2010 and 2009. No interest or penalties related to unrecognized tax benefits were accrued. EDT does not expect that the amount of unrecognized tax benefits will change significantly within the next 12 months.

Our major taxing jurisdictions include Ireland and the United States. The tax years beginning 2006 remain subject to examination by the respective taxing authorities of each jurisdiction.

The current and deferred tax charges/(benefits) and the related tax disclosures set out above are not necessarily representative of the tax charges/(benefits) that may arise in the future.

8. Accounts Receivable, Net

Our accounts receivable at December 31 of each year consisted of the following (in thousands):

	2010	2009
Accounts receivable	$ 60,405	$ 58,352
Less amounts provided for doubtful accounts	(375)	

Accounts receivable, net	$ 60,030	$ 58,352

Our allowance for doubtful accounts activity during the years ended December 31, consisted of the following (in thousands):

	2010	**2009**
Balance at January 1	$	$ (429)
Charge in the year	(375)	
Amounts released		429
Balance at December 31	$ (375)	$

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NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

The following customers account for more than 10% of EDT s accounts receivable at December 31, 2010 and/or 2009:

	2010	2009
Fournier	26%	29%
Acorda	24%	9%
Novartis	11%	7%
King Pharmaceuticals, Inc	3%	17%

No other customer accounted for more than 10% of EDT s accounts receivable balance at either December 31, 2010 or 2009.

9. Inventory

Product inventories at December 31 of each year consisted of the following (in thousands):

	2010	2009
Raw materials	$ 9,945	$ 10,750
Work-in-progress	6,025	8,096
Finished goods	2,326	7,622
Total inventory	$ 18,296	$ 26,468

The replacement cost of inventory did not differ materially from its carrying value at the balance sheet dates. The decrease in inventory balances at December 31, 2010 compared to December 31, 2009 is due to the timing of customer shipments over the year-end period.

In 2010, the expense recognized in respect of write-downs of inventory was $4.9 million (2009: $4.1 million; 2008: $3.0 million).

10. Prepaid and Other Current Assets

Prepaid and other current assets at December 31 of each year consisted of the following (in thousands):

	2010	2009
Prepayments	$ 2,062	$ 2,814
Other current assets	1,009	2,093
Total prepaid and other current assets	$ 3,071	$ 4,907

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NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

11. Property, Plant and Equipment

	Land & Buildings	Plant & Equipment	Total
		(In thousands)	
Cost:			
At January 1, 2009	$ 223,100	$ 223,470	$ 446,570
Additions	1,083	7,720	8,803
Disposals	(283)	(3,690)	(3,973)
At December 31, 2009	$ 223,900	$ 227,500	$ 451,400
Additions	4,046	11,092	15,138
Disposals		(1,435)	(1,435)
Transfers	1,188	(1,188)	
At December 31, 2010	$ 229,134	$ 235,969	$ 465,103
Accumulated depreciation and impairment:			
At January 1, 2009	$ (67,080)	$ (157,895)	$ (224,975)
Charged in year	(6,232)	(14,679)	(20,911)
Disposals		3,195	3,195
At December 31, 2009	$ (73,312)	$ (169,379)	$ (242,691)
Charged in year	(5,873)	(14,496)	(20,369)
Disposals		1,372	1,372
At December 31, 2010	$ (79,185)	$ (182,503)	$ (261,688)
Net book value: December 31, 2010	$ 149,949	$ 53,466	$ 203,415
Net book value: December 31, 2009	$ 150,588	$ 58,121	$ 208,709

Property and equipment disposals during 2010 and 2009 were primarily related to the write-off of fully depreciated assets.

The carrying amount of property, plant and equipment included $159.8 million (2009: $162.5 million) at December 31, 2010 relating to the manufacturing facility in Athlone, Ireland. EDT has invested significant resources in EDT s manufacturing facilities in Ireland to provide it with the capability to manufacture products from EDT s product development pipeline. To the extent that EDT is not successful in developing these pipeline products or do not acquire products to be manufactured at EDT s facilities, the carrying amount of these facilities may become impaired.

At December 31, 2010, EDT s best estimates of the likely success of development and commercialization of EDT s pipeline products support the carrying amount of EDT s manufacturing facilities.

Included in property, plant and equipment are assets under construction of $1.7 million at December 31, 2010 (2009: $0.6 million). For additional information regarding EDT s capital commitments for the purchase or construction of property, plant and equipment, please refer to Note 19.

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The depreciation charge for property, plant and equipment is recognized in the following line items in the Carve-out Combined Statement of Operations (in thousands):

	2010	2009	2008
Cost of sales	$ 15,682	$ 15,884	$ 17,601
Research and development expenses	4,665	5,000	5,580
Selling, general and administrative expenses	22	27	206
Total	$ 20,369	$ 20,911	$ 23,387

12. Goodwill and Other Intangible Assets

	Goodwill	Other Intangible Assets (In thousands)	Total
Cost:			
At January 1, 2009	$ 49,684	$ 164,198	$ 213,882
Additions		139	139
At December 31, 2009	$ 49,684	$ 164,337	$ 214,021
Additions		284	284
At December 31, 2010	$ 49,684	$ 164,621	$ 214,305
Accumulated amortization:			
At January 1, 2009	$	$ (136,532)	$ (136,532)
Charged in year		(12,250)	(12,250)
At December 31, 2009	$	$ (148,782)	$ (148,782)
Charged in year		(12,185)	(12,185)
At December 31, 2010		(160,967)	(160,967)
Net book value: December 31, 2010	$ 49,684	$ 3,654	$ 53,338
Net book value: December 31, 2009	$ 49,684	$ 15,555	$ 65,239

Other intangible assets at December 31, of each year consist primarily of patents, licenses, intellectual property and computer software as follows (in thousands):

	2010	2009
NanoSystems	$ 2,470	$ 2,810
Verelan		10,735
Other intangible assets	1,184	2,010
Total other intangible assets	$ 3,654	$ 15,555

At December 31, 2010 and 2009, the goodwill balance of $49.7 million relates to the EDT reporting unit. The recoverable amount used in the goodwill impairment testing for the EDT reporting unit is based on value in use calculations. The cash flow projections used are based on the most recent business plans that include EDT s latest estimates on revenue growth and new business generation for EDT, assuming a constant rate of growth in operating expenses.

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EDT has also assessed R&D risk, commercial risk, EDT s expected sales and marketing support, EDT s allocation of resources, the impact of competition, including generic competition, the impact of any reorganization or change of business focus, the level of third-party interest in EDT s intangible assets and market conditions in estimating the projected cash flows. A terminal value is applied to the year five cash flows, which is consistent with the approach adopted in the prior year. A pre-tax discount rate of 10% (2009: 10%) has been used in discounting the projected cash flows. A sensitivity analysis was performed using a discount rate of 15% and resulted in an excess of recoverable amount over the carrying value of the EDT reporting unit. EDT management believes that any reasonably possible change in any of the key assumptions would not have caused the carrying value of goodwill to exceed the recoverable amount at the balance sheet date.

The weighted-average remaining useful life for other intangible assets at December 31, 2010 was 5.4 years (2009: 2.4 years).

The amortization expense for other intangible assets is recognized in the following line items of the Carve-out Combined Financial Statements (in thousands):

	2010	2009	2008
Cost of sales	$ 11,654	$ 11,693	$ 11,647
Research and development expenses	513	550	874
Selling, general and administrative expenses	18	7	7
Total	$ 12,185	$ 12,250	$ 12,528

As of December 31, 2010, EDT s expected future amortization expense of current other intangible assets is as follows (in thousands):

Year ending December 31, 2011	$ 1,193
2012	567
2013	417
2014	388
2015	340
2016 and thereafter	749
Total	$ 3,654

13. Other Assets

Non-current other assets at December 31 of each year consisted of the following (in thousands):

	2010	2009
Maintenance spares	$ 3,541	$ 3,427
Other receivables	1,289	
Other	230	200
Total other assets	$ 5,060	$ 3,627

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14. Accruals and Other Current Liabilities, and Other Long-Term Liabilities

Accruals and other current liabilities at December 31 consisted of the following (in thousands):

	2010	2009
Payroll and related taxes	$ 13,684	$ 13,743
Clinical accruals	2,423	
Trade accruals	1,597	1,276
Legal accruals	967	926
Severance, restructuring and other charges accrual	444	639
Deferred revenue	425	605
Other accruals	4,750	4,451
Total accruals and other current liabilities	$ 24,290	$ 21,640

Other long-term liabilities at December 31 consisted of the following (in thousands):

	2010	2009
Unfunded pension liability	$ 8,152	$ 5,757
Deferred tax liability	1,338	2,077
Other liabilities	1,685	1,062
Total other long-term liabilities	$ 11,175	$ 8,896

Severance, restructuring and other charges accrual

The following table provides a rollforward of the severance, restructuring and other charges accrual (in thousands):

Balance at January 1, 2009	$
Restructuring and other charges	5,669
Cash payments	(5,030)
Balance at December 31, 2009	$ 639
Restructuring and other charges	2,300
Cash payments	(2,495)
Balance at December 31, 2010	$ 444

15. Pension and Other Employee Benefit Plans

Pension

Elan funds the pensions of certain employees based in Ireland through two defined benefit plans. These plans were closed to new entrants from March 31, 2009 and a defined contribution plan was established for employees in Ireland hired after this date.

In general, on retirement, eligible employees in the staff scheme are entitled to a pension calculated at 1/60th (1/52nd for the executive scheme) of their final salary for each year of service, subject to a maximum of 40 years. These plans are managed externally and the related pension costs and liabilities are assessed in accordance with the advice of a qualified professional actuary. The investments of the plans at December 31, 2010 consisted of units held in independently administered funds.

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The amounts allocated to and recognized in the Carve-out Combined Financial Statements were determined based on the projected benefit obligation, or underlying membership data for the service costs amounts, relating to members of the plans that are EDT employees.

The change in projected benefit obligation was (in thousands):

	2010	2009
Projected benefit obligation at January 1	$ 31,188	$ 25,816
Service cost	2,182	1,869
Interest cost	1,662	1,318
Plan participants contributions	694	773
Actuarial loss/(gain)	6,710	1,341
Benefits paid and other disbursements	(465)	(631)
Foreign currency exchange rate changes	(2,073)	702
Projected benefit obligation at December 31	$ 39,898	$ 31,188

The changes in plan assets at December 31 were (in thousands):

	2010	2009
Fair value of plan assets at beginning of year	$ 25,431	$ 20,444
Actual gain/(loss) on plan assets	6,584	3,198
Employer contribution	1,224	1,203
Plan participants contributions	694	773
Benefits paid and other disbursements	(465)	(631)
Foreign currency exchange rate changes	(1,722)	444
Fair value of plan assets at end of year	$ 31,746	$ 25,431
Unfunded status at end of year	$ (8,152)	$ (5,757)
Unamortized net actuarial loss in invested equity	13,453	10,174
Unamortized prior service cost in invested equity	225	258
Net amount recognized	$ 5,526	$ 4,675

Amounts recognized in the Carve-out Combined Balance Sheet at December 31 (in thousands):

	2010	2009

Unfunded status non-current liability	$ (8,152)	$ (5,757)
Invested equity	13,678	10,432
Net amount recognized	$ 5,526	$ 4,675

The net periodic pension cost was comprised of the following (in thousands):

	2010	2009	2008
Service cost	$ 2,182	$ 1,869	$ 2,727
Interest cost	1,662	1,318	1,480
Expected return on plan assets	(1,980)	(1,256)	(2,138)
Amortization of net actuarial loss	489	489	47
Net periodic pension cost	$ 2,353	$ 2,420	$ 2,116

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The weighted-average assumptions used to determine net periodic pension cost and benefit obligation at December 31 were:

	2010	2009
Discount rate	4.7%	5.0%
Expected return on plan assets	6.2%	7.1%
Rate of compensation increase	3.5%	3.6%

The discount rate of 4.7% at December 31, 2010, was determined by reference to yields on high-quality fixed-income investments, having regard to the duration of the plans liabilities. The average duration of both defined benefit plans is greater than 20 years. Since no significant market exists for high-quality fixed income investments in Ireland and, following the crisis in the credit markets, the number of AA-rated corporate bonds with long durations is limited, the assumed discount rate of 4.7% per annum at December 31, 2010, was determined based on a yield curve derived by reference to government bonds with an added corporate bond spread derived from the Merrill Lynch 10+ AA corporate bond index.

In Ireland, post-retirement mortality rates are calculated using 62% of the mortality rates of the PNML00 mortality tables for males and 70% of the mortality rates of the PNFL00 mortality tables for females. To make an allowance for expected future increases in average life expectancy, plan benefit obligations for each plan member are increased by 0.39% per annum to retirement age. This approach to post-retirement mortality is used in the standard transfer value basis set out in Actuarial Standard of Practice ASP Pen-2, issued by the Society of Actuaries in Ireland.

The average life expectancy in years of a current pensioner retiring at the age of 65:

	2010	2009
Females	23.3	23.2
Males	21.6	21.5

The average life expectancy in years of a pensioner retiring at the age of 65 in 10 years:

	2010	2009
Females	24.3	24.1
Males	22.5	22.4

The average life expectancy in years of a pensioner retiring at the age of 65 in 20 years:

	2010	2009

Females	25.2	25.1
Males	23.4	23.2

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At December 31, 2010, the impact of certain changes in the principal assumptions on the projected benefit obligation, service cost and net periodic pension cost is as follows (in thousands):

	Increase/ (Decrease) in Projected Benefit Obligation	Increase/ (Decrease) in Service Cost	Increase/ (Decrease) in Net Periodic Pension Cost
Increase of 0.25% in discount rate	$ (2,789)	$ (237)	$ (321)
Decrease of 0.25% in discount rate	3,038	261	346
Increase of 0.25% in salary and inflation rates	2,859	250	412
Decrease of 0.25% in salary and inflation rates	(2,655)	(250)	(380)
Increase of one year in life expectancy	1,071	80	143
Decrease of one year in life expectancy	(1,071)	(80)	(143)
Increase of 0.25% in pension increase assumption	1,026	75	137
Decrease of 0.25% in pension increase assumption	(1,026)	(75)	(137)

The weighted-average asset allocations at December 31 of each year by asset category were:

	2010	2009
Equities	60.2%	71.9%
Bonds	20.7%	17.9%
Property	0.9%	1.1%
Cash		
Absolute return fund	18.2%	9.1%
Total	100.0%	100.0%

The investment mix of the pension plans assets is biased towards equities, with a diversified domestic and international portfolio of shares listed and traded on recognized exchanges.

The long-term asset allocation ranges of the trusts are as follows:

Equities	60%-80%
Bonds	10%-40%
Property	0%-10%
Other	0%-10%

A portion of the assets are allocated to low-risk investments, which are expected to move in a manner consistent with that of the liabilities. The balances of the assets are allocated to performance-seeking investments designed to provide

returns in excess of the growth in liabilities over the long term. The key risks relating to the plan assets are as follows:

Interest rate risk the risk that changes in interest rates result in a change in value of the liabilities not reflected in the changes in the asset values. This risk is managed by allocating a portion of the trusts assets to assets that are expected to behave in a manner similar to the liabilities.

Inflation risk the risk that the inflation-linked liabilities of salary growth and pension increases increase at a faster rate than the assets held. This risk is managed by allocating a portion of the plans to investments with returns that are expected to exceed inflation.

Market risk the risk that the return from assets is not sufficient to meet liabilities. This risk is managed by monitoring the performance of the assets and requesting regular valuations of the liabilities. A professionally qualified actuary performs regular valuations of the plans and the progress

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of the assets is examined against the plans funding target. Further, the assets of the plans are invested in a range of asset classes in order to limit exposure to any particular asset class or security.

Manager risk the risk that the chosen manager does not meet its investment objectives, or deviates from its intended risk profile. This risk is managed by regularly monitoring the managers responsible for the investment of the assets relative to the agreed objectives and risk profile.

Cash flow risk the risk that the cash flow needs of the plan requires a disinvestment of assets at an inopportune time. As part of the asset allocation strategy, the proportion of assets held by the plans in liability matching assets will explicitly consider the cash flows expected to arise in the near term.

As of December 31, 2010, the expected long-term rate of return on assets of 6.2% (2009: 7.1%) was calculated based on the assumptions of the following returns for each asset class:

	2010	2009
Equities	7.3%	8.0%
Property	6.3%	7.0%
Bonds	3.8%	4.3%
Cash	2.1%	2.3%
Absolute return fund	5.5%	5.6%

As of December 31, 2010, the assumed return on equities has been derived as the assumed return on bonds plus an assumed equity risk premium of 3.5% (2009: 3.8%).

As of December 31, 2010, the expected return on property has been chosen by allowing for a property risk premium of 2.5% (2009: 2.8%) above the expected return on bonds.

The expected government bond returns are set equal to the yield on the government bonds of appropriate duration as at the date of measurement.

The investment in an absolute return fund aims to provide an absolute return with a lower volatility than the target returns.

The following table sets forth the fair value of the pension plan assets, as of December 31, 2010 (in thousands):

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Equities	$ 19,111	$	$	$ 19,111

Bonds	6,542			6,542
Property			286	286
Absolute return fund	5,807			5,807
Total	$ 31,460	$	$ 286	$ 31,746

The following table sets forth a summary of the changes in the fair value of the Level 3 pension plan assets, which were measured at fair value on a recurring basis for the year ended December 31, 2010 (in thousands).

	Total
Beginning balance at January 1, 2010	$ 286
Unrealized loss on property assets	
Ending balance at December 31, 2010	$ 286

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All properties in the fund are valued by independent valuers in accordance with the Royal Institute of Chartered Surveyors Valuation Standards by forecasting the returns of the market at regular intervals. These forecasts have regard to the output from a proprietary quantitative model, the inputs to which include gross national product growth, interest rates and inflation.

EDT s allocated portion of the total accumulated benefit obligation for the defined benefit pension plans was $33.7 million at December 31, 2010 (2009: $28.2 million).

At December 31, 2010, EDT s allocated portion of the estimated future benefit payments to be paid in respect of the plans for the period of 2011-2015 are approximately $0.4 million. EDT s allocated portion of the estimated future benefit payments to be paid in the period of 2016-2020 is approximately $1.4 million.

The expected benefits to be paid are based on the same assumptions used to measure EDT s benefit obligation at December 31, 2010, including the expected future employee service.

During 2011, EDT expects to recognize $0.6 million of the unamortized net actuarial loss and less than $0.1 million of the unamortized prior service cost that is included in invested equity at December 31, 2010.

Defined Contribution Retirement Plans

Elan operates a number of defined contribution retirement plans. The costs of these plans related to EDT employees are expensed in the period they are incurred. For 2010, total expense related to the defined contribution plans in respect of EDT employees recognized in the Carve-out Combined Statement of Operations was $1.5 million (2009: $1.3 million; 2008: $0.7 million).

Employee Savings and Retirement Plan 401(k)

Elan maintains a 401(k) retirement savings plan for employees based in the United States, including EDT employees. Participants in the 401(k) plan may contribute up to 80% of their annual compensation (prior to January 1, 2010, participants could contribute up to 100% of their annual compensation), limited by the maximum amount allowed by the IRC. Elan matches 3% of each participating employee s annual compensation on a quarterly basis and may contribute additional discretionary matching up to another 3% of the employee s annual qualified compensation. The matching contributions are vested immediately. For 2010, EDT recorded $1.2 million (2009: $1.2 million; 2008: $0.7 million) of expense in connection with the matching contributions under the 401(k) plan.

Irish Defined Contribution Plan

Elan operates a defined contribution plan for employees based in Ireland, including EDT employees, who joined Elan on or after April 1, 2009. Under the plan, Elan will match up to 15% of each participating employee s annual eligible income on a monthly basis. For 2010, EDT recorded $0.3 million (2009: $0.1 million; 2008: $Nil) of expense in connection with the matching contributions under the Irish defined contribution plans.

16. Share-based Compensation

Elan has an equity award program which provides for the issuance of share options, restricted stock units and other equity awards. Elan s equity award program is a long-term retention program that is intended to attract, retain and motivate its employees, directors and consultants, and to align the interests of these parties with those of its shareholders. Elan considers the equity award program critical to its operation and productivity. Equity awards made by Elan to certain EDT employees are settled through the issuance of new shares and are recognized in the Carve-out Combined Financial Statements as equity settled share-based compensation.

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Stock Options

Stock options are granted at the price equal to the market value at the date of grant and will expire on a date not later than ten years after their grant. Options generally vest between one and four years from the grant date.

The following table summarizes the number of options outstanding as of December 31 that were held by EDT employees (in thousands):

	2010	2009
1996 Plan	633	644
1998 Plan	215	224
1999 Plan	713	1,186
2006 Long Term Incentive Plan	1,400	873
Total	2,961	2,927

Certain EDT employees received stock options from Elan and the total outstanding, vested and expected to vest, and exercisable that are held by EDT employees are summarized as follows:

	No. of Options (In thousands)	WAEP[1]	Weighted Average Remaining Contractual Life (In years)	Aggregate Intrinsic Value (In thousands)
Outstanding at December 31, 2008	3,253	$ 23.55		
Exercised	(11)	2.40		
Granted	377	7.70		
Forfeited	(15)	12.42		
Expired	(275)	32.29		
Transfers	(402)	25.41		
Outstanding at December 31, 2009	2,927	$ 20.58		
Exercised	(24)	2.44		
Granted	341	6.85		
Forfeited	(7)	7.57		
Expired	(480)	38.63		
Transfers	204	16.03		

Outstanding at December 31, 2010	2,961	$	15.94	5.1	$	906
Vested and expected to vest at December 31, 2010	2,897	$	16.12	5.0	$	902
Exercisable at December 31, 2010	2,004	$	19.07	3.6	$	886

(1) Weighted-average exercise price

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the difference between Elan s closing stock price on the last trading day of 2010 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the EDT option holders had all option holders exercised their options on December 31, 2010. This amount changes based on the fair market value of Elan s stock. The total intrinsic value of options exercised in 2010 was $0.1 million (2009: $0.1 million; 2008:

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$15.7 million). The total fair value expensed over the vesting terms of options that became fully vested in 2010 was $2.1 million (2009: $2.0 million; 2008: $3.6 million).

At December 31, 2010, the range of exercise prices and weighted-average remaining contractual life of outstanding and exercisable options were as follows:

		Options Outstanding			Options Exercisable		
		Options Outstanding (In thousands)	Weighted-Average Remaining Contractual Life (In years)	WAEP	Options Outstanding (In thousands)	Weighted-Average Remaining Contractual Life (In years)	WAEP
$ 1.93	$10.00	1,368	6.2	$ 6.38	603	3.3	$ 5.17
$10.01	$25.00	1,106	4.9	15.70	959	4.6	15.76
$25.01	$40.00	170	5.6	25.39	125	5.0	25.52
$40.01	$58.60	317	0.4	52.91	317	0.4	52.87
$ 1.93	$58.60	2,961	5.1	$ 15.94	2,004	3.6	$ 19.07

Equity-settled share-based payments made to EDT employees have been recognized in the Carve-out Combined Financial Statements based on the fair value of the awards measured at the date of grant. The graded-vesting attribution method is used for recognizing share-based compensation expense over the requisite service period for each separately vesting tranche of award as though the awards were, in substance, multiple awards.

The fair value of stock options is calculated using a binomial option-pricing model and the fair value of options issued under the EEPP is calculated using the Black-Scholes option-pricing model, taking into account the relevant terms and conditions. The binomial option-pricing model is used to estimate the fair value of Elan s stock options because it better reflects the possibility of exercise before the end of the options life. The binomial option-pricing model also integrates possible variations in model inputs, such as risk-free interest rates and other inputs, which may change over the life of the options. Options issued under the EEPPs have relatively short contractual lives, or must be exercised within a short period of time after the vesting date, and the input factors identified above do not apply. Therefore, the Black-Scholes option-pricing model produces a fair value that is substantially the same as a more complex binomial option-pricing model for the EEPPs. The amount recognized as an expense is adjusted each period to reflect actual and estimated future levels of vesting.

The implied volatility for traded options on Elan s stock with remaining maturities of at least one year to determine the expected volatility assumption required in the binomial model. The risk-free interest rate assumption is based upon observed interest rates appropriate for the term of the stock option awards. The dividend yield assumption is based on the history and expectation of dividend payouts.

As share-based compensation expense recognized in the Carve-out Combined Financial Statements is based on awards ultimately expected to vest, it has been reduced for estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from estimates. Forfeitures were estimated based on historical experience and estimated future turnover.

The estimated weighted-average grant date fair values of the individual options granted during the years ended December 31, 2010, 2009 and 2008 were $3.86, $5.45 and $12.29, respectively. The fair value of

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options granted during these years was estimated using the binomial option-pricing model with the following weighted-average assumptions:

	2010	2009	2008
Risk-free interest rate	2.02%	1.46%	2.97%
Expected volatility	67.1%	95.6%	71.9%
Expected dividend yield			
Expected life[(1)]			

(1) The expected lives of options granted in 2010, as derived from the output of the binomial model, ranged from 4.9 years to 7.5 years (2009: 4.5 years to 7.1 years; 2008: 4.5 years to 7.3 years). The contractual life of the options, which is not later than 10 years from the date of grant, is used as an input into the binomial model.

Restricted Stock Units

Elan grants RSUs to certain employees, including employees of EDT. The RSUs generally vest between one and three years from the grant date, and shares are issued to RSU holders as soon as practicable following vesting. The fair value of services received by EDT in return for the RSUs is measured by reference to the fair value of the underlying shares at grant date for employees of EDT. The total fair value expensed over the vesting terms of RSUs that became fully vested in 2010 was $2.9 million (2009: $3.0 million; 2008: $2.9 million).

The non-vested RSUs are summarized as follows (in thousands, except fair value amounts):

	No. of RSUs		Weighted-Average Grant Date Fair Value
Non-vested at December 31, 2008	702	$	19.27
Granted	336		7.75
Vested	(209)		18.12
Forfeited	(41)		15.58
Transfers	(94)		19.10
Non-vested at December 31, 2009	694	$	16.44
Granted	548		7.05
Vested	(184)		18.45
Forfeited	(28)		11.00
Transfers	22		14.84
Non-vested at December 31, 2010	1,052	$	9.88

Employee Equity Purchase Plans

Elan operates an EEPP for eligible employees, including EDT employees, based in the United States (the U.S. Purchase Plan). The U.S. Purchase Plan is a qualified plan under Sections 421 and 423 of the IRC and allows eligible EDT employees to purchase common stock at 85% of the lower of the fair market value at the beginning of the offering period or the fair market value on the last trading day of the offering period. Purchases are limited to $25,000 (fair market value) per calendar year; 2,000 shares per six-month offering period (changed from 1,000 shares per three-month offering period, beginning January 1, 2010); and subject to certain IRC restrictions.

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NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

The Irish Sharesave Option Scheme 2004 and U.K. Sharesave Option Plan 2004 (the Sharesave Plans) were for eligible employees based in Ireland and the United Kingdom, respectively. The Sharesave Plans allowed eligible employees to purchase ordinary shares at no lower than 85% of the fair market value at the start of a 36-month saving period. No options are currently outstanding under the Sharesave Plans.

The options issued under the Sharesave Plans were granted in 2005 and the estimated fair values of the options were expensed over the 36-month saving period from the grant date. The fair value per option granted under the Sharesave Plans in 2005 was $11.68. A total of 66,408 shares were issued under the U.S. Purchase Plan for the 2010 offering period (2009: 61,800 shares; 2008; 29,043 shares) and no shares were issued under the Sharesave Plan during 2010 (2009: Nil; 2008: 22,508 shares). The weighted-average fair value of options granted under the U.S. Purchase Plan during the year ended December 31, 2010 was $1.86 (2009: $2.06; 2008: $6.69). The estimated fair values of these options were charged to expense over the respective six-month offering periods. The estimated fair values of options granted under the U.S. Purchase Plan in the years ended December 31, were calculated using the following inputs into the Black-Scholes option-pricing model:

	2010	2009	2008
Weighted-average share price	$ 5.65	$ 6.61	$ 23.27
Weighted-average exercise price	$ 4.80	$ 5.62	$ 18.93
Expected volatility[(1)]	64.0%	82.7%	74.6%
Expected life	6 months	3 months	3 months
Expected dividend yield			
Risk-free interest rate	0.21%	0.15%	1.52%

(1) The expected volatility was determined based on the implied volatility of traded options on Elan s stock.

Share-based Compensation Expense

The total net expense of $7.9 million relating to equity-settled share-based compensation for EDT employees has been recognized in the following line items in the Carve-out Combined Financial Statements (in thousands):

	2010	2009	2008
Cost of sales	$ 1,474	$ 1,592	$ 1,993
Selling, general and administrative expenses	4,550	4,134	6,079
Research and development expenses	1,905	1,450	1,793
Total	$ 7,929	$ 7,176	$ 9,865

Share-based compensation arose under the following awards (in thousands):

	2010	2009	2008
RSUs	$ 5,828	$ 4,857	$ 6,108
Stock options	1,978	2,134	3,526
Employee equity purchase plans	123	185	231
Total	$ 7,929	$ 7,176	$ 9,865

The total equity-settled share-based compensation expense for EDT related to unvested awards not yet recognized, adjusted for estimated forfeitures, is $3.6 million at December 31, 2010. This expense is expected to be recognized over a weighted-average of 0.9 years.

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NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

The cash proceeds from share-based compensation stock issuances received by Elan from EDT employees in 2010 was $0.3 million (2009: $0.3 million; 2008: $21.1 million).

17. Fair Value Measurements

Fair value is the amount at which a financial instrument could be exchanged in an arms-length transaction between informed and willing parties, other than in a forced or liquidation sale.

As of December 31, 2010, EDT did not hold any financial assets or financial liabilities that are recognized at fair value in the financial statements on a recurring or non-recurring basis (2009: $Nil).

18. Leases

Operating Leases

EDT recorded an expense under operating leases for premises of $2.3 million for the twelve months ended December 31, 2010 (2009: $2.1 million; 2008: $2.1 million).

As of December 31, 2010, EDT s future minimum rental commitments for operating leases with non-cancelable terms in excess of one year are as follows (in thousands):

Due in:	
2011	$ 1,931
2012	1,950
2013	1,995
2014	1,838
2015	1,893
2016 and thereafter	7,684
Total	$ 17,291

Capital Leases

No assets were held under finance leases as at December 31, 2010 (2009: $Nil).

19. Commitments and Contingencies

As of December 31, 2010, the Elan directors had authorized capital commitments for the purchase of property, plant and equipment by EDT of $5.3 million (2009: $8.0 million) as follows (in thousands):

	2010	**2009**

Contracted for	$ 3,124	$ 4,007
Not-contracted for	2,176	3,995
Total	$ 5,300	$ 8,002

20. Litigation

EDT is involved in certain legal and administrative proceedings that could have a material adverse effect on EDT.

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NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

Paragraph IV Litigation

EDT and/or EDT s product partners are involved in various so-called Paragraph IV litigation proceedings in the United States. In the United States, putative generics of innovator drug products (including products in which the innovation comprises a new drug delivery method for an existing product, such as the drug delivery market occupied by us) may file Abbreviated New Drug Applications (ANDAs) and, in doing so, they are not required to include preclinical and clinical data to establish safety and effectiveness of their drug. Instead, they would rely on such data provided by the New Drug Application (NDA) held with respect to the innovator drug. However, to benefit from this less costly abbreviated procedure, the ANDA applicant must demonstrate that its drug is generic or bioequivalent to the innovator drug, and, to the extent that patents protecting the innovator drug are listed in the Orange Book , the ANDA applicant must write to the holder of the NDA for the innovator drug and the patent holder (to the extent that the Orange Book-listed patents are not owned by the holder of the NDA for the innovator drug) certifying that their product either does not infringe the innovator s and patent holder s patents and/or that the relevant patents are invalid. The innovator and the patent holder may sue the ANDA applicant within 45 days of receiving the certification and, if they do so, the U.S. Food and Drug Administration (FDA) may not approve the ANDA for 30 months from the date of certification unless, at some point before the expiry of those 30 months, a court makes a final decision in the ANDA applicant s favor.

EDT is involved in a number of Paragraph IV suits in respect of six different products (*TriCor* 145, *Avinza*, *Focalin XR*, *Zanaflex*, *Rapamune* and *Luvox CR*) either as plaintiff or as an interested party (where the suit is being brought in the name of one of EDT s partners). If EDT is unsuccessful in these and other similar suits, EDT s or its partners products may be subject to generic competition, and EDT s manufacturing revenue and royalties could be materially and adversely affected.

Patent matter

In June 2008, a jury ruled in the U.S. District Court for the District of Delaware that Abraxis BioSciences, Inc. (Abraxis, since acquired by Celgene Corporation) had infringed a patent owned by us in relation to the application of *NanoCrystal* technology to *Abraxane*. EDT was awarded $55.2 million, applying a royalty rate of 6% to sales of *Abraxane* from January 1, 2005 through June 13, 2008 (the date of the verdict), though the judge had yet to rule on post-trial motions or enter the final order. This award and damages associated with the continuing sales of the *Abraxane* product were subject to interest.

In February 2011, EDT entered into an agreement with Abraxis to settle this litigation. As part of the settlement agreement with Abraxis, EDT received $78.0 million in full and final settlement, which is recognized as a gain in 2011. No continuing royalties will be received by us in respect of *Abraxane*.

21. Related Parties

All intra-group transactions within EDT have been eliminated in the Financial Statements and are not disclosed.

As previously discussed in Note 2(a), EDT has certain related party relationships with non-EDT subsidiaries of Elan, primarily the provision of central services by Elan to EDT and the provision by EDT of certain R&D services to Elan.

Elan provides certain central services to EDT including, but not limited to:

Accounting, information technology, taxation, legal, corporate strategy, investor relations, corporate governance and other professional services;

Employee benefit administration, including equity award and pension services; and

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NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

Cash and treasury management.

Certain central services costs have been allocated to EDT based on estimated usage of the resources for the purposes of preparing the Financial Statements. Management considers that such allocations have been made on a reasonable basis, but may not necessarily be indicative of the costs that would have been incurred if EDT had been operated on a stand-alone basis. The amount recorded in the Carve-out Combined Statement of Operations in respect of such services in the year ended December 31 2010 was $17.4 million (2009: $16.8 million; 2008: $16.9 million).

22. Subsequent Events

In May 2011, Alkermes and Elan announced the execution of a definitive agreement under which Alkermes will merge with EDT in a cash and stock transaction valued at approximately $960 million at the time of the announcement. Alkermes and EDT will be combined under a new holding company incorporated in Ireland. This newly created company will be named Alkermes plc. The transaction is subject to approval by Alkermes shareholders and the satisfaction of customary closing conditions and regulatory approvals, including antitrust approvals in the United States. The transaction is expected to close during the second half of 2011.

In January 2011, the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) issued a negative opinion, recommending against approval of *Fampyra*. Biogen Idec Inc. (Acorda s sub-licensee) appealed this opinion and requested a re-examination of the decision of the CHMP. In May 2011, the CHMP of the EMA recommended conditional marketing authorization of *Fampyra*. In May 2011, *Fampyra* was approved for use in Australia by the Australian Therapeutic Goods Administration. Biogen Idec also received a Notice of Deficiency from Health Canada for its application to sell *Fampyra* in Canada. EDT has the right to manufacture supplies of *Ampyra* for the global market at its Athlone, Ireland facility.

In February 2011, EDT entered into an agreement with Abraxis to settle litigation in relation to the application of EDT s *NanoCrystal* technology to Abraxane. As part of the settlement agreement with Abraxis, EDT received $78.0 million in March 2011 in full and final settlement, which is recognized as a gain in 2011. EDT will not receive future royalties in respect of *Abraxane*.

In March 2011, EDT s partner, Janssen Pharmaceutica N.V., announced the approval of *Xeplion*, a once monthly atypical antipsychotic injection, by the European Commission. This is the first European approval of an injectable product using EDT s *NanoCrystal* technology. Other regulatory advances included approvals for new strengths for *Focalin XR* (25mg and 35mg) in the United States, and *Morphelan* filed in the European Union by Elan.

In May 2011, EDT entered into an agreement with Alcon to settle litigation in relation to the application of EDT s *NanoCrystal* technology. As part of the settlement agreement with Alcon, EDT received $6.5 million in May 2011 in full and final settlement, which is recognized as a gain in 2011.

In the second quarter of 2011, Elan decided to close its King of Prussia, Pennsylvania site, which is part of EDT. It is expected that the closure will take place in the second half of 2011.

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Elan Drug Technologies

Unaudited Interim Condensed Carve-out Combined Statements of Operations
For the Six-Month Periods Ended June 30, 2011 and 2010

	Notes	Six Months Ended June 30, 2011	2010
		(In thousands)	
Product revenue		$ 124,404	$ 124,349
Contract revenue		4,440	8,127
Total revenue	3	128,844	132,476
Cost of sales		51,896	59,775
Gross margin		76,948	72,701
Operating expenses:			
Selling, general and administrative expenses		17,449	19,541
Research and development expenses		24,440	26,609
Legal settlement gains	4	(84,500)	
Other net charges	5	15,097	362
Total operating expenses		(27,514)	46,512
Operating income		104,462	26,189
Net interest expense/(income)	6	1,281	(1,541)
Net income before income taxes		103,181	27,730
Provision for income taxes	7	14,843	5,967
Net income		$ 88,338	$ 21,763

The accompanying notes are an integral part of these Unaudited Interim Condensed Carve-out Combined Financial Statements.

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Elan Drug Technologies

Unaudited Interim Condensed Carve-out Combined Balance Sheets
As of June 30, 2011 and December 31, 2010

	Notes	June 30, 2011	December 31, 2010
		(In thousands)	
ASSETS			
Current Assets:			
Accounts receivable, net	8	$ 52,794	$ 60,030
Inventory	9	18,122	18,296
Deferred tax assets current	7	5,680	1,555
Prepaid and other current assets		4,117	3,071
Total current assets		80,713	82,952
Non-Current Assets:			
Property, plant and equipment, net	10	192,964	203,415
Goodwill and other intangible assets, net	11	52,790	53,338
Other non-current assets		6,998	5,060
Total assets		$ 333,465	$ 344,765
LIABILITIES AND INVESTED EQUITY			
Current Liabilities:			
Accounts payable		$ 2,323	$ 4,085
Accruals and other current liabilities	12	30,051	24,290
Total current liabilities		32,374	28,375
Other non-current liabilities	12	7,979	11,175
Total liabilities		40,353	39,550
Invested equity		293,112	305,215
Total liabilities and invested equity		$ 333,465	$ 344,765

The accompanying notes are an integral part of these Unaudited Interim Condensed Carve-out Combined Financial Statements.

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Elan Drug Technologies

Unaudited Interim Condensed Carve-out Combined Statements of Cash Flows
For the Six-Month Periods Ended June 30, 2011 and 2010

	Six Months Ended June 30,	
	2011	2010
	(In thousands)	
Cash flows from operating activities:		
Net income	$ 88,338	$ 21,763
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of deferred revenue	(162)	(234)
Depreciation and amortization	10,591	16,265
Share-based compensation	5,148	4,217
Recognition of deferred tax asset	(7,674)	(478)
Impairment of property, plant and equipment and intangible assets	5,118	
Other	35	(24)
Net changes in assets and liabilities:		
Decrease in accounts receivable	7,236	8,679
Increase in prepaid and other assets	(1,071)	(164)
Decrease in inventory	174	4,307
Increase/(decrease) in accounts payable and accruals and other liabilities	2,679	(3,316)
Net cash provided by operating activities	110,412	51,015
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment		36
Purchase of property, plant and equipment	(4,916)	(6,416)
Purchase of intangible assets	(205)	(72)
Net cash used in investing activities	(5,121)	(6,452)
Cash flows from financing activities:		
Net funding transfer to Elan	(105,291)	(44,563)
Net cash used in financing activities	$ (105,291)	$ (44,563)
Net increase/(decrease) in cash and cash equivalents		
Cash and cash equivalents at beginning of year		
Cash and cash equivalents at end of year		

The accompanying notes are an integral part of these Unaudited Interim Condensed Carve-out Combined Financial Statements.

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NOTES TO THE UNAUDITED INTERIM CONDENSED CARVE-OUT COMBINED FINANCIAL STATEMENTS

1. Description of Business

Elan Corporation, plc (Elan), an Irish public limited company, is a neuroscience-based biotechnology company headquartered in Dublin, Ireland. Elan was incorporated as a private limited company in Ireland in December 1969 and became a public limited company in January 1984. Elan operations are organized into two business units: BioNeurology, which engages in research, development and commercial activities primarily for neurodegenerative and autoimmune diseases, and Elan Drug Technologies (EDT), which focuses on the specialty pharmaceutical industry, including specialized drug delivery and manufacturing.

EDT (also hereafter referred to as we , our or us) develops and manufactures innovative pharmaceutical products that deliver clinically meaningful benefits to patients, using its extensive experience and proprietary delivery technologies in collaboration with pharmaceutical companies.

2. Significant Accounting Policies

(a) Basis of preparation and presentation of financial information

On May 9, 2011, Elan and Alkermes Inc. (Alkermes) announced the execution of a definitive agreement under which Alkermes will merge with EDT in a cash and stock transaction valued at approximately $960 million at the time of the announcement. Alkermes and EDT will be combined under a new holding company incorporated in Ireland. This newly created company will be named Alkermes plc. The transaction is subject to approval by Alkermes stockholders and the satisfaction of customary closing conditions and regulatory approvals, including antitrust approvals in the United States. The transaction is expected to close during the third quarter of 2011.

EDT has historically operated as part of Elan and not as a separate stand-alone entity. The Unaudited Interim Condensed Carve-out Combined Financial Statements, referred to in this proxy statement/prospectus as Interim Statements, have been prepared on a carve-out basis from the consolidated financial position and results of Elan to represent the financial position and performance of EDT as if EDT had existed on a stand-alone basis during each of the six-month periods ended June 30, 2011 and June 30, 2010 for income statement and cash flow statement amounts and as of June 30, 2011 and December 31, 2010 for balance sheet amounts; and as if the recognition and measurement principles of Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) Topic 810, Consolidation, had been applied throughout.

The Interim Statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) for interim financial reporting and with the instructions to Article 10 of Regulation S-X. Accordingly, it does not include all information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included.

As EDT did not constitute a legal sub-group at each of the dates being reported on, historically, no consolidated financial statements of EDT were prepared at the reporting dates. However, EDT has historically operated as part of Elan and within the Elan infrastructure and has been included as a separate operating segment in the segment reporting of Elan in the consolidated financial statements of Elan for the fiscal year ended December 31, 2010 and in previous fiscal years.

The information included in the Interim Statements should be read in conjunction with our Carve-out Combined Financial Statements and the accompanying notes for the year ended December 31, 2010. Our accounting policies are described in the Notes to Carve-out Combined Financial Statements in our Carve-out Combined Financial Statements and updated, as necessary, in the Interim Statements. The year-end Condensed Carve-out Combined Balance Sheet data presented for comparative purposes was derived from the audited Carve-out Combined Financial Statements, but does not include all disclosures required by U.S. GAAP. The

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Elan Drug Technologies

NOTES TO THE UNAUDITED INTERIM CONDENSED CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

results of operations for the six-month periods ended June 30, 2011 and 2010 are not necessarily indicative of the operating results for the full year or for any other subsequent interim period.

The accompanying Interim Statements only include assets and liabilities that are specifically identifiable with EDT. No adjustments have been made to the assets or liabilities of EDT to reflect specifically included or excluded assets or liabilities under the provisions of the Merger Agreement between Alkermes and Elan. Certain general and administrative expenses that are maintained at the corporate level, which consist primarily of salaries and other employee costs, legal and professional fees and insurance costs, were allocated to EDT based on methodologies management believes to be reasonable. The Interim Statements do not purport to represent what the results of operations would have been, or accurately reflect its assets and liabilities, had the entire EDT business and activities of EDT been a legal sub-group for each of the six-month periods being reported on, or for future periods. Had EDT operated as an independent stand-alone entity, its results could have differed significantly from those presented in the Interim Statements.

The Interim Statements have been prepared in conformity with U.S. GAAP, by aggregating financial information from the consolidation reporting packages of relevant subsidiaries of Elan focused entirely on EDT activities. Where legal entities have historically had both EDT and non-EDT activities, the statement of operations, asset and liability balances pertaining to EDT activities have been identified and aggregated. Intra group transactions and balances between the EDT entities have been eliminated.

As a separate operating segment within Elan, EDT has certain of its own management and administrative functions. However, Elan provides certain central services including, but not limited to:

Accounting, information technology, taxation, legal, corporate strategy, investor relations, corporate governance and other professional services;

Employee benefit administration, including equity award and pension services; and

Cash and treasury management.

Central services costs for the six-month period ended June 30, 2011 amounted to $8.5 million (2010: $8.8 million). These costs have been allocated to EDT based on estimated usage of the resources by EDT for the purposes of preparing the Interim Statements. The estimated usage of the central service resources by EDT has been determined by estimating EDT s portion of the most appropriate driver of each category of central service costs including headcount, labor hours and utilization of office space. Management considers that such allocations have been made on a reasonable basis, but may not necessarily be indicative of the costs that would have been incurred if EDT had been operated on a stand-alone basis.

Certain EDT employees participate in the equity award plans of Elan. The share-based payment compensation expense recognized in the Interim Statements is based on the expense attributable to EDT employees participating in the Elan equity award plans.

Elan funds the pension entitlements of certain of its employees, including employees of EDT, through two defined benefit plans and a number of defined contribution plans. The amounts allocated in the Interim Statements for the

defined benefit plans were determined based on the projected benefit obligation, or underlying membership data for the service cost amounts, relating to members of the plans that are EDT employees. Defined benefit pension plan assets and liabilities are included in the calculation of the net funding transfer to Elan that is recorded in invested equity. The costs of the defined contribution plans in respect of EDT employees are expensed in the Interim Statements in the periods they are incurred.

Elan uses a centralized approach to manage substantially all of its liquid resources and to finance its operations and, as a result, debt and liquid resources maintained at the Elan group level are not included in the accompanying Interim Statements. Liquid resources are defined as the total of cash and cash equivalents,

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Elan Drug Technologies

NOTES TO THE UNAUDITED INTERIM CONDENSED CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

current restricted cash and current investment securities. EDT has historically financed its operating and capital resource requirements through cash flows from operations, with funding transferred between EDT and Elan as part of the Elan group s cash and treasury management strategy.

The invested equity balance in the Interim Statements constitutes Elan s investment in EDT and represents the excess of total assets over total liabilities, including the netting of intercompany funding balances between EDT and Elan. Invested equity in EDT includes the results of EDT s operations, contributions from Elan in the form of share-based compensation to EDT employees less net transfers of intercompany funding from EDT to Elan.

The tax amounts in the Interim Statements have been calculated as if the business were a separate taxable entity and consistent with the asset and liability method prescribed in ASC 740 Income Taxes , (ASC 740). Current tax liabilities and receivables (other than amounts actually paid by or refunded to EDT) are included in the calculation of the net funding transfer to Elan that is recorded in invested equity.

The Interim Statements of EDT are presented in U.S. dollars ($), which is the functional currency of EDT, and have been prepared on a going concern basis.

(b) Use of estimates

The preparation of the Interim Statements in conformity with U.S. GAAP requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Estimates are used in determining items such as the carrying amounts of intangible assets, property, plant and equipment, revenue recognition and the fair value of share-based compensation, among other items. Because of the uncertainties inherent in such estimates, actual results may differ materially from these estimates.

For a discussion of our significant accounting policies and critical accounting estimates, please refer to Note 2 to our Carve-out Combined Financial Statements for the year ended December 31, 2010.

3. Revenue

The composition of revenue for the six-month periods ended June 30 was as follows (in thousands):

	Six Months Ended June 30,	
	2011	**2010**
Product revenue	$ 124,404	$ 124,349
Contract revenue	4,440	8,127
Total revenue	$ 128,844	$ 132,476

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Elan Drug Technologies

NOTES TO THE UNAUDITED INTERIM CONDENSED CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

Product revenue for the six-month periods ended June 30 can be further analyzed as follows (in thousands):

	Six Months Ended June 30,	
	2011	2010
Manufacturing revenue (includes royalties on manufactured products):		
Ampyra®	$ 22,424	$ 20,793
Focalin® XR/Ritalin® LA	18,176	16,632
Verelan®	13,154	11,903
Avinza®	6,696	6,355
Rapamune®	4,623	1,980
Naprelan®	4,389	7,760
Zanaflex®	3,471	2,962
Diltiazem®	2,534	4,181
Luvox CR®	1,889	2,294
Cymbalta®	1,500	2,778
Other	2,297	1,884
Total manufacturing revenue	81,153	79,522
Royalty revenue:		
TriCor® 145	24,007	25,016
Invega Sustenna®	6,243	2,712
Emend®	5,488	4,355
Megace® ES	3,825	4,079
Skelaxin®	170	5,206
Other	3,518	3,459
Total royalty revenue	43,251	44,827
Total product revenue	$ 124,404	$ 124,349

Contract revenue for the six-month periods ended June 30 can be further analyzed as follows (in thousands):

	Six Months Ended June 30,	
	2011	2010
Research revenue	$ 3,940	$ 3,677
Milestone payments	500	4,450

Total contract revenue	$ 4,440	$ 8,127

4. Legal Settlement Gains

In June 2008, a jury ruled in the U.S. District Court for the District of Delaware that Abraxis (since acquired by Celgene Corporation) had infringed a patent owned by Elan in relation to the application of its *NanoCrystal*® technology to Abraxane®. EDT was awarded $55.2 million, applying a royalty rate of 6% to sales of Abraxane from January 1, 2005 through June 13, 2008 (the date of the verdict). This award and

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Elan Drug Technologies

NOTES TO THE UNAUDITED INTERIM CONDENSED CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

damages associated with the continuing sales of the Abraxane product were subject to interest. In February 2011, EDT entered into an agreement with Abraxis to settle this litigation. As part of the settlement agreement with Abraxis, EDT received $78.0 million in full and final settlement of the litigation. EDT will not receive future royalties in respect of Abraxane.

In May 2011, EDT entered into an agreement with Alcon to settle litigation in relation to the application of EDT s *NanoCrystal* technology. As part of the settlement agreement with Alcon, EDT received $6.5 million in May 2011 in full and final settlement.

5. Other Net Charges

During the second quarter of 2011, Elan decided to close its King of Prussia, Pennsylvania, site which is part of EDT and, consequently, a non-cash asset impairment charge of $5.1 million and severance, restructuring and other charges of $10.0 million were recorded for the six-month period ended June 30, 2011. It is expected that the closure will take place in the second half of 2011.

During the six-month period ended June 30, 2010, EDT incurred other net charges of $0.4 million primarily related to severance, restructuring and other costs, arising from the realignment of resources to meet our business structure.

6. Net Interest Expense/ (Income)

The net interest expense/(income) for the six-month periods ended June 30, is as follows (in thousands):

	Six Months Ended June 30,	
	2011	**2010**
Foreign exchange loss/(gain)	$ 1,152	$ (1,455)
Other	129	(86)
Net interest expense/(income)	$ 1,281	$ (1,541)

7. Income Taxes

Income taxes reflected in the Interim Statements have been calculated as if the business were a separate taxable group and consistent with the asset and liability method prescribed by ASC 740. Current tax liabilities and receivables (other than amounts actually paid or refunded by/or to the business) are transferred to Elan and recorded in invested equity.

The following table sets forth the details of the provision for income taxes for the six-month periods ended June 30 (in thousands):

	Six Months Ended June 30,	
	2011	**2010**
Irish corporation tax current	$ 11,747	$ 1,189
Foreign taxes current	10,770	5,256
Foreign taxes deferred	(7,674)	(478)
Provision for income taxes	14,843	5,967
Tax expense reported in invested equity	667	436

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Elan Drug Technologies

NOTES TO THE UNAUDITED INTERIM CONDENSED CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

The overall tax provision for the six-month period ended June 30, 2011 was $15.5 million (2010: $6.4 million). Of this amount $0.7 million (2010: $0.4 million) has been debited to invested equity. The remaining $14.8 million provision (2010: $6.0 million) is allocated to ordinary activities and reflects U.S. Federal and State taxes, Irish corporate taxes, income derived from Irish patents, foreign withholding tax, other taxes at standard rates in the jurisdictions in which we operate and a deferred tax credit of $7.7 million for 2011 (2010: $0.5 million credit). The deferred tax credit of $7.7 million for 2011 is primarily attributable to the announcement of the closure of the King of Prussia, Pennsylvania site.

The effective tax rate differs from the Irish statutory tax rate of 12.5% for the six-month periods ended June 30 as follows (in thousands):

	Six Months Ended June 30,	
	2011	**2010**
Irish standard tax rate	12.5%	12.5%
Taxes at the Irish standard rate	$ 12,898	$ 3,466
Irish income at rates other than Irish standard rate		(262)
Foreign income at rates other than the Irish standard rate	2,149	2,881
Permanent differences	264	177
Research & development tax credit	(170)	(172)
Other	(298)	(123)
Provision for income taxes	14,843	5,967
Effective tax rate	14.4%	21.5%

For the six-month periods ended June 30, the distribution of income before provision for income taxes by geographical area was as follows (in thousands):

	Six Months Ended June 30,	
	2011	**2010**
Ireland	$ 94,523	$ 11,455
Foreign	8,657	16,275
Income before provision for income taxes	$ 103,180	$ 27,730

Current tax, including Irish corporation tax, U.S. federal and state taxes, and other foreign taxes, is provided on our taxable profits, using the tax rates and laws that have been enacted by the balance sheet date.

Our major taxing jurisdictions include Ireland and the United States. The tax years beginning 2006 remain subject to examination by the respective taxing authorities of each jurisdiction.

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Elan Drug Technologies

NOTES TO THE UNAUDITED INTERIM CONDENSED CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

Deferred Tax

Deferred tax assets and deferred tax liabilities at June 30, 2011 and December 31, 2010 were as follows (in thousands):

	June 30, 2011	December 31, 2010
Deferred tax liabilities	$ (5,247)	$ (8,775)
Deferred tax assets	28,416	24,424
Valuation allowance	(15,576)	(15,432)
Net deferred tax asset	$ 7,593	$ 217

The net deferred tax asset at June 30, 2011 and December 31, 2010 has been recognized in the Unaudited Interim Condensed Carve-out Combined Balance Sheet as follows (in thousands):

	June 30, 2011	December 31, 2010
Deferred tax asset-current	$ 5,680	$ 1,555
Deferred tax asset- non current	1,913	
Deferred tax liability- non current		(1,338)
Net deferred tax asset	$ 7,593	$ 217

The current and deferred tax charges/(benefits) and the related tax disclosures set out above are not necessarily representative of the tax charges/(benefits) that may arise in the future.

EDT has immaterial unrecognized tax benefits as at June 30, 2011 and 2010. No interest or penalties related to unrecognized tax benefits were accrued. We do not expect that the amount of unrecognized tax benefits will change significantly within the next twelve months.

8. Accounts Receivable, Net

Our accounts receivables at June 30, 2011 and December 31, 2010 consisted of the following (in thousands):

	June 30, 2011	December 31, 2010

Accounts receivable	$ 53,169	$ 60,405
Less amounts provided for doubtful accounts	(375)	(375)
Accounts receivable, net	$ 52,794	$ 60,030

9. Inventory

Product inventories at June 30, 2011 and December 31, 2010 consisted of the following (in thousands):

	June 30, 2011	**December 31, 2010**
Raw materials	$ 9,932	$ 9,945
Work-in-process	5,539	6,025
Finished goods	2,651	2,326
Total inventory	$ 18,122	$ 18,296

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NOTES TO THE UNAUDITED INTERIM CONDENSED CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

10. Property, Plant and Equipment

	Land & Buildings	Plant & Equipment	Total
		(In thousands)	
Cost:			
At January 1, 2011	$ 229,134	$ 235,969	$ 465,103
Additions	2,294	2,265	4,559
Disposals		(220)	(220)
Transfers	1,194	(1,194)	
At June 30, 2011	$ 232,622	$ 236,820	$ 469,442
Accumulated depreciation:			
At January 1, 2011	$ (79,185)	$ (182,503)	$ (261,688)
Charged in year	(2,896)	(6,999)	(9,895)
Impairment	(4,591)	(470)	(5,061)
Disposals		166	166
At June 30, 2011	$ (86,672)	$ (189,806)	(276,478)
Net book value: June 30, 2011	$ 145,950	$ 47,014	192,964
Net book value: December 31, 2010	$ 149,949	$ 53,466	$ 203,415

For additional information regarding the impairment charge in the six-month period to June 30, 2011, refer to Note 5.

11. Goodwill and Other Intangible Assets

	Goodwill	Other Intangible Assets	Total
		(In thousands)	
Cost:			
At January 1, 2011	$ 49,684	$ 164,621	$ 214,305
Additions		205	205
Disposals		(484)	(484)
At June 30, 2011	$ 49,684	$ 164,342	$ 214,026

Accumulated amortization:			
At January 1, 2011	$	$ (160,967)	$ (160,967)
Charged in year		(696)	(696)
Disposals		484	484
Impairment		(57)	(57)
At June 30, 2011	$	$ (161,236)	$ (161,236)
Net book value: June 30, 2011	$ 49,684	$ 3,106	$ 52,790
Net book value: December 31, 2010	$ 49,684	$ 3,654	$ 53,338

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Elan Drug Technologies

NOTES TO THE UNAUDITED INTERIM CONDENSED CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

Other intangible assets at June 30, 2011 and December 31, 2010 consist primarily of patents, licenses, intellectual property and computer software as follows (in thousands):

	June 30, 2011	December 31, 2010
NanoSystems	$ 2,300	$ 2,470
Other intangible assets	806	1,184
Total	$ 3,106	$ 3,654

12. Accruals and Other Current Liabilities, and Other Long-Term Liabilities

Accruals and other current liabilities at June 30, 2011 and December 31, 2010 consisted of the following (in thousands):

	June 30, 2011	December 31, 2010
Payroll and related taxes	$ 10,963	$ 13,684
Severance, restructuring and other charges accrual	9,901	444
Trade accruals	1,473	1,597
Legal accruals	987	967
Clinical accruals	813	2,423
Deferred revenue	263	425
Other accruals	5,651	4,750
Total accruals and other current liabilities	$ 30,051	$ 24,290

Other long-term liabilities at June 30, 2011 and December 31, 2010 consisted of the following (in thousands):

	June 30, 2011	December 31, 2010
Unfunded pension liability	$ 6,339	$ 8,152
Deferred tax liability		1,338
Other liabilities	1,640	1,685
Total other long-term liabilities	$ 7,979	$ 11,175

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Elan Drug Technologies

NOTES TO THE UNAUDITED INTERIM CONDENSED CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

Severance, restructuring and other charges accrual

The following table provides a rollforward of the severance, restructuring and other charges accrual (in thousands):

Balance at December 31, 2009	$ 639
Restructuring and other charges	362
Cash payments	(489)
Balance at June 30, 2010	512
Restructuring and other charges	1,938
Cash payments	(2,006)
Balance at December 31, 2010	$ 444
Restructuring and other charges	9,979
Non-cash movements	(490)
Cash payments	(32)
Balance at June 30, 2011	$ 9,901

13. Pension and Other Employee Benefit Plans

Pension

Elan funds the pensions of certain employees based in Ireland through two defined benefit plans. These plans were closed to new entrants from March 31, 2009 and a defined contribution plan was established for employees in Ireland hired after this date.

In general, on retirement, eligible employees in the staff scheme are entitled to a pension calculated at 1/60th (1/52nd for the executive scheme) of their final salary for each year of service, subject to a maximum of 40 years. These plans are managed externally and the related pension costs and liabilities are assessed in accordance with the advice of a qualified professional actuary. The investments of the plans at June 30, 2011 consisted of units held in independently administered funds.

The amounts allocated to and recognized in the Interim Statements were determined based on the projected benefit obligation, or underlying membership data for the service costs amounts, relating to members of the plans that are EDT employees.

The change in projected benefit obligation was as follows (in thousands):

	June 30, 2011	December 31, 2010

Projected benefit obligation at January 1	$ 39,898	$ 31,188
Service cost	1,614	2,182
Interest cost	984	,662
Plan participants contributions	349	694
Actuarial loss/(gain)	(5,213)	6,710
Benefits paid and other disbursements	(205)	(465)
Foreign currency exchange rate changes	3,253	(2,073)
Projected benefit obligation at end of period	$ 40,680	$ 39,898

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NOTES TO THE UNAUDITED INTERIM CONDENSED CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

The changes in plan assets at June 30, 2011 and December 31, 2010 were (in thousands):

	June 30, 2011	December 31, 2010
Fair value of plan assets at January 1	$ 31,746	$ 25,431
Actual (loss)/gain on plan assets	(770)	6,584
Employer contribution	572	1,224
Plan participants contributions	349	694
Benefits paid and other disbursements	(206)	(465)
Foreign currency exchange rate changes	2,650	(1,722)
Fair value of plan assets at end of period	$ 34,341	$ 31,746
Unfunded status at end of period	(6,339)	(8,152)
Unamortized net actuarial loss in invested equity	10,503	13,453
Unamortized prior service cost in invested equity	231	225
Net amount recognized	$ 4,395	$ 5,526

The weighted-average assumptions used to determine net periodic pension cost and benefit obligation at June 30, 2011 and December 31, 2010 were:

	June 30, 2011	December 31, 2010
Discount rate	5.2%	4.7%
Expected return on plan assets	6.2%	6.2%
Rate of compensation increase	3.6%	3.5%

The net periodic pension cost for the six-month periods ended June 30 was comprised of the following (in thousands):

	Six Months Ended June 30,	
	2011	2010
Service cost	$ 1,614	$ 1,094
Interest cost	984	762
Expected return on plan assets	(1,065)	(908)
Amortization of net actuarial loss	316	224

Net periodic pension cost	$ 1,849	$ 1,172

14. Share-based Compensation

Elan has an equity award program which provides for the issuance of share options, restricted stock units (RSUs) and other equity awards. Elan s equity award program is a long-term retention program that is intended to attract, retain and motivate its employees, directors and consultants, and to align the interests of these parties with those of its shareholders. Elan considers the equity award program critical to its operation and productivity. Equity awards made by Elan to certain EDT employees are settled through the issuance of new shares and are recognized in the Interim Statements as equity settled share-based compensation.

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NOTES TO THE UNAUDITED INTERIM CONDENSED CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

The total net expense of $5.1 million relating to equity-settled share-based compensation for EDT employees has been recognized in the following line items in the Interim Statements in the six-month periods ended June 30, (in thousands):

	Six Months Ended June 30,	
	2011	2010
Cost of sales	$ 919	$ 830
Selling, general and administrative expenses	2,487	2,441
Research and development expenses	1,252	946
Other charges	490	
Total	$ 5,148	$ 4,217

The share-based compensation expense arose under the following awards in the six-month periods ended June 30, (in thousands):

	Six Months Ended June 30,	
	2011	2010
RSUs	$ 3,716	$ 3,150
Stock options	1,369	973
Employee equity purchase plans	63	94
Total	$ 5,148	$ 4,217

15. Other Comprehensive Income/(Loss)

	Six Months Ended June 30,	
	2011	2010
Net income	$ 88,338	$ 21,763
Other comprehensive income/(loss):		
Movement on unrealized components of defined benefit pension plans	2,944	(3,120)
Tax expense	(368)	

Total comprehensive income	$ 90,914	$ 18,643

16. Commitments and Contingencies

For a discussion of our commitments and contingencies, please read Note 19 to our Carve-out Combined Financial Statements for the year ended December 31, 2010. Our commitments and contingencies as of June 30, 2011 have not materially changed from the date of that report.

17. Litigation

EDT is involved in legal and administrative proceedings that could have a material adverse effect on us.

Paragraph IV Litigation

We and/or our product licensees are involved in various sets of so-called Paragraph IV litigation proceedings in the United States. In the United States, putative generics of innovator drug products (including

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Elan Drug Technologies

NOTES TO THE UNAUDITED INTERIM CONDENSED CARVE-OUT COMBINED FINANCIAL STATEMENTS (Continued)

products in which the innovation comprises a new drug delivery method for an existing product, such as the drug delivery market occupied by us) may file Abbreviated New Drug Applications (ANDAs) and, in doing so, they are not required to include preclinical and clinical data to establish safety and effectiveness of their drug. Instead, they would rely on such data provided by the innovator drug New Drug Application (NDA) holder. However, to benefit from this less costly abbreviated procedure, the ANDA applicant must demonstrate that its drug is generic or bioequivalent to the innovator drug, and, to the extent that patents protecting the innovator drug are listed in the Orange Book , the ANDA applicant must write to the innovator NDA holder and the patent holder (to the extent that the Orange Book-listed patents are not owned by the innovator NDA holder) certifying that its product either does not infringe the innovator s and, if applicable, the patent holder s patents and/or that the relevant patents are invalid. The innovator and the patent holder may sue the ANDA applicant within 45 days of receiving the certification and, if so, the Food and Drug Administration (FDA) may not approve the ANDA for 30 months from the date of certification unless, at some point before the expiry of those 30 months, a court makes a final decision in the ANDA applicant s favor.

We are involved in a number of Paragraph IV suits in respect of six different products *(TriCor, Focalin XR, Avinza, Zanaflex, Rapamune and Luvox CR)* either as plaintiff or as an interested party (where the suit is being taken in the name of one of our collaborators). EDT has recently received a Paragraph IV certification with respect to *Megace ES*. If we are unsuccessful in these and other similar type suits, our or our licensees products may be subject to generic competition, and our manufacturing revenue and royalties could be materially and adversely affected.

Patent matters

In June 2008, a jury ruled in the U.S. District Court for the District of Delaware that Abraxis BioSciences, Inc. (Abraxis, since acquired by Celgene Corporation) had infringed a patent owned by us in relation to the application of *NanoCrystal* technology to *Abraxane*. The judge awarded us $55.2 million, applying a royalty rate of 6% to sales of *Abraxane* from January 1, 2005 through June 13, 2008 (the date of the verdict). This award and damages associated with the continuing sales of the *Abraxane* product were subject to interest. In February 2011, we entered into an agreement with Abraxis to settle this litigation. As part of the settlement agreement with Abraxis, EDT received $78.0 million in full and final settlement which is recognized as a gain in the six-month period ended June 30, 2011. No continuing royalties will be received by us in respect of *Abraxane*.

In May 2011, EDT entered into an agreement with Alcon to settle litigation in relation to the application of EDT s *NanoCrystal* technology. As part of the settlement agreement with Alcon, EDT received $6.5 million in May 2011 in full and final settlement.

18. New Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that are adopted by EDT as of the specified effective date. We believe that the impact of recently issued standards that are not yet effective will not have a material impact on our financial position or results of operations upon adoption.

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ANNEXES

Annexes

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ANNEX A

BUSINESS COMBINATION AGREEMENT AND PLAN OF MERGER
BY AND AMONG
ELAN CORPORATION, PLC,
ANTLER SCIENCE TWO LIMITED,
ELAN SCIENCE FOUR LIMITED,
EDT PHARMA HOLDINGS LIMITED,
EDT US HOLDCO INC.,
ANTLER ACQUISITION CORP.,
AND
ALKERMES, INC.
DATED AS OF MAY 9, 2011

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BUSINESS COMBINATION AGREEMENT AND PLAN OF MERGER

THIS BUSINESS COMBINATION AGREEMENT AND PLAN OF MERGER (the Agreement), dated as of May 9, 2011, is by and among Elan Corporation, plc, a public limited company incorporated in Ireland (registered number 30356) whose registered address is Treasury Building, Lower Grand Canal Street, Dublin 2, Ireland (Elan), Antler Science Two Limited, a private limited company incorporated in Ireland (registered number 498284) whose registered address is 25/28 North Wall Quay, Dublin 1, Ireland and which, immediately prior to the Closing, shall be a wholly owned indirect subsidiary of Elan (New Alkermes), Elan Science Four Limited, a private limited company incorporated in Ireland (registered number 476691) whose registered address is Monksland, Athlone Co., Westmeath, Ireland, and which, immediately prior to the Closing, shall be a wholly owned direct subsidiary of New Alkermes (Holdco), EDT Pharma Holdings Limited, a private limited company incorporated in Ireland (registered number 448848) whose registered address is 25/28 North Wall Quay, Dublin 1, Ireland and which, immediately prior to the Closing, shall be a wholly owned direct subsidiary of Holdco (Interco), EDT US Holdco Inc., a Delaware corporation which, immediately prior to the Closing, shall be a wholly owned direct subsidiary of Interco (U.S. Holdco), Antler Acquisition Corp., a Pennsylvania corporation and direct wholly owned subsidiary of U.S. Holdco (Merger Sub), and Alkermes, Inc., a Pennsylvania corporation (Alkermes). Elan, New Alkermes, Holdco, Interco, U.S. Holdco and Merger Sub, collectively, may be referred to herein as the Elan Parties and each of them, individually, as an Elan Party and, together with Alkermes, the Parties and each and any of them individually a Party .

WHEREAS, as of the date hereof, (a) Elan, certain of its Subsidiaries (as defined below) listed on Schedule A hereto (such Subsidiaries and Elan Science Three Limited, the Transferring Subsidiaries) and (b) EHI, conduct the Business (as defined below).

WHEREAS, Alkermes and Elan desire to combine the businesses of Alkermes with the Business, upon the terms and subject to the conditions set forth in this Agreement, through (a) effectuation by Elan prior to the Closing (as defined below) of the reorganization described in Steps 1 through 11 of Schedule 1 (such Steps, as modified in accordance with Sections 5.3(a) and 5.18, the Reorganization), including the transfer by Elan and a Transferring Subsidiary to U.S. Holdco of 100% of all equity interests in Eagle Holdings as set forth on Schedule 1 and thereby the indirect transfer to U.S. Holdco of 100% of all equity interests in EHI (the equity interests in Eagle Holdings and EHI, collectively, the Purchased Interests) as set forth on Schedule 1 and the transfer by Elan and the Transferring Subsidiaries to New Alkermes and one or more of the New Alkermes Group Entities (as specified on Schedule 1) of all of their respective right, title and interest in and to the assets and properties currently primarily used or held for use in the Business, other than the Excluded Assets (as defined below) (collectively, with the Purchased Interests, the Business Assets), but including the Additional Assets (as defined below), in each case upon the terms and subject to the conditions set forth in the agreements relating to such transfers to be entered in Agreed Form in connection with the Reorganization (collectively, the Reorganization Transfers and such agreements in form and substance reasonably acceptable to Alkermes, collectively, the Reorganization Transfer Agreements); (b) the merger (the Merger) of Merger Sub (which at such time shall be a wholly owned indirect subsidiary of New Alkermes) with and into Alkermes, with Alkermes as the surviving corporation in the Merger as a wholly owned indirect subsidiary of New Alkermes; and (c) the consummation of the transactions contemplated by the IP Transfer Agreement and the IP Transfer Loan Note (the steps outlined in clauses (a) through (c), including the Reorganization and the Merger being collectively referred to as the Transactions);

WHEREAS, as a result of the Merger, the Alkermes Common Stock will be canceled and, at Closing, and in consideration of and in connection therewith, New Alkermes will issue New Alkermes Ordinary Shares to the holders of the shares of Alkermes Common Stock (or their nominees) as more fully described in this Agreement in further consideration of the payment of US$500 million by Merger Sub to New Alkermes and the issue of shares between certain of the New Alkermes Group Entities in the manner set out in Step 12B/C of Schedule 1;

WHEREAS, (a) the respective boards of directors of Alkermes and Merger Sub have each determined that the Transactions and this Agreement are advisable, fair to and in the best interests of their respective

shareholders and have approved and adopted this Agreement and the Plan of Merger contained herein (the "Plan of Merger"), (b) U.S. Holdco, as sole shareholder of Merger Sub, has approved and adopted this Agreement and the Plan of Merger and (c) the board of directors of Elan has determined that the Transactions (including the Reorganization) are in the best interest of Elan and has approved and adopted this Agreement and the transactions contemplated herein (including the Reorganization); and

WHEREAS, in connection with the closing of the transactions contemplated by this Agreement, Elan, a Subsidiary of Elan (the "Elan Shareholder"), and New Alkermes will enter into a Shareholder's Agreement