



Alnylam Adopts Rights Agreement

CAMBRIDGE, Mass.--(BUSINESS WIRE)--July 14, 2005--Alnylam Pharmaceuticals, Inc. (Nasdaq: ALNY), a leading RNAi therapeutics company, announced today that its Board of Directors has approved a Rights Agreement under which its stockholders will receive preferred stock purchase rights. The Rights Agreement, which is similar to plans adopted by many other public companies, is designed to protect the long-term value of the stockholders' investment and was not adopted in response to any current third-party attempt to acquire the company.

One right will be distributed as a non-taxable dividend on each outstanding share of common stock as of July 26, 2005. The rights will automatically trade with the underlying common stock and will not be immediately exercisable. Subject to the terms and conditions of the Rights Agreement, the rights will only become exercisable if a person acquires beneficial ownership of, or commences an offer for, 20 percent or more of Alnylam's common stock other than in a transaction approved by Alnylam's Board of Directors. Until a right is exercised, the holder thereof, as such, will have no rights as a stockholder of Alnylam, including the right to vote or to receive dividends.

"The Board believes the Rights Agreement is a prudent measure designed to safeguard the interests of our stockholders so that they receive fair and equal treatment in the event of any proposed takeover of Alnylam, and to guard against partial tender offers, squeeze-outs and other abusive tactics to gain control of Alnylam that could impair the Board's ability to represent stockholders' interests fully," said John Maraganore, Ph.D., President and Chief Executive Officer of Alnylam Pharmaceuticals.

If the rights become exercisable, the type and amount of securities receivable upon exercise would depend on the circumstances at the time of exercise. Initially, each right would allow the holder to purchase one one-thousandth of a share of a new series of preferred stock at an initial purchase price of \$80.00. Further details about the Rights Agreement will be contained in a Form 8-K to be filed today by Alnylam and in a letter that will be mailed to all stockholders of record following the record date.

About Alnylam

Alnylam is a biopharmaceutical company seeking to develop and commercialize novel therapeutics based on RNA interference, or RNAi. Growing from its foundation as the world's first company focused on RNAi therapeutics, the company's leadership in the field of RNAi is supported by its preeminent founders and advisors and its strengths in fundamental patents, technology, and know-how that underlie the commercialization of RNAi therapeutics. Alnylam is developing a pipeline of RNAi products using Direct RNAi™ to treat ocular, central nervous system, and respiratory diseases and Systemic RNAi™ to treat a broad range of diseases, including oncology, metabolic, and autoimmune diseases. The company's global headquarters are in Cambridge, Massachusetts. For additional information, please visit www.alnylam.com.

SOURCE: Alnylam Pharmaceuticals, Inc.

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