



August 3, 2006

## **Vertex Pharmaceuticals Announces Agreements to Exchange Common Stock for \$58.3 Million of its Convertible Senior Subordinated Notes Due 2011**

**Cambridge, MA, August 3, 2006** -- Vertex Pharmaceuticals Incorporated (Nasdaq: VRTX) announced today that three holders of its 5.75% Convertible Senior Subordinated Notes due 2011 have agreed to exchange approximately \$58.3 million in aggregate principal amount of those notes held by them for approximately 4.1 million shares of the Company's common stock, which is approximately 159,000 shares more than the number of shares into which the bonds were convertible under their original terms. The additional shares largely relate to unpaid interest through February 2007, when the notes would have been callable by the Company.

The Company anticipates that the exchanges will be completed by the close of business on August 9, 2006. Upon completion of the exchanges, the aggregate principal amount of the Company's 5.75% Convertible Senior Subordinated Notes due 2011 will be reduced to approximately \$59.6 million. Upon issuance of the common stock in exchange for the notes, the Company will have approximately 115 million shares of common stock outstanding.

The Company intends to file a registration statement in August 2006 covering the resale of approximately 136,500 shares of the common stock issued in the exchanges.

The Company expects to incur a non-cash charge of approximately \$5.0 million as a result of the exchanges. This charge is related to the incremental shares to be issued in the transaction over the number that would have been issued upon conversion of the notes under their original terms, and will be reported in the Company's third quarter 2006 financial results.

This announcement is neither an offer to exchange nor a solicitation of an offer to exchange any of these securities. The exchanges are exempt from registration under Section 3(a)(9) of the Securities Act of 1933.

### **About Vertex**

Vertex Pharmaceuticals Incorporated is a global biotechnology company committed to the discovery and development of breakthrough small molecule drugs for serious diseases. The Company's strategy is to commercialize its products both independently and in collaboration with major pharmaceutical companies. Vertex's product pipeline is principally focused on viral diseases, inflammation, autoimmune diseases and cancer. Vertex co-discovered the HIV protease inhibitor, Lexiva, with GlaxoSmithKline.

Lexiva is a registered trademark of the GlaxoSmithKline group of companies.

### **Safe Harbor Statement**

This press release may contain forward-looking statements, including statements that (i) Vertex expects to close the transactions on August 9, 2006; (ii) Vertex estimates that it will incur a non-cash charge of approximately \$5.0 million in connection with the note exchanges described above; and (iii) Vertex intends to file a registration statement in August 2006 covering the resale of approximately 136,500 shares of the common stock. While management makes its best efforts to be accurate in making forward-looking statements, those statements are subject to risks and uncertainties that could cause our results to vary materially. Those risks and uncertainties include the risk and uncertainty that our estimate of the amount of the charge will prove to be inaccurate, and other risks and uncertainties listed under Risk Factors in Vertex's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 16, 2006. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, unless required by law.

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