

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **September 8, 2005**

VERTEX PHARMACEUTICALS INCORPORATED

(Exact name of registrant as specified in its charter)

MASSACHUSETTS
(State or other jurisdiction of
incorporation)

000-19319
(Commission File Number)

04-3039129
(IRS Employer Identification
No.)

130 Waverly Street
Cambridge, Massachusetts 02139
(Address of principal executive offices) (Zip Code)

(617) 444-6100
Registrant's telephone number, including area code:

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On September 8, 2005, Vertex Pharmaceuticals Incorporated (the "Company") entered into agreements with each of four holders ("Noteholders") of its outstanding Convertible Subordinated Notes due 2007 ("2007 Notes"), pursuant to which the Company agreed to exchange an aggregate of 2,451,980 newly issued shares of the Company's common stock, par value \$0.01 per share, for \$40,450,000 in aggregate principal amount of 2007 Notes, plus approximately \$955,000 of accrued interest thereon, held by the Noteholders (the "Exchanges").

Item 3.02. Unregistered Sales of Equity Securities.

See Item 1.01, above. The Exchanges closed on September 9, 2005. The Exchanges were exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(9) thereof as they were exchanges of securities by the Company with its existing security holders exclusively in a series of related transactions where no commission or other remuneration was paid.

Item 8.01. Other Events.

The Company issued a press release on September 9, 2005 titled "Vertex Pharmaceuticals Announces Agreements to Exchange \$40.5 Million of its Convertible Senior Subordinated Notes Due 2007 for Common Stock". In that press release, the Company disclosed that it expects to incur a non-cash charge of approximately \$36.0 million in connection with the Exchanges. This charge is related to the incremental shares issued in the Exchanges over the number that would have been issued upon conversion of the 2007 Notes under their original terms, and will be reported in the Company's third quarter 2005 financial results. The press release is filed as Exhibit 99.1 of this Current Report and is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

<u>Exhibit</u>	<u>Description of Document</u>
99.1	Press Release of Vertex Pharmaceuticals Incorporated, dated September 9, 2005, entitled "Vertex Pharmaceuticals Announces Agreements to Exchange \$40.5 Million of its Convertible Senior Subordinated Notes Due 2007 for Common Stock".

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**VERTEX PHARMACEUTICALS
INCORPORATED**
(Registrant)

Date: September 12, 2005

/s/ Kenneth S. Boger

Kenneth S. Boger
Senior Vice President and General Counsel

FOR IMMEDIATE RELEASE

**Vertex Pharmaceuticals Announces Agreements to Exchange
\$40.5 Million of its Convertible Senior Subordinated Notes
Due 2007 for Common Stock**

Cambridge, MA, September 9, 2005 – Vertex Pharmaceuticals Incorporated (Nasdaq: VRTX) announced today that four holders of its 5% Convertible Subordinated Notes due 2007 have agreed to exchange \$40,450,000 in aggregate principal amount plus approximately \$955,000 of accrued interest on those notes for approximately 2,452,000 shares of the Company's common stock.

The Company anticipates that the exchanges will be completed by the close of business today. Upon completion of the exchanges, the aggregate principal amount of the Company's 5% Convertible Subordinated Notes due 2007 will be reduced to approximately \$42.1 million in aggregate principal amount. Upon issuance of the common stock in exchange for the notes, the Company will have approximately 98.3 million shares of common stock outstanding.

The Company expects to incur a non-cash charge of approximately \$36.0 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 2005 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.

— more —

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-promotes 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 Vertex expects to close the transactions on September 9, 2005 and that Vertex estimates that it will incur a non-cash charge of approximately \$36.0 million in connection with the note exchanges described above. 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, 2005. 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.

Vertex's press releases are available at www.vrtx.com

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