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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 25, 2003

AKORN, INC.
(Exact name of registrant as specified in its charter)

LOUISIANA	0-13976	72-0717400
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2500 MILLBROOK DRIVE
BUFFALO GROVE, ILLINOIS 60089
(Address of principal executive offices)

Registrant's telephone number, including area code: (847) 279-6100

NOT APPLICABLE
(Former name or former address, if changed since last report)

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ITEM 5. OTHER EVENTS AND REQUIRED FD DISCLOSURE.

Akorn, Inc. ("Akorn") is filing herewith as Exhibit 99.1 its press release, dated September 25, 2003, announcing that it had entered into a Preferred Stock and Note Purchase Agreement with a group of inside and outside investors, including Dr. John Kapoor and Arjun Waney.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits. The following exhibit is filed with this report:

Exhibit No.	Description of Exhibit
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99.1	Press Release issued by Akorn, Inc., dated September 25, 2003.
99.2	Notice to Shareholders of Akorn, Inc., dated September 25, 2003.

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.

AKORN, INC

BY: /s/ ARTHUR S. PRZYBYL

Arthur S. Przybyl
Chief Executive Officer

Date: September 29, 2003

EXHIBIT INDEX

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99.1	Press Release issued by Akorn, Inc., dated September 25, 2003.
99.2	Notice to Shareholders of Akorn, Inc., dated September 25, 2003.

FOR IMMEDIATE RELEASE

AKORN, INC. SIGNS PREFERRED STOCK AND
NOTE PURCHASE AGREEMENT WITH INVESTORS FOR \$40.5 MILLION IN NEW CAPITAL

BUFFALO GROVE, IL, SEPTEMBER 25, 2003 - AKORN, INC. (AKRN) announced today that it had entered into a Preferred Stock and Note Purchase Agreement with a group of insider and outsider investors, including Dr. John Kapoor and Arjun Waney. As part of the purchase agreement, Akorn expects to receive an infusion of up to \$40.5 million in new capital consisting of \$25.7 million in Series A 6% Participating Convertible Preferred Stock and Warrants, a \$2.8 million subordinated promissory note and up to \$12.0 million in senior secured debt from LaSalle Bank National Association ("LaSalle Bank"). The new capital will be used to retire Akorn's outstanding senior bank debt and provide the Company with up to \$6.0 million in working capital. The consummation of the transactions contemplated by the purchase agreement would result in the investors owning approximately 76% of Akorn's common stock on a fully-diluted basis. If all of the conditions to the consummation of the transaction are satisfied, the closing is expected to occur on or before October 10, 2003.

At the closing of this transaction, the investors would purchase for cash all of Akorn's outstanding senior debt from The Northern Trust Company. Immediately after such purchase, the investors would exchange all of the senior debt for (i) 257,172 shares of Akorn's Series A 6% Participating Convertible Preferred Stock, a new series of preferred stock that will be convertible into shares of Akorn common stock at \$.75 per share, (ii) subordinated notes (the "Notes") of Akorn in the principal amount of approximately \$2.8 million, (iii) warrants to purchase an aggregate of 8,572,400 shares of Akorn's common stock, with an exercise price of \$1.00 per share, and (iv) \$6,000,000 in cash. Akorn will also issue to the holders of the Notes warrants to purchase 100,000 shares of common stock of Akorn for every \$1.0 million of principal amount of the Notes, with an exercise price of \$1.10 per share.

Under the terms of the purchase agreement, at the closing of this transaction, Akorn would engage LaSalle Bank as Akorn's new senior secured lender, providing Akorn with a \$7.0 million term loan and a revolving line of credit of up to \$5.0 million to provide for working capital needs. This new debt would be guaranteed by certain investors. In exchange for this guaranty, Akorn would pay a guarantee fee to the guarantors in the form of additional warrants to purchase 960,000 shares of Akorn's common stock on the closing date and annually thereafter an additional 80,000 shares of Akorn's common stock for every \$1.0 million of principal amount guaranteed under this new debt facility, with an exercise price of \$1.10 per share.

Akorn believes that this new line of credit and cash flow from operations will be sufficient to operate its business. However, if the new line of credit and cash flow from operations are not sufficient to fund the operation and growth of Akorn's business, Akorn will be required to seek additional financing. Such additional financing may not be available when needed or on terms favorable to Akorn and its shareholders. Any such

additional financing, if obtained, will likely require the granting of rights, preferences or privileges senior to those of the common stock and result in additional dilution of the existing ownership interests of the common stockholders.

The closing of the transactions contemplated by the purchase agreement is subject to (i) the satisfactory completion of due diligence by LaSalle Bank, (ii) consents from Akorn's subordinated lenders, and (iii) such other conditions to closing as are set forth in the purchase agreement. Failure to meet any of these requirements may result in a termination of the purchase agreement. If the purchase agreement is terminated, Akorn may need to seek relief from its creditors in bankruptcy.

ABOUT AKORN, INC. Akorn, Inc. manufactures and markets sterile specialty pharmaceuticals, and markets and distributes an extensive line of pharmaceuticals and ophthalmic surgical supplies and related products. Additional information is available on the Company's website at www.akorn.com.

Any statements made by Akorn, Inc. ("we", "us", "our", "Akorn" or the "Company") in this press release that are forward looking are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The Company cautions readers that important factors may affect the Company's actual results and could cause such results to differ materially from forward-looking statements made by or on behalf of the Company. Such factors include, but are not limited to, risks and uncertainties relating to (i) satisfaction of the conditions to closing the transactions contemplated by the purchase agreement, (ii) the ability to generate cash from operations sufficient to meet the Company's working capital requirements, (iii) the necessity of complying with various regulatory procedures in the manufacture of drug products, (iv) the Company's ability to acquire, develop, finance, test, produce and market new products, including the availability of materials to produce products, (v) the resolution of the FDA compliance issues at the Company's Decatur, Illinois manufacturing facility and the outcome of other legal proceedings involving the Company, (vi) patent protection for the Company's intellectual property or trade secrets, and (vii) other risks detailed from time to time in filings the Company makes with the Securities and Exchange Commission including, but not limited to, those risks referenced under the caption "Factors That May Affect Future Results" in Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002.

At the Company:
Arthur S. Przybyl
President and Chief Executive Officer
(847) 279-6100

At In-Site Communications, Inc.
Lisa M. Wilson
Investor Relations
(212) 759-3929

NOTICE TO SHAREHOLDERS
OF
AKORN, INC.

Notice is hereby given to all holders of common stock of Akorn, Inc. (the "Company"), that the Company does not intend to seek shareholder approval for the issuance of certain convertible preferred stock and warrants in connection with a Preferred Stock and Note Purchase Agreement (the "Agreement") entered into on September 25, 2003, among the Company, The John N. Kapoor Trust Dated September 29, 1989, Abu Alam, John Sabat, Neill Shanahan, Shritin Shah, Arthur S. Przybyl, Arjun Waney, Jerry Treppel, Gulu Waney, Jai Waney, Arun K. Puri Living Trust, Argent Fund Management Ltd., Kapwan Investments, LLP, and certain other investors named therein (collectively, referred to herein as the "Investors"). The closing of this transaction is expected to occur on or before October 10, 2003.

Pursuant to the terms and conditions of the Agreement, the Investors will purchase for cash all of the Company's outstanding senior debt from The Northern Trust Company. Immediately after such purchase, the Investors will exchange all of the senior debt for (i) 257,172 shares of Series A 6% Participating Convertible Preferred Stock of the Company (the "Preferred Stock"), (ii) notes (the "Notes") issued by the Company to John N. Kapoor, Arjun Waney and/or their affiliates in the principal amount of approximately \$2.8 million, (iii) warrants to purchase an aggregate of 8,572,400 shares of common stock, with an exercise price of \$1.00 (the "Preferred Stock Warrants"), and (iv) \$6,000,000 in cash. The Company will issue warrants (the "Note Warrants") to the holders of the Notes to purchase 100,000 shares of Akorn common stock for every \$1 million of principal amount of the Notes, with an exercise price of \$1.10 per share. In addition, the Company will issue to guarantors of the Company's new debt facility warrants to purchase 960,000 shares of Akorn common stock on the closing date and annually thereafter an additional 80,000 shares of Akorn common stock for every \$1 million of principal amount guaranteed under this new debt facility, with an exercise price of \$1.10 (the "Guarantee Warrants", along with the Note Warrants and the Preferred Stock Warrants, the "Warrants").

In order to consummate the transactions described above, the Company must amend its Articles of Incorporation for the issuance of the Preferred Stock and the Warrants. Although the Company is currently delisted from the NASDAQ marketplace, it would like to become a NASDAQ listed issuer in the future. As such, the Company is acting in compliance with NASDAQ Marketplace Rules (the "Rules") to the extent possible.

The Rules require the Company to obtain prior shareholder approval of the issuance of the Preferred Stock and the Warrants. The Rules provide, however, that shareholder approval need not be obtained if (i) seeking such prior approval would seriously jeopardize the financial viability of the Company and (ii) the audit committee of the issuer approves reliance by the issuer on this exception to the shareholder approval requirement (the "Shareholder Approval Exception"). The Audit Committee of the Company has determined that the need to quickly enter into this proposed transaction is essential to the financial viability of the Company and that taking the time to seek shareholder approval for the issuance of the Preferred Stock and the Warrants would seriously jeopardize the financial viability of the Company. As such, the Audit Committee has expressly directed the Board of Directors of the Company to rely on the Shareholder Approval Exception. However, the Company intends to seek shareholder approval

for its actions at the earlier of (i) the next regularly scheduled shareholder meeting or (ii) within one year of the date of the Agreement.

Shareholders seeking additional information regarding the transaction should contact the Company through the Office of the Secretary at 2500 Millbrook Drive, Buffalo Grove, Illinois 60089.

AKORN, INC.

By: /s/ Bernard J. Pothast

Bernard J. Pothast, Senior Vice President, Chief
Financial Officer, Secretary and Treasurer

Dated: September 25, 2003