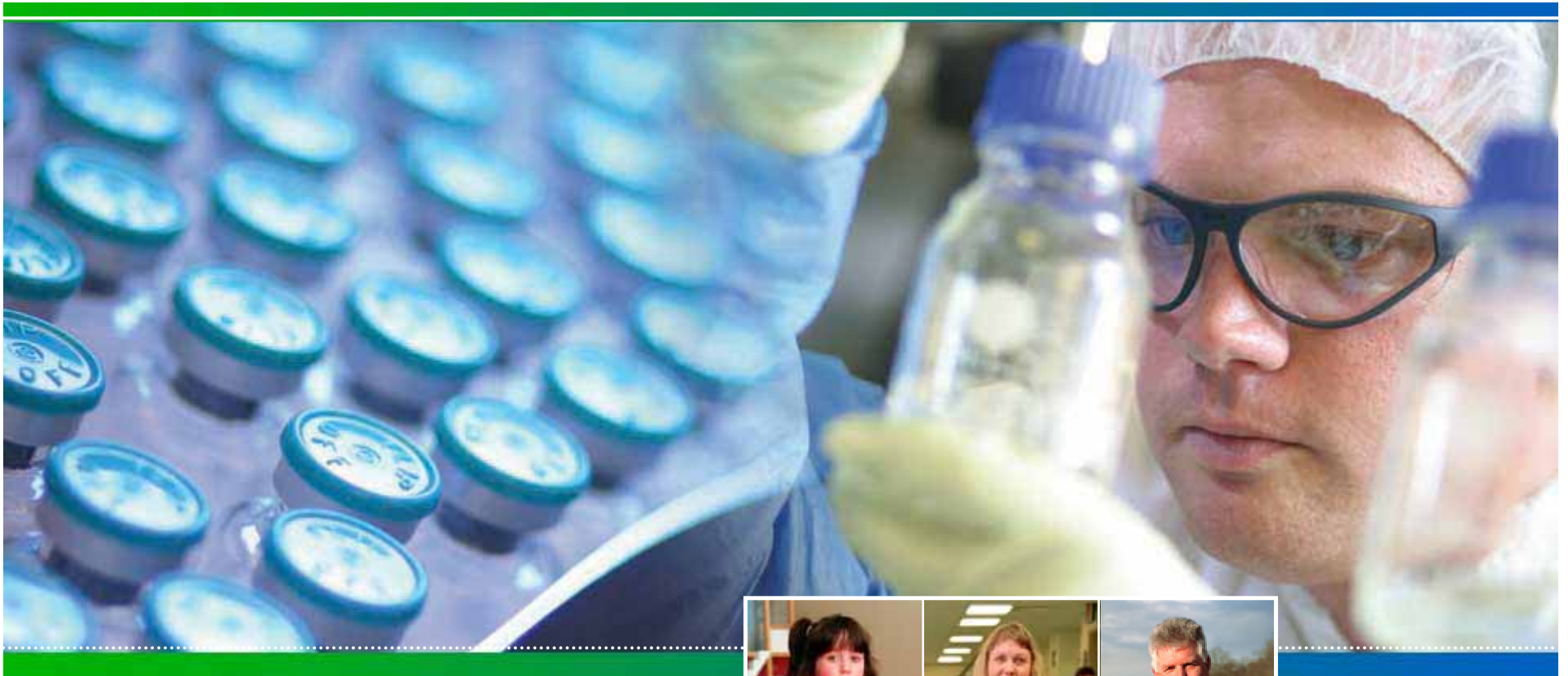


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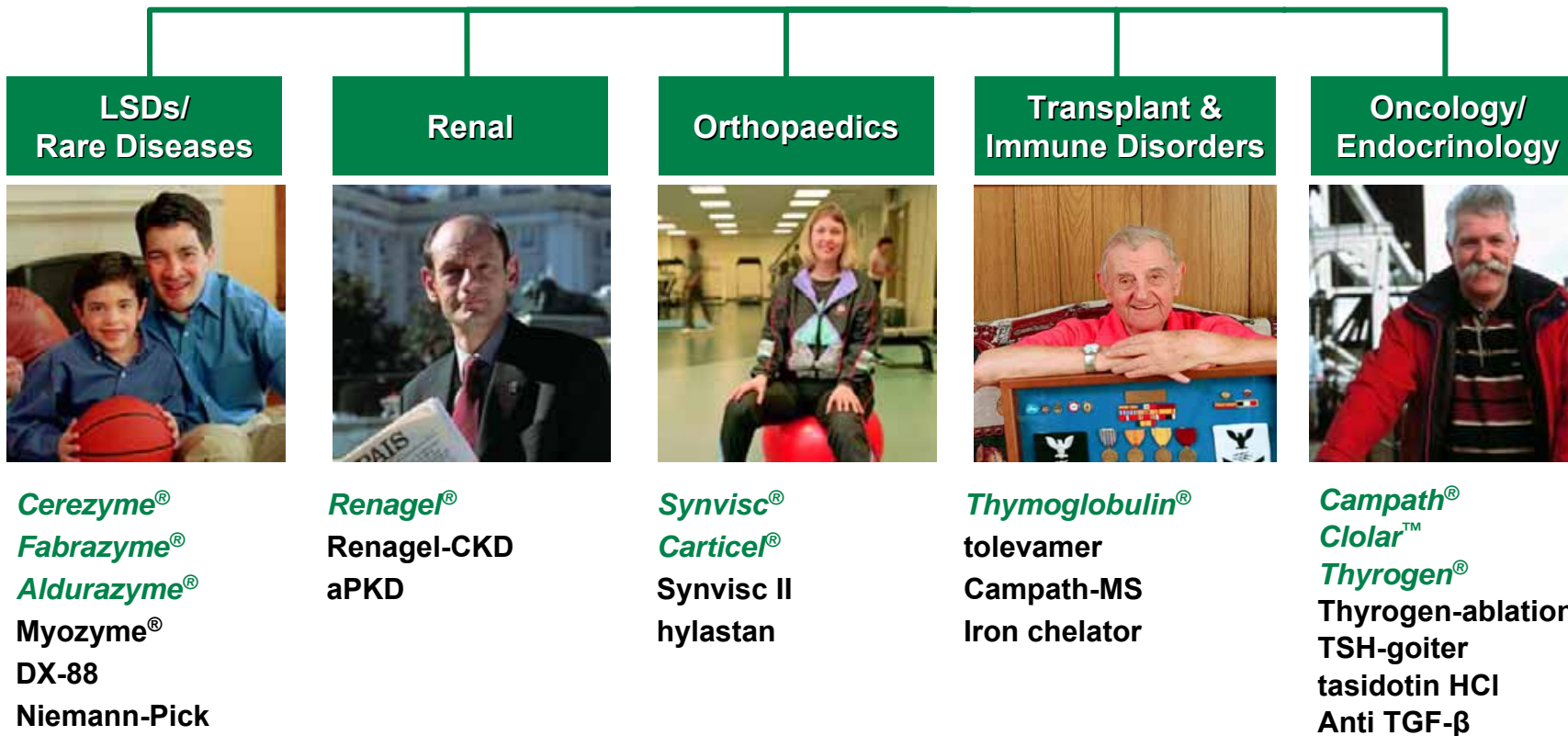
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Massachusetts Alliance for Economic Development
June 24, 2005

Genzyme Today

Therapeutic Area Portfolio



Diagnostics/Genetics

Marketed Products in Green

A History of Genzyme through M&A

- **1981-82: Whatman Reeve Angel plc (Kent, UK) & Koch-Lite Limited (Haverhill, UK)**
 - Manufacturing facilities; diagnostic product & fine chemicals businesses
- **1989: Integrated Genetics, Inc. (Framingham, MA)**
 - Core technology for rDNA & genetics; foundation for Cerezyme® & other research programs
- **1992: Vivigen, Inc. (Santa Fe, NM)**
 - Leading provider of pre-natal diagnostic testing services
- **2000: GelTex Pharmaceuticals, Inc. (Waltham, MA)**
 - Renagel®, Welchol® & tolevamer; expertise in polymer chemistry
- **2000: Biomatrix, Inc. (Ridgefield, NJ)**
 - Synvisc®, Hylaform® & hylastan; expand biomaterials presence
- **2003: SangStat Medical Corp. (Fremont, CA)**
 - Thymoglobulin® & Lymphoglobuline®; entry into transplant & capital for immune disease business
- **2004: Impath, Inc. (New York, NY, Los Angeles, CA)**
 - Leading provider of cancer diagnostic testing services
- **2004: ILEX Oncology, Inc. (San Antonio, TX)**
 - Campath® & Clolar™; launch of commercial oncology business
- **2005 (pending): Bone Care International, Inc. (Madison, WI)**
 - Hectorol®; add scale to renal business

M&A and the Biotechnology Industry

- M&A happens (and that's a good thing)
- It's better to be the buyer
 - Sellers are monetizing assets
 - Buyers are building businesses
 - Augmenting internal resources and adding infrastructure to achieve “critical mass”
 - Accessing platform technologies to fuel further innovation
 - Acquiring new products and associated cash flows to re-invest in R&D
- Being a buyer is cultural
 - Building stakeholder (e.g., investor, employee) value
 - Taking risks
- Government's role should be to create a “buyer-friendly” environment
 - Enhance catalysts
 - Remove barriers

Catalysts for Biotech in Massachusetts

- World-class science
 - Highly-trained workforce
 - Lots of great ideas
- Entrepreneurial ferment
 - Technology platforms and development compounds are starting points
 - Management talent (moving both ways)
- Venture capital
 - Important competitive advantage
 - Capital flows are global; investments are local

Barriers to Biotech in Massachusetts

- Lack of affordable housing
 - Increases labor costs; reduces labor pool
- Complex facility permitting process
 - Time is money
 - Uncertainty drives out innovators
- Potential legislation creating a “Hostile Work Environment”
 - Restrictions on stem cell research
 - Drug price controls and cross-border sales
- Science education
 - Creates public support
 - Creates long-term labor pool