

Indiana Biz / Bio



Building on the Foundation - Growing Indiana's Biotech Community

Bruce Pratt
Vice President, Science Development

13 Nov 2008

genzyme

Forward-Looking Statements

This presentation may contains forward-looking statements regarding Genzyme's pipeline and areas of strategic interest. These risks and uncertainties include, among others, Genzyme's ability to successfully complete preclinical and clinical development of its products and services, Genzyme's ability to expand the use of current products in existing and new indications; Genzyme's ability to maintain and obtain regulatory approvals for products and services, and the timing of receipt of such approvals, Genzyme's ability to successfully identify and market to new patients; the scope of third-party reimbursement coverage for Genzyme's products and services; Genzyme's ability to successfully expand its sales and marketing teams in existing and new markets; Genzyme's ability to manufacture products and product candidates in a timely and cost effective manner; and the risks and uncertainties described in Genzyme's SEC reports filed under the Securities Exchange Act of 1934, including the factors discussed under the caption "Factors Affecting Future Operating Results" in Genzyme's Annual Report on Form 10-K for the period ended December 31, 2007. Please refer to the risks and uncertainties described in reports filed by Genzyme with the Securities and Exchange Commission under the heading "Factors Affecting Future Operating Results" in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of Genzyme's Annual Report on Form 10-K for the year ended December 31, 2007 for a more complete discussion of the risks associated with Genzyme's business. Genzyme cautions investors not to place substantial reliance on any forward-looking statements contained in this presentation. These statements speak only as of the date of this presentation, and Genzyme undertakes no obligation to update or revise the statements.

Topics

- Does Indiana have what biotechnology companies within the state need to start, grow and succeed?
- Does the Indiana biotechnology community have what markets (retail, B2B) outside of Indiana want?
- How to find the business customers for Indiana's innovations

What Does Indiana's Biotech Industry Need to Grow & Succeed? (1)

Fundamentals

- Academic/Research Institutions
- \$\$\$\$
- Experienced Business Management
- Infrastructure Support

Academic/Research Institutions

- Innovation – High Quality Science
- Scientific Staff
 - CSO
 - Technical staff
- Entrepreneurial Environment
 - *Commercialization is not a four letter word*
 - Curriculum development
 - *A patent should be as good as a publication*
 - Favorable Tech Transfer Policies

Access to Capital

- Friends & Family
- Angels
- Non-Dilutive Capital
- Venture Capital
- Strategic Capital
- IPO

Experienced Business Management

- Business Requires It
 - CSO \neq CEO
 - Develop & Execute Business Plan
- Venture Capital Requires it
 - Network to find \$\$
 - VC's *"bet on the jockey, not the horse"*

Infrastructure

- **Favorable Government Policies**
 - Economic Development / Entrepreneurship
 - Regulations & Permitting
- **Facilities**
 - Incubators/Bioparks
 - Utilities
- **Support Services**
 - Legal
 - Accounting

What Does Indiana's Biotech Industry Need to Grow & Succeed? (2)

Beyond the Fundamentals

- Focus – can't be World Class in everything
 - Sector/value chain specialization
 - Historical legacy
 - Non-mobile/geographic assets
- Collaboration/Leverage
 - Need critical mass to succeed
 - Avoid unnecessary duplication
 - Minimize internecine competition

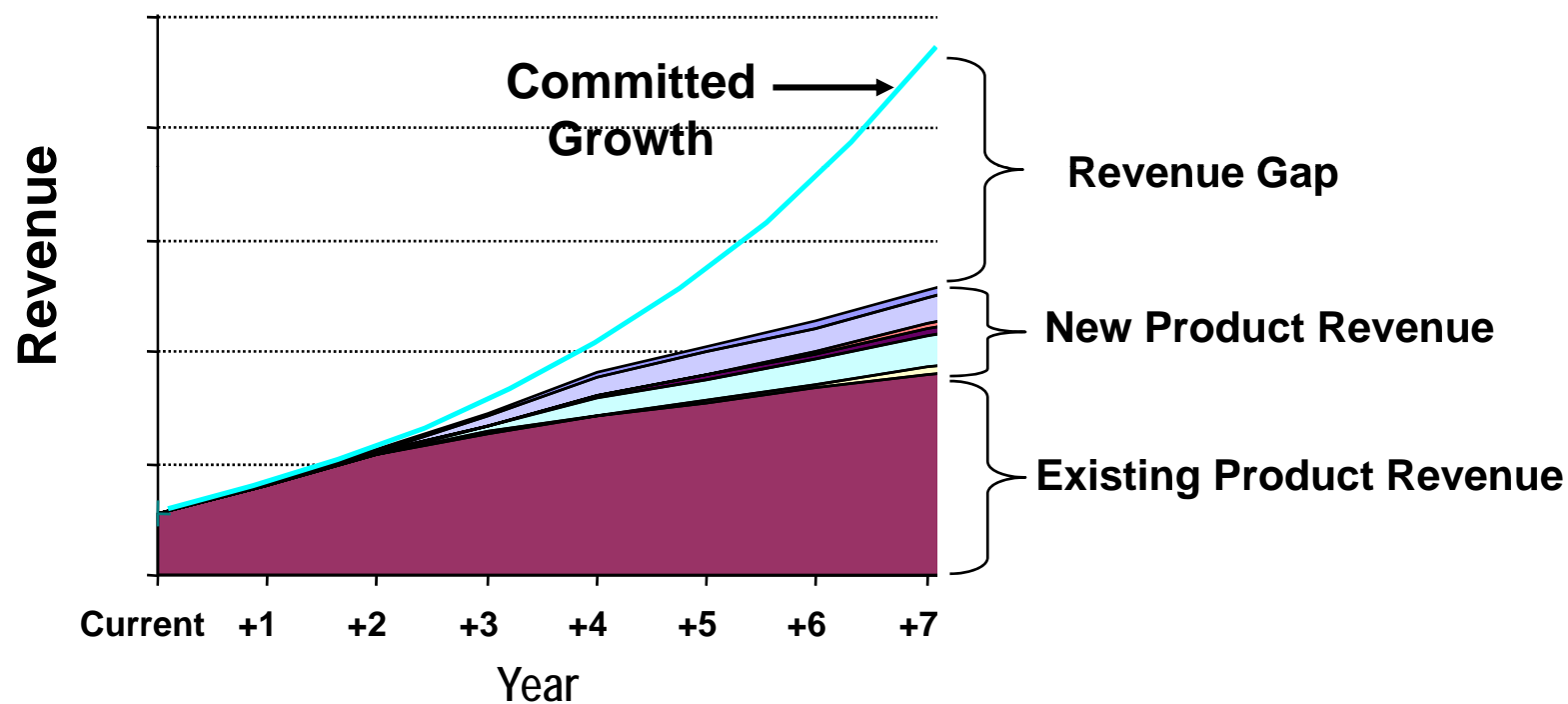
Topics

- Does Indiana have what biotechnology companies within the state need to start, grow and succeed?
- Does the Indiana biotechnology community have what markets (retail, B2B) outside of Indiana want?
- How to find the business customers for Indiana's innovations

Fundamental Objectives of Bio/Pharma Sector

- Get effective and safe therapies & services to patients with unmet medical needs.
- Create & maintain sustainable economic models which allow for the continuous creation of needed products & services.

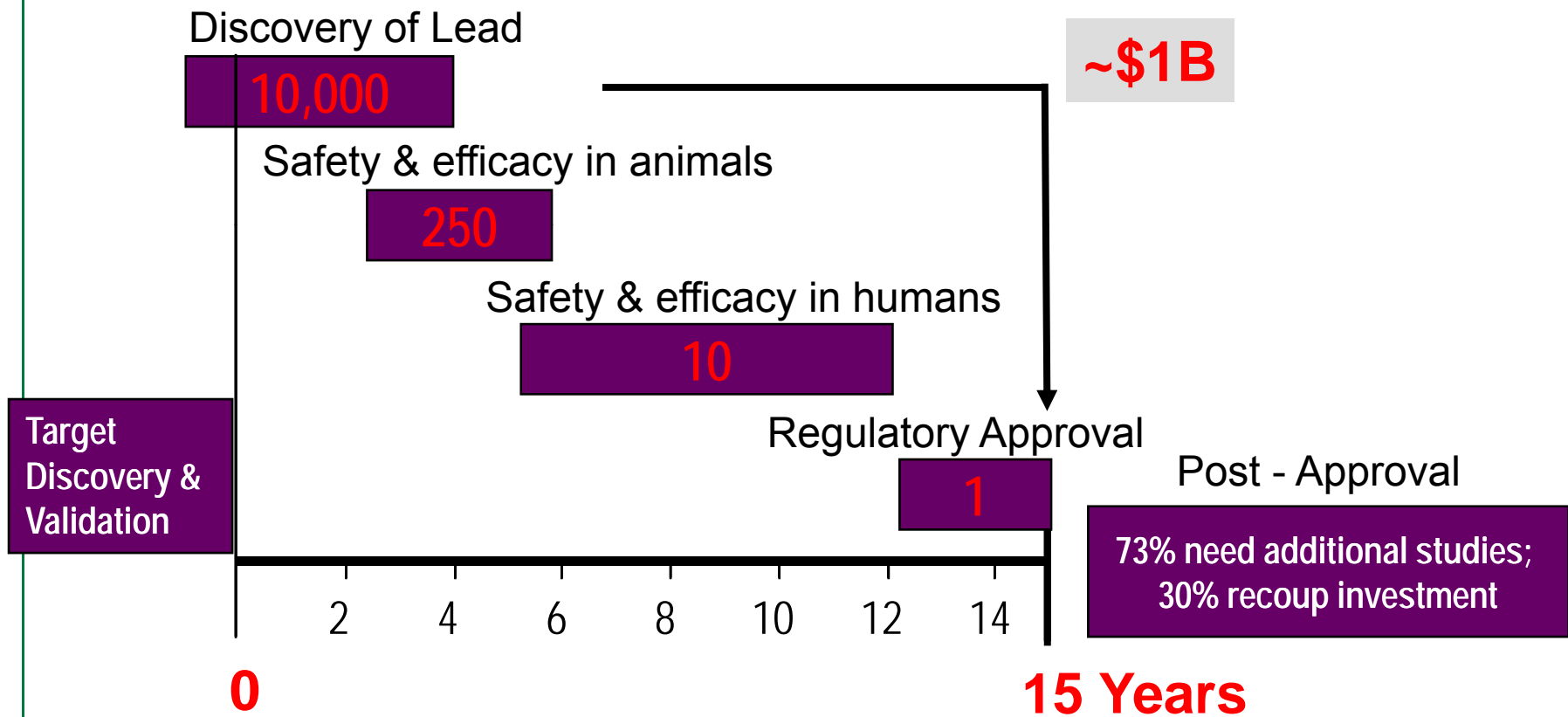
Economic Challenge to the Sector



Always a revenue gap in the out years

Challenge: fill revenue/pipeline gap

Product Development Challenge



Time, Money, Risk

Product Development Solution(s)

Internal innovation

- High risk of attrition, long time, high cost
- Cannot fill pipeline needs

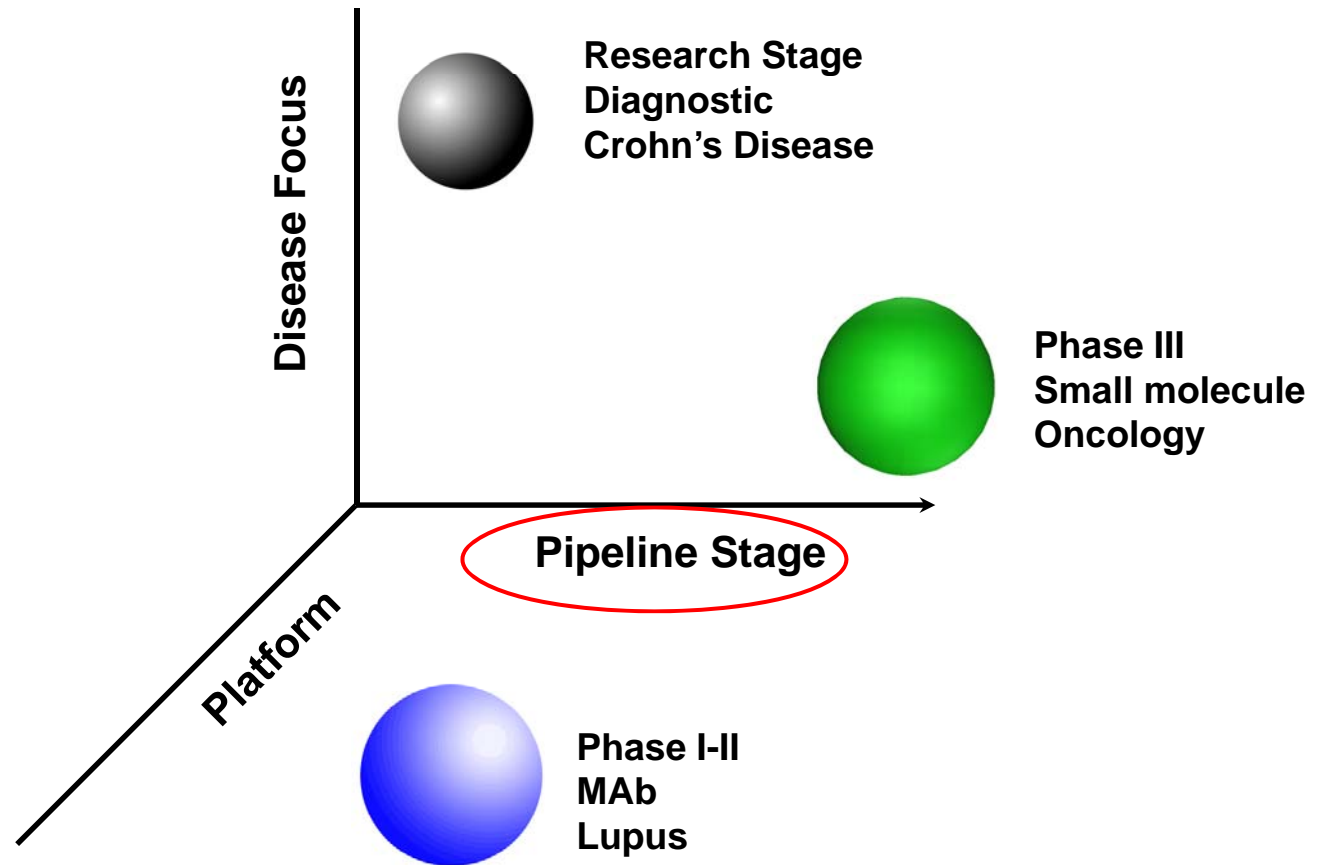
Product re-innovation

- Internal & external effort
- Reduces risk, time, cost
- Product/service to patients sooner

Acquire innovation from outside

- Alliance/Partnership – Licensing
- M & A

What Does Global Bio/Pharma Want (1)?



Theoretical examples: each is a specific combination of disease, platform and stage of development

Stages of Development

- Commercialized *Product (Therapeutic or Device)*
- Clinical Stage *Product Opportunity*
- Preclinical Stage *Product Opportunity*
- Preclinical Stage *Research Opportunity*
- Preclinical Stage *Target Opportunity*
- Diagnostic *Test Opportunity*
- Technology
 - *New Platform*
 - *Problem Solution*

Every company will have it's own set of opportunity criteria for each stage of development

What does Global Bio/Pharma want (2)?

- Good science is not necessarily a good product/service
 - ~~“If you build it, they will come”~~
“Better” and “successful” are multi-dimensional
- Do your research
 - Develop products/services that are actually needed
...and someone will pay for!
- Identify and solve a customer’s problem
 - *Pain is a great motivator*
- Be realistic on market size/revenue projections

Topics

- Does Indiana have what biotechnology companies within the state need to start, grow and succeed?
- Does the Indiana biotechnology community have what markets (retail, B2B) outside of Indiana want?
- How to find the business customers for Indiana's innovations &/or companies

The Tyranny of Large & Small Numbers

- Large pharma & biotech companies review up to several *thousand* opportunities per year
- Only 1-2% of evaluated opportunities result in deals
- *“You could say “No” 100% of the time and be right 99% of the time.”* Alan Smith, Genzyme CSO, 2005
- *Customer must stay vigilant for the rare opportunity*
- *You must present the opportunity clearly & concisely*

Who might be the Right Customer?

- Provide a solution to their problem
 - *“Pain is a great motivator”*
- Compatibility of business model & philosophy
- Compatible expectations on product/service development life cycle
- Compatible expectation on valuation, revenues and margins
- Do homework on potential customer/partner – *they are doing it on you!*

Information Sources on Potential Customers

- Commercial databases, *e.g.*, IDdb, ADIS
- Corporate Website(s)
 - Annual Reports
 - Security & Exchange Commission filings (U.S.)
 - Corporate presentations
- Analyst Day meetings (webcasts)
- Biopartnering meetings
- Networking

Finding the Right Person in the Right Company (1)

- Most big bio/pharma have External Licensing teams
 - Most are science-driven
 - Attend/speak at bio-partnering meetings
 - Agendas of partnering meetings
 - Check corp. website
 - Use Corporate “Partnering & Licensing” mailbox

Right Person in the Right Company (2)

Networking

- Real
- Virtual
 - Spider-generated; opt-out
 - www.linkedin.com; www.zoominfo.com; www.spoke.com; www.jigsaw.com (fee-based)
- **Understand Corporate Structure**
 - How are opportunities evaluated?
 - Who are the decision makers?
 - Whose money will you be spending?

Summary

- Do a critical survey of the local biotech community - focus collaboratively on strengths; fix weaknesses
- Proactively identify the needs of the global market – focus on providing solutions.
- Be proactive in the promotion of Indiana's products and services to the global market

Thank you for your attention.

For further information, contact:

Bruce Pratt: bruce.pratt@genzyme.com

