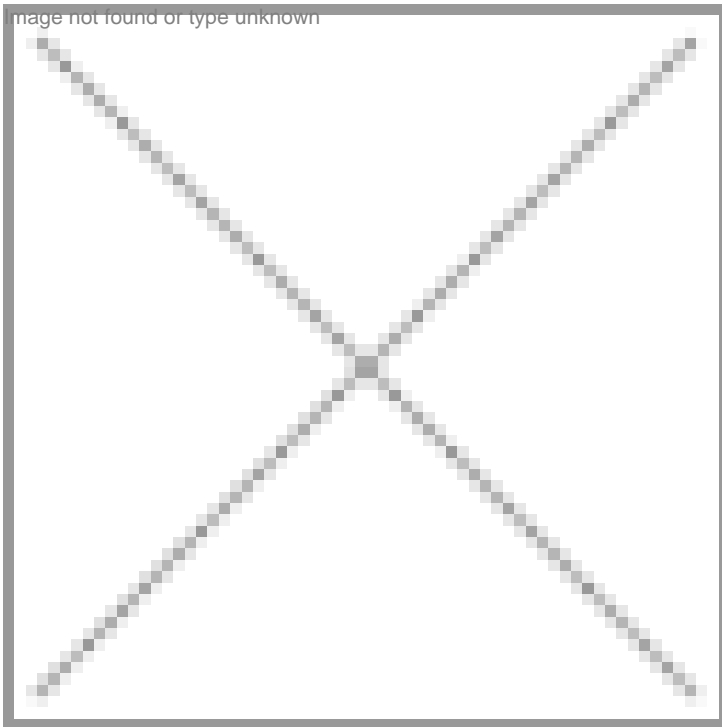


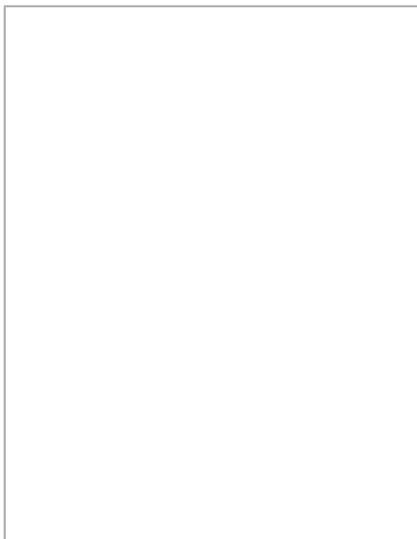
“India is a very important market for us”

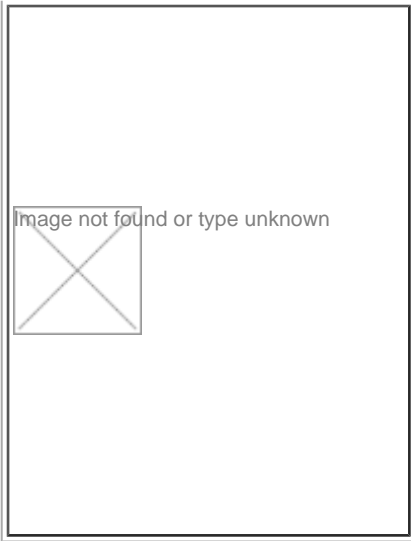
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“India is a very important market for us”

—Henri Termeer, chairman, president and CEO, Genzyme





Genzyme is perhaps one of the largest biotechnology companies in the world with innovation at its core and a strong commitment to patients, a large scientific base and a strong global presence. Genzyme, headquartered in Cambridge, Massachusetts has risen from a small start-up in Boston in 1981 to a diversified enterprise with annual revenues exceeding \$3 billion, 10,000 employees to date with established products and services helping patients in nearly 90 countries. No wonder then that its CEO, Henri Termeer was invited as one of the co-chairs of The India Economic Summit held in November in Delhi. It was a credit to his leadership that Genzyme was chosen to receive the National Medal of Technology, the highest honor awarded by the President of the United States for technological innovation in 2007. When asked what would drive the biotech companies in the future, his answer is simple—"Innovation". It is more than apt for a company that is driven by the passion to find out new cures for rare and neglected diseases. We find out this and more in a conversation with its CEO, Henri Termeer.

Tell us how you have seen the change in the biotechnology industry in the last two decades and how has the company been addressing the changing dynamics?

Medicines developed by biotechnology companies over the past 30 years have transformed lives. But we are just getting started. We were fortunate to have an early success to develop a treatment for a very rare disease – Gaucher Disease. It was natural that we would build upon this success and apply what we learned to other rare diseases. As we have evolved our strategy over the last several years to diversify our portfolio to include diseases that affect much larger populations, based on clear, identifiable needs. I have worked in this industry for 25 years, and I see so much potential and promise still to be realized, not in the distant future, but in the next 15 years. Innovative ideas and promising therapies are being developed by biotechnology companies, large and small.

What are some of the focus areas for the company? What have been the best selling and revenue grossing products during 2007-08?

Genzyme today is a highly diversified company that focuses on several broad areas of medicine. We started with a focus on products to treat rare diseases, and this remains the largest business area for us. We also are focused on kidney disease, cancer, transplant and bio-surgical products. In addition, we have a large diagnostic testing component to our business. Our newest product is Myozyme, which was introduced in 2006 and we expect it to generate nearly \$300 million in revenue during 2008. We have recently got FDA approval for Mozobil. This product will increase the ability of patients with certain types of cancers to receive vital stem cell transplants.

What are the company's revenues in 2008? How much of it is derived from the Asia-Pacific region?

The expected revenue of Genzyme in 2008 is \$4.5–4.7 billion as against \$3.8 billion in 2007. More than half of our total revenue is derived from outside of the United States. We were the first US biotechnology company to establish a presence in Japan where we have been for more than two decades, but we are just starting to establish a presence in several countries throughout Asia, and look forward to becoming active participants in these markets.

With a presence in 90 countries, are there any emerging markets that you see? Are you looking at expansion in any more countries?

Genzyme has always operated on a global scale. Our role is to make products available to patients wherever they are, and we strive to have a direct presence in countries wherever possible. Again, we are beginning to plant roots in Asia, to earn our position in the market. We have a lot of work ahead of us, we are excited about growing and sustaining our presence in these

regions.

How does India figure in the global strategy of the company?

India is a very important market for us. We are dedicated to build a sustainable presence in India: We have treated patients free-of-charge, worked with local officials to build productive relationships, and very recently, established our first commercial office in Gurgaon. We will continue to work with local officials and public and private institutions as we remain committed to deliver life-saving therapies to the patients who need them.

This year saw the announcement on opening up of an R&D development center in Beijing as a part of your global expansion strategy. Are you looking at R&D collaborations in India?

This year we announced plans to build a research facility in Beijing, and we anticipate that this center will open in 2010. Our belief is that to be successful in a country, you must actively participate in that country and earn a position in that market. Therefore, we are working hard to establish a presence in China and in India through collaborations with local officials, patient organizations, academic and medical institutions, as well as other biotechnology companies. Through our HAND initiative, we work with various institutions around the globe to help develop treatments for rare diseases. In India, we have two collaborations focused on developing new treatments for malaria. We recently announced a new collaboration with the International Center for Genetic Engineering and Biotechnology (ICGEB), a global nonprofit research institution based out of New Delhi to advance treatments for neglected diseases, most notably, malaria. Genzyme, Medicines for Malaria (MMV) and Bangalore-based Advinus Pharmaceuticals have also partnered to identify novel agents to fight malaria. The team is currently screening for compounds that are active against target enzymes essential for the survival of the malaria parasite. We have made great progress so far, and in fact will be presenting six abstracts at the American Society of Tropical Medicine that will showcase our momentum.

How do you see Indian companies playing a role in drug discovery globally given your collaboration with Advinus Therapeutics?

The type of collaboration with Advinus is a powerful example of how industry can partner to fight the devastating impact of diseases. Advinus brings valuable, local expertise in Malaria and target identification, and Genzyme brings drug development expertise. By working together, we have the remarkable ability to turn the promise of science into meaningful and sustainable therapies for populations most at risk in India and around the world.

What is your annual R&D spending? What are some of the focus areas for the R&D currently that are being worked upon?

We invest approximately 20 percent of our revenue annually in R&D. Some key programs include Alemtuzumab for multiple sclerosis and Mipomersen for cardiovascular disease, which has the potential to transform the standard of care. The results for the Phase 2 study of Alemtuzumab were published recently in the New England Journal of Medicine.

Genzyme has signed the biggest ever deal in the field of adult stem cell therapy with Osiris Therapeutics. By when do you expect the drugs to be marketed?

Genzyme has a long history of work in cell therapy and we are a pioneer in this field. We developed and commercialized the first-ever cell therapy product approved by the FDA, Carticel, used in knee cartilage repair, we manufacture Epicel, for the treatment of severe burns, and have investigated cell therapy treatments in the areas of Parkinson's and heart disease. Genzyme has a very strong track record in developing and commercializing unique, breakthrough therapies, so a collaboration with Osiris is a natural fit. Prochymal is the furthest along in development for graft versus host disease; results for phase III trials are expected next year, with U S approval anticipated as early as the end of next year and EU approval anticipated in 2010. We are optimistic that these drugs could change the treatment scenario for a wide range of diseases because they are designed to provide therapeutic benefit by controlling inflammation, promoting tissue regeneration and preventing scar formation.

Has the US economic slowdown impacted the US pharma and biotech industry, and do you think it is going to have any global repercussions?

Historically, pharma and biotech have been spared the brunt of these types of economic downturns—they are often considered “safe” stocks by investors. But, this crisis is not being felt only in the United States. It is a global economic crisis that we are now experiencing that and it will leave no industry unaffected. Companies must avoid rapid expansion plans. Though we intend to grow our global presence, we will be watching our operations very carefully.

What is your vision for the next few years?

Though Genzyme is 27 years old, we still feel very much like a young company. We are committed to bringing transformative medicines through the drug development process and ultimately to patients who need them in a variety of disease areas,

including cancer, cardiovascular and neurology.

Shalini Gupta