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Genzyme, MacroGenics Announce Joint Effort to Develop New Therapies for Immune-Mediated Diseases

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CAMBRIDGE, Mass. and Rockville, Md. Genzyme Corp. (Nasdaq: GENZ) and MacroGenics, Inc. announced today that they have entered into a strategic partnership to develop novel therapies for immune-mediated diseases.

Under the agreement, the companies will work together to advance MacroGenics ongoing preclinical program targeting the Fc receptor CD16, an important molecule in the development of several immune-mediated diseases. Genzyme and MacroGenics intend to utilize both humanized monoclonal antibodies and soluble receptors aimed at this important target, which is believed to contribute to numerous immune-mediated diseases such as idiopathic thrombocytopenic purpura (ITP), lupus, rheumatoid arthritis, autoimmune hemolytic anemia, and others.

Genzyme will make a \$5 million equity investment in MacroGenics, a privately held biotechnology company, and the two companies will jointly fund the development program and split profits that may arise from it. The companies will collaborate in the development effort, although Genzyme will have sole responsibility for manufacturing and commercializing products that arise from the collaboration. MacroGenics will have certain co-promotion rights in the United States. Further financial terms were not disclosed.

We look forward to working with MacroGenics, which will provide an important new addition to our growing portfolio of work in immune-mediated diseases, said Georges Gemayel, executive vice president, Genzyme Corp. MacroGenics promising pre-clinical work to date, and its strong scientific expertise, make it a desirable partner in an area where we see vast clinical and commercial potential.

This collaboration with Genzyme provides the resources and commitment of an experienced company to accelerate our product development, remarked Dr. Scott Koenig, president and CEO at MacroGenics, Inc. We have been impressed with Genzymes development and commercial capabilities and their willingness to work in partnership with our growing organization.

Genzymes Immune-Mediated Diseases Portfolio

Genzyme recently supplemented its work related to immune-mediated diseases with the acquisition of SangStat Medical Corporation, which was completed last month. The acquisition brought Genzyme Thymoglobulin (anti-thymocyte globulin), a leading product used to manage acute rejection in kidney transplant patients, which represents Genzymes first product in the immunology marketplace.

Genzymes broad development strategy related to immune-mediated diseases includes product candidates being developed internally, as well as in collaboration with partners. Leading candidates include CAT-192, a human monoclonal antibody to TGFbeta1 that is being investigated in a Phase 1/2 trial with partner Cambridge Antibody Technology (CAT) for the treatment of diffuse systemic sclerosis; GC 1008, a pan-specific human monoclonal antibody against TGFbeta1, 2 and 3, which is expected to enter clinical trials next year in idiopathic pulmonary fibrosis, also in partnership with CAT; and GENZ 29155, a small molecule for multiple sclerosis that is expected to enter clinical trials around the end of this year. In addition, Genzyme is continuing partnership discussions initiated by SangStat regarding the development of RDP58, an anti-inflammatory peptide that is being investigated across a range of immune-mediated diseases, including ulcerative colitis.

Genzyme also plans additional clinical trials to expand the label indications for Thymoglobulin, and the company has rights to

an early stage research program focused on developing human polyclonal antibodies through a collaboration with Therapeutic Human Polyclonals Inc.

About MacroGenics

MacroGenics, Inc. is focused on the development of improved immunotherapeutic products, including monoclonal antibodies and vaccines and has identified new targets for the treatment of cancer and inflammatory disorders and the prevention of infectious diseases. In addition to creating specific molecules targeting Fc receptors, the company has applied its Fc technology to developing therapeutic antibodies with enhanced activity. To date, the company has raised \$31.2M and has been awarded NIH sponsored grants that could fund more than \$6M of research. Additional information concerning the company, its technology and investors can be found on its Web site (www.macrogenics.com).

About Genzyme

Genzyme Corporation is a global biotechnology company dedicated to making a major positive impact on the lives of people with serious diseases. The company's broad product portfolio is focused on rare genetic disorders, renal disease, osteoarthritis and immune-mediated disorders, and includes an industry-leading array of diagnostic products and services. Genzyme's commitment to innovation continues today with research into novel approaches to cancer, heart disease, and other areas of unmet medical need. More than 5,300 Genzyme employees in offices around the globe serve patients in over 80 countries.

This press release contains forward-looking statements, including the statements regarding the advancement of an ongoing pre-clinical program targeting the Fc receptor CD16, the parties' intention to utilize both humanized monoclonal antibodies and soluble receptors, the various targeted indications of the collaboration program, the clinical and commercial potential of the immune-mediated disease market, the potential clinical and commercial success of the collaboration program, Genzyme's immune-mediated disease product candidate portfolio and the timetable for which certain product candidates may enter clinical trials, Genzyme's development of RDP58, Genzyme's planned additional clinical trials to expand label indications for Thymoglobulin, MacroGenics' identification of new targets for the treatment of cancer and inflammatory disorders and the prevention of infectious diseases and MacroGenics' ability to fund future research. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in these forward-looking statements. These risks and uncertainties include, among others, whether targeting the Fc receptor CD16 will be a safe and effective treatment for immune-mediated diseases, the success of product candidates in clinical trials, the ability of the parties to protect their competitive position upon commercialization, the content and timing of submissions to and the decisions of regulatory authorities worldwide, and the factors discussed under the caption "Factors Affecting Future Operating Results" in Genzyme's Quarterly Report on Form 10-Q for the period ended June 30, 2003. We caution investors not to place undue reliance on the forward-looking statements contained in this document. These statements speak only as of the date of this document and we undertake no obligation to update or revise the statements.

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Genzyme's press releases and other company information are available at www.genzyme.com and by calling Genzyme's investor information line at 1-800-905-4369 within the United States or 1-703-797-1866 outside the United States.