

Edgar Filing: GENZYME CORP - Form 425

GENZYME CORP
Form 425
February 16, 2011

Filed by sanofi-aventis

Pursuant to Rule 425 under the Securities Act of 1933, as amended

Subject Company: Genzyme Corporation

Exchange Act Commission File No: 0-14680

The following investor presentation, entitled "Adding a New Global Platform to our Sustainable Growth Strategy" was made by sanofi-aventis and Genzyme Corporation ("Genzyme") on February 16, 2011 to investors of the companies, in connection with the Agreement and Plan of Merger, dated as of February 16, 2011, among sanofi-aventis, GC Merger Corp., and Genzyme.

Adding a New Global Platform
to our Sustainable Growth Strategy
February 16, 2011

2

Forward Looking Statements

This presentation contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, as such statements are statements that are not historical facts. These statements include projections and estimates and their underlying assumptions regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, services, products, potential, and statements regarding future performance. Forward-looking statements are generally identified by the words "expect," "believes," "intends," "estimates," "plans" and similar expressions. Although sanofi-aventis management believes that the forward-looking statements are reasonable, investors are cautioned that forward-looking information and statements are subject to uncertainties, many of which are difficult to predict and generally beyond the control of sanofi-aventis, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks include among other things, the uncertainties inherent in research and development, future clinical data and analysis, including regulatory approvals by regulatory authorities, such as the FDA or the EMA, regarding whether and when to approve any drug, device or biological product for any such product candidates as well as their decisions regarding labeling and other matters that could affect the availability of such products candidates, the absence of guarantee that the products candidates if approved will be commercially successful, the

commercial success of therapeutic alternatives, the Group's ability to benefit from external growth opportunities as well as the public filings with the SEC and the AMF made by sanofi-aventis, including those listed under "Risk Factors" and "Cautionary Forward-Looking Statements" in sanofi-aventis' annual report on Form 20-F for the year ended December 31, 2009. Other than by law, sanofi-aventis does not undertake any obligation to update or revise any forward-looking information or statements.

Important Information about this Transaction: This communication is neither an offer to purchase nor a solicitation of any offer in connection with the proposed transaction, sanofi-aventis will file an amended tender offer statement and a registration statement for certain securities and certain related documents and Genzyme will file a Solicitation/Recommendation Statement with respect to the U.S. Securities and Exchange Commission (the "SEC"). Genzyme shareholders are urged to read the registration statement and related documents when they become available because they will contain important information that shareholders should consider before tendering their shares. These documents will be mailed to all Genzyme shareholders of record. These documents, at times, contain important information about the proposed transaction and Genzyme shareholders are urged to read them in their entirety before any decision is made with respect to the proposed transaction. When available, documentation relating to the transaction is available at no charge at the website maintained by the SEC at www.sec.gov and may also be obtained at no charge by directing a request to Sanofi-Schering-Plough Health Care Products, Inc., 105 Madison Avenue, New York, New York 10016, or by calling toll-free at (800) 322-2885. Free copies of the Solicitation/Recommendation Statement will be made available by Genzyme by directing a request to Genzyme at 500 Kendall Street, Cambridge, MA 02142, Genzyme Shareholder Relations Department, or by calling 617-252-7500 and asking for the Shareholder Relations Department.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any offer in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of the U.S. Securities Act of 1933, as amended, or an exemption therefrom.

3

Conference Call Speakers

sanofi-aventis

Christopher A. Viehbacher

Chief Executive Officer

Jérôme Contamine

Executive Vice President, Chief Financial Officer

Genzyme

Henri A. Termeer

Chairman of the Board, President, Chief Executive Officer

Rationale for sanofi-aventis
Christopher A. Viehbacher
Chief
Executive
Officer

5

A

Strategically Consistent and Financially Attractive

Acquisition for sanofi-aventis

Creates a meaningful new growth platform

Expands our footprint in biotechnology

Increases our U.S. presence

Bolts on to our existing business

Significantly contributes to our goal of sustainable earnings growth

Drives significant long-term value for our shareholders

Rationale for Genzyme
Henri A. Termeer
Chairman of the Board, President, CEO

7

The Right Transaction for Genzyme, its
Shareholders, and Other Stakeholders
Represents a new beginning for Genzyme
Tremendous value recognized by sanofi-aventis
in our record of innovation
in our unique and pioneering approach to serving patients
Shared exciting vision of the future in which Genzyme and sanofi-
aventis will grow and innovate
Genzyme to help sanofi-aventis to grow and to innovate
Sanofi-aventis believes in what we do, our people and our
potential
Looking forward to building a sustainable future together

Transaction Overview
Jérôme Contamine
Executive Vice President, Chief
Financial Officer

9

Sanofi-aventis to Acquire Genzyme

\$74.00

per share in cash plus contingent value right (CVR)

Risk / reward on Lemtrada

and sustained production of Cerezyme®

and Fabrazyme®

shared through CVR structure

CVR

security to be publicly traded

Transaction unanimously approved by both Boards of Directors

No financing conditions

Anti-trust clearance

already received in the U.S. and EU

Anticipated closing in **early Q2 2011**

10
CVR Structure
(1)
Production Milestone
Approval Milestone
Sales Milestone #1
Sales Milestone #2
Sales Milestone #3
Sales Milestone #4
Cash Payments
\$1.00
per CVR
\$1.00
per CVR

\$2.00
per CVR
\$3.00
per CVR
\$4.00
per CVR
\$3.00
per CVR
Triggers
Paid if specified
Cerezyme®
/
Fabrazyme®
production levels are
met in 2011
Paid upon final
FDA approval
of Lemtrada
for
multiple sclerosis
(MS) indication
Paid if Lemtrada
net sales post launch
exceed an aggregate
of
\$400m
within four specified
quarters per territory
Paid if and when
Lemtrada
global
net sales exceed
\$1,800m
Paid if and when
Lemtrada
global
net sales exceed
\$2,300m
Paid if and when
Lemtrada
global
net
sales exceed
\$2,800m
Estimated
Timing of
Potential
Payments
Jan 2012
~H2 2012

~2014
2014-2020
2015-2020
2016-2020
Upside
potential
if Lemtrada
is
approved
for Multiple Sclerosis
to be
shared
between
Genzyme
and sanofi-aventis
shareholders
at
all levels
of sales performance
The CVR will
be
publicly
traded
on NASDAQ

(1)
Details are defined in the Merger Agreement and CVR Agreement to be filed with the SEC

11
Genzyme Acquisition Delivers Significant Financial
Benefits
Revenue growth acceleration
Genzyme
to
benefit
from
sanofi-aventis
extensive
resources
and
experience in manufacturing
Significant Business EPS accretion expected:

Accretive in Year 1 after closing

Accretion of 0.75

to 1.00

by 2013

(1)

Value-creating transaction:

Return on capital in excess of WACC expected by Year 2

Financial strength and flexibility maintained:

No change to sanofi-aventis

dividend policy

Strong free cash flow generated by combination

Strong investment grade credit ratings maintained

(1)

At exchange rate of 1 = \$1.30

12
Transaction valued at \$20.1bn, excluding CVR component
Net
cash
position
of
Genzyme:
~\$800m
by
end
of
2010
Fully financed upfront cash transaction
Bridge

facilities

(\$10bn

to

be

refinanced

by

bond

issuance

and

\$5bn

to be refinanced by cash flow)

Cash and/or issuance of commercial paper

Attractive cost of debt: 2.5% to 3%

Additional existing syndicated revolving credit facilities (13bn)

Sanofi-aventis

Has Already Secured Acquisition

Financing

Next Steps
Christopher A. Viehbacher
Chief
Executive
Officer

14
A Clear Path Forward given Antitrust Clearance
already Granted in the U.S. and EU
Q1
Q2
Q3
Legal process
Tender offer, CVR registration
Feb 16
Merger
announcement
Early Q2
Anticipated
closing

Planning
Integration
Mid Feb
Kick-off
Legal
process
Pre-integration
process
Integration
process
Day 1
2011

Q&A