

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

In re: Transkaryotic Therapies, Inc.
Securities Litigation

Civil Action No. 03-10165-RWZ

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION, MOTION FOR ATTORNEYS' FEES
AND SETTLEMENT HEARING (THE "NOTICE")**

This Notice provides you with important information concerning the settlement with defendants (the "Settlement") in the above-captioned action (the "Action"), which has been brought against defendants Transkaryotic Therapies, Inc. ("TKT" or the "Company") and Richard F. Selden, M.D. ("Selden") ("Defendants") relating to TKT common stock during the period described below. Your rights may be affected by this Notice. If you wish to participate in the Settlement you must act by June 30, 2008. You should read this Notice carefully.

TO: The "Class," consisting of all persons and entities who purchased or otherwise acquired TKT common stock during the period from January 4, 2001 through January 10, 2003, inclusive (the "Class Period").

A federal court authorized this notice. This is not a solicitation from a lawyer.

- The Settlement resolves class action litigation brought by Forstmann Asset Management LLC and additional plaintiffs Market Street Securities, Inc., City of Philadelphia, Board of Pensions and Retirement and Louisiana School Employees Retirement System (collectively "Class Representatives"), on behalf of the Class concerning misrepresentations and omissions allegedly made by the Defendants throughout the Class Period regarding TKT's prospects for U.S. Food and Drug Administration ("FDA") approval of Replagal, TKT's experimental enzyme replacement therapy for Fabry disease.
- The Settlement provides for a recovery of \$50,000,000. The Class will also receive interest on the Settlement Amount. The Settlement Amount plus interest, is referred to herein as the Gross Settlement Fund. The Gross Settlement Fund, less any award of attorneys' fees, reimbursement of litigation expenses and other Court-approved costs, including awards for reimbursement of time and expenses to the Class Representatives (the "Net Settlement Fund"), will be distributed solely to Class Members who timely submit acceptable Proofs of Claim (see Response to Question 9 below).
- In exchange for the payments set forth above, the Class shall release all Settled Claims (described below) against the Defendants, the successor of TKT, Shire Pharmaceuticals Group plc, and the Released Parties (defined below).
- The Defendants disagree with the Class Representatives on the amount of damages, if any, that could have been recovered if the Class prevailed on each claim at trial. Class Representatives estimate that if all Class Members make a claim against the Gross Settlement Fund, the average payment to Class Members will be \$1.28 per share of TKT common stock, based upon an estimate of 39,000,000 shares traded and damaged during the Class Period (See Question 8 below). **Please note that these amounts are only estimates.**
- Lead Counsel intends to seek an award of attorneys' fees of up to 25% of the Settlement Fund, plus interest earned at the same rate earned by the Class. Plaintiffs' Counsel have been litigating this case without any payment whatsoever. In addition, at the final hearing, Lead Counsel will seek reimbursement of the litigation expenses Plaintiffs' Counsel have incurred in connection with the prosecution of this Action, which will not exceed \$825,000. If the Court approves Lead Counsel's fee and expense application, the average reduction to the recovery per share of TKT common stock will be approximately \$0.34.
- The Class Representatives are also moving the Court to award a collective payment of up to \$80,000 to them for their reasonable costs and expenses (including lost wages) directly relating to the representation of the Class.
- In reaching the Settlement, Class Representatives and Defendants have avoided the cost and time of a trial and Class Representatives have agreed to the Settlement to avoid the risk of the dismissal of some or all of the claims of the Class against the Defendants. The Defendants do not believe that they violated the federal securities laws, deny all allegations of wrongdoing asserted against them, and deny that any of TKT's public statements were materially false or misleading. They have also asserted affirmative defenses to the claims alleged in this case. Accordingly, the Defendants assert that they are not liable to the Class for any amount of damages.

YOUR LEGAL RIGHTS AND OPTIONS:

SUBMIT A CLAIM FORM (JUNE 30, 2008)	This is the only way to receive a payment in the Settlement. A copy of the Proof of Claim form is enclosed, and is also available at www.transkaryoticclasssettlement.com . See Question 6 below.
EXCLUDE YOURSELF (APRIL 26, 2008)	You will not receive any payment in connection with this Settlement. This is the only option that allows you ever to be part of any other lawsuit against the Defendants and/or the Released Parties concerning any Settled Claim. See Response to Question 12, below.
OBJECT (APRIL 26, 2008)	File with the Clerk of Court your written concerns or objections to the Settlement, the Plan of Allocation, the requested attorneys' fees and reimbursement of litigation expenses or the application for reimbursement of time and expenses to the Class Representatives. See Response to Question 15 below.
ATTEND A HEARING (APRIL 26, 2008)	Ask to speak in Court about the fairness of the Settlement, the Plan of Allocation, the requested attorneys' fees and reimbursement of expenses or the application for reimbursement of time and expenses to the Class Representatives. See Response to Question 17 below.
DO NOTHING	If you are a Class Member and you do not either submit a Proof of Claim form or request exclusion, you will be bound by the release of the Defendants and Released Parties, you will receive no payment, and you will not be able to bring or pursue any Settled Claims in any other lawsuit or arbitration against the Released Parties.

- These rights and options and the deadlines to exercise them are explained in this Notice. Please note the date of the Settlement Hearing currently scheduled for June 5, 2008 is subject to change without further notice. If you plan to attend the hearing, you should check the website, www.transkaryoticclasssettlement.com, or with Lead Counsel as set forth herein to be sure that no change to the date and time of the hearing has been made.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made to Class Members only if certain conditions set forth in the Stipulation are satisfied, including the Court approving the Settlement and that approval being upheld in appeals that are filed, if any.
- Further information regarding the Settlement may be obtained by contacting Lead Counsel: Schiffrin Barroway Topaz & Kessler, LLP, Michael K. Yarnoff or Kay E. Sickles, 280 King of Prussia Road, Radnor, PA 19087, 610-667-7600.

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BASIC INFORMATION

1. Why did I receive this notice package?

You or someone in your family may have purchased or otherwise acquired TKT common stock from January 4, 2001 through January 10, 2003, inclusive. If the description above applies to you, you may be part of the Class and may have a right to know about the proposed Settlement of the Action and about all of your options.

2. What is this lawsuit about?

Beginning on January 24, 2003, nine putative securities class actions were filed in the Court against TKT and various other defendants. On April 9, 2003, the Honorable Rya W. Zobel of the United States District for the District of Massachusetts appointed Lead Plaintiff to prosecute the actions on behalf of all purchasers of TKT common stock during the period of January 4, 2001 through January 10, 2003 inclusive (the "Class Period") and appointed Lead Counsel (defined herein) as lead counsel in the action. By that same order, the Court consolidated the above-referenced actions under the above caption.

On July 7, 2003, Lead Plaintiff filed a Consolidated and Amended Class Action Complaint (the "Complaint") alleging: (i) violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 10b-5 promulgated thereunder; and (ii) violations of Sections 11, 12(a)(2), and 15 of the Securities Act of 1933 (the "Securities Act"). The Complaint alleges, among other things, that TKT and Selden engaged in a fraudulent scheme to artificially inflate the price of TKT securities and to deceive Class Members by making misrepresentations and nondisclosures of material fact concerning TKT's prospects for U.S. Food and Drug Administration ("FDA") approval of Replagal, TKT's experimental enzyme replacement therapy for Fabry disease.

In September 2003, Defendants filed a motion to dismiss the Complaint. After oral argument in December 2003, the Court issued a Memorandum of Decision and Order dated May 26, 2004 (the "Order"), finding that plaintiffs' claims under §§10(b), 20(a) and Rule 10b-5 of the Exchange Act against TKT and Selden were adequately pled.¹

Thereafter, by order dated November 28, 2005, the Court granted Lead Plaintiff's motion for class certification, appointed Lead Plaintiff and the additional representatives as Class Representatives, and certified the Class as requested.

Once the Court denied Defendants' motion to dismiss the Amended Complaint, the Class Representatives and Defendants embarked on merits discovery. Class Representatives' merits discovery has been extensive, including, but not limited to: (i) review of hundreds of thousands of pages of documents produced by Defendants and third-parties and (ii) conduct of twenty depositions of TKT-affiliated personnel, attorneys from both of the Company's outside corporate counsel and the Company's outside regulatory counsel.

Based upon the Class Representatives' independent investigation and the significant volume of documents and information they received in discovery, Class Representatives and Lead Counsel believe that the Settlement, which provides for payment of \$50 million, is an excellent recovery for Class Members. Especially here, where Defendants argued that the Class Representatives would be unable to prove scienter and loss causation and their arguments on loss causation were supported by their expert report, Lead Counsel believe that the Class faced substantial risks in taking this Action to trial. Based on their evaluation, the Class Representatives and Lead Counsel have determined that the settlement set forth in this Stipulation is fair, reasonable and adequate and in the best interests of the Class.

The Defendants, while affirmatively denying wrongdoing, fault and liability, consider it desirable and in their best interests that the Action be dismissed against them according to the terms of the proposed Settlement in order to avoid the further expense, uncertainty and distraction of protracted litigation.

3. Why is this Action a Class Action?

In a Class Action, one or more people or entities called a lead plaintiff or a class representative, sue on behalf of other investors who have similar claims based upon their transactions in a given security. All of those people and/or entities are referred to collectively as a "Class," or individually as a "Class Member." One court resolves the issues for all Class Members, except for those persons or entities who exclude themselves from the Class (as explained below).

¹ Subsequent to the issuance of the Order, plaintiffs voluntarily dismissed the Securities Act claims.

4. Why is there a Settlement?

The Court did not decide in favor of either the Class Representatives or the Defendants in this Action. Instead, the Class Representatives and the Defendants agreed to settle before obtaining final rulings from the Court or a jury. As explained above, the Class Representatives and Lead Counsel believe the Settlement is beneficial for all Class Members. The Defendants consider it desirable and in their best interests that the Action be dismissed against them under the terms of the proposed Settlement in order to avoid the further expense, uncertainty and distraction of protracted litigation.

5. How do I know if I am included in the Settlement?

You are a Class Member only if you purchased or acquired TKT common stock during the Class Period. The Class has been certified by the Court and will include:

All persons and entities who purchased or otherwise acquired the common stock of TKT from January 4, 2001 through January 10, 2003, inclusive.

You are not a Class Member if you are one of the following: One of the Defendants, a member of Selden's immediate family, any subsidiary, affiliate, or control person of either Defendant, an officer or director of TKT during the Class Period or a legal representative, heir, successor or assign of any such excluded party.

Also excluded from the Class are Persons who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in this Notice as described in Question 12 below.

If one of your mutual funds purchased or owns TKT common stock that alone does not make you a Class Member. Contact your broker to see whether you purchased TKT common stock during the Class Period.

6. What if I still am not sure whether I am included?

If you are still not sure whether you are included, you can ask for free help. You can call 1-800-918-4311 or visit www.transkaryoticclasssettlement.com for more information. Or you can fill out and return the claim form described on page 8, in Question 9, to see if you qualify.

7. What does the Settlement Provide?

The Settlement provides a recovery of \$50,000,000. The Settlement Amount, plus interest, is referred to herein as the Gross Settlement Fund. The Net Settlement Fund will be distributed solely to Class Members who submit acceptable Proofs of Claim (see Response to Question 9 below).

The Settlement, if approved, will result in the dismissal of the Complaint against the Defendants and the release by all Class Members of all Settled Claims against the Released Parties, as defined below in the Response to Question 11.

As stated above, Lead Counsel estimate that the average recovery under the Settlement will be \$1.28 per share of TKT common stock. The actual recovery of any particular Class Member will depend on the following: (1) the number of claims filed; (2) when a Class Member purchased or acquired TKT common stock during the Class Period; (3) whether a Class Member sold or retained his, her or its TKT common stock during the Class Period and if sold, when that transaction took place; (4) taxes and administrative costs, including the costs of this Notice; (5) the amount awarded by the Court for attorneys' fees and expenses; and (6) the amount awarded for reimbursement of time and expense to the Class Representatives. Distributions to Class Members will be made based on the Plan of Allocation described below in Response to Question 8, or as otherwise approved by the Court.

The Defendants do not agree with the Class Representatives as to the maximum amount that the Class could have recovered had the Class Representatives prevailed at trial and on appeal. In this regard, the Parties disagree regarding the following issues in connection with liability and damages: (1) whether Defendants made any false and misleading statements or whether such statements could be attributed to them; (2) whether the Defendants engaged in any deceptive or manipulative conduct; (3) whether the Defendants' conduct or statements were actionable under any law, including the federal securities laws; (4) whether the Defendants made the statements or engaged in the conduct with the requisite knowledge to constitute fraud; (5) the appropriate economic model for determining the amount by which TKT common stock was allegedly artificially inflated (if at all) during the Class Period; (6) the extent to which the various matters that the

Class Representatives allege were materially false or misleading (if at all) influenced and artificially inflated (if at all) the trading price of TKT common stock at various times during the Class Period; and (7) the extent to which external factors, such as general market conditions, influenced the trading price of TKT common stock (if at all) at various times during the Class Period.

The Net Settlement Fund will be divided among all Class Members who submit valid Proofs of Claim forms before the deadline for submission.

8. Payment pursuant to the Settlement

The proposed Plan of Allocation provides for distribution of the Net Settlement Fund to members of the Class who submit acceptable Proofs of Claim ("Authorized Claimants") as follows:

Each Person claiming to be a claimant entitled to share in the Net Settlement Fund shall be required to submit a separate Proof of Claim signed under penalty of perjury and supported by such documents as specified in the Proof of Claim as are reasonably available to the Authorized Claimant.

All Proof of Claim forms must be postmarked or received by June 30, 2008, addressed as follows:

In re Transkaryotic Therapies Securities Litigation Settlement
c/o The Garden City Group, Inc.
Claims Administrator
P.O. Box 9225
Dublin, OH 43017-4625

Unless otherwise ordered by the Court, any Class Member who fails to submit a properly completed and signed Proof of Claim within such period as may be ordered by the Court shall be forever barred from receiving any payments pursuant to the Stipulation, but will in all other respects be subject to the provisions of the Stipulation and the final judgment entered by the Court.

The Gross Settlement Fund, less all taxes, approved costs, fees and expenses (the "Net Settlement Fund") shall be distributed to Authorized Claimants.

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim." The Recognized Claim formula is not intended to be an estimate of the amount of what a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants. Such Plan of Allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Plan of Allocation may be modified in connection with, among other things, a ruling by the Court, an objection filed by a Class Member, or a request for exclusion by a Class Member, without further notice to the Class.

The Plan of Allocation generally measures the amount of loss that a Class Member can claim under the Settlement for the purpose of making *pro rata* allocations of the cash in the Net Settlement Fund to Class Members who submit acceptable Proofs of Claim. The Plan of Allocation is not a formal damage analysis. The following proposed Plan of Allocation reflects plaintiffs' allegations that the price of TKT common stock was artificially inflated during the Class Period (January 4, 2001 through January 10, 2003, inclusive) due to misrepresentations and/or omissions by TKT. The plaintiffs allege that corrective disclosures during the Class Period, on October 2, 2002 and November 27, 2002, removed artificial inflation from the price of TKT common stock.

To recover in the Settlement, you must have held your TKT common stock past a corrective disclosure. As indicated in the formula set forth below, if you did not hold your TKT common stock through one of the dates indicated, the Recognized Loss per share is \$0. The Recognized Loss for these transactions will be calculated as zero because it has been determined that the artificial inflation between each disclosure and arising from the circumstances underlying the allegations of the Complaint was constant.

Recognized Claims will be calculated for the purposes of the Settlement as follows:

1. For shares of common stock purchased or otherwise acquired between January 4, 2001 and the close of trading October 2, 2002:
 - A. For shares sold between January 4, 2001 and the close of trading on October 2, 2002, there shall be no Recognized Loss.
 - B. For shares sold between the close of trading on October 2, 2002 and the close of trading on January 14, 2003, the Recognized Loss shall be the lesser of:
 - (i) the inflation per share at the time of purchase/acquisition minus the inflation per share at the time of sale, such inflation amounts as set forth on the Table below; and
 - (ii) the purchase/acquisition price per share minus the sale price per share.
 - C. For shares sold between the close of trading on January 14, 2003 and April 14, 2003, the Recognized Loss shall be the lesser of:
 - (i) the inflation per share at the time of purchase/acquisition minus the inflation per share at the time of sale, such inflation amounts as set forth on the Table below;
 - (ii) the difference between the purchase/acquisition price per share and the sales price per share for each share sold; or
 - (iii) the difference between the purchase/acquisition price per share and the average closing price per share between the close of trading on January 14, 2003 and the date of sale for each share sold.
 - D. For shares retained at the close of trading on April 14, 2003, the Recognized Loss shall be the lesser of:
 - (i) the inflation per share at the time of purchase/acquisition, such inflation as set forth on the Table below; and
 - (ii) the purchase price per share minus the average closing price per share from the close of trading on January 14, 2003 through April 14, 2003 which is \$5.25.
2. For shares of common stock purchased or otherwise acquired between the close of trading on October 2, 2002 and the close of trading on November 26, 2002:
 - A. For shares sold between the close of trading on October 2, 2002 and the close of trading on November 26, 2002, there shall be no Recognized Loss.
 - B. For shares sold between the close of trading on November 26, 2002 and the close of trading on January 14, 2003, the Recognized Loss shall be the lesser of:
 - (i) the inflation per share at the time of purchase/acquisition minus the inflation per share at the time of sale, such inflation amounts as set forth on the Table below; and
 - (ii) the purchase/acquisition price per share minus the sale price per share.
 - C. For shares sold between the close of trading on January 14, 2003 and April 14, 2003, the Recognized Loss shall be the lesser of:
 - (i) the inflation per share at the time of purchase/acquisition minus the inflation per share at the time of sale, such inflation amounts as set forth on the Table below;
 - (ii) the difference between the purchase/acquisition price per share and the sales price per share for each share sold; or
 - (iii) the difference between the purchase/acquisition price per share and the average closing price per share between the close of trading on January 14, 2003 and the date of sale for each share sold.
 - D. For shares retained at the close of trading on April 14, 2003, the Recognized Loss shall be the lesser of:
 - (i) the inflation per share at the time of purchase/acquisition, such inflation as set forth on the Table below; and
 - (ii) the purchase/acquisition price per share minus the average closing price per share from the last significant corrective disclosure on January 14, 2003 through April 14, 2003 which is \$5.25.
3. For shares of common stock purchased or otherwise acquired between the close of trading on November 26, 2002 and January 10, 2003:

- A. For shares sold between the close of trading on November 26, 2002 and the close of trading on January 14, 2003, there shall be no Recognized Loss.
- B. For shares sold between the close of trading on January 14, 2003 and the close of trading April 14, 2003, the Recognized Loss shall be the lesser of:
- (i) the inflation per share at the time of purchase/acquisition minus the inflation per share at the time of sale, such inflation amounts as set forth on the Table below;
 - (ii) the difference between the purchase/acquisition price per share and the sales price per share for each share sold; or
 - (iii) the difference between the purchase price per share and the average closing price per share between the close of trading on January 14, 2003 and the date of sale for each share sold.
- C. For shares retained at the close of trading on April 14, 2003, the Recognized Loss shall be the lesser of:
- (i) the inflation per share at the time of purchase/acquisition, such inflation as set forth on the Table below; and
 - (ii) the purchase price per share minus the average closing price per share from the close of trading on January 14, 2003 through April 14, 2003 which is \$5.25.

INFLATION TABLE

Beginning of Period	End of Period	Inflation Stated as Dollar Value
January 4, 2001	April 1, 2001	\$3.83
April 2, 2001	May 16, 2001	\$4.92
May 17, 2001	May 17, 2001	\$5.57
May 18, 2001	June 4, 2001	\$5.78
June 5, 2001	September 24, 2001	\$9.16
September 25, 2001	October 15, 2001	\$9.57
October 16, 2001	October 28, 2001	\$10.62
October 29, 2001	November 28, 2001	\$12.28
November 29, 2001	February 10, 2002	\$15.73
February 11, 2002	May 1, 2002	\$17.24
May 2, 2002	July 7, 2002	\$17.91
July 8, 2002	October 2, 2002	\$22.35
October 3, 2002	November 26, 2002	\$7.16
November 27, 2002	January 14, 2003	\$2.17
January 15, 2003	and thereafter	\$ 0

In the event a Class Member has more than one purchase, acquisition or sale of TKT common stock, all purchases, acquisitions and sales shall be matched on a First-In-First-Out (“FIFO”) basis, Class Period sales will be matched first against any shares of TKT common stock held at the beginning of the Class Period, and then against purchases and acquisitions in chronological order, beginning with the earliest purchase and acquisitions made during the Class Period. Purchases and sales of TKT common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, devise or operation of law of TKT common stock during the Class Period shall not be deemed a purchase or sale for the calculation of an Authorized Claimant’s Recognized Claim nor shall it be deemed an assignment of any claim relating to the purchase and/or acquisition of TKT common stock unless specifically provided in the instrument of gift or assignment.

Each Authorized Claimant shall be allocated *pro rata* shares of the Net Settlement Fund based on his, her or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants. Each Authorized Claimant shall be paid an amount determined by multiplying the total in the Net Settlement Fund by a fraction, the numerator of which shall be his, her or its Recognized Claim and denominator of which shall be the Total Recognized Claims of all Authorized Claimants. The amount of a Class Member’s Recognized Claim as computed above is not intended to be an estimate of what a Class Member might have been able to recover at trial, and it is not an estimate of the amount that will be paid pursuant to this Settlement. Instead, this computation is only a method to weigh Class Members’ claims against one another. Each Authorized Claimant will receive *pro rata* shares of the Net Settlement Fund based on his, her or its Recognized Claim.

To the extent a Claimant had a gain from his, her or its overall transactions in TKT common stock during the Class Period, the value of the Recognized Claim will be zero. Such Claimants will in any event be bound by the Settlement. To the extent a Claimant suffered an overall loss on his, her or its overall transactions in TKT common stock during the Class Period, but that loss was less than the Recognized Claim calculated above, then the Recognized Claim shall be limited to the amount of the actual loss.

Distributions will be made to Authorized Claimants only after the Court has finally approved the Settlement, the Effective Date has occurred and after all claims have been processed. If any funds remain in the Net Settlement Fund by reason of un-cashed distributions or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund six months after the initial distribution of such funds shall be re-distributed to Class Members who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. If after six months after such re-distribution any funds shall remain in the Net Settlement Fund, then such balance shall be contributed to non-sectarian, not-for-profit organizations designated by Lead Counsel after notice to the Court and subject to direction, if any, by the Court.

The Class Representatives, the Defendants, their respective counsel, and all other Released Parties shall have no responsibility for or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation or the determination, administration, calculation, or payment of any Proof of Claim or non-performance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

OTHER PROVISIONS OF THE PLAN

To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's recognized claim, as defined below. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's recognized claim bears to the total of the claims of all Authorized Claimants. If payment calculates to less than \$10, then such payment shall be equal to \$10. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

The determination of the price paid and the price received shall be exclusive of all commissions, taxes, fees and charges. Therefore, you need to list all purchases, acquisitions, and sales of TKT common stock during the relevant time period. Brokerage commissions and transfer taxes paid by you in connection with your purchase, acquisition and sale of TKT common stock should be included in the "total purchase price" and net of the "total proceeds."

The Court has reserved jurisdiction to allow, disallow or adjust the claim of any Class Member on equitable grounds. No person shall have any claim against the Class Representatives or their counsel or any claims administrator or other agent designated by the Class Representatives or their counsel, or against Defendants or Defendants' counsel, based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. All Class Members who fail to complete and file a valid and timely Proof of Claim shall be barred from participating in distributions from the Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment(s) entered and the releases given.

Under no circumstances will a Recognized Loss exceed the out-of-pocket loss, not including commissions, taxes or other fees.

The Plan of Allocation is not a material term of the Settlement and the Court may approve a modified version of this Plan of Allocation.

9. How can I receive a payment in the Settlement?

To qualify for payment, you must submit a Proof of Claim form. A Proof of Claim form is enclosed with this Notice. You may also obtain a Proof of Claim form on the Internet at www.transkaryoticclasssettlement.com. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it postmarked no later than June 30, 2008.

10. When will I receive my payment in the Settlement?

The Court will hold a hearing on June 5 2008, at 2:00 p.m. ("Settlement Hearing") to decide whether to approve the Settlement. Even if the Court approves the Settlement, it could take more than a year before the Net Settlement Fund is distributed to the Class Members because the Claims Administrator must process all of the Proof of Claim forms, audit the results and follow up to cure deficient claims. As a result, the processing of claims is a complicated process which can take many months to complete.

11. What am I giving up to receive my payment in the Settlement?

Unless you exclude yourself, you are agreeing to remain in the Class and that means that if the Settlement is approved you will release all "Settled Claims" against the "Released Parties" (as defined below and in the Stipulation which is available on the internet at www.transkaryoticclasssettlement.com or through the mail upon request, and in the Proof of Claim form). This means that you no longer have the right to pursue these claims in a court of law against the Defendants or any of the Released Parties. If you remain a member of the Class all of the Court's orders will apply to you and legally bind you.

"Settled Claims" means any and all claims, debts, demands, rights or causes of action, suits, matters, and issues or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and Unknown Claims (as defined herein), (i) that have been asserted in the Action against any of the Released Parties, or (ii) that could have been asserted in any forum by the Class Members or any of them or the successors and assigns of any of them against any of the Released Parties which arise out of, are based upon, or relate to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Action and related to the purchase or acquisition of TKT common stock during the Class Period.

"Released Parties" means Defendants, their successors, past or present subsidiaries, parents, principals, affiliates, general or limited partners or partnerships, successors and predecessors, heirs, assigns, officers, directors, agents, employees, attorneys, advisors, insurers, co-insurers, re-insurers, consultants, administrators, estates, executors, trustees, personal representatives, immediate family members and any person, firm, trust, partnership, corporation, officer, director or other individual or entity in which either Defendant has a controlling interest or which is related to or affiliated with either Defendant, and the legal representatives, heirs, executors, administrators, trustees, successors in interest, or assigns.

12. How do I exclude myself from the Settlement?

To exclude yourself from the Settlement, you must send a letter by mail to the Claims Administrator saying that you want to be excluded from *In re Transkaryotic Therapies, Inc. Sec. Litig.*, Civil Action No. 03-10165-RWZ. If you wish to exclude yourself from the Class, be sure to include your name, address, telephone number, and signature, and mail your exclusion request postmarked no later than April 26, 2008 to:

In re Transkaryotic Therapies Securities Litigation Settlement
c/o The Garden City Group, Inc.
Exclusions
Claims Administrator
P.O. Box 9225
Dublin, OH 43017-4625

Requests for exclusion must also list the amount of TKT common stock purchased, acquired, or sold during the Class Period, the prices paid or received, the date of each transaction and the amount or number of shares of TKT common stock held as of the beginning of the Class Period on January 4, 2001 and at the end of the Class Period on January 10, 2003.

You cannot exclude yourself on the website, by telephone or by e-mail. **If you do not follow these procedures including meeting the date for exclusion set out above you will not be excluded from the Class, and you will be bound by all of the orders and judgments entered by the Court regarding the Settlement.** You must exclude yourself even if you already have a pending case against any of the Released Parties based upon any Settled Claims.

If you ask to be excluded, you will not receive a Settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit.

13. Do I have a lawyer in the Action?

The Court approved Lead Counsel to represent you and the other Class Members in the Settlement. The Court also appointed an Executive Committee of three law firms. If you need to reach Lead Counsel to discuss any aspect of the Settlement, please address your inquiries to the attorneys named in Response to Question 15 below.

If you want to be represented by your own lawyer, you may hire one at your own expense.

14. How will the lawyers for the Class in the Settlement be paid?

Lead Counsel has litigated the Action on an entirely contingent basis, and has advanced the expenses of litigation with the expectation that if it were successful in recovering money for the Class, it would receive fees and be reimbursed for their expenses from the Gross Settlement Fund, as is customary in this type of litigation. Lead Counsel intend to apply for a fee of up to 25% of the Gross Settlement Fund, plus interest earned at the same rate as the Class. Lead Counsel is also seeking reimbursement of the costs and expenses advanced by Plaintiffs' Counsel in connection with the Action, in an amount that will not exceed \$825,000, plus interest earned at the same rate as the Class.

The Class Representatives will also apply for reimbursement of their reasonable time and expenses (including lost wages) directly relating to their representation of the Class in an amount that will not exceed \$80,000, collectively.

15. How do I notify the Court if I am opposed to any part of the Settlement, the Plan of Allocation, the request for attorneys' fees and reimbursement of expenses or the Class Representatives' application for reimbursement of time and expenses in the Settlement?

If you are a Class Member you may object to any aspect of the Settlement if you do not like any part of it, including the Plan of Allocation, the request for attorneys' fees and reimbursement of expenses or the Class Representatives application for reimbursement of time and expenses.

To object, you must send a letter stating that you are a Class Member, that you object to the Settlement in *In re Transkaryotic Therapies, Inc. Securities Litigation*, Civil Action No. 03-10165-RWZ, and the reasons why you object.

In your objection, you must include your name, address, telephone number, and your signature. You must also include information concerning your transactions in TKT common stock during the Class Period, including the dates, prices paid or received and amounts purchased, acquired or sold and held at the end of the Class Period, so that the Court may determine that you are part of the Class and have an economic interest in any aspect of the Settlement. If you intend to present any witnesses at the Settlement Hearing, you must also so state. Your objection must be filed with the Court and received no later than April 26, 2008, by counsel listed below:

Lead Counsel for Plaintiffs

Michael K. Yarnoff, Esq.
Kay E. Sickles, Esq.
Schiffirin Barroway Topaz & Kessler, LLP
280 King of Prussia Road
Radnor, PA 19087

Defendants' Counsel

Jeffrey Rudman
Michael Bongiorno
Wilmer Cutler Pickering Hale & Dorr LLP
60 State Street
Boston, MA 02109

16. When and where will the Court decide these matters?

The Settlement Hearing will be held at 2:00 p.m. on June 5, 2008, at the United States District Court for the District of Massachusetts, John Joseph Moakley U.S. Courthouse, 1 Courthouse Way, Boston, MA 02210. At this hearing the Court will consider whether (i) the Settlement is fair, reasonable and adequate (ii) whether the claims against the Defendants should be dismissed with prejudice as set forth in the Stipulation; (iii) whether the Plan of Allocation is fair and reasonable; and (iv) whether the application by Lead Counsel for an award of attorneys' fees and reimbursement of litigation expenses should be approved. The Court may decide to adjourn the Settlement Hearing without further notice to the Class. The Court may also decide whether and how much to award the Class Representatives for reimbursement of their reasonable time and expenses (including lost wages).

17. Am I required to appear at the Settlement Hearing and may I speak?

You do not need to attend the Settlement Hearing. However, if you have filed an objection to any aspect of the Settlement as provided above, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection the statement, "I hereby give notice that I intend to appear at the Settlement Hearing in *In re Transkaryotic Securities Litigation*, Civil Action No. 03-10165-RWZ. Be sure to include your name, address and telephone number, identify all relevant data concerning your TKT common stock, including the dates, prices paid or received and amounts purchased, acquired or sold, and held as of the end of the Class Period, and sign the letter. If you intend to have any witnesses testify or to introduce any evidence at the Settlement Hearing, you must list the witnesses and evidence in your objection. Your Notice of Intention to Appear must be sent to the Clerk of the Court and the counsel listed above in the answer to Question 15 no later than April 26, 2008. You cannot speak at the hearing if you exclude yourself.

18. What will happen if I am a Class Member in the Action and I do nothing at all?

If you do not exclude yourself from the Class, and you fail to timely file a Proof of Claim, you will receive no recovery from the Net Settlement Fund. Unless you exclude yourself from the Class, you will not be able to start a lawsuit, continue to litigate a pending lawsuit, or be part of any other lawsuit against the Defendants or the Released Parties for any Settled Claim released by the Settlement, ever again.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

The Court has ordered that if you purchased or acquired TKT common stock during the Class Period as nominee for a beneficial owner, then within seven (7) calendar days after you receive this Notice, you must either: (a) send a copy of this Notice and the accompanying Proof of Claim by first class mail to all such beneficial owners; or (b) provide a list of the names and addresses of such beneficial owners to the Claims Administrator at the following address so that the Claims Administrator can provide them with a copy of this Notice and a Proof of Claim form.

In re Transkaryotic Therapies Securities Litigation Settlement
c/o The Garden City Group, Inc.
Claims Administrator
P.O. Box 9225
Dublin, OH 43017-4625

You are entitled to reimbursement of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation.

GETTING MORE INFORMATION

This Notice summarizes the proposed Settlement. More details are contained in the Stipulation for the Action which is available at www.transkaryoticclasssettlement.com. If you have questions regarding how to obtain copies of documents related to this Settlement, completing your Proof of Claim form, correspondence you have received from the Claims Administrator, or the calculation of your Recognized Claim, you may write to The Garden City Group, Inc. at the address listed above or call it toll free at 1-800-918-4311.

PLEASE DO NOT CONTACT THE COURT

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