

September 27, 2002

Dear Celera Client,

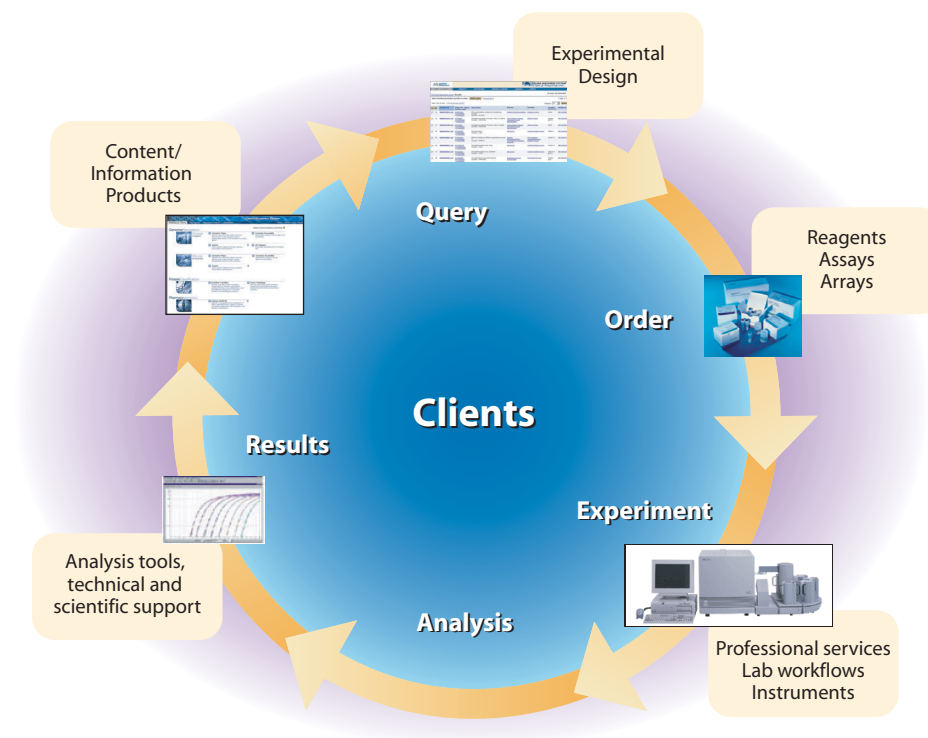
We would like to take this opportunity to thank you for being a valued client of Celera Genomics (Celera), to explain the transformation within Celera and its sister business Applied Biosystems (AB) and to share with you some of the many benefits of these changes. At the same time, we want to assure you that your relationship with Celera is and will remain one of our highest priorities.

### THE CELERA-AB RELATIONSHIP

Celera and AB are the two principal business groups of Applied Biosystems Corporation. Since its inception, Celera has used the technology of AB to generate top quality genomic information. Earlier this year, Celera and AB entered into a marketing and distribution agreement, which made AB the sole distributor of the Celera Discovery System™ (CDS) and related information assets. The formation of this relationship between Celera and AB was a key step in the development of AB's emerging Knowledge Business. Both Celera and AB believe that by combining CDS and related information and other key assets with AB's Knowledge Business, both companies can better serve the needs of our respective clients. The Knowledge Business will seek to merge Celera's comprehensive information with AB's bench science to enhance the way scientists devise, develop, analyze and interpret experiments through an integrated portfolio of biological information, assays, instrument systems and services.

### THE MISSION OF THE KNOWLEDGE BUSINESS

The mission of the Knowledge Business is to provide comprehensive information and tools to facilitate the numerous and varied research programs and requirements of our collective clients. In the immediate future, we believe that CDS and the underlying genomic information and tool sets will be enhanced both substantively and qualitatively. In addition, the Knowledge Business plans to offer you a complete research solution that integrates experimental design and data analysis.



The Knowledge Business intends to achieve its mission through:

- Continued integration and quality control of data from diverse sources
- Continued expert curation of data
- Development of validated laboratory reagents and data products
- Integration of laboratory instrumentation and data analysis capabilities

Continued investment in research and development of new technologies will support these on-going efforts. For example, Applera is making an approximate \$100 million investment into the Applera Genome Initiative to experimentally validate Celera's genomic information, help improve data annotation and derive validated assays. This program, which is a joint effort between Celera, AB, and Celera Diagnostics, another Applera business, will generate important data for target validation, predictive toxicology, drug efficacy, diagnostics and assay products, and has already resulted in:

- A project designed to identify and select 200,000 SNPs located in gene or gene-regulatory regions and validate these SNPs on 90 human DNAs by generating individual genotypes and allele frequency data.
- A project designed to re-sequence the genes and regulatory regions of 39 individuals to validate genomic sequence and identify SNPs in coding regions, regulatory regions and splice site boundaries.

#### THE KNOWLEDGE BUSINESS: BENEFITS TO CELERA CLIENTS

The results of the Celera-AB relationship is already visible to users of CDS. In particular, the integration of high quality assay products utilizing TaqMan<sup>®</sup> probe-based 5' nuclease chemistry into CDS will mean a direct link between the data in CDS and new assays. We expect this to translate to an increase in efficiency and quality of experimental design. The TaqMan<sup>®</sup> probe-based 5' nuclease assay products specifically includes:

- **Assays-on-Demand<sup>™</sup> Gene Expression Products** - These off-the-shelf, assay sets cover 14,000+ well-characterized transcripts from the RefSeq database and are tested against pooled mRNA from 10 different tissues. Ultimately, we expect that assays will be available for all predicted human genes.
- **Assays-on-Demand<sup>™</sup> SNP Genotyping Products** - 200,000 ready-to-use assays based largely on Celera's proprietary database and validated on 90 individual DNA to ensure assay performance and generate allele frequency data in key populations.
- **Assays-by-Design<sup>SM</sup> Service** - a custom assay design service dedicated to providing quality assay products for your gene expression and SNP genotyping needs. Assays-by-Design Service uses the same experimental conditions as Assays-on-Demand products, ensuring the highest level of compatibility between the two products.

In addition the Knowledge Business will soon offer a highly integrated array of bioinformatic and laboratory services, so our clients can create unique, validated results tailored to their needs. Our clients will also be able to utilize laboratory and computational resources to perform experiments and analysis more cost effectively than an on-site facility. Examples of demonstrated services already performed include:

- Custom Datasets generated to meet client's needs and delivered in a format compatible with client's existing systems
- Genomic Mapping Services
- Custom Computational Annotation
- Database Design and Implementation
- High-throughput Genotyping, including SNP selection and haplotype analysis
- Custom Sequencing, including SNP re-sequencing
- High-throughput Gene Expression Analysis using custom assay sets

In short, we believe that by combining both companies' capabilities, we will be able to offer a much wider set of products and services to our clients. For example, we will be able to map ESTs to the genome and identify assays for relevant transcripts for a client to use in its research or in laboratory services such as high-throughput genotyping, and we can deliver the data in formats compatible with the client's existing systems or as part of a custom database.

### **CELERA'S CONTINUING COMMITMENT**

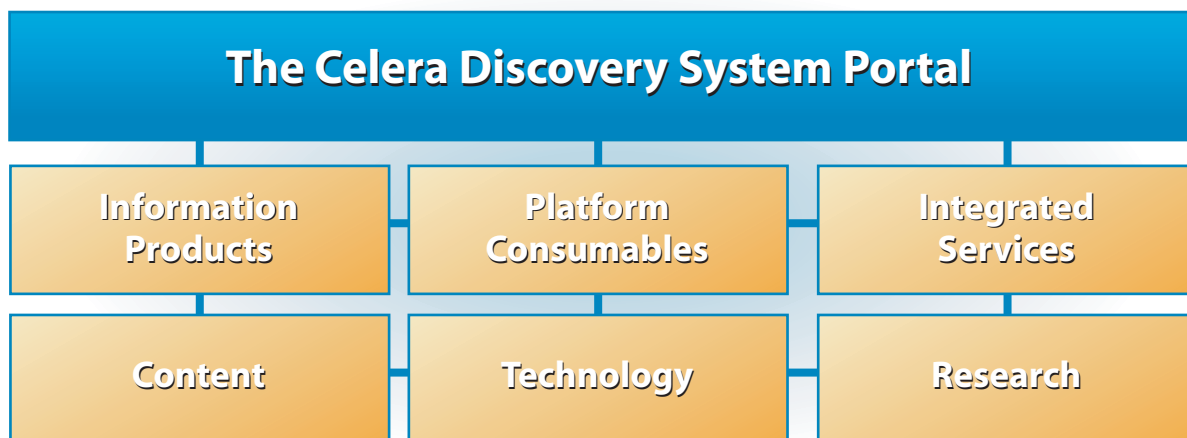
Although the Celera-AB relationship represents an important step in our internal development, it has no effect on Celera's obligations and commitment to its clients. As a Celera client, your continued satisfaction is among our highest priorities and we remain committed to providing you with the highest quality information and tools available to provide continuous value for your subscription. Celera has, over the past year, demonstrated this commitment by delivering major enhancements to CDS including:

- Updated human and mouse genomic assembly and annotation
- Expert curation of human transcripts
- Mouse RefSNP database
- Public identifiers mapped to Celera human and mouse genomes
- Human-Mouse orthologs and synteny information
- New Panther Protein Classification Function-Family Browser
- Online purchasing of cDNA clones via CDS through a 3rd party source
- LYNX/MPSS Expression data from 28 normal tissues
- CDS functionality and viewing enhancements
- E-commerce purchase capability of mapped AB assays to the Celera human genes in CDS

In the near future, capabilities that we plan to add to CDS include:

- **SNP Validation Data:** This will allow users to have high confidence in the SNP and give insight into distribution in various populations.
- **CDS Synteny Viewer:** The new viewer will allow a user to examine the relationships between human and mouse at the genomic and ortholog levels.
- **Expert Curation of Mouse Transcripts:** Expert curation will enhance the accuracy of the representation of genes and transcripts.
- **Gene Regulatory Regions:** Celera's computational prediction of transcription factor binding sites will allow users to identify key elements in gene expression studies.
- **Updated Human Genomic Assembly and Annotation:** Up-to-date data and improved algorithms will provide users with top quality assembly and annotation.
- **Panther Universal Protein Library 3.1:** Addition of 2000 new families will classify more proteins into families and sub-families and will catalog them by molecular function and biological process.
- **Key Literature Linked to Celera Genes:** Celera annotated genes linked to key scientific literature will allow users to determine biological significance and provide experimental evidence.
- **CDS Batch Blast Capability:** Batch blast will allow users to quickly blast multiple sequences against any Celera or public databases.

The united goal of both Celera and AB, through the Knowledge Business, is to bring world-class discovery capabilities to all labs through the development of a life science research portal, through which we would deliver an integrated portfolio of biological information, assays, instrument systems, and services - effectively, a complete research environment.



As the Knowledge Business brings new capabilities to life science researchers, we wish to emphasize that the Celera resources that have been dedicated to assist our CDS clients and your primary points of contact will remain. This is an exciting time at Celera Genomics and Applied Biosystems, and as a Celera client, we realize how important it is for you to understand where we are going, and to participate in our growth. We are both personally committed to helping you better meet your needs and achieve your scientific goals.

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah A. Smeltzer".

Deborah A. Smeltzer  
Vice President, Knowledge Business  
Applied Biosystems

A handwritten signature in black ink, appearing to read "Jason B. Mollé".

Jason B. Mollé  
General Manager, Online Business  
Celera Genomics