



SYMYXTECHNOLOGIES, INC.  
2007 ANNUAL REVIEW

Partnership.  
Management.  
Execution.

▼  
One Symyx.



## 2007 in Review: Bringing It All Together

Isy Goldwasser  
Chief Executive Officer

“Each of our businesses will pursue a number of key strategic initiatives this year, but I am particularly excited about the synergies between Symyx Software, Symyx Tools and Symyx Research as we move forward.”

In 2007, we made enormous strides to transform Symyx and to position ourselves for future growth. We finished the year at or above our revised financial targets, reorganized the company into three discrete business units, strengthened our management team, acquired MDL Information Systems and executed a major restructuring. After an unusually dynamic year, we exited 2007 stronger and well-established as a leading provider of integrated R&D solutions for the life sciences, chemicals and energy industries.

So what do we mean by “integrated R&D solutions?” Integrated R&D solutions use lab automation to speed research and R&D informatics to capture, share and use research information globally. Our solutions accelerate R&D and maximize confidence in achieving successful lab results.

In our core markets, our customers are under intense, unprecedented pressure to innovate more efficiently and effectively. In life sciences, for example, drug companies must replace blockbusters facing expiring patent protection. In chemicals, companies are struggling to keep up with global demands and increases in raw materials costs caused by rising oil prices. And in energy, there is the added challenge of regulation. In all cases, our customers must innovate with fewer resources, achieve better success rates and shorten their cycle times. These pressures are driving our customers to globalize, outsource, digitize and automate — in short to modernize — their R&D. Only with integrated R&D solutions is this modernization possible.

At Symyx, we combine software, tools and research services into one R&D-centric platform. Customers have different needs and move at different speeds, but our broad product portfolio allows us to develop relationships starting with any one or any combination of our solutions and to expand from there.

As we pursue our mission — enabling our customers to modernize their R&D — what’s exciting is the opportunity to offer all of these solutions across our existing and expanding global customer base. Today, Symyx supports over 1,000 customers, including all of the world’s top ten pharmaceutical companies and six of the top ten chemical companies. This is a great foundation on which to build a stronger, larger, more profitable company.

Successfully penetrating our expanding global customer base with all of our offerings will require leadership, organization and execution. With the significant strides we made in 2007, I believe we are up to the task.

Over a decade ago, Symyx began as a research business with a handful of strategic accounts. Today, we provide integrated R&D solutions that combine best-in-class software, tools and research services to a broad range of customers. With multiple growth initiatives underway across all of our businesses, we are excited about our prospects in 2008.

In the following pages, our three business unit leaders will talk about our offerings and opportunities in each of our business areas. I look forward to continuing to update you on our progress, and as always we thank our shareholders for their continued support.

A handwritten signature in black ink, appearing to read 'Isy Goldwasser'. The signature is stylized with a long horizontal line extending to the right.

Chief Executive Officer



“As a customer-driven, customer-enabling organization, we are focused on meeting the R&D productivity needs of life sciences and chemical companies around the world.”

## Symyx Software: Accelerated Growth on All Fronts

Timothy Campbell  
President, Symyx Software

In 2007, Symyx Software grew its portfolio of products and services, expanded its global sales and marketing functions and increased its customer base — each by several orders of magnitude.

This leap ahead was accelerated by our 2007 acquisition of MDL Information Systems. This transformative acquisition unites two outstanding organizations with complementary strengths: Symyx Software is strong in development, and MDL is strong in discovery.

Having long offered software and tools to support R&D automation, as well as a flexible electronic lab notebook to capture and share information, Symyx Software now bridges these core areas with a much expanded product portfolio — and the strongest molecule-to-market software platform for life sciences and chemical companies.

Simultaneously, we expanded our market presence to include more than 1,000 customers. What’s more, MDL brings us deep capability in chemistry, broad content offerings and a complete cheminformatics infrastructure.

In building our software business, we have kept the market’s needs squarely in mind. R&D is undergoing dramatic change in the industries we serve and Symyx is in a unique position to benefit as a leading partner offering integrated R&D solutions.

Today, scientists recognize the essential role that integrated reference database and workflow solutions play. It is critical to the effective management of research programs and to driving increased R&D productivity. Underlying this recognition is a sense of urgency to discover and

bring new products to market. In the pharmaceutical industry, for example, it is estimated that 30 to 50 percent of all revenues will come off patent in the next five years.

We are in a position today to address these R&D challenges with our comprehensive software solutions. With the integration of MDL into Symyx Software largely complete, we are moving ahead with development projects and product enhancements, including a next-generation electronic lab notebook and the next generation of Isentris, our enterprise software solution for integrating internal and external research information and applications.

Most importantly, as a customer-driven, customer-enabling organization, we are focused on meeting the R&D productivity needs of life sciences and chemical companies around the world. Today, with a greatly expanded global sales force, supported by more than 200 developers, we are poised to deliver new levels of value to a large and enthusiastic customer base.

A handwritten signature in black ink that reads "Timothy Campbell". The signature is fluid and cursive.

Timothy Campbell  
President, Symyx Software



“Standardizing our offerings and improving our marketing capabilities enables Symyx Tools to more effectively meet the needs of a greater number of customers.”

## Symyx Tools: Scaling to Meet Growing Market Demand

Gerard Abraham  
President, Symyx Tools

When I joined the company as President of Symyx Tools during 2007, I joined an organization with extensive expertise in software-driven instrumentation for materials R&D. I heard from customers and colleagues that Symyx Tools were uniquely able to help R&D organizations automate experimentation while eliminating costly, labor-intensive and rote work.

Today, our challenge is to scale this unique platform to meet growing market demand. During 2007 we made significant progress in this area.

Until recently, we pursued a model in which we developed customized tools to meet each customer's specific needs. This model worked well, but it was not well-suited to the broader adoption of automation technologies that will drive Symyx's growth going forward.

The fact is, our customers in the life sciences, chemicals, performance materials and energy industries are under enormous pressure to bring more new products into their pipelines and develop them into successful commercial products more quickly and reliably. By empowering R&D organizations to speed their experimentation capability by 10-100 times, Symyx Tools can help these industries meet this pressing demand to innovate. But we want to do this by creating a scalable business based on more standardized, easily configurable hardware solutions. We've made excellent progress. In pharmaceuticals, for example, we identified twelve processes common to all pharma small molecule R&D operations. Today, Symyx Tools offers seven standard workflows — all validated and production tested — that perform all twelve of these pharmaceutical processes. These workflows are 95 percent standardized, with only very minimal customization required.

In the chemicals, energy and performance materials industries, there are fewer common processes than in pharmaceuticals. Nevertheless, we have identified seventeen different standardized modules we can combine and configure to meet the diverse needs of customers in these industries.

Standardizing our offerings and improving our marketing capabilities enables Symyx Tools to more effectively meet the needs of a greater number of customers. Now I look forward to further demonstrating the potential of this model during 2008 and beyond.

The other significant opportunity I'm excited about is deriving maximum benefit from the synergies between our three business areas — Tools, Software and Research. Our Tools generate large volumes of data — data our R&D customers are increasingly recognizing as a valuable asset. To leverage the full power of this asset they need the right R&D software — Symyx Software.

With the recent investments in Symyx Software, we are now in a position to offer our Tools customers a complete R&D software solution. Of course, this works both ways. We now also have access to a greatly expanded customer base.

The synergies with our Research business are also significant. When a customer partners with Symyx Research to develop a new application, we essentially create a prototype of a new workflow and develop proof of concept. With certain modifications, we can commercialize this prototype to create a new Symyx Tool focused on this new customer application.

In this sense, Symyx Research is not only a good business in its own right, it is also a vehicle for monitoring the marketplace and developing new solutions to meet emerging needs. This way, we can be truly customer driven.

In short, Symyx Tools will be the catalyst for new software revenue — and will develop new applications that leverage our work in contract research. It's a great business model, with strong potential for continued growth and innovation.

A handwritten signature in black ink, appearing to read 'G. Abraham', written in a cursive style.

Gerard Abraham  
President, Symyx Tools



“Companies in our target markets are seeking to enhance research productivity by outsourcing some portion of their R&D operations.”

## Symyx Research: Customized Applications and IP Innovations

Richard Bohner  
President, Symyx Research

I'm delighted to update you on our newly-launched Symyx Research business. In truth, this business is new in name only, as Symyx Research builds upon our long track record of successful partnerships with leading life sciences, chemicals and energy companies.

As you may know, Symyx has excelled at forging deep and long-lasting collaborations. Two companies, Dow and ExxonMobil, were early adopters of our technology. They recognized earlier than many others the value that Symyx offers. As the industry has evolved into a more mainstream acceptance of high-throughput technologies, so too has our business relationship with these two important customers. In recent months, we clarified the next stage of our relationships with both companies, and they have both followed up significant original investments with new commitments to utilize Symyx offerings to continue the transformation of their research and development activities.

Companies in our target markets are seeking, as never before, to enhance research productivity by outsourcing some portion of their R&D operations. The model has evolved from one built on multi-year, multi-faceted collaborations to one that emphasizes targeted, project-based contracts. Symyx Research is poised to take advantage of this emerging trend.

Today, we offer customized research applications that target the chemicals, energy, electronics, performance materials and life sciences industries. By focusing on these industries, we leverage our deep tools and software expertise, and we take advantage of our global sales force and their extensive relationships within leading companies.

During the fourth quarter of 2007, Symyx Research achieved two notable customer wins, one with a major European chemicals company, the other with a top 10 multinational pharmaceutical company. The pharma win is particularly significant because it represents a contract research assignment for a long-term Symyx Software and Tools

customer. This is precisely the model we will look to in the future: offering each of our customers the complete suite of integrated R&D solutions.

Another area that I'm particularly excited about is our IP Innovations business. Here, we conduct joint research with strategic and financial partners. A good illustration of this business — and a major recent success story — is Ilypsa. The company was formed as a spin-out from Symyx in 2003. Using Symyx's proprietary high-throughput discovery and development platform, Ilypsa created a new, non-absorbed polymeric phosphate binder used in treating chronic kidney disease for patients on hemodialysis. Last year, Ilypsa was sold to Amgen for \$420 million. Our share was approximately 10 percent.

Recently, we have expanded our relationship with Intermolecular, a company that has developed semiconductor-specific systems and methods that accelerate R&D time to results. Intermolecular's offerings are based on a foundation of proven technology licensed from Symyx and we currently own approximately 13 percent of that company.

These opportunities, along with our new contract research offerings, represent an important platform for extracting value from our unique tools and software capabilities. Equally as important, they draw on the intellectual capital of Symyx scientists and engineers working in our own world-class labs and with industry-leading partners and customers around the world.

A handwritten signature in black ink that reads "Richard Bohner". The signature is fluid and cursive, with the first and last names clearly legible.

Richard Bohner  
President, Symyx Research



## Corporate Information

### Board of Directors

Steven D. Goldby  
Executive Chairman  
Symyx Technologies, Inc.

Isy Goldwasser  
Chief Executive Officer  
Symyx Technologies, Inc.

Timothy Harkness  
Private Investor

David C. Hill  
Private Investor

Kenneth J. Nussbacher  
Fellow  
Affymetrix, Inc.

Bruce A. Pasternack  
Private Investor

Mario M. Rosati  
Partner  
Wilson Sonsini Goodrich & Rosati

Christopher van Ingen  
Private Investor

### Corporate Officers

Steven D. Goldby  
Executive Chairman

Isy Goldwasser  
Chief Executive Officer

Rex S. Jackson  
Executive Vice President and  
Chief Financial Officer

Gerard Abraham  
President, Symyx Tools

Richard Boehner  
President, Symyx Research

Timothy Campbell  
President, Symyx Software

Kevin Cronin  
Senior Vice President,  
Worldwide Sales

Richard Rosenthal  
Senior Vice President, Finance  
and Principal Accounting Officer

### Corporate Headquarters

3100 Central Expressway  
Santa Clara, CA 95051

### Corporate Mailing Address

415 Oakmead Parkway  
Sunnyvale, CA 94085

### Internet Address

www.symyx.com

### Independent Registered

#### Public Accounting Firm

Ernst & Young LLP  
San Jose, California

### Legal Counsel

Cooley Godward Kronish LLP  
Palo Alto, CA

### Common Stock

Listed on Nasdaq Global Select Market:  
"SMMX"

### Annual Meeting

June 16, 2008  
9:00 a.m.  
Symyx Technologies, Inc.  
1263 East Arques Avenue  
Sunnyvale, CA 94085

### Transfer Agent & Registrar

Wells Fargo Bank Minnesota, N.A.  
Shareowner Services  
161 North Concord Exchange Street  
South St. Paul, MN 55075-1139  
(800) 468-9716

### Annual Report on Form 10-K and Proxy Materials

A copy of the Company's annual report on Form 10-K and proxy materials will be available without charge upon written request to ir@symyx.com or to Investor Relations, Symyx Technologies, Inc., 415 Oakmead Parkway, Sunnyvale, CA 94085.

### Stockholder Inquiries

Inquiries related to stock transfer or lost certificates should be directed to the Transfer Agent by calling (800) 468-9716. General information regarding Symyx and recent news releases can be obtained through our web site, www.symyx.com, or by contacting Investor Relations at ir@symyx.com or (408) 773-4075.

### Price Range of Common Stock

Our common stock is traded on the NASDAQ Global Select Market under the symbol "SMMX." The following table sets forth, for the periods indicated, the low and high bid prices per share for our common stock as reported by the NASDAQ Global Select Market.

	High	Low
<b>2006</b>		
First Quarter	\$29.58	\$24.00
Second Quarter	\$30.40	\$22.21
Third Quarter	\$25.14	\$20.96
Fourth Quarter	\$25.20	\$19.40
<b>2007</b>		
First Quarter	\$21.87	\$16.01
Second Quarter	\$18.21	\$9.86
Third Quarter	\$11.55	\$8.09
Fourth Quarter	\$10.42	\$6.90

### About Symyx

Symyx Technologies, Inc. is the scientific R&D integration partner to companies in the life sciences, chemicals, energy, electronics and consumer products industries. With scientific R&D under tremendous economic and technical pressure, Symyx helps companies reduce R&D risk and enhance R&D productivity to help them bring more and better products to market quickly and cost-effectively. Our integrated technology platform combines Symyx Software (electronic laboratory notebooks, content, laboratory logistics and analysis), Symyx Tools (modular and integrated workflows that can be enhanced by Symyx software) and Research (collaborative research and directed services) to support the entire R&D process. In October 2007, Symyx acquired MDL Information Systems, Inc., a leading provider of innovative informatics software, databases and services that accelerate successful scientific R&D by improving the speed and quality of scientists' decision making. Information about Symyx, including reports and other information filed by Symyx with the Securities and Exchange Commission, is available at www.symyx.com.

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