
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended March 31, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 001-33133

METABOLIX, INC.

Delaware

(State or other jurisdiction of
incorporation or organization)

04-3158289

(I.R.S. Employer
Identification No.)

21 Erie Street

Cambridge, MA

(Address of principal executive offices)

02139

(Zip Code)

(617) 583-1700

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant's common stock as of April 25, 2011 was 26,913,074.

Part I. Financial Information

3

Item

1.	Consolidated Financial Statements (Unaudited)	3
	Consolidated Balance Sheets at March 31, 2011, and December 31, 2010	3
	Consolidated Statements of Operations for the three months ended March 31, 2011 and 2010	4
	Consolidated Statements of Cash Flows for the three months ended March 31, 2011 and 2010	5
	Notes to the Consolidated Financial Statements	6
2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	12
3.	Quantitative and Qualitative Disclosures About Market Risk	20
4.	Controls and Procedures	21

Part II. Other Information

21

Item

1.	Legal Proceedings	21
1A.	Risk Factors	21
2.	Unregistered Sales of Equity Securities and Use of Proceeds	21
3.	Defaults Upon Senior Securities	21
4.	(Removed and Reserved)	21
5.	Other Information	22
6.	Exhibits	22

SIGNATURES

22

2

[Table of Contents](#)**PART I. FINANCIAL INFORMATION****ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS**

METABOLIX, INC.
CONSOLIDATED BALANCE SHEETS
UNAUDITED
(in thousands, except share and per share data)

	March 31, 2011	December 31, 2010
Assets		
Current Assets:		
Cash and cash equivalents	\$ 20,047	\$ 12,526
Short-term investments	31,900	49,048
Accounts receivable	4	—
Due from related parties	1,046	828
Unbilled receivables	18	8
Prepaid expenses and other current assets	749	846
Total current assets	53,764	63,256
Restricted cash	622	622
Property and equipment, net	2,707	2,776
Other assets	118	117
Total assets	\$ 57,211	\$ 66,771
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$ 4	\$ 239
Accrued expenses	2,765	4,085
Current portion of deferred rent	165	165
Short-term deferred revenue	1,989	1,906
Total current liabilities	4,923	6,395
Deferred rent	345	386
Long-term deferred revenue	36,373	36,207
Other long-term liabilities	110	107
Total liabilities	41,751	43,095
Commitments and contingencies (Note 11)		
Stockholders' Equity:		
Preferred stock (\$0.01 par value per share); 5,000,000 shares authorized; no shares issued or outstanding	—	—
Common stock (\$0.01 par value per share); 100,000,000 shares authorized at March 31, 2011 and December 31, 2010, 26,913,074 and 26,895,389 shares issued and outstanding at March 31, 2011 and December 31, 2010, respectively	269	269
Additional paid-in capital	231,710	230,299
Accumulated other comprehensive loss	(2)	(15)

Accumulated deficit	(216,517)	(206,877)
Total stockholders' equity	15,460	23,676
Total liabilities and stockholders' equity	<u>\$ 57,211</u>	<u>\$ 66,771</u>

The accompanying notes are an integral part of these interim consolidated financial statements

[Table of Contents](#)

METABOLIX, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED
(in thousands, except share and per share data)

	Three Months Ended March 31,	
	2011	2010
Revenue:		
License fee and royalty revenue from related parties	\$ 301	\$ 30
Grant revenue	25	—
Research and development revenue	—	150
Total revenue	<u>326</u>	<u>180</u>
Operating expense:		
Research and development expenses, including cost of revenue	6,199	6,168
Selling, general, and administrative expenses	3,787	3,869
Total operating expenses	<u>9,986</u>	<u>10,037</u>
Loss from operations	<u>(9,660)</u>	<u>(9,857)</u>
Other income:		
Interest income, net	20	55
Net loss	<u>\$ (9,640)</u>	<u>\$ (9,802)</u>
Net loss per share:		
Basic and Diluted	\$ (0.36)	\$ (0.37)
Number of shares used in per share calculations:		
Basic and Diluted	26,904,606	26,536,924

The accompanying notes are an integral part of these interim consolidated financial statements

[Table of Contents](#)

METABOLIX, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED
(in thousands)

	Three Months Ended March 31,	
	2011	2010
Cash flows from operating activities		
Net loss	\$ (9,640)	\$ (9,802)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation	384	435
Charge for 401(k) company common stock match	242	133
Stock-based compensation	1,233	1,110
Changes in operating assets and liabilities:		
Receivables (billed and unbilled)	(14)	21
Due from related party	(265)	—
Prepaid expenses and other assets	96	89
Accounts payable	(235)	(599)
Accrued expenses	(1,420)	(1,024)
Deferred rent and other long-term liabilities	(39)	(41)
Deferred revenue	296	239
Net cash used in operating activities	<u>(9,362)</u>	<u>(9,439)</u>
Cash flows from investing activities		
Purchase of property and equipment	(315)	(94)
Change in restricted cash	—	(29)
Purchase of short-term investments	(8,502)	(7,541)

Proceeds from the sale and maturity of short-term investments	25,663	19,879
Net cash provided by investing activities	<u>16,846</u>	<u>12,215</u>
Cash flows from financing activities		
Proceeds from options exercised	36	212
Net cash provided by financing activities	<u>36</u>	<u>212</u>
Effect of exchange rate changes on cash and cash equivalents	1	—
Net increase in cash and cash equivalents	7,521	2,988
Cash and cash equivalents at beginning of period	12,526	10,814
Cash and cash equivalents at end of period	<u>\$ 20,047</u>	<u>\$ 13,802</u>

The accompanying notes are an integral part of these interim consolidated financial statements

[Table of Contents](#)

METABOLIX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED

(All dollar amounts, except per share amounts, are stated in thousands)

1. BASIS OF PRESENTATION

The accompanying consolidated financial statements are unaudited and have been prepared by Metabolix, Inc. (the “Company”) in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in the Company’s annual consolidated financial statements have been condensed or omitted. The year-end consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP. The consolidated financial statements, in the opinion of management, reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of the financial position and results of operations for the interim periods ended March 31, 2011 and 2010.

The results of operations for the interim periods are not necessarily indicative of the results of operations to be expected for any future period or the entire fiscal year. These interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2010, which are contained in the Company’s Annual Report on Form 10-K filed with the SEC.

2. ACCOUNTING POLICIES

There has been no material change in accounting policies since the Company’s fiscal year ended December 31, 2010, as described in Note 2 to the consolidated financial statements included in its Annual Report on Form 10-K for the year then ended.

3. RECENT ACCOUNTING PRONOUNCEMENTS

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) or other standard setting bodies that are adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company’s management believes that the impact of recently issued standards that are not yet effective will not have a material impact on its consolidated financial position or results of operations upon adoption.

Recently Issued Accounting Standards

In January 1, 2011, the Company adopted new authoritative guidance on revenue recognition for multiple-element arrangements. The guidance, which applies to multiple-element arrangements entered into or materially modified on or after January 1, 2011, amends the criteria for separating and allocating consideration in a multiple-element arrangement by modifying the fair value requirements for revenue recognition and eliminating the use of the residual method. The fair value of deliverables under the arrangement may be derived using a “best estimate of selling price” if vendor specific objective evidence, or VSOE, and third-party evidence, or TPE, is not available. Deliverables under the arrangement will be separate units of accounting provided (a) a delivered item has value to the customer on a standalone basis; and (b) if the arrangement includes a general right of return relative to the delivered item, delivery or performance of the undelivered item is considered probable and substantially in the control of the Company. The Company did not enter into or materially modify any multiple-element arrangements during the three months ended March 31, 2011.

[Table of Contents](#)

4. COMPREHENSIVE LOSS

Comprehensive loss is comprised of net loss, net unrealized gains or losses on marketable securities and foreign currency translation adjustments. Total comprehensive loss for the three months ended March 31, 2011 and 2010 is as follows:

	Three Months Ended	
	March 31,	
	<u>2011</u>	<u>2010</u>
Net loss	\$ (9,640)	\$ (9,802)

Other comprehensive income:

Change in unrealized gain on investments	12	(13)
Change in foreign currency translation adjustment	1	—
Total other comprehensive income	13	(13)
Comprehensive loss	\$ (9,627)	\$ (9,815)

5. BASIC AND DILUTED NET LOSS PER SHARE

Basic net loss per share is computed by dividing net loss by the weighted-average number of common shares outstanding, excluding the dilutive effects of common stock equivalents. Common stock equivalents include stock options and warrants. Diluted net loss per share is computed by dividing net loss by the weighted-average number of dilutive common shares outstanding during the period. Diluted shares outstanding is calculated by adding to the weighted shares outstanding any potential (unissued) shares of common stock from outstanding stock options and warrants based on the treasury stock method. In periods when a net loss is reported, all common stock equivalents are excluded from the calculation because they would have an anti-dilutive effect, meaning the loss per share would be reduced. Therefore, in periods when a loss is reported there is no difference in basic and dilutive loss per share.

The number of shares of potentially dilutive common stock related to options and warrants that were excluded from the calculation of dilutive shares since the inclusion of such shares would be anti-dilutive for the three months ended March 31, 2011 and 2010, respectively, are shown below:

	Three Months Ended March 31,	
	2011	2010
Options	3,623,004	3,273,239
Warrants	4,086	4,086
Total	3,627,090	3,277,325

6. STOCK-BASED COMPENSATION

The Company recognized stock-based compensation expense, related to employee stock option awards, of \$1,233 and \$1,104 for the three months ended March 31, 2011 and 2010, respectively. At March 31, 2011, there was approximately \$8,862 of pre-tax stock-based compensation expense, net of estimated forfeitures, related to unvested awards not yet recognized which is expected to be recognized over a weighted average period of 2.52 years.

7

[Table of Contents](#)

A summary of option activity for the three months ended March 31, 2011 is as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2010	3,246,079	\$ 11.28
Granted	399,160	9.12
Exercised	(5,998)	5.95
Cancelled	(16,237)	17.13
Outstanding at March 31, 2011	3,623,004	11.02
Options exercisable at March 31, 2011	2,035,200	
Weighted average grant date fair value of options granted during the three months ended March 31, 2011		\$ 6.07

For the three months ended March 31, 2011 and 2010, the Company determined the fair value of stock options using the Black-Scholes option pricing model with the following assumptions for option grants, respectively:

	Three Months Ended March 31,	
	2011	2010
Expected dividend yield	—	—
Risk-free rate	2.38%	2.35% - 2.59%
Expected option term (in years)	5.6	5.6
Volatility	78%	80%

Non-employee Stock Option Awards

The compensation expense related to non-employee stock options is generally recognized over a period of four years. The grants generally vest quarterly and such vesting is contingent upon future services provided by the consultants to the Company. The Company did not record a significant amount of non-employee stock-based compensation expense for the three months ended March 31, 2011. For the three months ended March 31, 2010 the Company recorded non-employee stock-based compensation expense of \$6. Options remaining unvested for non-employees are subject to remeasurement each reporting period prior to vesting in full. Since the fair market value of the options issued to non-employees are subject to changes in the future, the compensation expense recognized in each quarter may not be indicative of future compensation charges.

7. SIGNIFICANT COLLABORATION

On November 3, 2004, the Company signed an agreement with ADM Polymer Corporation (“ADM”), a subsidiary of Archer Daniels Midland Company, to establish an alliance whereby the Company would provide technology, licenses and research and development services, and ADM would provide manufacturing services and capital necessary to produce polyhydroxyalkanoate (“PHA”) polymers on a commercial scale.

On July 12, 2006, ADM exercised an option to enter into a commercial alliance for further research, development, manufacture, use and sale of PHA polymers on the terms and conditions set forth in the Commercial Alliance Agreement. The first product of this alliance is a family of bioplastics branded under the name Mirel™.

The Commercial Alliance Agreement specifies the terms and structure of the relationship between the Company and ADM. The primary function of this agreement is to establish the activities and obligations of the Company and ADM by which the parties will commercialize Mirel. These activities include: the establishment of a joint sales company, which has been named Telles, to market and sell Mirel, the construction of a manufacturing facility capable of producing 110 million pounds of material annually (the “Commercial Manufacturing Facility”),

[Table of Contents](#)

the licensing of technology to Telles and to ADM, and the conducting of various research, development, manufacturing, sales and marketing, compounding and administrative services by the parties.

Telles is a limited liability company, formed and equally owned by the Company and ADM, and is intended to: (i) serve as the commercial entity to establish and develop the commercial market for Mirel, and conduct the marketing and sales in accordance with the goals of the commercial alliance, (ii) assist in the coordination and integration of the manufacturing, compounding and marketing activities, and (iii) administer and account for financial matters on behalf of the parties. The Company and ADM each have 50% ownership and voting interest in Telles.

A summary of the key activities under this agreement is as follows: (i) ADM will arrange for, finance the construction of, and own, a facility in which it will manufacture Mirel under contract to Telles, (ii) the Company will either arrange for and finance the acquisition or construction of a facility in which it will compound Mirel or it will arrange for third parties to compound Mirel, and (iii) the Company, acting in the name and on behalf of Telles, will establish the initial market for Mirel. The Company will also continue its research and development efforts to further advance the technology and expand and enhance the commercial potential of Mirel. Subject to certain limitations, ADM will finance the working capital requirements of Telles.

The Commercial Alliance Agreement called for Telles to pay the Company quarterly support payments of \$1,575 each. The last of fourteen quarterly support payments was received as of June 30, 2009. All quarterly support payments received from ADM on behalf of Telles, totaling \$22,050, have been recorded as deferred revenue on the Company’s balance sheet.

During the “Construction Phase” of the agreement all pre-commercial material production expenses incurred by ADM and the Company are shared equally. Accordingly, from the execution of this agreement in July 2006 through March 31, 2011, ADM has reimbursed the Company \$9,263. All amounts received from ADM, prior to the “Commercial Phase,” relating to this agreement are recorded as deferred revenue. The Company will continue to defer recognition of these and future payments received from ADM during the Construction Phase of the agreement.

The Construction Phase of the commercial alliance will end, and the Commercial Phase will begin, upon the achievement of a milestone referred to in the Commercial Alliance Agreement as “First Commercial Sale.” Achievement of this milestone requires the sale by Telles to third parties of at least one million pounds of Mirel manufactured at the Commercial Manufacturing Facility. Qualifying sales must meet certain criteria, including a minimum order size, product acceptance by the customers in accordance with the terms of their contracts, and receipt of payment, in order for such sales to contribute towards First Commercial Sale.

During the Commercial Phase of the agreement Telles will pay the Company royalties on sales of Mirel. In addition, if Telles engages the Company to perform certain services, and the Company accepts the service arrangement, Telles will reimburse the Company for the cost of the services provided pursuant to the Commercial Alliance Agreement.

While Telles is a fifty-fifty joint venture, ADM has advanced a disproportionate share of the financial capital needed to construct the Commercial Manufacturing Facility and to fund the joint venture’s activities. Therefore, under the agreement all profits, after payment of all royalties, reimbursements and fees, from Telles will first be distributed to ADM until ADM’s cost of constructing the Commercial Manufacturing Facility and any negative net cash flow of Telles funded by ADM have been returned. Once ADM has recovered such amounts, the profits of Telles will be distributed in equal amounts to the parties.

The Commercial Alliance Agreement provides for expansion of the operations of Telles beyond the initial license of 110 million pound annual production through an equally-owned joint venture. While certain principles of the joint venture have been agreed to, the detailed terms and conditions will not be determined until a later date.

Revenue recognition for amounts deferred through March 31, 2011 is expected to commence when the Commercial Phase of the alliance begins. The deferred amounts will be recognized on a straight line basis over the estimated period, of approximately ten years, in which the Company’s obligations are fulfilled in accordance with the Commercial Alliance Agreement. A portion of the deferred revenue representing estimated amounts expected to

[Table of Contents](#)

be recognized within the next twelve months has been classified as short-term in the Company’s balance sheet at March 31, 2011. The Company also expects to receive payments from Telles for the compounding services it provides as well as royalty payments. The compounding payments and royalty payments are due to the Company as Telles sells product to its customers. These payments will be recognized as revenue during the period in which they are earned.

The Commercial Alliance Agreement and related agreements include detailed provisions setting out the rights and obligations of the parties in the event of a termination of the Commercial Alliance Agreement. These provisions include the right for either party to terminate the Commercial Alliance Agreement upon a material default of a material obligation by the other party after a notice and cure period has expired. The parties are also permitted to terminate the Commercial Alliance Agreement if a change in circumstances that is not reasonably within the control of a party makes the anticipated financial return from the project inadequate or too uncertain. The parties have specific obligations to fulfill in the event of termination or if they file for bankruptcy protection.

8. INCOME TAXES

The Company follows the accounting guidance related to income taxes including guidance which addresses accounting for uncertainty in income taxes. This guidance prescribes a threshold for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosures and transitions. The Company had no amounts recorded for any unrecognized tax benefits as of March 31, 2011 or March 31, 2010.

The tax years 2007 through 2010 remain open to examination by major taxing jurisdictions to which the Company is subject, which are primarily in the U.S.

The Company's policy is to record estimated interest and penalties related to uncertain tax positions in income tax expense. As of March 31, 2011, and December 31, 2010, the Company had no accrued interest or penalties recorded related to uncertain tax positions.

At December 31, 2010 the Company had net operating loss carryforwards (NOLs) for federal and state income tax purposes of \$145,448 and \$90,203, respectively. Included in the federal and state net operating loss carryforwards is approximately \$19,189 of deduction related to the exercise of stock options subsequent to the adoption of amended accounting guidance related to stock-based compensation. This amount represents an excess tax benefit as defined under the amended accounting guidance related to stock-based compensation and has not been recorded as a deferred tax asset. The Company's existing federal and state net operating loss carryforwards began to expire in 2011. The Company also had available research and development credits for federal and state income tax purposes of approximately \$3,995 and \$2,735 respectively. The federal and state research and development credits will begin to expire in 2014 and 2016 respectively. As of December 31, 2010 the Company also had available investment tax credits for state income tax purposes of \$117 which also begin to expire in 2011. Management of the Company has evaluated the positive and negative evidence bearing upon the realizability of its deferred tax assets, which are comprised principally of net operating loss carryforwards and research and development credits. Under the applicable accounting standards, management has considered the Company's history of losses and concluded that it is more likely than not that the Company will not recognize the benefits of federal and state deferred tax assets. Accordingly, a full valuation allowance has been established against the deferred tax assets.

Utilization of the net operating loss and research and development credit carryforwards may be subject to a substantial annual limitation under Section 382 of the Internal Revenue Code of 1986 due to ownership change limitations that have occurred previously or that could occur in the future. These ownership changes may limit the amount of net operating loss and research and development credit carryforwards that can be utilized annually to offset future taxable income and tax, respectively. The Company has not currently completed an evaluation of ownership changes through March 31, 2011 to assess whether utilization of the Company's NOL or R&D credit carryforwards would be subject to an annual limitation under Section 382 of the Internal Revenue Code of 1986. To the extent an ownership change occurs in the future, the net operating loss and credit carryforwards may be subject to limitation.

[Table of Contents](#)

9. ACCRUED EXPENSES

Accrued expenses consisted of the following at:

	March 31, 2011	December 31, 2010
Employee compensation and benefits	\$ 1,240	\$ 2,275
Pre-commercial manufacturing costs	67	46
Professional services	177	236
Contracted research and development	102	334
Intellectual property	232	234
Other	947	960
Total accrued expenses	\$ 2,765	\$ 4,085

10. SEGMENT INFORMATION

The accounting guidance for segment reporting establishes standards for reporting information on operating segments in annual financial statements. The Company operates in one segment, which is the business of developing and commercializing technologies for the production of polymers and chemicals in plants and in microbes. The Company's chief operating decision-maker does not manage any part of the Company separately, and the allocation of resources and assessment of performance are based on the Company's consolidated operating results. As of March 31, 2011 less than 10% of the Company's combined total assets were located outside of the United States and the reported net loss outside of the United States was less than 10% of the combined net loss of the consolidated Company. As of March 31, 2010, all losses were incurred, and all assets were held, in the United States of America.

11. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

From time to time, the Company may be subject to legal proceedings and claims in the ordinary course of business. The Company is not currently aware of any such proceedings or claims that it believes will have, individually or in the aggregate, a material adverse effect on the business, financial condition or results of operations.

12. FAIR VALUE MEASUREMENTS

The Company has certain financial assets recorded at fair value which have been classified as Level 1, 2 or 3 within the fair value hierarchy as described in the accounting standards for fair value measurements. Fair values determined by Level 1 inputs utilize observable data such as quoted prices in active markets. Fair values determined by Level 2 inputs utilize data points other than quoted prices in active markets that are observable either directly or indirectly. Fair values determined by Level 3 inputs utilize unobservable data points in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The Company's financial assets classified as Level 2 have been initially valued at the transaction price and subsequently valued typically utilizing third party pricing services. Because the Company's investment portfolio may include securities that do not always trade on a daily basis, the pricing services use

many observable market inputs to determine value including reportable trades, benchmark yields and benchmarking of like securities. The Company validates the prices provided by the third party pricing services by reviewing their pricing methods and obtaining market values from other pricing sources. After completing the validation procedures, the Company did not adjust or override any fair value measurements provided by these pricing services as of March 31, 2011 or December 31, 2010.

The tables below present information about the Company's assets that are measured at fair value on a recurring basis as of March 31, 2011 and December 31, 2010 and indicate the fair value hierarchy of the valuation techniques utilized to determine such fair value.

[Table of Contents](#)

Description	Fair value measurements at reporting date using			Balance as of 3/31/11
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Cash equivalents:				
Money Market funds	\$ 17,710	\$ —	\$ —	\$ 17,710
Short-term investments:				
Treasuries	—	1,009	—	1,009
Government-sponsored enterprises	—	30,891	—	30,891
	<u>\$ 17,710</u>	<u>\$ 31,900</u>	<u>\$ —</u>	<u>\$ 49,610</u>

Description	Fair value measurements at reporting date using			Balance as of 12/31/10
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Cash equivalents:				
Money Market funds	\$ 11,533	\$ —	\$ —	\$ 11,533
Short-term investments:				
Treasuries	—	1,008	—	1,008
Government-sponsored enterprises	—	48,040	—	48,040
	<u>\$ 11,533</u>	<u>\$ 49,048</u>	<u>\$ —</u>	<u>\$ 60,581</u>

13. RELATED PARTIES

The Company engaged in various transactions with Tephra, Inc., a related party, and recorded \$301 and \$30 of license and royalty revenue during the three months ended March 31, 2011 and 2010, respectively. The Company had an outstanding receivable balance of \$278 due from Tephra as of March 31, 2011. At December 31, 2010 the Company had no outstanding receivable balance due from Tephra. The Company had various transactions with its alliance partner ADM, a related party, during the three months ended March 31, 2011 and 2010. The Company had an outstanding receivable balance of \$766 and \$813 due from ADM at March 31, 2011 and December 31, 2010, respectively. The Company also had various transactions with Telles. The Company had an outstanding receivable balance of \$2 and \$15 due from Telles as of March 31, 2011 and December 31, 2010, respectively. For more information on the Company's related party transactions, please see Note 8 to the Company's audited financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2010.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

(All dollar amounts are stated in thousands)

Forward Looking Statements

This annual report on Form 10-Q contains "forward-looking statements" within the meaning of 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In particular, statements contained in the Form 10-Q, including but not limited to, statements regarding our future results of operations and financial position, business strategy and plan prospects, projected revenue or costs and objectives of management for future research, development or operations, are forward-looking statements. These statements relate to our future plans, objectives, expectations and intentions and may be identified by words such as "may," "will," "should," "expects," "plans," "anticipate," "intends," "target," "projects," "contemplates," "believe," "estimates," "predicts," "potential," and "continue," or similar words.

Although we believe that our expectations are based on reasonable assumptions within the limits of our knowledge of our business and operations, the forward-looking statements contained in this document are neither promises nor guarantees. Our business is subject to significant risk and uncertainties and there can be no assurance that our actual results will not differ materially from our expectations. These forward looking statements include, but are not limited to, statements concerning: future financial performance and position and management's strategy, plans and objectives for research and development, product development, shipment and commercialization of

[Table of Contents](#)

current and future products, including the commercialization of Mirel™ bioplastic ("Mirel") through our alliance with Archer Daniels Midland Company ("ADM"). Such forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated including, without limitation, risks related to our Telles, LLC ("Telles") joint venture with ADM and our dependence on our collaboration with ADM for the success of Telles, risks related to the development and commercialization of new and uncertain technologies, risks associated with our protection and enforcement of our intellectual property rights, as well as other risks and uncertainties set forth under the caption "Risk Factors" in Part I, Item 1A, of our Annual Report on Form 10-K for the years ended December 31, 2010.

The forward-looking statements and risk factors presented in this document are made only as of the date hereof and we do not intend to update any of these risk factors or to publicly announce the results of any revisions to any of our forward-looking statements other than as required under the federal securities laws.

Overview

Metabolix is an innovation-driven bioscience company which is focused on bringing environmentally friendly solutions to the plastics, chemicals and energy industries. We have core capabilities in microbial genetics, fermentation process engineering, chemical engineering, polymer science, plant genetics and botanical science, and we have assembled these capabilities in a way that has allowed us to integrate biotechnology with chemical engineering and industrial practice.

Our first platform, which we are commercializing through Telles, LLC (“Telles”), a joint venture with Archer Daniels Midland Company, or ADM, is a proprietary, large-scale microbial fermentation system for producing a versatile family of polymers known as polyhydroxyalkanoates (“PHA’s”), which we have branded under the name Mirel™. Through Telles, we are selling these bioplastics as biobased and biodegradable, but functionally equivalent, alternatives to petroleum-based plastics. Mirel offers superior biodegradability characteristics and can be used in a wide range of commercial applications, including products used in agriculture and horticulture, compost and organic waste diversion bags, marine and aquatic applications, consumer products, business equipment and durable goods, and general packaging materials. Mirel is now being produced in a commercial scale plant located in Clinton, Iowa (“the Commercial Manufacturing Facility”) designed for an annual capacity of 110 million pounds. ADM completed construction of the initial phase of the Commercial Manufacturing Facility in 2009. The Commercial Manufacturing Facility produces biobased and biodegradable Mirel plastic using corn sugar, an abundant agriculturally-produced renewable resource.

To exploit our first technology platform, we are working closely with ADM to bring the Commercial Manufacturing Facility in Clinton, Iowa to the full 110 million pound annual design capacity in advance of customer demand for Mirel. The biodegradable bioplastics that this facility is now producing are superior to other bioplastics in several ways. They are highly versatile and range in properties from hard and stiff to soft and flexible. Mirel can withstand temperatures in excess of 100° C, i.e., the boiling point of water, an important threshold. Some formulations of Mirel can withstand temperatures up to 130° C. Mirel can be processed in many types of existing conventional polymer conversion equipment that is currently being used for petroleum-based plastic. While Mirel will biodegrade in marine and fresh water environments, it is resistant to reacting with cold or hot water over the intended life span of the product. Our current life cycle analysis (LCA) model for Mirel has identified the feasibility of reaching carbon neutrality using renewable energy sources in the manufacturing process. We are working with customers to determine the LCA for specific applications. These properties allow for a wide variety of commercial applications, offering a biobased alternative to petroleum-derived synthetic materials which are not biodegradable. In addition, the use of Mirel will reduce petroleum dependence. Through Telles, we are positioning Mirel as a premium priced specialty material catering to customers who want to match the functionality of petroleum-based plastic with the added dimension of environmental responsibility for their products and brands.

With ADM, we have conducted product and business development activities, including production of pre-commercial amounts of Mirel, working with potential customers, and initiating qualification trials of our material for selected customer applications. In addition, we have established commercial supply agreements with several Telles customers. We expect that our products will initially be sold to companies that are:

[Table of Contents](#)

- establishing themselves as leaders of the emerging market trend toward environmentally responsible products and services;
- addressing current or anticipated regulatory pressure to shift to more sustainable products; and/or
- selling products in which biodegradability is a key functional requirement.

We have a pipeline of current and prospective customers that reflect each of these traits.

For our second platform, Industrial Chemicals, we intend to apply our core capabilities in microbial and process engineering to develop biological routes to other chemicals and chemical intermediates. Our initial focus is on the four-carbon (“C4”) and three-carbon (“C3”) chemical families, which, together, offer an addressable worldwide market size of over \$10 billion. During 2009 we completed all work under our U.S. Department of Commerce National Institute of Standards and Technology grant, a \$2 million grant aimed at producing C4 chemicals from renewable sources. C4 chemicals are a large family of chemicals enabling a wide range of end-use applications, including engineering resins, urethanes, solvents, and personal care products. We were able to achieve all of the technical milestones outlined in this grant. In 2010, we scaled up our C4 chemicals technology, producing samples for prospective customers which we began shipping during the first quarter of 2011. We also achieved technical proof of concept for our C3 chemicals products. In 2011, we are focusing on continuing development of the technology and assessing market feedback from potential customers. We also anticipate assessing market entry options and potential partnerships.

Our third technology platform, Crop-based Businesses, which is at an early stage, is an innovative biorefinery system which uses plant crops to co-produce both bioplastics and bioenergy. For this system, we intend to extract polymer from the engineered plant crop, so that the remaining plant material can be used as a biomass feedstock for the production of bioenergy products including electricity and biofuel. In 2010, we expanded our recovery technology to enable the production of industrial chemicals from this platform. Our crop targets are oilseed crops, specifically camelina, switchgrass and sugarcane. More specifically:

- *Camelina*—We are conducting research to develop an advanced, genetically modified camelina for co-production of bioplastics along with vegetable oil, biodiesel fuel, and oleochemicals. In August 2010, we established a research company in Saskatchewan, Canada to further pursue our research with industrial oilseed crops. Also in 2010, we conducted our first successful field trial of engineered camelina.
- *Switchgrass*—We are engineering switchgrass to produce bioplastics in the leaf and stem of the plant. Switchgrass is a commercially and ecologically attractive, non-food energy crop that is indigenous to North America and is generally considered to be a leading candidate for cellulose-derived production of ethanol and other biofuels.

- *Sugarcane*—We are collaborating with the Australian Research Council to further pursue our research to maximize bioplastic production in the leaf tissue of sugarcane. Sugarcane is an established energy crop that is well suited for tropical regions of the world.

We believe that using these crops to co-produce bioplastics or chemicals with bioenergy products can offer superior economic value and productivity as compared to single product systems that produce them individually. Through 2011, we will continue to advance the research and assess alternative commercialization models for our crop programs. We may also seek to establish alliances with partners to commercially exploit this platform.

As demonstrated by our technology platforms, we take an integrated systems approach to our technology development. We are focused on developing entire production systems from gene to end product as opposed to developing specific technologies (for example, gene sequencing, shuffling or directed evolution) or singular aspects of a product's production (for example, providing a key enzyme, catalyst or ingredient). We believe this systems approach optimizes manufacturing productivity and, when commercialized, will enable us to capture more economic value from any platform that we pursue.

[Table of Contents](#)

We have generated revenues primarily from government grants, research and development payments, license fees, and royalty payments. We have funded our operations primarily through the sale of equity securities, government grants, and payments from our collaborative partners.

As of March 31, 2011, we had an accumulated deficit of \$216,517 and total stockholders' equity was \$15,460.

Collaborative Arrangements

Our strategy for collaborative arrangements is to retain substantial participation in the future economic value of our technology while receiving current cash payments to offset research and development costs and working capital needs. By their nature, these agreements are complex and have multiple elements that cover a variety of present and future activities.

In 2004, we entered into the "Technology Alliance and Option Agreement" with ADM Polymer Corporation, or ADM Polymer, a subsidiary of ADM. The goal of the Technology Alliance and Option Agreement was to demonstrate the capabilities of our fermentation and recovery technologies at commercial scale and to prepare a master plan and budget for the construction of a commercial facility with a 110 million pound annual capacity. Upon achievement of such goals, ADM Polymer had the option to enter into a commercial alliance with us through execution of the "Commercial Alliance Agreement," for further research, development, manufacture, use, and sale of bioplastics. In July 2006, ADM Polymer exercised its option under our Technology Alliance and Option Agreement and entered into a Commercial Alliance Agreement with us. Upon entering into the Commercial Alliance Agreement, the Technology Alliance and Option Agreement terminated pursuant to its terms.

The Commercial Alliance Agreement called for Telles to pay the Company quarterly support payments of \$1,575 each. The last of fourteen quarterly support payments was received as of June 30, 2009. All quarterly support payments received from ADM on behalf of Telles, totaling \$22,050, have been recorded as deferred revenue on the Company's balance sheet, and we will continue to defer recognition of these payments received from ADM during the "Construction Phase" of our agreement. We expect to begin recognizing this deferred revenue at the time of the achievement of a milestone referred to in the Commercial Alliance Agreement as the "First Commercial Sale." The deferred revenue will be recognized on a straight line basis over a period of approximately ten years in which our contractual obligations are fulfilled in accordance with the terms of the Commercial Alliance Agreement. Achievement of the First Commercial Sale requires the sale by Telles to third parties of at least one million pounds of Mirel manufactured at the Commercial Manufacturing Facility. Qualifying sales must meet certain criteria, including a minimum order size, product acceptance by the customers in accordance with the terms of their contracts and receipt of payment, in order for such sales to contribute towards the First Commercial Sale milestone. A portion of the deferred revenue representing estimated amounts expected to be recognized within the next twelve months has been classified as short-term in the Company's balance sheet at March 31, 2011. We also expect to receive payments from Telles for the compounding services we provide as well as royalty payments. The compounding payments and royalty payments are due to us as Telles sells product to its customers. These payments will be recognized as revenue during the period in which they are earned.

We received the following payments from these arrangements to offset operating cash needs:

- upfront payment of \$3,000 from ADM in November 2004;
- milestone payments of \$2,000 from ADM in May 2006;
- support payments of \$22,050 from ADM, on behalf of Telles, through June 30, 2009;
- cumulative cost sharing payments from ADM for pre-commercial manufacturing plant construction and operations made in accordance with the Technology Alliance and Option Agreement of \$1,209; and

[Table of Contents](#)

- cumulative cost sharing payments from ADM for pre-commercial manufacturing plant construction and operations made in accordance with the Commercial Alliance Agreement of \$9,263.

During the commercial alliance, ADM is responsible for the construction, financing and operation of the Commercial Manufacturing Facility which ADM Polymer owns, through a manufacturing agreement with Telles. We will provide or procure compounding services to convert the output from the Commercial Manufacturing Facility into forms that are suitable for various commercial applications.

Although Telles is a separate legal entity owned equally by us and ADM, ADM will disproportionately fund the activities of the joint venture. Specifically, the cost of the Commercial Manufacturing Facility, the working capital requirements of the joint venture and the support payments to us will exceed the investments made by us to establish compounding operations for the joint venture. In order to rebalance the respective investments made by the

parties, a preferential distribution of cash flow provides that all profits, after payment of all royalties, reimbursements and fees, from the joint venture will be distributed to ADM until ADM's disproportionate investment in the joint venture, including the costs of constructing the Commercial Manufacturing Facility, have been returned to ADM. Once ADM has recovered these amounts, the profits of the joint venture will be distributed in equal amounts to the parties. In order to track the disproportionate investments ADM has made, a Ledger Account has been established to record the respective investments made by the parties. As of March 31, 2011 the balance of the ADM Ledger Account was \$412,369. This balance is expected to increase as the remaining manufacturing equipment and systems are brought online at the Commercial Manufacturing Facility and until Telles achieves positive cash flow from its operations.

Government Grants

As of March 31, 2011, expected gross proceeds of \$486 remain to be received under our U.S. and Canadian government grants, which includes amounts for reimbursement to our subcontractors, as well as reimbursement for our employees' time, benefits and other expenses related to future performance.

The status of our United States and Canadian government grants is as follows:

Program Title	Funding Agency	Total Government Funds	Total received through March 31, 2011	Remaining amount available as of March 31, 2011	Contract/Grant Expiration
Blow Molded Bioproducts From Renewable Plastics	Department of Agriculture	\$ 349	\$ 73	\$ 276	August 2011
Advanced Technologies for Engineering of Camelina	Saskatchewan Ministry of Agriculture	\$ 210	\$ —	\$ 210	February 2013
Total		<u>\$ 559</u>	<u>\$ 73</u>	<u>\$ 486</u>	

Critical Accounting Estimates and Judgments

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to revenue recognition and stock-based compensation. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The significant accounting policies used in preparation of these condensed consolidated financial statements for the three months ended March 31, 2011 are consistent with those discussed in Note 2 to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2010. The critical accounting policies and the significant judgments and estimates used in the preparation of our consolidated financial statements for the three months ended March 31, 2011 are consistent with those discussed in our Annual Report on Form 10-K.

[Table of Contents](#)

for the year ended December 31, 2010 in the section captioned "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates and Judgments."

Results of Operations

Comparison of the Three Months Ended March 31, 2011 and 2010

Revenue

	Three Months Ended March 31,		Change
	2011	2010	
License fee and royalty revenue from related parties	\$ 301	\$ 30	\$ 271
Grant revenue	25	—	25
Research and development revenue	—	150	(150)
Total revenue	<u>\$ 326</u>	<u>\$ 180</u>	<u>\$ 146</u>

Total revenue was \$326 and \$180 for the three months ended March 31, 2011 and 2010, respectively. During the three months ended March 31, 2011 we recognized \$301 of license fee and royalty revenue from related parties compared to \$30 for the respective period in 2010. License fee and royalty revenue from related parties increased primarily as a result of a royalty earned under sublicensing agreements with Tepha, Inc. ("Tepha"), a related party. There was no research and development revenue generated during the first three months of 2011. During the three months ended March 31, 2010 research and development revenue was derived primarily from the delivery of product samples to potential customers. The shipment of sample material occurred in late 2009 and revenue was recognized upon customer acceptance in early 2010.

We expect revenue to increase during 2011 when the First Commercial Sale milestone is reached and we begin recognition of payments received from ADM, a related party, that have been recorded as deferred revenue. We also expect to receive payments from Telles for the compounding services we provide as well as royalty payments. The compounding payments and royalty payments are due to us after Telles has sold the product to the end customer and we expect to recognize these payments in the period they have been earned. In addition, we expect grant revenue to increase due to a grant awarded to our wholly-owned Canadian subsidiary, Metabolix Oilseeds, Inc., during the first quarter of 2011 for the advancement of technologies for engineering of camelina by the Saskatchewan Ministry of Agriculture.

Expenses

	Three Months Ended March 31,				Change
	2011		2010		
Research and development expenses, including cost of revenue	\$	6,199	\$	6,168	\$ 31
Selling, general, and administrative expenses		3,787		3,869	(82)
Total operating expenses	\$	9,986	\$	10,037	\$ (51)

Research and development expenses, including cost of revenue

Research and development expenses, including cost of revenue, were \$6,199 and \$6,168 for the three months ended March 31, 2011 and 2010, respectively. Although these expenses were consistent, we experienced increases in employee compensation and related benefit expenses and contracted research during the first quarter of 2011, which were offset by a decrease in material production costs. Employee compensation and related benefit expenses were \$3,695 and \$3,280 for the three months ended March 31, 2011 and 2010, respectively. The increase of \$415 was primarily attributable to hiring personnel to support our manufacturing process and research programs. Expenses for contracted research increased to \$455 in the first quarter of 2011 from \$371 in the comparable period in 2010. The increase of \$84 was primarily attributable to outside testing services related to the development of

[Table of Contents](#)

Mirel. Material production costs decreased to \$454 from \$1,016 for the three months ended March 31, 2011 and 2010, respectively. The reduction of \$562 was primarily due to reduced activity at our pre-commercial manufacturing facility as a result of commencing operations at the Commercial Manufacturing Facility.

We expect to incur increased research and development expenses through the remainder of the Construction Phase of the ADM agreement as we continue to undertake technology improvements and product development activities as we develop, test, and refine product to meet the specification requirements of Telles customers. Upon commencement of the Commercial Phase of the ADM agreement, expenses relating to development of Mirel are expected to decrease significantly as these expenses will be transferred to Telles. We estimate that research and development expenses that will transfer to Telles will be approximately \$3,300 to \$3,900 per quarter once we commence the Commercial Phase. Until then, we will continue to bear these expenses.

Selling, general, and administrative expenses

Selling, general, and administrative expenses were \$3,787 and \$3,869 for the three months ended March 31, 2011 and 2010, respectively. The decrease of \$82 is primarily attributable to a decrease in employee compensation and benefit related expenses in the first quarter of 2011. Employee compensation and benefit related expenses decreased to \$2,356 from \$2,507 for the three months ended March 31, 2011 and 2010, respectively. The decrease of \$151 was primarily due to the termination, and related severance pay, of two senior level employees during the first quarter of 2010.

We expect to incur increased selling, general, and administrative expenses through the completion of the Construction Phase of the ADM agreement as we increase our market development activities for Mirel. Upon the commencement of the Commercial Phase of the ADM agreement, selling, general, and administrative expenses are expected to decrease significantly as these Mirel related costs will be transferred to Telles. We estimate that selling, general, and administrative expenses that will transfer to Telles will be approximately \$700 to \$1,100 per quarter once we commence the Commercial Phase. During the transition period between the initial start-up of the Commercial Manufacturing Facility and the commencement of the Commercial Phase, we will continue to bear these expenses.

Other Income (Net)

	Three Months Ended March 31,				Change
	2011		2010		
Total other income (net)	\$	20	\$	55	\$ (35)

Other income (net) was \$20 and \$55 for the three months ended March 31, 2011 and 2010, respectively. Other income (net) during both periods consisted of investment income. The overall decrease of \$35 was primarily due to a lower investment balance.

Liquidity and Capital Resources

Currently, we require cash to fund our working capital needs, to purchase capital assets and to pay our operating lease obligations.

The primary sources of our liquidity have been:

- equity financing;
- our strategic alliance with ADM;
- government grants; and

[Table of Contents](#)

- interest earned on cash and short-term investments.

We have incurred significant expenses relating to our research and development efforts. As a result, we have incurred net losses since our inception. As of March 31, 2011, we had an accumulated deficit of \$216,517. Our total unrestricted cash, cash equivalents and short-term investments as of March 31, 2011

were \$51,947 as compared to \$61,574 at December 31, 2010. As of March 31, 2011, we had no outstanding debt.

Our cash and cash equivalents at March 31, 2011 were held for working capital purposes. We do not enter into investments for trading or speculative purposes. The primary objective of our investment activities is to preserve our capital. As of March 31, 2011 we had restricted cash of \$622. Restricted cash consists of \$522 held in connection with the lease agreements for our Cambridge, Massachusetts facilities and \$100 held in connection with our corporate credit card program. Short-term investments are made in accordance with our corporate investment policy, as approved by our Board of Directors. Investments are limited to high quality corporate debt, U.S. Treasury bills and notes, bank debt obligations, municipal debt obligations and asset-backed securities. The policy establishes maturity limits, concentration limits, and liquidity requirements. As of March 31, 2011, we were in compliance with this policy.

We believe that our cash, cash equivalents and short-term investments and interest we earn on these balances will be sufficient to meet our anticipated cash requirements, including cash requirements with respect to the commercial launch of Mirel, for at least the next 24 months. If our available cash, cash equivalents, and short-term investments are insufficient to satisfy our liquidity requirements, or if we develop additional products, we may need to sell additional equity or debt securities or obtain a credit facility. In addition, we may seek to raise additional capital when we believe market conditions are favorable or when we otherwise believe it is prudent. The sale of additional equity and debt securities may result in dilution to our stockholders. If we raise additional funds through the issuance of debt securities or preferred stock, these securities could have rights senior to those of our common stock and could contain covenants that would restrict our operations. We may require additional capital beyond our current forecasted amounts. Any such required additional capital may not be available on reasonable terms, if at all. If we are unable to obtain additional financing, we may be required to reduce the scope of, delay or eliminate some or all of our planned research, development and commercialization activities, which could harm our business.

Net cash used in operating activities was \$9,362 during the three months ended March 31, 2011 compared to \$9,439 for the respective period in 2010. The cash used during the three months ended March 31, 2011 primarily reflects the net loss for the period and the payment of annual performance bonuses.

After the Commercial Phase of the ADM alliance begins, Telles will reimburse us for the costs of services provided pursuant to the Commercial Alliance Agreement, including research and development, product development and sales and marketing. During the transition period between the initial start-up of the Commercial Manufacturing Facility, which occurred in December 2009, and the commencement of the Commercial Phase, we will continue to bear these costs. If there are difficulties, delays or other unforeseen issues with the ramp-up of the Commercial Manufacturing Facility or with the ramp-up of commercial sales, we will incur additional unreimbursed pilot manufacturing, product development, sales and marketing costs until the Commercial Phase of the alliance begins.

Net cash of \$16,846 and \$12,215 was provided by investing activities during the three months ended March 31, 2011 and 2010, respectively. Net cash provided by investment activities during the three months ended March 31, 2011 included \$25,663 provided by the sale and maturity of short-term investments, partially offset by \$8,502 used to purchase short-term investments and \$315 used to purchase capital equipment.

Net cash of \$36 and \$212 was provided by financing activities during the three months ended March 31, 2011 and 2010, respectively. The cash provided by financing activities for the three months ended March 31, 2011 and 2010 was solely attributable to proceeds received from the exercise of stock options.

[Table of Contents](#)

Contractual Obligations

The following table summarizes our contractual obligations at March 31, 2011 and the effects such obligations are expected to have on our liquidity and cash flows in future periods:

	Payments Due by Period				
	Total	Less than 1 year	2-3 years	4-5 years	More than 5 years
Purchase obligations	\$ 100	\$ 25	50	25	\$ —
Operating lease obligations	3,625	1,489	2,054	82	—
Total	\$ 3,725	\$ 1,514	\$ 2,104	\$ 107	\$ —

Off-Balance Sheet Arrangements

As of March 31, 2011, we had no off-balance sheet arrangements as defined in Item 303(a)(4) of the Securities and Exchange Commission's Regulation S-K.

Related Party Transactions

We engaged in various transactions with Tepha, a related party, and recorded \$301 and \$30 of license and royalty revenue during the three months ended March 31, 2011 and 2010, respectively. We had an outstanding receivable balance of \$278 due from Tepha as of March 31, 2011. At December 31, 2010 there was no outstanding receivable balance due from Tepha. We had various transactions with our alliance partner ADM, a related party, during the three months ended March 31, 2011 and 2010. We had an outstanding receivable balance of \$766 and \$813 due from ADM at March 31, 2011 and December 31, 2010, respectively. We also had various transactions with Telles. We had an outstanding receivable balance of \$2 and \$15 due from Telles as of March 31, 2011 and December 31, 2010, respectively. For more information on our related party transactions, please see Note 8 to our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2010.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other standard setting bodies that are adopted by the Company as of the specified effective date. Unless otherwise discussed, management believes that the impact of recently issued standards that are not yet effective will not have a material impact on our consolidated financial position or results of operations upon adoption.

In January 1, 2011, we adopted new authoritative guidance on revenue recognition for multiple-element arrangements. The guidance, which applies to multiple-element arrangements entered into or materially modified on or after January 1, 2011, amends the criteria for separating and allocating consideration in a multiple-element arrangement by modifying the fair value requirements for revenue recognition and eliminating the use of the residual method. The fair value of deliverables under the arrangement may be derived using a “best estimate of selling price” if vendor specific objective evidence, or VSOE, and third-party evidence, or TPE, is not available. Deliverables under the arrangement will be separate units of accounting provided (a) a delivered item has value to the customer on a standalone basis; and (b) if the arrangement includes a general right of return relative to the delivered item, delivery or performance of the undelivered item is considered probable and substantially in our control. We did not enter into or materially modify any multiple-element arrangements during the three months ended March 31, 2011.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

There have been no material changes in information regarding our exposure to market risk, as described in Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2010.

[Table of Contents](#)

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Our management (with the participation of our Principal Executive Officer and Principal Financial Officer) evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), as of March 31, 2011. Disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported on a timely basis and that such information is accumulated and communicated to management, including the Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Based on this evaluation, our Principal Executive Officer and Principal Financial Officer concluded that these disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, we may be subject to legal proceedings and claims in the ordinary course of business. We are not currently aware of any such proceedings or claims that we believe will have, individually or in the aggregate, a material adverse effect on the business, financial condition or the results of operations.

ITEM 1A. RISK FACTORS.

There have been no material changes in information regarding our risk factors as described in Part 1, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2010.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Recent Sales of Unregistered Securities

On February 3, 2011 the Company issued 8,793 shares of common stock to participants in its Metabolix, Inc. 401(k) Plan as a matching contribution. On March 18, 2011 the Company issued 2,894 shares of common stock to participants in its Metabolix, Inc. 401 (k) Plan as a matching contribution. The issuance of these securities is exempt from registration pursuant to Section 3(a)(2) of the Securities Act of 1933 as exempted securities.

Issuer Purchases of Equity Securities

During the three months ended March 31, 2011, there were no repurchases made by us or on our behalf, or by any “affiliated purchasers,” of shares of our common stock.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. (REMOVED AND RESERVED).

[Table of Contents](#)

ITEM 5. OTHER INFORMATION.

Our policy governing transactions in our securities by our directors, officers, and employees permits our officers, directors, employees, and entities affiliated with our directors to enter into trading plans complying with Rule 10b5-1 under the Exchange Act, as amended. We have been advised that during the quarter ended March 31, 2011, Oliver P. Peoples, our Chief Scientific Officer and a member of our Board of Directors, and Anthony J. Sinsky, a member of our Board of Directors, entered into trading plans in accordance with Rule 10b5-1 and our policy governing transactions in our securities. We undertake no obligation to update or revise the information provided herein, including revisions or termination of an established trading plan.

ITEM 6. EXHIBITS.

- 10.1 Amended and Restated Employment Agreement between the Registrant and Richard P. Eno dated March 17, 2011 (furnished herewith).
- 31.1 Certification Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934 of the Principal Executive Officer (furnished herewith).
- 31.2 Certification Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934 of the Principal Financial Officer (furnished herewith).
- 32.1 Section 1350 Certification (furnished herewith).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

METABOLIX, INC.

April 28, 2011

By: /s/ RICHARD P. ENO
Richard P. Eno
President and Chief Executive Officer
(Principal Executive Officer)

April 28, 2011

By: /s/ JOSEPH D. HILL
Joseph D. Hill
Chief Financial Officer
(Principal Financial and Accounting Officer)



March 17, 2011

Richard P. Eno
21 Erie Street
Cambridge, MA 02139

Re: Amended and Restated Employment Agreement

Dear Rick:

This letter amends and extends the term of the Employment Letter Agreement dated as of February 20, 2008, as previously amended (the "Agreement") between you and Metabolix, Inc. (the "Company"). As so amended and extended, the Agreement is restated, effective as of March 17, 2011 (the "Commencement Date"), as follows:

This letter is to confirm our understanding with respect to your employment by the Company. The terms and conditions agreed to in this letter are hereinafter referred to as the "Agreement." In consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, we have agreed as follows:

1. Employment.

(a) General. The Company will employ you, and you will be employed by the Company, as President and Chief Executive Officer of the Company, reporting to the Company's Board of Directors (the "Board"), and you shall have the responsibilities, duty and authority commensurate with that position. You will also perform such other and/or different services for the Company as may be assigned to you from time to time. You agree that if your employment hereunder ends for any reason, you will tender your resignation to the Company of all offices with the Company as of the date of your termination.

(b) Devotion to Duties. While you are employed hereunder, you will use your best efforts, skills and abilities to perform faithfully all duties assigned to you pursuant to this Agreement and will devote your full business time and energies to the business and affairs of the Company. While you are employed hereunder, you will not undertake any other employment from any person or entity without the prior written consent of the Company. You may, however, without prior approval of the Company, serve as a member of the board of one other company or organization, with or without compensation, provided that such membership does not conflict with your obligations to the Company. You must seek advance approval from the Company in the event you wish to serve as a member of a board of additional companies or organizations.

Metabolix | 21 Erie Street | Cambridge | MA | 02139 | USA
tel: 617 583 1700 | fax: 617 583 1767 | www.metabolix.com

2. Term. The Company hereby agrees to employ you, and you hereby accept employment with the Company, upon the terms set forth in this Agreement, for the period commencing on the Commencement Date and ending on the second anniversary of the Commencement Date (such period is the "Initial Term"), subject to earlier termination as provided in Section 4; provided, however, that at the end of such Initial Term and each anniversary date thereafter, the term of this Agreement will automatically be extended for an additional year unless, not less than thirty (30) days prior to the end of such Initial Term or one (1) year extension period, as the case may be, the Company or you shall have given written notice that it or you elects not to have the term extended. The term of this Agreement as extended and defined by this Section shall be referred to as the "Agreement Term."

3. Compensation.

(a) Base Salary. While you are employed hereunder, the Company will pay you a base salary at the annual rate of no less than \$25,000 per month (annualized at \$300,000.00) (the "Base Salary"). The Company will pay such base salary on a semi-monthly basis in accordance with the Company's normal payroll practices and will deduct from each monthly salary payment all amounts required to be deducted or withheld under applicable law or under any employee benefit plan in which you participate.

(b) Bonus Opportunity. You will be eligible to receive a cash bonus in an amount of up to 150% of the Base Salary, based upon the Board's good faith assessment of your achievement of individual goals, and of the Company's achievement of its goals. Individual and Company goals will be established, and modified, in good faith by you and the Board. The Board expects that the target bonus opportunity will be in the range of 70% of your Base Salary if your performance fully meets those goals. To the extent the Board awards you a cash bonus, the bonus, if payable, shall be calculated and paid no later than two and a half months following the later of the close of the calendar or of the Company fiscal year to which such bonus relates. For any partial year of employment, your cash bonus will be awarded on a pro rata basis.

(c) Equity Compensation. The Company, in the Board's sole discretion, may from time to time grant to you stock options, restricted stock or other forms of equity compensation pursuant to the Metabolix, Inc. 2006 Stock Option and Incentive Plan or any other authorized stock plan in effect at the time.

(d) Vacation. You will be entitled to paid vacation and paid holidays, accrued and used in accordance with the Company's policies as currently in effect. All vacation days will be taken at times mutually agreed by you and the Company and will be subject to the business needs of the Company.

2

(e) Fringe Benefits. You will be entitled to participate in employee benefit plans which the Company provides or may establish for the benefit of its senior executives generally (for example, group life, disability, medical, dental and other insurance, retirement, pension, profit-sharing and similar plans) (collectively, the "Fringe Benefits"). Your eligibility to participate in the Fringe Benefits and receive benefits thereunder will be subject to the plan documents governing such Fringe Benefits. Nothing contained herein will require the Company to establish or maintain any Fringe Benefits.

(f) Reimbursement of Certain Expenses. You shall be reimbursed for such reasonable and necessary business expenses incurred by you while you are employed by the Company, which are directly related to the furtherance of the Company's business. You must submit any request for reimbursement no later than ninety (90) days following the date that such business expense is incurred in accordance with the Company's reimbursement policy regarding same and business expenses must be substantiated by appropriate receipts and documentation. If a business expense reimbursement is not exempt from Section 409A of the Code, any reimbursement in one calendar year shall not affect the amount that may be reimbursed in any other calendar year and a reimbursement (or right thereto) may not be exchanged or liquidated for another benefit or payment. Any business expense reimbursements subject to Section 409A of the Code shall be made no later than the end of the calendar year following the calendar year in which you incur such business expense.

4. Termination of the Term. The Term shall terminate upon the occurrence of any of the following:

(a) Termination of the Agreement Term. The Agreement shall terminate, upon no less than thirty days prior written notice, at the expiration of the Agreement Term as set forth in Section 2.

(b) Termination for Cause. The Agreement shall terminate, at the election of the Company, for Cause upon written notice by the Company to you. For the purposes of this Section, "Cause" for termination shall be limited to the following:

(i) Your conviction of a felony; or

(ii) Your commission of fraud, or misconduct that results in material and demonstrable damage to the business or reputation of the Company; or

(iii) Your willful and continued failure to perform your duties hereunder (other than such failure resulting from your incapacity due to Disability, as defined herein) within 10 business days after the Company delivers a written demand for performance to you that specifically identifies the actions to be performed.

3

(c) Termination by the Company without Cause or by You for Good Reason. This Agreement shall terminate at the election of the Company without Cause at any time upon 30 days prior written notice by the Company to you, or by you for Good Reason (as defined herein).

(d) Death or Disability. The Agreement shall terminate upon your death or disability. If you shall be disabled so as to be unable to perform the essential functions of your position under this Agreement with or without reasonable accommodation, the Board may remove you from any responsibilities and/or reassign you to another position with the Company during the period of such disability, and such reassignment shall not trigger a Good Reason termination as provided herein. Notwithstanding any such removal or reassignment, you shall continue to receive your Base Salary (less any disability pay or sick pay benefits to which you may be entitled under the Company's policies) and benefits under this Agreement (except to the extent that you may be ineligible for one or more such benefits under applicable plan terms) for a period of three months, and your employment may be terminated by the Company at any time thereafter. Nothing in this Section 4(b) shall be construed to waive your rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq.* and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

Notwithstanding the foregoing, if and only to the extent that your disability is a trigger for the payment of deferred compensation, as defined in Section 409A of the Code, "disability" shall have the meaning set forth in Section 409A(a)(2)(C) of the Code.

(e) Termination by You. You may terminate this Agreement at your election upon not less than 30 days prior written notice to the Company.

(f) Definition of Good Reason. As used in this Agreement, "Good Reason" means that you have complied with the 'Good Reason Process' (hereinafter defined) following the occurrence of any of the following events: (i) a material diminution in your responsibilities, authority or duties; (ii) a material diminution in your Base Salary; (iii) a material change in the geographic location at which you provide services to the Company; (iv) the material breach of this Agreement by the Company; or (v) expiration of this Agreement upon written notice as set forth in Section 2 that the Company elects not to have the term extended. 'Good Reason Process' shall mean that (i) you reasonably determine in good faith that a 'Good Reason' condition has occurred; (ii) you notify the Company in writing of the occurrence of the Good Reason condition within 60 days of the occurrence of such condition; (iii) you cooperate in good faith with the Company's efforts, for a period not less than 30 days following such notice (the 'Cure Period'), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) you terminate your employment within 60

4

days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

5. Effect of Termination.

(a) In the event (i) you are terminated for Cause; (ii) you are terminated for death or Disability; or (iii) you voluntarily resign (other than for Good Reason), unless otherwise specifically provided herein, you, or your estate, shall be eligible only to receive (i) the portion of your Base Salary as has accrued prior to the effectiveness of such termination and has not yet been paid, (ii) an amount equal to the value of your accrued unused vacation days, and (iii) reimbursement for expenses properly incurred by you on behalf of the Company prior to such termination if such expenses are properly documented in accordance with Company policy and practice and submitted for reimbursement within 30 days of the termination date (collectively, the "Accrued Obligations"). Such amounts will be paid promptly after termination in accordance with applicable law but in no event more than 45 days after the date on which your employment terminates.

(b) In the event (i) you are terminated without Cause; or (ii) you resign for Good Reason, in addition to the Accrued Obligations, and contingent on your executing a complete release of claims against the Company within thirty (30) days after the date of termination, and you do not revoke the release (a fully effective release is hereafter, the "Release"), you shall be entitled, in addition to the Accrued Obligations, to receive: (A) continuation of your Base Salary in effect at the time of termination for the period of twelve (12) months following your delivery of the Release, commencing on the 37th day after the date on which your employment terminates (provided the Release is effective prior to such date), payable in accordance with the Company's normal payroll practices, provided that the first payment will include all amounts which would have been paid in the 37 days following your termination of employment; (B) payment of COBRA premiums to maintain medical and dental benefits, if any, in effect at the time of termination for the earlier of (x) 12 months following the termination and (y) the date you become insured under a medical insurance plan providing similar benefits to that of the Company plan; and (C) a payment equal to the average of the cash performance bonuses (if any) paid or payable to you with respect to the two calendar years preceding the termination, to be paid in a single lump-sum on the 37th day following the date of your termination of employment.

(c) If your employment continues after the expiration of this Agreement, this Section 5 (c), Sections 4(b) and (f), and Sections 5(d) through (h) all shall survive the termination of this Agreement for a period of six (6) months, and Sections 3 (c), (d), (e) and (f) and Section 9(e) (ii) shall survive the expiration of this Agreement for so long as you remain an employee of the Company.

(d) Additional Benefits Upon Termination in Connection With a Change of Control. In the event that your employment is terminated by the Company without Cause or by you for Good Reason (each, as defined herein) within 12 months immediately following

5

or 6 months immediately prior to a Change of Control, then, in addition to the Accrued Obligations and the benefits described in Section 5(b), you shall be entitled to receive full vesting of all unvested equity granted to you under the 2006 Stock Plan or any authorized successor stock plan provided that the conditions to vesting other than the passage of time have been satisfied. To the extent the Company grants you any other equity or deferred compensation benefits, including, for example, restricted stock units, phantom stock or participation in a deferred compensation program, such additional benefits shall similarly accelerate and vest upon a Change in Control as provided herein.

(e) The payments, benefits and vesting, if any, to which you are entitled under Section 5 (and all other payments, benefits and vesting to which you may be entitled) shall be provided without regard to whether the deductibility of such payments, benefits and vesting would be limited or precluded by Section 280G of the Code ("Section 280G") and without regard to whether such payments (or any other payment, benefits and vesting) would subject you to the federal excise tax levied on certain "excess parachute payments" under Section 4999 of the Code (the "Excise Tax"). If any portion of the payments, benefits and vesting to or for your benefit (including, but not limited to, payments, benefits and vesting under this Agreement but determined without regard to this paragraph) constitutes an "excess parachute payment" within the meaning of Section 280G (the aggregate of such payments being hereinafter referred to as the "Excess Parachute Payments"), the Company shall promptly pay to the relevant taxing authority as withholding taxes at such time or times when each payment of Excise Tax is due, an additional amount (the "gross-up payment") that after reduction for all taxes (including but not limited to the Excise Tax) with respect to such gross-up payment equals the Excise Tax with respect to the Excess Parachute Payments; *provided*, that to the extent any gross-up payment would be considered "deferred compensation" for purposes of Section 409A of the Code, the manner and time of payment, and the provisions of this Section 5(e), shall be adjusted to the extent necessary (but only to the extent necessary) to comply with the requirements of Section 409A with respect to such payment so that the payment does not give rise to the interest or additional tax amounts described at Section 409A(a)(1)(B) or Section 409A(b)(4) of the Code (the "Section 409A penalties"); *and further provided*, that if, notwithstanding the immediately preceding proviso, the gross-up payment cannot be made to conform to the requirements of Section 409A of the Code, the amount of the gross-up payment shall be determined without regard to any gross-up for the Section 409A penalties. The determination as to whether your payments, benefits and vesting include Excess Parachute Payments and, if so, the amount of such, the amount of any Excise Tax owed with respect thereto, and the amount of any gross-up payment shall be made at the Company's expense by such certified public accounting firm as the Board may designate prior to a Change of Control (the "accounting firm"). Notwithstanding the foregoing, if the Internal Revenue Service shall assert an Excise Tax liability that is higher than the Excise Tax (if any) determined by the accounting firm, the Company shall promptly augment the gross-up payment to address such higher Excise Tax liability. Notwithstanding anything in this section to the contrary, the maximum

6

amount of the gross-up payment, including any gross-up for Section 409A penalties, shall not exceed \$500,000.

(f) "Change of Control". As used herein, a "Change of Control" shall occur or be deemed to have occurred only upon any one or more of the following events:

(i) any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) becomes a "beneficial owner" (as such term is defined in Rule 13d-3 promulgated under the Exchange Act) (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned, directly or indirectly, by the stockholders of the Company, in substantially the same proportions as their ownership of stock of the Company), directly or indirectly, of securities of the Company, representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities; or

(ii) persons who, as of the Effective Date, constituted the Company's Board of Directors (the "Incumbent Board") cease for any reason including, without limitation, as a result of a tender offer, proxy contest, merger, consolidation or similar transaction, to constitute at least a majority of the Board of Directors, provided that any person becoming a director of the Company subsequent to the Effective Date whose election was approved by at least a majority of the directors then comprising the Incumbent Board shall, for purposes of this Section 6(f), be considered a member of the Incumbent Board; or

(iii) the consummation of a merger or consolidation of the Company with any other corporation or other entity, other than (1) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation or (2) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no "person" (as hereinabove defined) acquires more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities; or

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

(g) Separation from Service. Notwithstanding anything set forth in Sections 4 and 5 of this Agreement, a termination of employment shall be deemed not to have occurred

7

until such time as you incur a "separation from service" with the Company in accordance with Section 409A(a)(2)(A)(i) of the Code and the applicable provisions of Treasury Regulation Section 1.409A-1(h).

(h) Section 409A.

(i) Anything in this Agreement to the contrary notwithstanding, if at the time of your "separation from service," the Company determines that you are a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that you become entitled to under this Agreement on account of your separation from service would be considered deferred compensation subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after your separation from service, or (B) your death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(ii) Solely for purposes of Section 409A of the Code, each installment payment described in Section 5 is considered a separate payment.

6. Noncompetition, Confidentiality and Inventions Obligations. You and the Company have executed the Company's Employee Noncompetition, Confidentiality and Inventions Agreement dated February 20, 2008, which shall continue in full force and effect.

7. Disclosure to Future Employers. You will provide, and the Company, in its discretion, may similarly provide, a copy of the covenants contained in the Employee Noncompetition, Confidentiality and Inventions Agreement to any business or enterprise which you may, directly or indirectly, own, manage, operate, finance, join, control or in which you may participate in the ownership, management, operation, financing, or control, or with which you may be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise.

8. Representations. You hereby represent and warrant to the Company that you understand this Agreement, that you enter into this Agreement voluntarily and that your employment under this Agreement will not conflict with any legal duty owed by you to any other party.

8

9. General.

(a) Notices. All notices, requests, consents and other communications hereunder which are required to be provided, or which the sender elects to provide, in writing, will be addressed to the receiving party's address set forth above or to such other address as a party may designate by notice hereunder, and will be either (i) delivered by hand, (ii) sent by overnight courier, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid. All notices, requests, consents and other communications hereunder will be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iii) if sent by registered or certified mail, on the 5th business day following the day such mailing is made.

(b) Entire Agreement. This Agreement, together with any Stock Option Agreements executed by you and the Company (either prior to or in conjunction with this Agreement) and the Employee Noncompetition, Confidentiality and Inventions Agreement embody the entire

agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement will affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(c) Modifications and Amendments. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) Waivers and Consents. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent will be deemed to be or will constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent will be effective only in the specific instance and for the purpose for which it was given, and will not constitute a continuing waiver or consent.

(e) Assignment. (i) The Company shall cause its rights and obligations hereunder to be assumed by any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which you are principally involved and may assign its rights and obligations hereunder to any Company Affiliate. (ii) You may not assign your rights and obligations under this Agreement without the prior written consent of the Company and any such attempted assignment by you without the prior written consent of the Company will be void; provided, however, in the event of your death, your rights, compensation and benefits under this Agreement shall inure to the benefit of your estate, such that, for example, stock issuable to you, and awards and payments payable to you, shall be issued and paid to your estate.

9

(f) Governing Law. This Agreement and the rights and obligations of the parties hereunder will be construed in accordance with and governed by the law of Massachusetts, without giving effect to the conflict of law principles thereof.

(g) Jurisdiction, Venue and Service of Process. Any legal action or proceeding with respect to this Agreement will be brought in the courts of Massachusetts or of the United States of America for the District of Massachusetts. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the exclusive jurisdiction of the aforesaid courts.

(h) Jury Waiver. You and the Company agree to waive trial by jury in connection with any action arising from or relating to this Agreement.

(h) Severability. The parties intend this Agreement to be enforced as written. However, if any portion or provision of this Agreement is to any extent declared illegal or unenforceable by a duly authorized court having jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, will not be affected thereby, and each portion and provision of this Agreement will be valid and enforceable to the fullest extent permitted by law.

(i) Headings and Captions. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and will in no way modify or affect the meaning or construction of any of the terms or provisions hereof.

(j) Acknowledgments. You recognize and agree that the enforcement of the Noncompetition, Nondisclosure and Inventions Agreement may be necessary to ensure the preservation, protection and continuity of the business, trade secrets and goodwill of the Company. You agree that, due to the proprietary nature of the Company's business, the restrictions set forth in the Noncompetition, Confidentiality and Inventions Agreement may be reasonable as to time and scope.

(k) Taxes. All payments required to be made by the Company to you under this Agreement shall be subject to the withholding of such amounts for taxes and other payroll deductions as the Company may reasonably determine it should withhold pursuant to any applicable law or regulation. To the extent applicable, it is intended that this Agreement be exempt from, or comply with the provisions of Section 409A of the Code, and this Agreement shall be construed and applied in a manner consistent with this intent. In the event that any severance payments or benefits hereunder are determined by the Company to be in the nature of nonqualified deferred compensation payments, you and the Company hereby agree to take such actions as may be mutually agreed to ensure that such payments or benefits comply with the applicable provisions of Section 409A of the Code and the official guidance issued thereunder. Notwithstanding the foregoing, the

10

Company does not guarantee the tax treatment or tax consequences associated with any payment or benefit arising under this Agreement.

(l) Counterparts. This Agreement may be executed in two or more counterparts, and by different parties hereto on separate counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

If the foregoing accurately sets forth our agreement, please so indicate by signing and returning to us the enclosed copy of this Agreement.

Very truly yours,

Metabolix, Inc.

By: /s/ Anthony J. Sinskey

Name: Anthony J. Sinskey

Title: Chairman of the Compensation Committee

CERTIFICATION

I, Richard P. Eno certify that:

1. I have reviewed this quarterly report on Form 10-Q of Metabolix, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 28, 2011

/s/ RICHARD P. ENO

Name: Richard P. Eno
Title: *President and Chief Executive Officer*
(Principal Executive Officer)

CERTIFICATION

I, Joseph D. Hill certify that:

1. I have reviewed this quarterly report on Form 10-Q of Metabolix, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 28, 2011

/s/ JOSEPH D. HILL

Name: Joseph D. Hill

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report on Form 10-Q of Metabolix, Inc. (the "Company") for the quarter ended March 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Richard P. Eno, President, Chief Executive Officer and Principal Executive Officer of the Company and Joseph D. Hill, Chief Financial Officer and Principal Financial and Accounting Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to our knowledge that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
2. The information in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being provided pursuant to 18 U.S.C. 1350 and is not to be deemed a part of the Report, nor is it to be deemed to be "filed" for any purpose whatsoever.

Dated: April 28, 2011

/s/ RICHARD P. ENO

President and Chief Executive Officer
(Principal Executive Officer)

Dated: April 28, 2011

/s/ JOSEPH D. HILL

Chief Financial Officer
(Principal Financial and Accounting Officer)
