

**GENZYME CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP EARNINGS**  
For the Year Ended December 31, 2009  
(Amounts in thousands, except percentage and per share data)  
**REVISED FOR DISCONTINUED OPERATIONS - UNAUDITED**

	GAAP	Bayer Acquisition Related	FAS 123R Expense	Discontinued Operations <sup>(2)</sup>	NON-GAAP <sup>(1)</sup>
<b>Income Statement Classification:</b>					
Total revenues	\$ 3,977,288	\$ -	\$ -	\$ -	\$ 3,977,288
Cost of products and services sold	<u>\$ (1,070,347)</u>	<u>\$ 36,822</u>	<u>\$ 22,273</u>	<u>\$ -</u>	<u>\$ (1,011,252)</u>
<i>Gross margin</i>	73% \$ 2,906,941	\$ 36,822	\$ 22,273	\$ -	75% \$ 2,966,036
Selling, general and administrative	\$ (1,244,398)	\$ -	\$ 100,741	\$ -	\$ (1,143,657)
Research and development	\$ (833,853)	\$ -	\$ 60,118	\$ -	\$ (773,735)
Amortization of intangibles	\$ (253,507)	\$ -	\$ -	\$ -	\$ (253,507)
Contingent consideration expense	\$ (65,584)	\$ 65,584	\$ -	\$ -	\$ -
Gains (losses) on investments in equity securities	\$ (57)	\$ -	\$ -	\$ -	\$ (57)
Gain on acquisition of business	\$ 24,159	\$ (24,159)	\$ -	\$ -	\$ -
Other	\$ (1,646)	\$ -	\$ -	\$ -	\$ (1,646)
Investment income	\$ 17,642	\$ -	\$ -	\$ -	\$ 17,642
<b>Summary:</b>					
Income (loss) from continuing operations before income taxes	\$ 549,697	\$ 78,247	\$ 183,132	\$ -	\$ 811,076
(Provision for) benefit from income taxes	22.32% <u>\$ (122,696)</u>	<u>\$ (29,780)</u>	<u>\$ (46,988)</u>	<u>\$ -</u>	24.59% <u>\$ (199,464)</u>
Income (loss) from continuing operations	\$ 427,001	\$ 48,467	\$ 136,144	\$ -	\$ 611,612
Income (loss) from discontinued operations, net of tax	<u>\$ (4,701)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,701</u>	<u>\$ -</u>
Net income (loss)	<u>\$ 422,300</u>	<u>\$ 48,467</u>	<u>\$ 136,144</u>	<u>\$ 4,701</u>	<u>\$ 611,612</u>
Net income (loss) per share-basic:					
Income (loss) from continuing operations, net of tax	\$ 1.59	\$ 0.18	\$ 0.51	\$ -	\$ 2.27
Income (loss) from discontinued operations, net of tax	<u>\$ (0.02)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.02</u>	<u>\$ -</u>
Net income (loss)	<u>\$ 1.57</u>	<u>\$ 0.18</u>	<u>\$ 0.51</u>	<u>\$ 0.02</u>	<u>\$ 2.27</u>
Net income (loss) per share-diluted:					
Income (loss) from continuing operations, net of tax	\$ 1.56	\$ 0.18	\$ 0.50	\$ -	\$ 2.23
Income (loss) from discontinued operations, net of tax	<u>\$ (0.02)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.02</u>	<u>\$ -</u>
Net income (loss)	<u>\$ 1.54</u>	<u>\$ 0.18</u>	<u>\$ 0.50</u>	<u>\$ 0.02</u>	<u>\$ 2.23</u>
Weighted average shares outstanding:					
Basic	268,841	268,841	268,841	268,841	268,841
Diluted	274,071	274,071	274,071	274,071	274,071

**Notes:**

(1) Represents the Non-GAAP results of operations for Genzyme Corporation for the applicable period. We believe that certain Non-GAAP financial measures, when considered together with the GAAP figures, can enhance the overall understanding of the company's past financial performance and its prospects for the future. The Non-GAAP financial measures are included with the intent of providing investors with a more complete understanding of the trends underlying our operating results and financial position and are among the primary indicators management uses for planning and forecasting purposes and measuring the company's performance. Such Non-GAAP financial measures should not be considered in isolation or used as a substitute for GAAP. Earnings per share are calculated as net income (loss) divided by weighted average shares outstanding. Therefore, earnings per share may not add across due to rounding.

(2) Discontinued Operations represents the operations of Genzyme Genetics and Genzyme Diagnostics, net of tax.

**GENZYME CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP EARNINGS**  
For the Three Months Ended December 31, 2009  
(Amounts in thousands, except percentage and per share data)  
**REVISED FOR DISCONTINUED OPERATIONS - UNAUDITED**

	GAAP As Reported	Bayer Acquisition Related	FAS 123R Expense	Discontinued Operations <sup>(2)</sup>	NON-GAAP <sup>(1)</sup>
<b>Income Statement Classification:</b>					
Total revenues	\$ 938,290	\$ -	\$ -	\$ -	\$ 938,290
Cost of products and services sold	<u>\$ (296,136)</u>	<u>\$ 19,082</u>	<u>\$ 7,388</u>	<u>\$ -</u>	<u>\$ (269,666)</u>
<i>Gross margin</i>	68% \$ 642,154	\$ 19,082	\$ 7,388	\$ -	71% \$ 668,624
Selling, general and administrative	\$ (340,374)	\$ -	\$ 21,767	\$ -	\$ (318,607)
Research and development	\$ (224,918)	\$ -	\$ 13,657	\$ -	\$ (211,261)
Amortization of intangibles	\$ (70,237)	\$ -	\$ -	\$ -	\$ (70,237)
Contingent consideration expense	\$ (28,297)	\$ 28,297	\$ -	\$ -	\$ -
Gains (losses) on investments in equity securities	\$ 1,276	\$ -	\$ -	\$ -	\$ 1,276
Other	\$ 700	\$ -	\$ -	\$ -	\$ 700
Investment income	\$ 3,605	\$ -	\$ -	\$ -	\$ 3,605
<b>Summary:</b>					
Income (loss) from continuing operations before income taxes	\$ (16,091)	\$ 47,379	\$ 42,812	\$ -	\$ 74,100
(Provision for) benefit from income taxes	-233.73% <u>\$ 37,609</u>	<u>\$ (22,232)</u>	<u>\$ (11,385)</u>	<u>\$ -</u>	-5.39% <u>\$ 3,992</u>
Income (loss) from continuing operations	\$ 21,518	\$ 25,147	\$ 31,427	\$ -	\$ 78,092
Income (loss) from discontinued operations, net of tax	<u>\$ 1,727</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,727)</u>	<u>\$ -</u>
Net income (loss)	<u>\$ 23,245</u>	<u>\$ 25,147</u>	<u>\$ 31,427</u>	<u>\$ (1,727)</u>	<u>\$ 78,092</u>
Net income (loss) per share-basic:					
Income (loss) from continuing operations, net of tax	\$ 0.08	\$ 0.09	\$ 0.12	\$ -	\$ 0.29
Income (loss) from discontinued operations, net of tax	<u>\$ 0.01</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0.01)</u>	<u>\$ -</u>
Net income (loss)	<u>\$ 0.09</u>	<u>\$ 0.09</u>	<u>\$ 0.12</u>	<u>\$ (0.01)</u>	<u>\$ 0.29</u>
Net income (loss) per share-diluted:					
Income (loss) from continuing operations, net of tax	\$ 0.08	\$ 0.09	\$ 0.12	\$ -	\$ 0.29
Income (loss) from discontinued operations, net of tax	<u>\$ 0.01</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0.01)</u>	<u>\$ -</u>
Net income (loss)	<u>\$ 0.09</u>	<u>\$ 0.09</u>	<u>\$ 0.12</u>	<u>\$ (0.01)</u>	<u>\$ 0.29</u>
Weighted average shares outstanding:					
Basic	265,596	265,596	265,596	265,596	265,596
Diluted	270,241	270,241	270,241	270,241	270,241

**Notes:**

(1) Represents the Non-GAAP results of operations for Genzyme Corporation for the applicable period. We believe that certain Non-GAAP financial measures, when considered together with the GAAP figures, can enhance the overall understanding of the company's past financial performance and its prospects for the future. The Non-GAAP financial measures are included with the intent of providing investors with a more complete understanding of the trends underlying our operating results and financial position and are among the primary indicators management uses for planning and forecasting purposes and measuring the company's performance. Such Non-GAAP financial measures should not be considered in isolation or used as a substitute for GAAP. Earnings per share are calculated as net income (loss) divided by weighted average shares outstanding. Therefore, earnings per share may not add across due to rounding.

(2) Discontinued Operations represents the operations of Genzyme Genetics and Genzyme Diagnostics, net of tax.

**GENZYME CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP EARNINGS**  
For the Three Months Ended September 30, 2009  
(Amounts in thousands, except percentage and per share data)  
**REVISED FOR DISCONTINUED OPERATIONS - UNAUDITED**

	GAAP As Reported	Bayer Acquisition Related	FAS 123R Expense	Discontinued Operations <sup>(2)</sup>	NON-GAAP <sup>(1)</sup>
<b>Income Statement Classification:</b>					
Total revenues	\$ 923,766	\$ -	\$ -	\$ -	\$ 923,766
Cost of products and services sold	\$ (279,882)	\$ 17,740	\$ 5,015	\$ -	\$ (257,127)
<i>Gross margin</i>	70% \$ 643,884	\$ 17,740	\$ 5,015	\$ -	72% \$ 666,639
Selling, general and administrative	\$ (323,513)	\$ -	\$ 22,333	\$ -	\$ (301,180)
Research and development	\$ (215,925)	\$ -	\$ 13,741	\$ -	\$ (202,184)
Amortization of intangibles	\$ (68,078)	\$ -	\$ -	\$ -	\$ (68,078)
Contingent consideration expense	\$ (28,197)	\$ 28,197	\$ -	\$ -	\$ -
Gains (losses) on investments in equity securities	\$ (651)	\$ -	\$ -	\$ -	\$ (651)
Other	\$ 614	\$ -	\$ -	\$ -	\$ 614
Investment income	\$ 4,543	\$ -	\$ -	\$ -	\$ 4,543
<b>Summary:</b>					
Income (loss) from continuing operations before income taxes	\$ 12,677	\$ 45,937	\$ 41,089	\$ -	\$ 99,703
(Provision for) benefit from income taxes	-7.61% \$ 965	\$ (11,667)	\$ (11,151)	\$ -	21.92% \$ (21,853)
Income (loss) from continuing operations	\$ 13,642	\$ 34,270	\$ 29,938	\$ -	\$ 77,850
Income (loss) from discontinued operations, net of tax	\$ 2,353	\$ -	\$ -	\$ (2,353)	\$ -
Net income (loss)	<u>\$ 15,995</u>	<u>\$ 34,270</u>	<u>\$ 29,938</u>	<u>\$ (2,353)</u>	<u>\$ 77,850</u>
Net income (loss) per share-basic:					
Income (loss) from continuing operations, net of tax	\$ 0.05	\$ 0.13	\$ 0.11	\$ -	\$ 0.29
Income (loss) from discontinued operations, net of tax	<u>\$ 0.01</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0.01)</u>	<u>\$ -</u>
Net income (loss)	<u>\$ 0.06</u>	<u>\$ 0.13</u>	<u>\$ 0.11</u>	<u>\$ (0.01)</u>	<u>\$ 0.29</u>
Net income (loss) per share-diluted:					
Income (loss) from continuing operations, net of tax	\$ 0.05	\$ 0.13	\$ 0.11	\$ -	\$ 0.28
Income (loss) from discontinued operations, net of tax	<u>\$ 0.01</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0.01)</u>	<u>\$ -</u>
Net income (loss)	<u>\$ 0.06</u>	<u>\$ 0.13</u>	<u>\$ 0.11</u>	<u>\$ (0.01)</u>	<u>\$ 0.28</u>
Weighted average shares outstanding:					
Basic	268,957	268,957	268,957	268,957	268,957
Diluted	273,741	273,741	273,741	273,741	273,741

**Notes:**

(1) Represents the Non-GAAP results of operations for Genzyme Corporation for the applicable period. We believe that certain Non-GAAP financial measures, when considered together with the GAAP figures, can enhance the overall understanding of the company's past financial performance and its prospects for the future. The Non-GAAP financial measures are included with the intent of providing investors with a more complete understanding of the trends underlying our operating results and financial position and are among the primary indicators management uses for planning and forecasting purposes and measuring the company's performance. Such Non-GAAP financial measures should not be considered in isolation or used as a substitute for GAAP. Earnings per share are calculated as net income (loss) divided by weighted average shares outstanding. Therefore, earnings per share may not add across due to rounding.

(2) Discontinued Operations represents the operations of Genzyme Genetics and Genzyme Diagnostics, net of tax.

**GENZYME CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP EARNINGS**  
For the Three Months Ended June 30, 2009  
(Amounts in thousands, except percentage and per share data)  
**REVISED FOR DISCONTINUED OPERATIONS - UNAUDITED**

	GAAP As Reported	Bayer Acquisition Related	FAS 123R Expense	Discontinued Operations <sup>(2)</sup>	NON-GAAP <sup>(1)</sup>
<b>Income Statement Classification:</b>					
Total revenues	\$ 1,095,555	\$ -	\$ -	\$ -	\$ 1,095,555
Cost of products and services sold	\$ (274,071)	\$ -	\$ 4,873	\$ -	\$ (269,198)
<i>Gross margin</i>	75% \$ 821,484	\$ -	\$ 4,873	\$ -	75% \$ 826,357
Selling, general and administrative	\$ (307,084)	\$ -	\$ 34,985	\$ -	\$ (272,099)
Research and development	\$ (207,291)	\$ -	\$ 19,445	\$ -	\$ (187,846)
Amortization of intangibles	\$ (60,783)	\$ -	\$ -	\$ -	\$ (60,783)
Contingent consideration expense	\$ (9,090)	\$ 9,090	\$ -	\$ -	\$ -
Gains (losses) on investments in equity securities	\$ (106)	\$ -	\$ -	\$ -	\$ (106)
Gain on acquisition of business	\$ 24,159	\$ (24,159)	\$ -	\$ -	\$ -
Other	\$ (2,061)	\$ -	\$ -	\$ -	\$ (2,061)
Investment income	\$ 4,145	\$ -	\$ -	\$ -	\$ 4,145
<b>Summary:</b>					
Income (loss) from continuing operations before income taxes	\$ 263,373	\$ (15,069)	\$ 59,303	\$ -	\$ 307,607
(Provision for) benefit from income taxes	29.53% \$ (77,767)	\$ 4,119	\$ (12,855)	\$ -	28.12% \$ (86,503)
Income (loss) from continuing operations	\$ 185,606	\$ (10,950)	\$ 46,448	\$ -	\$ 221,104
Income (loss) from discontinued operations, net of tax	\$ 1,968	\$ -	\$ -	\$ (1,968)	\$ -
Net income (loss)	<u>\$ 187,574</u>	<u>\$ (10,950)</u>	<u>\$ 46,448</u>	<u>\$ (1,968)</u>	<u>\$ 221,104</u>
Net income (loss) per share-basic:					
Income (loss) from continuing operations, net of tax	\$ 0.69	\$ (0.04)	\$ 0.17	\$ -	\$ 0.82
Income (loss) from discontinued operations, net of tax	\$ (0.00)	\$ -	\$ -	\$ (0.00)	\$ -
Net income (loss)	<u>\$ 0.69</u>	<u>\$ (0.04)</u>	<u>\$ 0.17</u>	<u>\$ (0.00)</u>	<u>\$ 0.82</u>
Net income (loss) per share-diluted:					
Income (loss) from continuing operations, net of tax	\$ 0.68	\$ (0.04)	\$ 0.17	\$ -	\$ 0.80
Income (loss) from discontinued operations, net of tax	\$ (0.00)	\$ -	\$ -	\$ (0.00)	\$ -
Net income (loss)	<u>\$ 0.68</u>	<u>\$ (0.04)</u>	<u>\$ 0.17</u>	<u>\$ (0.00)</u>	<u>\$ 0.80</u>
Weighted average shares outstanding:					
Basic	269,958	269,958	269,958	269,958	269,958
Diluted	274,852	274,852	274,852	274,852	274,852

**Notes:**

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(2) Discontinued Operations represents the operations of Genzyme Genetics and Genzyme Diagnostics, net of tax.

## GENZYME CORPORATION

### RECONCILIATION OF GAAP TO NON-GAAP EARNINGS

For the Three Months Ended March 31, 2009

(Amounts in thousands, except percentage and per share data)

REVISED FOR DISCONTINUED OPERATIONS - UNAUDITED

	GAAP As Reported	FAS 123R Expense	Discontinued Operations <sup>(2)</sup>	NON-GAAP <sup>(1)</sup>
<b>Income Statement Classification:</b>				
Total revenues	\$ 1,019,677	\$ -	\$ -	\$ 1,019,677
Cost of products and services sold	\$ (220,258)	\$ 4,997	\$ -	\$ (215,261)
<i>Gross margin</i>	78% \$ 799,419	\$ 4,997	\$ -	79% \$ 804,416
Selling, general and administrative	\$ (273,427)	\$ 21,656	\$ -	\$ (251,771)
Research and development	\$ (185,719)	\$ 13,275	\$ -	\$ (172,444)
Amortization of intangibles	\$ (54,409)	\$ -	\$ -	\$ (54,409)
Contingent consideration expense	\$ -	\$ -	\$ -	\$ -
Gains (losses) on investments in equity securities	\$ (576)	\$ -	\$ -	\$ (576)
Gain on acquisition of business	\$ -	\$ -	\$ -	\$ -
Other	\$ (899)	\$ -	\$ -	\$ (899)
Investment income	\$ 5,349	\$ -	\$ -	\$ 5,349
<b>Summary:</b>				
Income (loss) from continuing operations before income taxes	\$ 289,738	\$ 39,928	\$ -	\$ 329,666
(Provision for) benefit from income taxes	28.82% \$ (83,503)	\$ (11,597)	\$ -	28.85% \$ (95,100)
Income (loss) from continuing operations	\$ 206,235	\$ 28,331	\$ -	\$ 234,566
Income (loss) from discontinued operations, net of tax	\$ (10,749)	\$ -	\$ 10,749	\$ -
Net income (loss)	<u>\$ 195,486</u>	<u>\$ 28,331</u>	<u>\$ 10,749</u>	<u>\$ 234,566</u>
Net income (loss) per share-basic:				
Income (loss) from continuing operations, net of tax	\$ 0.76	\$ 0.10	\$ -	\$ 0.87
Income (loss) from discontinued operations, net of tax	\$ (0.04)	\$ -	\$ 0.04	\$ -
Net income (loss)	<u>\$ 0.72</u>	<u>\$ 0.10</u>	<u>\$ 0.04</u>	<u>\$ 0.87</u>
Net income (loss) per share-diluted:				
Income (loss) from continuing operations, net of tax	\$ 0.74	\$ 0.10	\$ -	\$ 0.84
Income (loss) from discontinued operations, net of tax	\$ (0.04)	\$ -	\$ 0.04	\$ -
Net income (loss)	<u>\$ 0.70</u>	<u>\$ 0.10</u>	<u>\$ 0.04</u>	<u>\$ 0.84</u>
Weighted average shares outstanding:				
Basic	270,854	270,854	270,854	270,854
Diluted	277,628	277,628	277,628	277,628

**Notes:**

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