

**GENZYME CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP EARNINGS**  
For the Three Months Ended September 30, 2010  
(Amounts in thousands, except percentage and per share data)  
**UNAUDITED**

	GAAP As Reported	Bayer Acquisition Related	Stock Compensation Expense	Restructuring / Severance	Discontinued Operations <sup>(3)</sup>	NON-GAAP <sup>(1)</sup>	OTHER DISCRETE ITEMS (Included in GAAP and Non-GAAP results)	
							Manufacturing Related <sup>(2)</sup>	Genzyme Pharmaceuticals
<b>Income Statement Classification:</b>								
Total revenues	\$ 1,001,800	\$ -	\$ -	\$ -	\$ -	\$ 1,001,800	\$ -	\$ (3,082)
Cost of products and services sold	\$ (309,273)	\$ 8,351	\$ 5,023	\$ -	\$ -	\$ (295,899)	\$ 5,629	\$ 3,200
Gross margin	69% \$ 692,527	\$ 8,351	\$ 5,023	\$ -	\$ -	70% \$ 705,901	\$ 5,629	\$ 118
Selling, general and administrative	\$ (337,883)	\$ -	\$ 22,003	\$ 3,207	\$ -	\$ (312,673)	\$ -	\$ 625
Research and development	\$ (207,051)	\$ -	\$ 13,781	\$ -	\$ -	\$ (193,270)	\$ -	\$ 686
Amortization of intangibles	\$ (61,761)	\$ -	\$ -	\$ -	\$ -	\$ (61,761)	\$ -	\$ -
Contingent consideration expense	\$ 3,134	\$ (3,134)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in loss of equity method investments	\$ (643)	\$ -	\$ -	\$ -	\$ -	\$ (643)	\$ -	\$ -
Other	\$ 4,263	\$ -	\$ -	\$ -	\$ -	\$ 4,263	\$ -	\$ -
Investment income	\$ 2,403	\$ -	\$ -	\$ -	\$ -	\$ 2,403	\$ -	\$ -
Interest expense	\$ (3,358)	\$ -	\$ -	\$ -	\$ -	\$ (3,358)	\$ -	\$ -
<b>Summary:</b>								
Income (loss) from continuing operations before income taxes	\$ 91,631	\$ 5,217	\$ 40,807	\$ 3,207	\$ -	\$ 140,862	\$ 5,629	\$ 1,429
(Provision for) benefit from income taxes	18.97% \$ (17,385)	\$ 2,126	\$ (13,366)	\$ (744)	\$ -	20.85% \$ (29,369)	\$ (1,860)	\$ (362)
Income (loss) from continuing operations	\$ 74,246	\$ 7,343	\$ 27,441	\$ 2,463	\$ -	\$ 111,493	\$ 3,769	\$ 1,067
Income (loss) from discontinued operations, net of tax	\$ (5,292)	\$ -	\$ -	\$ -	\$ 5,292	\$ -	\$ -	\$ -
Net income (loss)	\$ 68,954	\$ 7,343	\$ 27,441	\$ 2,463	\$ 5,292	\$ 111,493	\$ 3,769	\$ 1,067
Net income (loss) per share-basic:								
Income (loss) from continuing operations, net of tax	\$ 0.29	\$ 0.03	\$ 0.11	\$ 0.01	\$ -	\$ 0.44	\$ 0.01	\$ 0.00
Loss from discontinued operations, net of tax	\$ (0.02)	\$ -	\$ -	\$ -	\$ 0.02	\$ -	\$ -	\$ -
Net income (loss)	\$ 0.27	\$ 0.03	\$ 0.11	\$ 0.01	\$ 0.02	\$ 0.44	\$ 0.01	\$ 0.00
Net income (loss) per share-diluted:								
Income (loss) from continuing operations, net of tax	\$ 0.28	\$ 0.03	\$ 0.10	\$ 0.01	\$ -	\$ 0.42	\$ 0.01	\$ 0.00
Loss from discontinued operations, net of tax	\$ (0.02)	\$ -	\$ -	\$ -	\$ 0.02	\$ -	\$ -	\$ -
Net income (loss)	\$ 0.26	\$ 0.03	\$ 0.10	\$ 0.01	\$ 0.02	\$ 0.42	\$ 0.01	\$ 0.00
Weighted average shares outstanding:								
Basic	255,359	255,359	255,359	255,359	255,359	255,359	255,359	255,359
Diluted	263,786	263,786	263,786	263,786	263,786	263,786	263,786	263,786

**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) Represents write-offs of inventory that did not meet the necessary quality specifications.

(3) 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, 2010  
(Amounts in thousands, except percentage and per share data)  
**REVISED FOR DISCONTINUED OPERATIONS - UNAUDITED**

	GAAP	Bayer Acquisition Related	Stock Compensation Expense	Discontinued Operations <sup>(5)</sup>	NON-GAAP <sup>(1)</sup>	OTHER DISCRETE ITEMS (included in GAAP and Non-GAAP results)	
						Manufacturing Related <sup>(3)</sup>	Investment Impairment <sup>(4)</sup>
<b>Income Statement Classification:</b>							
Total revenues	\$ 953,164	\$ -	\$ -	\$ -	\$ 953,164	\$ -	\$ -
Cost of products and services sold	\$ (287,109)	\$ 10,241	\$ 3,834	\$ -	\$ (273,034)	\$ 28,467	\$ -
<i>Gross margin</i>	70% \$ 666,055	\$ 10,241	\$ 3,834	\$ -	71% \$ 680,130	\$ 28,467	\$ -
Selling, general and administrative	\$ (357,753)	\$ -	\$ 25,366	\$ -	\$ (332,387)	\$ -	\$ -
Research and development	\$ (221,533)	\$ -	\$ 13,366	\$ -	\$ (208,167)	\$ -	\$ -
Amortization of intangibles	\$ (64,732)	\$ -	\$ -	\$ -	\$ (64,732)	\$ -	\$ -
Contingent consideration expense	\$ (10,021)	\$ 10,021	\$ -	\$ -	\$ -	\$ -	\$ -
Equity in loss of equity method investments	\$ (870)	\$ -	\$ -	\$ -	\$ (870)	\$ -	\$ -
Other	\$ (31,206)	\$ -	\$ -	\$ -	\$ (31,206)	\$ -	\$ 32,250
Investment income	\$ 3,084	\$ -	\$ -	\$ -	\$ 3,084	\$ -	\$ -
Interest expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Summary:</b>							
Income (loss) from continuing operations before income taxes	\$ (16,976)	\$ 20,262	\$ 42,566	\$ -	\$ 45,852	\$ 28,467	\$ 32,250
(Provision for) benefit from income taxes	95.42% \$ 16,199	\$ (3,308)	\$ (12,731)	\$ -	-0.35% \$ 160	\$ (7,624)	\$ (11,901)
Income (loss) from continuing operations	\$ (777)	\$ 16,954	\$ 29,835	\$ -	\$ 46,012	\$ 20,843	\$ 20,349
Income (loss) from discontinued operations, net of tax	\$ (2,996)	\$ -	\$ -	\$ 2,996	\$ -	\$ -	\$ -
Net income (loss)	\$ (3,773)	\$ 16,954	\$ 29,835	\$ 2,996	\$ 46,012	\$ 20,843	\$ 20,349
Net income (loss) per share-basic:							
Income (loss) from continuing operations, net of tax	\$ (0.00)	\$ 0.06	\$ 0.11	\$ -	\$ 0.17	\$ 0.08	\$ 0.08
Income (loss) from discontinued operations, net of tax	\$ (0.01)	\$ -	\$ -	\$ 0.01	\$ -	\$ -	\$ -
Net income (loss)	\$ (0.01)	\$ 0.06	\$ 0.11	\$ 0.01	\$ 0.17	\$ 0.08	\$ 0.08
Net income (loss) per share-diluted: <sup>(2)</sup>							
Income (loss) from continuing operations, net of tax	\$ (0.00)	\$ 0.06	\$ 0.11	\$ -	\$ 0.17	\$ 0.08	\$ 0.08
Income (loss) from discontinued operations, net of tax	\$ (0.01)	\$ -	\$ -	\$ 0.01	\$ -	\$ -	\$ -
Net income (loss)	\$ (0.01)	\$ 0.06	\$ 0.11	\$ 0.01	\$ 0.17	\$ 0.08	\$ 0.08
Weighted average shares outstanding:							
Basic	265,270	265,270	265,270	265,270	265,270	265,270	265,270
Diluted <sup>(2)</sup>	265,270	270,125	270,125	270,125	270,125	265,270	265,270

**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) GAAP diluted net loss per share and diluted weighted average shares outstanding for the applicable period excludes the effect of all common stock equivalents because their effect would be anti-dilutive due to our net loss for the period.

(3) Represents primarily write-offs of inventory due to the interruption in operations late in the first quarter at our Allston, MA facility, as well as costs associated with the temporary shutdown at our Haverhill, UK facility in December 2009.

(4) Represents a write-down of our investment in the common stock of ISIS Pharmaceuticals, Inc., to the extent our cost exceeds the market value, in accordance with GAAP.

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

**GENZYME CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP EARNING<sup>(1)</sup>**  
**For the Three Months Ended March 31, 2010**  
(Amounts in thousands, except percentage and per share data)  
**REVISED FOR DISCONTINUED OPERATIONS - UNAUDITED**

	GAAP	Consent Decree	Bayer Acquisition Related	Stock Compensation Expense	Discontinued Operations <sup>(3)</sup>	NON-GAAP <sup>(1)</sup>	OTHER DISCRETE ITEMS
							(included in GAAP and Non-GAAP results)
							Manufacturing Related
<b>Income Statement Classification:</b>							
Total revenues	\$ 941,891	\$ -	\$ -	\$ -	\$ -	\$ 941,891	\$ -
Cost of products and services sold	\$ (260,092)	\$ -	\$ 8,702	\$ 5,342	\$ -	\$ (246,048)	\$ 10,842
<i>Gross margin</i>	72% \$ 681,799	\$ -	\$ 8,702	\$ 5,342	\$ -	74% \$ 695,843	\$ 10,842
Selling, general and administrative	\$ (508,282)	\$ 175,000	\$ -	\$ 23,083	\$ -	\$ (310,199)	\$ -
Research and development	\$ (216,603)	\$ -	\$ -	\$ 14,221	\$ -	\$ (202,382)	\$ -
Amortization of intangibles	\$ (67,834)	\$ -	\$ -	\$ -	\$ -	\$ (67,834)	\$ -
Contingent consideration expense	\$ (62,549)	\$ -	\$ 62,549	\$ -	\$ -	\$ -	\$ -
Equity in loss of equity method investments	\$ (697)	\$ -	\$ -	\$ -	\$ -	\$ (697)	\$ -
Other	\$ (450)	\$ -	\$ -	\$ -	\$ -	\$ (450)	\$ -
Investment income	\$ 3,300	\$ -	\$ -	\$ -	\$ -	\$ 3,300	\$ -
Interest expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Summary:</b>							
Income (loss) from continuing operations before income taxes	\$ (171,316)	\$ 175,000	\$ 71,251	\$ 42,646	\$ -	\$ 117,581	\$ 10,842
(Provision for) benefit from income taxes	34.84% \$ 59,679	\$ (51,299)	\$ (14,649)	\$ (11,542)	\$ -	15.15% \$ (17,811)	\$ (3,309)
Income (loss) from continuing operations	\$ (111,637)	\$ 123,701	\$ 56,602	\$ 31,104	\$ -	\$ 99,770	\$ 7,533
Income (loss) from discontinued operations, net of tax	\$ (3,311)	\$ -	\$ -	\$ -	\$ 3,311	\$ -	\$ -
Net income (loss)	\$ (114,948)	\$ 123,701	\$ 56,602	\$ 31,104	\$ 3,311	\$ 99,770	\$ 7,533
<b>Net income (loss) per share-basic:</b>							
Income (loss) from continuing operations, net of tax	\$ (0.42)	\$ 0.46	\$ 0.21	\$ 0.12	\$ -	\$ 0.37	\$ 0.03
Income (loss) from discontinued operations, net of tax	\$ (0.01)	\$ -	\$ -	\$ -	\$ 0.01	\$ -	\$ -
Net income (loss)	\$ (0.43)	\$ 0.46	\$ 0.21	\$ 0.12	\$ 0.01	\$ 0.37	\$ 0.03
<b>Net income (loss) per share-diluted:<sup>(2)</sup></b>							
Income (loss) from continuing operations, net of tax	\$ (0.42)	\$ 0.45	\$ 0.21	\$ 0.11	\$ -	\$ 0.37	\$ 0.03
Income (loss) from discontinued operations, net of tax	\$ (0.01)	\$ -	\$ -	\$ -	\$ 0.01	\$ -	\$ -
Net income (loss)	\$ (0.43)	\$ 0.45	\$ 0.21	\$ 0.11	\$ 0.01	\$ 0.37	\$ 0.03
<b>Weighted average shares outstanding:</b>							
Basic	266,251	266,251	266,251	266,251	266,251	266,251	266,251
Diluted <sup>(2)</sup>	266,251	271,981	271,981	271,981	271,981	271,981	266,251

**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) GAAP diluted net loss per share and diluted weighted average shares outstanding for the applicable period excludes the effect of all common stock equivalents because their effect would be anti-dilutive due to our net loss for the period.

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