

## GENZYME CORPORATION (GENZ)

Consolidated Statements of Operations (Unaudited, amounts in thousands, except per share amounts)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Total revenues	\$ 1,228,510	\$ 1,171,134	\$ 2,377,381	\$ 2,271,195
Operating costs and expenses:				
Cost of products and services sold	350,523	300,330	646,335	572,643
Selling, general and administrative	354,128	347,305	672,089	665,691
Research and development	210,522	381,861	417,447	644,658
Amortization of intangibles	63,945	55,605	121,543	111,263
Contingent consideration expense	9,090	-	9,090	-
Total operating costs and expenses	988,208	1,085,101	1,866,504	1,994,255
Operating income	240,302	86,033	510,877	276,940
Other income (expenses):				
Gain (loss) on investments in equity securities, net	(105)	9,153	(681)	9,928
Gain on acquisition of business	24,159	-	24,159	-
Other	(2,056)	582	(3,035)	1,073
Investment income	4,144	13,352	9,494	28,222
Interest expense	-	(1,149)	-	(2,804)
Total other income (expenses)	26,142	21,938	29,937	36,419
Income before income taxes	266,444	107,971	540,814	313,359
Provision for income taxes	(78,870)	(38,407)	(157,754)	(98,524)
Net income	\$ 187,574	\$ 69,564	\$ 383,060	\$ 214,835
Net income per share:				
Basic	\$ 0.69	\$ 0.26	\$ 1.42	\$ 0.80
Diluted (1)	\$ 0.68	\$ 0.25	\$ 1.39	\$ 0.77
Weighted average shares outstanding:				
Basic	269,958	266,904	270,406	267,127
Diluted (1)	274,852	284,262	276,225	285,028

All amounts herein are presented in accordance with GAAP and are provided for quantitative analysis only and should be read in conjunction with the text of the Earnings Release. In addition, 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. Please refer to our GAAP to Non-GAAP Reconciliations attached to the Earnings Releases for the above respective periods, which are filed as 8-K's with the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov). The Non-GAAP financial measures are provided 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.

Please refer to our Form 10-Q's and Form 10-K's for an in-depth discussion and analysis of our results of operations and financial position and for detailed information regarding specific material transactions in a particular period.

- (1) Prior to January 1, 2009, in accordance with EITF 04-8, the shares issuable upon conversion of our \$690.0 million in principal of 1.25% convertible senior notes were included in diluted weighted average shares outstanding for purposes of computing diluted earnings per share, unless the effect was anti-dilutive. Accordingly, interest and debt fees related to these notes of \$1.9 million, net of tax, for the three months ended June 30, 2008, and \$3.8 million, net of tax, for the six months ended June 30, 2008 have been added back to net income, and approximately 9.7 million shares issuable upon conversion of these notes, prior to redemption, have been included in diluted weighted average shares outstanding. There are no similar adjustments to the computation of diluted earnings per share for the three and six months ended June 30, 2009, because the notes were redeemed, primarily for cash, on December 1, 2008.

## GENZYME CORPORATION (GENZ)

Condensed Consolidated Balance Sheets (Unaudited, amounts in thousands)	June 30,	December 31,
	2009	2008
Cash and all marketable securities	\$ 1,049,383	\$ 973,691
Other current assets	2,126,878	1,886,522
Property, plant and equipment, net	2,550,269	2,306,567
Intangibles, net	3,840,197	3,055,772
Other noncurrent assets	528,359	448,724
Total assets	\$ 10,095,086	\$ 8,671,276
Current liabilities	\$ 1,116,001	\$ 914,283
Noncurrent liabilities	1,198,616	451,000
Stockholders' equity	7,780,469	7,305,993
Total liabilities and stockholders' equity	\$ 10,095,086	\$ 8,671,276