

GENZYME CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP EARNINGS AND CASH GENERATED
For the Three Months Ended June 30, 2009
(Amounts in thousands, except percentage and per share data)

	GAAP As Reported	Bayer Acquisition Related			NON-GAAP ⁽¹⁾	OTHER DISCRETE ITEMS (included in GAAP and Non-GAAP results)	
		Contingent Consideration Expense	Gain on Acquisition of Business	FAS 123R Expense		Allston Remediation	Inventory Fair Value Step-up
Income Statement Classification:							
Total revenues	\$ 1,228,510				\$ 1,228,510		
Cost of products and services sold	\$ (350,523)			\$ 7,570	\$ (342,953)	\$ 22,572	\$ 6,639
<i>Gross margin</i>	71% \$ 877,987	\$ -	\$ -	\$ 7,570	72% \$ 885,557	\$ 22,572	\$ 6,639
Selling, general and administrative	\$ (354,128)			\$ 37,817	\$ (316,311)		
Research and development	\$ (210,522)			\$ 19,780	\$ (190,742)		
Amortization of intangibles	\$ (63,945)				\$ (63,945)		
Contingent consideration expense	\$ (9,090)	\$ 9,090			\$ -		
Gains (losses) on investments in equity securities	\$ (105)				\$ (105)		
Gain on acquisition of business	\$ 24,159		\$ (24,159)		\$ -		
Other	\$ (2,056)				\$ (2,056)	\$ 1,484	
Investment income	\$ 4,144				\$ 4,144		
Summary:							
Income (loss) before income taxes	\$ 266,444	\$ 9,090	\$ (24,159)	\$ 65,167	\$ 316,542	\$ 24,056	\$ 6,639
(Provision for) benefit from income taxes	29.60% \$ (78,870)	\$ (2,471)	\$ 6,568	\$ (15,144)	28.41% \$ (89,917)	\$ (6,114)	\$ (1,302)
Net income (loss)	\$ 187,574	\$ 6,619	\$ (17,591)	\$ 50,023	\$ 226,625	\$ 17,942	\$ 5,337
Net income (loss) per share:							
Basic	\$ 0.69	\$ 0.02	\$ (0.07)	\$ 0.19	\$ 0.84	\$ 0.07	\$ 0.02
Diluted	\$ 0.68	\$ 0.02	\$ (0.06)	\$ 0.18	\$ 0.82	\$ 0.07	\$ 0.02
Weighted average shares outstanding:							
Basic	269,958	269,958	269,958	269,958	269,958	269,958	269,958
Diluted	274,852	274,852	274,852	274,852	274,852	274,852	274,852
Non-GAAP Net Income					\$ 226,625		
Depreciation, net of tax					29,144		
Proceeds from the issuance of common stock					18,982		
Non-GAAP Cash Generated					\$ 274,751		

Notes:

(1) Represents the Non-GAAP results of operations for Genzyme Corporation for the three months ended June 30, 2009. 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.