

# Genzyme Corporation (GENZ)

## Analyst Schedule

(Unaudited, amounts in thousands, except percentage amounts)

	Q4-05	Q1-06	Q2-06	Q3-06	Q4-06	Q4-06 vs. Q4-05 % B/(W)	FY 2004	FY 2005	YTD 12/31/06
<b>Total revenues:</b>									
<b>Renal</b>									
Renagel phosphate binder (including Sevelamer)	\$ 110,366	\$ 118,655	\$ 126,599	\$ 134,722	\$ 135,143	22%	\$ 363,720	\$ 417,485	\$ 515,119
Hectorol	20,377	18,904	22,412	25,482	26,562	30%	-	34,515	93,360
Other Renal	-	31	(31)	-	-		-	-	-
Total Renal product and service revenue	130,743	137,590	148,980	160,204	161,705	24%	363,720	452,000	608,479
Renal R&D revenue	-	-	-	-	-		-	-	-
<b>Total Renal</b>	<b>130,743</b>	<b>137,590</b>	<b>148,980</b>	<b>160,204</b>	<b>161,705</b>	<b>24%</b>	<b>363,720</b>	<b>452,000</b>	<b>608,479</b>
<b>Therapeutics</b>									
Cerezyme enzyme	232,089	239,009	253,989	252,227	261,811	13%	839,366	932,322	1,007,036
Fabrazyme enzyme	81,538	80,503	89,041	93,170	96,560	18%	209,637	305,064	359,274
Thyrogen hormone	20,823	22,993	23,723	22,396	24,575	18%	63,454	77,740	93,687
Myozyme	1,532	2,051	6,531	20,402	30,254	>100%	257	3,827	59,238
Other Therapeutics	596	77	78	72	183	(69%)	2,205	2,292	410
Total Therapeutics product and service revenue	336,578	344,633	373,362	388,267	413,383	23%	1,114,919	1,321,245	1,519,645
Therapeutics R&D revenue	-	1,000	-	-	68		-	789	1,068
<b>Total Therapeutics</b>	<b>336,578</b>	<b>345,633</b>	<b>373,362</b>	<b>388,267</b>	<b>413,451</b>	<b>23%</b>	<b>1,114,919</b>	<b>1,322,034</b>	<b>1,520,713</b>
<b>Transplant</b>									
Thymoglobulin/Lymphoglobuline	34,508	32,860	39,812	37,619	39,250	14%	108,928	127,739	149,541
Other Transplant	11,084	1,406	1,400	1,622	1,997	(82%)	42,125	18,143	6,425
Total Transplant product and service revenue	45,592	34,266	41,212	39,241	41,247	(10%)	151,053	145,882	155,966
Transplant R&D revenue	-	-	-	-	-		310	30	-
<b>Total Transplant</b>	<b>45,592</b>	<b>34,266</b>	<b>41,212</b>	<b>39,241</b>	<b>41,247</b>	<b>(10%)</b>	<b>151,363</b>	<b>145,912</b>	<b>155,966</b>
<b>Biosurgery</b>									
Synvisc viscosupplementation product and services	58,366	53,263	63,590	55,930	61,075	5%	88,296	218,908	233,858
Sepra products	17,395	19,415	21,961	21,054	22,908	32%	61,647	68,171	85,338
Other Biosurgery	17,280	17,854	16,849	16,465	16,312	(6%)	55,332	65,953	67,480
Total Biosurgery product and service revenue	93,041	90,532	102,400	93,449	100,295	8%	205,275	353,032	386,676
Biosurgery R&D revenue	-	4	1	-	888		4,241	144	893
<b>Total Biosurgery</b>	<b>93,041</b>	<b>90,536</b>	<b>102,401</b>	<b>93,449</b>	<b>101,183</b>	<b>9%</b>	<b>209,516</b>	<b>353,176</b>	<b>387,569</b>
<b>Diagnostics/Genetics</b>									
Diagnostic Products	29,913	29,211	26,299	27,953	31,546	5%	90,955	104,202	115,009
Genetic Testing	56,057	57,452	61,041	61,360	61,004	9%	188,166	222,328	240,857
Total Diagnostics/Genetics product and service revenue	85,970	86,663	87,340	89,313	92,550	8%	279,121	326,530	355,866
Genetics R&D revenue	-	-	-	-	-		-	-	-
<b>Total Diagnostics/Genetics</b>	<b>85,970</b>	<b>86,663</b>	<b>87,340</b>	<b>89,313</b>	<b>92,550</b>	<b>8%</b>	<b>279,121</b>	<b>326,530</b>	<b>355,866</b>
<b>Other</b>									
Other product and service revenue	32,099	32,473	36,453	34,910	39,059	22%	74,495	115,993	142,895
Other R&D revenue	4,668	3,681	3,608	3,190	5,046	8%	8,011	19,197	15,525
<b>Total Other</b>	<b>36,767</b>	<b>36,154</b>	<b>40,061</b>	<b>38,100</b>	<b>44,105</b>	<b>20%</b>	<b>82,506</b>	<b>135,190</b>	<b>158,420</b>
<b>Total revenues</b>	<b>\$ 728,691</b>	<b>\$ 730,842</b>	<b>\$ 793,356</b>	<b>\$ 808,574</b>	<b>\$ 854,241</b>	<b>17%</b>	<b>\$ 2,201,145</b>	<b>\$ 2,734,842</b>	<b>\$ 3,187,013</b>

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(Unaudited, amounts in thousands, except percentage and per share amount)

	Q4-05	Q1-06	Q2-06	Q3-06	Q4-06	Q4-06 vs. Q4-05 % B/(W)	FY 2004	FY 2005	YTD 12/31/06
<b>Revenues:</b>									
Total product and service revenue	\$ 724,023	\$ 726,157	\$ 789,747	\$ 805,384	\$ 848,239	17%	\$ 2,188,583	\$ 2,714,682	\$ 3,169,527
Total R&D revenue	4,668	4,685	3,609	3,190	6,002	29%	12,562	20,160	17,486
Total revenues	728,691	730,842	793,356	808,574	854,241	17%	2,201,145	2,734,842	3,187,013
<b>Total product and service gross profit (1)</b>	<b>535,422</b>	<b>559,207</b>	<b>604,414</b>	<b>620,708</b>	<b>649,527</b>	<b>21%</b>	<b>1,599,997</b>	<b>2,082,030</b>	<b>2,433,856</b>
SG&A expense (1)	207,613	230,669	273,480	239,700	266,551	(28%)	599,388	787,839	1,010,400
R&D expense (1)	138,186	152,323	168,941	162,293	166,394	(20%)	391,802	502,657	649,951
Amortization of intangibles	49,494	52,692	52,883	50,542	53,238	(8%)	109,473	181,632	209,355
Purchase of in-process research and development (2)	7,000	-	-	-	552,900	>(100)%	254,520	29,200	552,900
Charge for impaired goodwill (3)	-	-	-	219,245	-		-	-	219,245
Charge for impaired asset (4)	-	-	-	-	-		4,463	-	-
<b>Operating income (loss)</b>	<b>137,797</b>	<b>128,208</b>	<b>112,719</b>	<b>(47,882)</b>	<b>(383,554)</b>	<b>&gt;(100)%</b>	<b>252,913</b>	<b>600,862</b>	<b>(190,509)</b>
<b>Other income (expenses):</b>									
Equity in income (loss) of equity method investments	1,346	2,246	3,854	4,530	5,075	>100%	(15,624)	151	15,705
Minority interest	2,731	2,446	2,750	2,545	2,677	(2%)	5,999	11,952	10,418
Gain (loss) on investments in equity securities (5)	526	7,942	66,967	128	(1,807)	>(100)%	(1,252)	5,698	73,230
Other	(707)	(139)	(319)	(873)	(714)	(1%)	(357)	(1,535)	(2,045)
Investment income	9,194	10,078	12,563	16,760	16,600	81%	24,244	31,429	56,001
Interest expense (6)	(4,615)	(4,438)	(4,035)	(3,772)	(3,233)	30%	(38,227)	(19,638)	(15,478)
<b>Income (loss) before income taxes (1)</b>	<b>146,272</b>	<b>146,343</b>	<b>194,499</b>	<b>(28,564)</b>	<b>(364,956)</b>	<b>&gt;(100)%</b>	<b>227,696</b>	<b>628,919</b>	<b>(52,678)</b>
(Provision for) benefit from income taxes (1)	(39,626)	(45,369)	(60,002)	44,530	96,722	>100%	(141,169)	(187,430)	35,881
<b>Net income (loss) (1)</b>	<b>\$ 106,646</b>	<b>\$ 100,974</b>	<b>\$ 134,497</b>	<b>\$ 15,966</b>	<b>\$ (268,234)</b>	<b>&gt;(100)%</b>	<b>\$ 86,527</b>	<b>\$ 441,489</b>	<b>\$ (16,797)</b>
<b>Net income (loss) per share-diluted (1,7,8)</b>	<b>\$ 0.39</b>	<b>\$ 0.37</b>	<b>\$ 0.49</b>	<b>\$ 0.06</b>	<b>\$ (1.02)</b>	<b>&gt;(100)%</b>	<b>\$ 0.37</b>	<b>\$ 1.65</b>	<b>\$ (0.06)</b>
<b>Weighted average shares outstanding-diluted (1,7,8)</b>	<b>276,428</b>	<b>276,809</b>	<b>276,312</b>	<b>278,271</b>	<b>262,803</b>	<b>(5%)</b>	<b>234,318</b>	<b>272,224</b>	<b>261,124</b>

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	Q4-05	Q1-06	Q2-06	Q3-06	Q4-06	FY 2004	FY 2005	YTD 12/31/06
Total product and service revenue	\$ 724,023	\$ 726,157	\$ 789,747	\$ 805,384	\$ 848,239	\$ 2,188,583	\$ 2,714,682	\$ 3,169,527
As a % of total product and service revenue:								
Renagel phosphate binder (including Sevelamer)	15%	16%	16%	17%	16%	17%	15%	16%
Hectorol	3%	3%	3%	3%	3%	0%	1%	3%
Cerezyme enzyme	32%	33%	32%	31%	31%	38%	34%	32%
Fabrazyme enzyme	11%	11%	11%	11%	11%	9%	11%	11%
Thyrogen hormone	3%	3%	3%	3%	3%	3%	3%	3%
Myozyme enzyme	0%	0%	1%	3%	3%	0%	0%	2%
Thymoglobulin/Lymphoglobuline	5%	5%	5%	5%	5%	5%	5%	5%
Synvisc viscosupplementation product and services	8%	7%	8%	7%	7%	4%	8%	7%
Septra products	2%	3%	3%	3%	3%	3%	3%	3%
Diagnostics/Genetics	12%	12%	11%	11%	11%	13%	12%	11%
Other	9%	7%	7%	6%	7%	8%	8%	7%
	100%	100%	100%	100%	100%	100%	100%	100%
Total product and service gross margin	74%	77%	77%	77%	77%	73%	77%	77%
Total revenues	\$ 728,691	\$ 730,842	\$ 793,356	\$ 808,574	\$ 854,241	\$ 2,201,145	\$ 2,734,842	\$ 3,187,013
SG&A expense as a % of total revenue	28%	32%	34%	30%	31%	27%	29%	32%
R&D expense as a % of total revenue	19%	21%	21%	20%	19%	18%	18%	20%
Operating income (loss) as a % of total revenue	19%	18%	14%	(6%)	(45%)	11%	22%	(6%)
(Provision for) benefit from income taxes as a % of profit (loss) before tax	27%	31%	31%	156%	27%	62%	30%	68%
<b>Condensed Consolidated Balance Sheet Information:</b>	<b>12/31/05</b>	<b>3/31/06</b>	<b>06/30/06</b>	<b>09/30/06</b>	<b>12/31/06</b>	<b>12/31/04</b>	<b>12/31/05</b>	<b>12/31/06</b>
Cash and all marketable securities	\$ 1,089,102	\$ 1,201,083	\$ 1,358,240	\$ 1,675,599	\$ 1,285,604	\$ 1,079,454	\$ 1,089,102	\$ 1,285,604
Other current assets (9)	1,179,093	1,212,392	1,392,290	1,319,235	1,370,095	1,082,437	1,179,093	1,370,095
Property, plant and equipment, net	1,320,813	1,370,274	1,458,222	1,513,632	1,610,593	1,310,256	1,320,813	1,610,593
Intangibles, net (3)	3,078,461	3,045,680	3,028,777	2,773,653	2,790,819	2,360,315	3,078,461	2,790,819
Other assets	211,396	198,497	135,342	142,919	126,735	236,959	211,396	126,735
Total assets	\$ 6,878,865	\$ 7,027,926	\$ 7,372,871	\$ 7,425,038	\$ 7,183,846	\$ 6,069,421	\$ 6,878,865	\$ 7,183,846
Current liabilities	\$ 550,023	\$ 515,895	\$ 616,632	\$ 552,091	\$ 667,915	\$ 624,398	\$ 550,023	\$ 667,915
Noncurrent liabilities	1,178,975	1,159,522	1,111,591	1,088,114	853,779	1,064,867	1,178,975	853,779
Stockholders' equity	5,149,867	5,352,509	5,644,648	5,784,833	5,662,152	4,380,156	5,149,867	5,662,152
Total liabilities and stockholders' equity	\$ 6,878,865	\$ 7,027,926	\$ 7,372,871	\$ 7,425,038	\$ 7,183,846	\$ 6,069,421	\$ 6,878,865	\$ 7,183,846

**Notes:**

- (1) Reflects the adoption of Financial Accounting Standards Board, or FASB, Statement of Financial Accounting Standards No., or FAS, 123R, "Share-Based Payment, an amendment of FASB Statement Nos. 123 and 95," using the modified prospective basis effective January 1, 2006. For the three months ended December 31, 2006, in accordance with the provisions of FAS 123R, we recorded pre-tax charges for stock compensation expense and related tax benefits:

	<u>Q1-06</u>	<u>Q2-06</u>	<u>Q3-06</u>	<u>Q4-06</u>	<u>YTD 12/31/06</u>
Cost of products sold	(2,303)	(4,927)	(5,663)	(8,537)	(21,430)
Selling, general and administrative	(19,447)	(52,692)	(24,421)	(25,262)	(121,822)
Research and development	(10,857)	(25,269)	(14,556)	(14,566)	(65,248)
Total pre-tax charges for stock compensation expense	(32,607)	(82,888)	(44,640)	(48,365)	(208,500)
Tax benefit	10,348	27,577	14,312	14,094	66,331
Stock compensation charges, net of tax	<u>(22,259)</u>	<u>(55,311)</u>	<u>(30,328)</u>	<u>(34,271)</u>	<u>(142,169)</u>

Diluted earnings per share and diluted weighted average shares outstanding for all periods of 2006 were computed according to the provisions of FAS 123R.

- (2) Includes charges for the purchase of in-process research and development of \$(552,900)K related to our acquisition of AnorMED Inc. in November 2006, \$(7,000)K related to our acquisition of gene therapy assets from Avigen, Inc. in December 2005, \$(12,700)K related to our acquisition of Bone International, Inc. in July 2005, \$(9,500)K related to our acquisition of Verigen AG in February 2005 and \$(254,520)K related to our acquisition of ILEX Oncology, Inc. in December 2004.
- (3) Represents the write off of the goodwill related to our Genetics reporting unit. In accordance with FAS 142, "Goodwill and Other Intangible Assets," we completed the annual impairment tests for our \$1.3 billion of net goodwill in the third quarter of 2006 and determined that the fair value of the net assets of our Genetics reporting unit was lower than the carrying value, indicating potential impairment. Based on our analysis, we concluded that the goodwill assigned to our Genetics reporting unit is fully impaired.
- (4) Includes an impairment charge of \$(4,463)K recorded in December 2004 to write down the assets of a manufacturing facility in Oklahoma.
- (5) Includes pre-tax gains of \$69,359K related to the liquidation of our investment in the common stock of Cambridge Antibody Technology Group plc in May and June 2006.
- (6) In June 2004, we completed the redemption of our 3% convertible subordinated debentures for cash, including \$575.0 million in principal, accrued interest of approximately \$0.8 million and \$4.3 million in premium. Interest expense for the year ended December 31, 2004 includes charges of \$(4,313)K for the premium paid upon redemption and \$(5,329)K to write off the unamortized debt fees associated with these debentures.
- (7) All periods, except the three months and the year ended December 31, 2006 and the year ended December 31, 2004, include: (i) the dilutive effect of options, stock purchase rights and warrants to purchase shares of Genzyme Stock and (ii) the potentially dilutive effect of the assumed conversion of our 1.25% convertible senior notes.
- For the three months and the year ended December 31, 2006, excludes: (i) the dilutive effect of options, stock purchase rights and warrants to purchase shares of Genzyme Stock and (ii) the potentially dilutive effect of the assumed conversion of our convertible senior notes because the effect would be anti-dilutive due to our net loss for each of those periods.
- For the year ended December 31, 2004, includes the dilutive effect of options, stock purchase rights and warrants to purchase shares of Genzyme Stock but excludes the potentially dilutive effect of the assumed conversion of our convertible senior notes because the effect would be anti-dilutive.
- (8) All periods, except the three months and the year ended December 31, 2006 and the year ended December 31, 2004, reflect the adoption of Emerging Issues Task Force Issue No. 04-8, "The Effect of Contingently Convertible Debt on Diluted Earnings Per Share," or EITF 04-8. As a result of the adoption of EITF 04-8, interest and debt fees, net of tax, related to our \$690,000K in principal of 1.25% convertible senior notes, which were issued in December 2003, have been added back to net income and the 9,686K shares issuable upon conversion of these notes are now included in diluted weighted average shares for purposes of computing diluted earnings per share, unless the effect would be anti-dilutive.
- (9) As of June 30, 2006, includes net proceeds receivable of \$98,977K related to the portion of our investment in the common stock of Cambridge Antibody Technology Group plc that was liquidated in June 2006. We received these net proceeds in July 2006.