

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

	GAAP As Reported	Bayer Acquisition Related	FAS 123R Expense	NON-GAAP ⁽¹⁾	OTHER DISCRETE ITEMS (included in GAAP and Non-GAAP results)	
					Allston Remediation	Technology Purchase
Income Statement Classification:						
Total revenues	\$ 1,057,514			\$ 1,057,514		
Cost of products and services sold	\$ (359,407)	\$ 17,740	\$ 7,575	\$ (334,092)	\$ 23,735	
<i>Gross margin</i>	66% \$ 698,107	\$ 17,740	\$ 7,575	68% \$ 723,422	\$ 23,735	\$ -
Selling, general and administrative	\$ (367,347)		\$ 24,648	\$ (342,699)		
Research and development	\$ (219,275)		\$ 14,058	\$ (205,217)		\$ 7,000
Amortization of intangibles	\$ (71,280)			\$ (71,280)		
Contingent consideration expense	\$ (28,197)	\$ 28,197		\$ -		
Gains (losses) on investments in equity securities	\$ (651)			\$ (651)		
Gain on acquisition of business	\$ -			\$ -		
Other	\$ 617			\$ 617		
Investment income	\$ 4,543			\$ 4,543		
Interest expense	\$ -			\$ -		
Summary:						
Income (loss) before income taxes	\$ 16,517	\$ 45,937	\$ 46,281	\$ 108,735	\$ 23,735	\$ 7,000
(Provision for) benefit from income taxes	3.16% \$ (522)	\$ (11,646)	\$ (12,700)	22.87% \$ (24,868)	\$ (4,225)	\$ (1,574)
Net income (loss)	<u>\$ 15,995</u>	<u>\$ 34,291</u>	<u>\$ 33,581</u>	<u>\$ 83,867</u>	<u>\$ 19,510</u>	<u>\$ 5,426</u>
Net income (loss) per share:						
Basic	\$ 0.06	\$ 0.13	\$ 0.12	\$ 0.31	\$ 0.07	\$ 0.02
Diluted	\$ 0.06	\$ 0.13	\$ 0.12	\$ 0.31	\$ 0.07	\$ 0.02
Weighted average shares outstanding:						
Basic	268,957	268,957	268,957	268,957	268,957	268,957
Diluted	273,741	273,741	273,741	273,741	273,741	273,741

Notes:

(1) Represents the Non-GAAP results of operations for Genzyme Corporation for the three months ended September 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.