

**GENZYME CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP EARNINGS AND CASH GENERATED**  
For the Three Months Ended March 31, 2009  
(Amounts in thousands, except percentage and per share data)

	NON-GAAP	(1) Inventory Write-offs	(2) Technology Purchase	Amortization	FAS 123R Expense	GAAP As Reported
<b>Income Statement Classification:</b>						
Total revenues	\$ 1,148,871					\$ 1,148,871
Cost of products and services sold	\$ (279,424)	\$ (9,154)			\$ (7,234)	\$ (295,812)
<i>Gross margin</i>	76% \$ 869,447	\$ (9,154)			\$ (7,234)	74% \$ 853,059
Selling, general and administrative	\$ (294,125)				\$ (23,836)	\$ (317,961)
Research and development	\$ (175,209)		\$ (18,180)		\$ (13,536)	\$ (206,925)
Amortization of intangibles	\$ -			\$ (57,598)		\$ (57,598)
Gains (losses) on investments in equity securities, net	\$ (576)					\$ (576)
Other	\$ (979)					\$ (979)
Investment income	\$ 5,350					\$ 5,350
<b>Summary:</b>						
Income (loss) before income taxes	\$ 403,908	\$ (9,154)	\$ (18,180)	\$ (57,598)	\$ (44,606)	\$ 274,370
(Provision for) benefit from income taxes	29% \$ (115,831)	\$ 1,923	\$ 6,544	\$ 15,891	\$ 12,589	29% \$ (78,884)
Net income (loss)	\$ <u>288,077</u>	\$ <u>(7,231)</u>	\$ <u>(11,636)</u>	\$ <u>(41,707)</u>	\$ <u>(32,017)</u>	\$ <u>195,486</u>
Net income (loss) per share:						
Basic	\$ 1.06	\$ (0.03)	\$ (0.04)	\$ (0.15)	\$ (0.12)	\$ 0.72
Diluted	\$ 1.04	\$ (0.03)	\$ (0.04)	\$ (0.15)	\$ (0.12)	\$ 0.70
Weighted average shares outstanding:						
Basic	270,854					270,854
Diluted	277,628					277,628
Non-GAAP Net Income	\$ 288,077					
Depreciation, net of tax	26,304					
Proceeds from the issuance of common stock	34,526					
Non-GAAP Cash Generated	\$ <u>348,907</u>					

**Notes:**

The amounts above represent the Non-GAAP operations and financial position of Genzyme Corporation for the three months ended March 31, 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.

(1) Represents the write-off of inventory associated with incomplete production runs at our Belgium facility.

(2) Represents the expensed purchase price associated with the acquisition of certain incomplete intellectual property and technology from EXACT Sciences Corporation.