

**GENZYME CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP EARNINGS**  
For the Year Ended December 31, 2008  
(Amounts in thousands, except percentage and per share data)

	GAAP As Reported	FAS 123R Expense	NON-GAAP As Adjusted (1)
<b>Income Statement Classification:</b>			
Total revenues	\$ 4,605,039		\$ 4,605,039
Cost of products and services sold	<u>\$ (1,148,562)</u>	<u>\$ 27,555</u>	<u>\$ (1,121,007)</u>
<i>Gross margin</i>	75% \$ 3,456,477	\$ 27,555	76% \$ 3,484,032
Selling, general and administrative	\$ (1,338,190)	\$ 102,745	\$ (1,235,445)
Research and development	\$ (1,308,330)	\$ 56,673	\$ (1,251,657)
Amortization of intangibles	\$ (226,442)		\$ (226,442)
Charge for impaired assets	\$ (2,036)		\$ (2,036)
Equity in income (loss) of equity method investments	\$ 201		\$ 201
Minority interest	\$ 2,217		\$ 2,217
Gains (losses) on investments in equity securities	\$ (3,340)		\$ (3,340)
Other	\$ (1,861)		\$ (1,861)
Investment income	\$ 51,260		\$ 51,260
Interest Expense	\$ (4,418)		\$ (4,418)
<b>Summary:</b>			
Income (loss) before income taxes	\$ 625,538	\$ 186,973	\$ 812,511
(Provision for) benefit from income taxes	33% <u>\$ (204,457)</u>	<u>\$ (56,740)</u>	32% <u>\$ (261,197)</u>
Net income (loss)	<u>\$ 421,081</u>	<u>\$ 130,233</u>	<u>\$ 551,314</u>
Net income (loss) per share:			
Basic	\$ 1.57	\$ 0.50	\$ 2.07
Diluted (2)	\$ 1.50	\$ 0.45	\$ 1.95
Weighted average shares outstanding:			
Basic	268,490		268,490
Diluted (2)	285,595		285,595

Items Formerly Excluded from Non-GAAP [(Income)/Expense]				
Dilution Due to Common Stock Equivalents	Validation/ Inventory Write-offs	(Gain) Loss on Investments	License Fees	Amortization
	\$ 12,614			
	<u>\$ 12,614</u>			
		\$ 11,039	\$ 490,900	
				\$ 226,442
			\$ 5,253	
\$ -	\$ 23,653	\$ 5,253	\$ 490,900	\$ 226,442
<u>\$ -</u>	<u>\$ (5,724)</u>	<u>\$ (390)</u>	<u>\$ (108,328)</u>	<u>\$ (75,399)</u>
<u>\$ -</u>	<u>\$ 17,929</u>	<u>\$ 4,863</u>	<u>\$ 382,572</u>	<u>\$ 151,043</u>
\$ -	\$ 0.07	\$ 0.02	\$ 1.42	\$ 0.56
\$ 0.11	\$ 0.06	\$ 0.01	\$ 1.34	\$ 0.53

**Notes:**

(1) Represents the adjusted Non-GAAP results of operations and financial position for Genzyme Corporation for the year ended December 31, 2008. All other amounts presented herein represent previously reported amounts. 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.

(2) Diluted earnings per share and diluted weighted average shares outstanding reflect the adoption of EITF 04-8. In accordance with the provisions of EITF 04-8, interest and debt fees related to our 1.25% convertible senior notes of \$6,915K, net of tax, have been added back to net income and approximately 8,851K shares have been added to diluted weighted average shares outstanding for purposes of computing GAAP and Non-GAAP diluted earnings per share.

**GENZYME CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP EARNINGS**  
For the Year Ended December 31, 2007  
(Amounts in thousands, except percentage and per share data)

	GAAP As Reported	FAS 123R Expense	Acquisition Related	NON-GAAP As Adjusted (1)
<b>Income Statement Classification:</b>				
Total revenues	\$ 3,813,519			\$ 3,813,519
Cost of products and services sold	\$ (927,330)	\$ 25,677		\$ (901,653)
Gross margin	76% \$ 2,886,189	\$ 25,677		76% \$ 2,911,866
Selling, general and administrative	\$ (1,186,438)	\$ 106,172		\$ (1,080,266)
Research and development	\$ (731,950)	\$ 58,101		\$ (673,849)
Amortization of intangibles	\$ (201,105)			\$ (201,105)
Purchase of in-process research and development	\$ (106,350)		\$ 106,350	\$ -
Equity in income (loss) of equity method investments	\$ 7,398		\$ 19,150	\$ 26,548
Minority interest	\$ 3,932			\$ 3,932
Gains (losses) on investments in equity securities	\$ 13,067			\$ 13,067
Other	\$ (7,118)			\$ (7,118)
Investment income	\$ 70,196			\$ 70,196
Interest Expense	\$ (12,147)			\$ (12,147)
<b>Summary:</b>				
Income (loss) before income taxes	\$ 735,674	\$ 189,950	\$ 125,500	\$ 1,051,124
(Provision for) benefit from income taxes	35% \$ (255,481)	\$ (58,148)	(15,781)	31% \$ (329,410)
Net income (loss)	\$ 480,193	\$ 131,802	\$ 109,719	\$ 721,714
Net income (loss) per share:				
Basic	\$ 1.82	\$ 0.50	\$ 0.41	\$ 2.73
Diluted (2)	\$ 1.74	\$ 0.47	\$ 0.39	\$ 2.60
Weighted average shares outstanding:				
Basic	263,895			263,895
Diluted (2)	280,767			280,767

Items Formerly Excluded From Non-GAAP [(Income)/Expense]							
Dilution Due to Common Stock Equivalents	(Gain) on Investments in Equity Securities	Litigation Settlement	Milestone Payment	Manufacturing Related	Amortization	Effect of FIN 46	
		\$ 64,000		\$ 20,916			\$ 200
			\$ 25,000	\$ 20,916			\$ 7,461
					\$ 201,105		\$ (3,830)
					\$ 830		\$ (3,831)
	\$ (10,848)						
				\$ 5,735			
\$ -	\$ (10,848)	\$ 64,000	\$ 25,000	\$ 26,651	\$ 201,935		\$ -
\$ -	\$ 2,698	\$ -	\$ (9,069)	\$ (9,702)	\$ (72,449)		\$ -
\$ -	\$ (8,150)	\$ 64,000	\$ 15,931	\$ 16,949	\$ 129,486		\$ -
\$ -	\$ (0.03)	\$ 0.24	\$ 0.06	\$ 0.06	\$ 0.49		\$ -
\$ 0.09	\$ (0.03)	\$ 0.23	\$ 0.06	\$ 0.06	\$ 0.46		\$ -

**Notes:**

(1) Represents the adjusted Non-GAAP results of operations and financial position for Genzyme Corporation for the year ended December 31, 2007. All other amounts presented herein represent previously reported amounts. 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.

(2) Diluted earnings per share and diluted weighted average shares outstanding reflect the adoption of EITF 04-8. In accordance with the provisions of EITF 04-8, interest and debt fees related to our 1.25% convertible senior notes of \$7,543K, net of tax, have been added back to net income and approximately 9,686K share have been added to diluted weighted average shares outstanding for purposes of computing GAAP and Non-GAAP diluted earnings per share.

**GENZYME CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP EARNINGS**  
For the Year Ended December 31, 2006  
(Amounts in thousands, except percentage and per share data)

	GAAP As Reported	FAS 123R Expense	IPR&D	Dilution Due to Transition from (Net Loss) to Net Income	NON-GAAP As Adjusted (1)
<b>Income Statement Classification:</b>					
Total revenues	\$ 3,187,013				\$ 3,187,013
Cost of products and services sold	\$ (735,671)	\$ 21,430			\$ (714,241)
Gross margin	77% \$ 2,451,342	\$ 21,430			78% \$ 2,472,772
Selling, general and administrative	\$ (1,010,400)	\$ 121,822			\$ (888,578)
Research and development	\$ (649,951)	\$ 65,248			\$ (584,703)
Amortization of intangibles	\$ (209,355)				\$ (209,355)
Purchase of in-process research and development	\$ (552,900)		\$ 552,900		\$ -
Charge for impaired goodwill	\$ (219,245)				\$ (219,245)
Equity in income (loss) of equity method investments	\$ 15,705				\$ 15,705
Minority interest	\$ 10,418				\$ 10,418
Gains (losses) on investments in equity securities	\$ 73,230				\$ 73,230
Other	\$ (2,045)				\$ (2,045)
Investment income	\$ 56,001				\$ 56,001
Interest Expense	\$ (15,478)				\$ (15,478)
<b>Summary:</b>					
Income (loss) before income taxes	\$ (52,678)	\$ 208,500	\$ 552,900	\$ -	\$ 708,722
(Provision for) benefit from income taxes	68% \$ 35,881	\$ (66,331)	\$ (148,565)	\$ -	25% \$ (179,015)
Net income (loss)	\$ (16,797)	\$ 142,169	\$ 404,335	\$ -	\$ 529,707
Net income (loss) per share:					
Basic	\$ (0.06)	\$ 0.54	\$ 1.54	\$ -	\$ 2.02
Diluted (2)	\$ (0.06)	\$ 0.52	\$ 1.54	\$ -	\$ 2.00
Weighted average shares outstanding:					
Basic	261,124				261,124
Diluted (2)	261,124			6,892	268,016

Items Formerly Excluded From Non-GAAP [(Income)/Expense]					
OFT Settlement	(Gain)/Loss on Investments in Equity Securities	Settlement of Tax Audits	Impairment of Goodwill	Amortization	Effect of FIN 46
\$ 7,936					\$ 1,376
				\$ 209,355	\$ 19,328
			\$ 219,245		
					\$ (10,348)
					\$ (10,352)
	\$ (66,466)				
					\$ (4)
\$ 7,936	\$ (66,466)	\$ -	\$ 219,245	\$ 209,355	\$ -
\$ (2,920)	\$ 24,459	\$ (31,748)	\$ (69,823)	\$ (77,043)	\$ -
\$ 5,016	\$ (42,007)	\$ (31,748)	\$ 149,422	\$ 132,312	\$ -
\$ 0.02	\$ (0.16)	\$ (0.12)	\$ 0.57	\$ 0.51	\$ -
\$ 0.02	\$ (0.15)	\$ (0.11)	\$ 0.54	\$ 0.48	\$ -

**Notes:**

(1) Represents the adjusted Non-GAAP results of operations and financial position for Genzyme Corporation for the year ended December 31, 2006. All other amounts presented herein represent previously reported amounts. 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.

(2) Common stock equivalents are included in the calculation of diluted earnings per share to the extent they are dilutive. Due to the significant IPR&D charge for AnorMED of \$552,900K, Genzyme had a GAAP net loss for the year ended December 31, 2006 and, therefore, the effect of options, stock purchase rights and warrants to purchase shares of Genzyme Stock, which we refer to collectively as common stock equivalents, and the potentially dilutive effect of our 1.25% convertible notes are excluded from the calculation of GAAP diluted net loss per share because the effect would be anti-dilutive. Conversely, on a Non-GAAP basis, Genzyme produced a net profit and, therefore, the common stock equivalents are included in the calculation of Non-GAAP diluted net income per share because the effect is dilutive. Non-GAAP diluted earnings per share excludes the potentially dilutive effect of our 1.25% convertible notes.

**GENZYME CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP EARNINGS**  
For the Year Ended December 31, 2005  
(Amounts in thousands, except percentage and per share data)

	GAAP As Reported	IPR&D	NON-GAAP As Adjusted (1)
<b>Income Statement Classification:</b>			
Total revenues	\$ 2,734,842		\$ 2,734,842
Cost of products and services sold	\$ (632,652)		\$ (632,652)
<i>Gross margin</i>	77% \$ 2,102,190		77% \$ 2,102,190
Selling, general and administrative	\$ (787,839)		\$ (787,839)
Research and development	\$ (502,657)		\$ (502,657)
Amortization of intangibles	\$ (181,632)		\$ (181,632)
Purchase of in-process research and development	\$ (29,200)	\$ 22,200	\$ (7,000)
Equity in income (loss) of equity method investments	\$ 151		\$ 151
Minority interest	\$ 11,952		\$ 11,952
Other	\$ 4,163		\$ 4,163
Investment income	\$ 31,429		\$ 31,429
Interest Expense	\$ (19,638)		\$ (19,638)
<b>Summary:</b>			
Income (loss) before income taxes	\$ 628,919	\$ 22,200	\$ 651,119
(Provision for) benefit from income taxes	30% \$ (187,430)	\$ -	29% \$ (187,430)
Net income (loss)	<u>\$ 441,489</u>	<u>\$ 22,200</u>	<u>\$ 463,689</u>
Net income (loss) per share:			
Basic	\$ 1.73	\$ 0.09	\$ 1.82
Diluted (2)	\$ 1.65	\$ 0.09	\$ 1.74
Weighted average shares outstanding:			
Basic	254,758		254,758
Diluted (2)	272,224		272,224

Items Formerly Excluded From Non-GAAP [(Income)/Expense]				
Dilution Due to Common Stock Equivalents	Validation/ Manufacturing Related	Acquisition Related	Amortization	FIN 46
	\$ 16,912	\$ 15,214		
	\$ 16,912	\$ 15,214		
		\$ 7,000	\$ 181,632	
				\$ 790
				\$ 23,112
				\$ (11,948)
				\$ (11,952)
				\$ (2)
\$ -	\$ 16,912	\$ 22,214	\$ 181,632	\$ -
\$ -	\$ (6,224)	\$ (8,175)	\$ (66,841)	\$ -
<u>\$ -</u>	<u>\$ 10,688</u>	<u>\$ 14,039</u>	<u>\$ 114,791</u>	<u>\$ -</u>
\$ -	\$ 0.04	\$ 0.05	\$ 0.45	\$ -
\$ 0.03	\$ 0.04	\$ 0.05	\$ 0.42	\$ -

**Notes:**

(1) Represents the adjusted Non-GAAP results of operations and financial position for Genzyme Corporation for the year ended December 31, 2005. All other amounts presented herein represent previously reported amounts. 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.

(2) Diluted earnings per share and diluted weighted average shares outstanding reflect the adoption of EITF 04-8. In accordance with the provisions of EITF 04-8, interest and debt fees related to our 1.25% convertible senior notes of \$7,496K, net of tax, have been added back to net income and approximately 9,686K shares have been added to diluted weighted average shares outstanding for purposes of computing GAAP and Non-GAAP diluted earnings per share.

**GENZYME CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP EARNINGS**  
For the Year Ended December 31, 2004  
(Amounts in thousands, except percentage and per share data)

	GAAP As Reported	IPR&D	NON-GAAP As Adjusted(1)
<b>Income Statement Classification:</b>			
Total revenues	\$ 2,201,145		\$ 2,201,145
Cost of products and services sold	\$ (588,586)		\$ (588,586)
<i>Gross margin</i>	73% \$ 1,612,559		73% \$ 1,612,559
Selling, general and administrative	\$ (599,388)		\$ (599,388)
Research and development	\$ (391,802)		\$ (391,802)
Amortization of intangibles	\$ (109,473)		\$ (109,473)
Purchase of in-process research and development	\$ (254,520)	\$ 254,520	\$ -
Charge for impaired assets	\$ (4,463)		\$ (4,463)
Equity in income (loss) of equity method investments	\$ (15,624)		\$ (15,624)
Minority interest	\$ 5,999		\$ 5,999
Gains (losses) on investments in equity securities	\$ (1,252)		\$ (1,252)
Other	\$ (357)		\$ (357)
Investment income	\$ 24,244		\$ 24,244
Interest Expense	\$ (38,227)		\$ (38,227)
<b>Summary:</b>			
Income (loss) before income taxes	\$ 227,696	\$ 254,520	\$ 482,216
(Provision for) benefit from income taxes	62% \$ (141,169)	\$ -	29% \$ (141,169)
Net income (loss)	<u>\$ 86,527</u>	<u>\$ 254,520</u>	<u>\$ 341,047</u>
Net income (loss) per share:			
Basic	\$ 0.38	\$ 1.11	\$ 1.49
Diluted (2)	\$ 0.37	\$ 1.10	\$ 1.47
Weighted average shares outstanding:			
Basic	228,175		228,175
Diluted (2)	234,318		234,318

Items Formerly Excluded From Non-GAAP [(Income)/Expense]						
SangStat Inventory Step Up	Convert Premium	Convert Fees	Exit Costs		Amortization	FIN 46
			Oklahoma City	Generic Cyclosporine		
\$ 3,937				\$ 8,067		
<u>\$ 3,937</u>				<u>\$ 8,067</u>		
						\$ 225
			\$ 2,079			\$ 11,779
					\$ 109,473	
			\$ 4,463			
						\$ (5,997)
						\$ (5,999)
						\$ (8)
	\$ 4,313	\$ 5,329				
\$ 3,937	\$ 4,313	\$ 5,329	\$ 6,542	\$ 8,067	\$ 109,473	\$ -
<u>\$ (1,449)</u>	<u>\$ (1,587)</u>	<u>\$ (1,961)</u>	<u>\$ (2,407)</u>	<u>\$ (2,969)</u>	<u>\$ (40,286)</u>	<u>\$ -</u>
<u>\$ 2,488</u>	<u>\$ 2,726</u>	<u>\$ 3,368</u>	<u>\$ 4,135</u>	<u>\$ 5,098</u>	<u>\$ 69,187</u>	<u>\$ -</u>
\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.30	\$ -
\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.28	\$ -

**Notes:**

(1) Represents the adjusted Non-GAAP results of operations and financial position for Genzyme Corporation for the year ended December 31 2004. All other amounts presented herein represent previously reported amounts. 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.

(2) Diluted earnings per share and diluted weighted average shares outstanding reflect the adoption of EITF 04-8. In accordance with the provisions of EITF 04-8, interest and debt fees related to our 1.25% convertible senior notes of \$7.487K, net of tax, and approximately 9,686K shares have been excluded from the computation of GAAP and Non-GAAP diluted earnings per share and diluted weighted average shares outstanding because the effect of the assumed conversion of these notes would be anti-dilutive.

**GENZYME CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP EARNINGS**  
For the Year Ended December 31, 2003  
(Amounts in thousands, except percentage and per share data)

	GAAP As Reported	IPR&D	NON-GAAP As Adjusted (1)
<b>Income Statement Classification:</b>			
Total revenues	\$ 1,574,817		\$ 1,574,817
Cost of products and services sold	\$ (418,969)		\$ (418,969)
<i>Gross margin</i>	73% \$ 1,155,848		73% \$ 1,155,848
Selling, general and administrative	\$ (455,395)		\$ (455,395)
Research and development	\$ (295,725)		\$ (295,725)
Amortization of intangibles	\$ (64,720)		\$ (64,720)
Purchase of in-process research and development	\$ (158,000)	\$ 158,000	\$ -
Charge for impaired assets	\$ (7,996)		\$ (7,996)
Equity in income (loss) of equity method investments	\$ (16,743)		\$ (16,743)
Minority interest	\$ 2,232		\$ 2,232
Gains (losses) on investments in equity securities	\$ (1,201)		\$ (1,201)
Other	\$ 2,703		\$ 2,703
Investment income	\$ 42,312		\$ 42,312
Interest Expense	\$ (22,380)		\$ (22,380)
<b>Summary:</b>			
Income (loss) before income taxes	\$ 180,935	\$ 158,000	\$ 338,935
(Provision for) benefit from income taxes	48% \$ (86,652)	\$ -	26% \$ (86,652)
Net income (loss) (2)	<u>\$ 94,283</u>	<u>\$ 158,000</u>	<u>\$ 252,283</u>
Net income (loss) per share:			
Basic	\$ 0.44	\$ 0.71	\$ 1.15
Diluted (2,3)	\$ 0.42	\$ 0.70	\$ 1.12
Weighted average shares outstanding:			
Basic	219,376		219,376
Diluted (2,3)	225,976		225,976

Items Formerly Excluded From Non-GAAP ((Income)/Expense)								
Tracking Stock Tax Benefit for Genzyme Biosurgery Disposition of CT Business	Impact of UK Judicial Decision	SangStat Acquisition-Related Costs	TKT Settlement Costs	Impaired Equity Investment	Focal Restructuring	CT Devices Exit Costs	Amortization	
	\$ 5,064							
	\$ -	\$ 2,550			\$ 3,858	\$ 308		
	\$ 5,064	\$ 2,550			\$ 3,858	\$ 308		
	\$ 5,843	\$ 258	\$ 1,550		\$ 1,958	\$ 1,897		
		\$ 137	\$ 1,500					
					\$ 7,996			
				\$ 3,620				
								\$ 64,720
	\$ -	\$ 10,907	\$ 2,945	\$ 3,050	\$ 3,620	\$ 13,812	\$ 2,205	\$ 64,720
	\$ (4,032)	\$ (1,863)	\$ (1,084)	\$ (1,122)	\$ (1,332)	\$ (5,083)	\$ (812)	\$ (23,817)
	<u>\$ (4,032)</u>	<u>\$ 9,044</u>	<u>\$ 1,861</u>	<u>\$ 1,928</u>	<u>\$ 2,288</u>	<u>\$ 8,729</u>	<u>\$ 1,393</u>	<u>\$ 40,903</u>
	\$ (0.02)	\$ 0.04	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.04	\$ 0.01	\$ 0.19
	\$ (0.02)	\$ 0.04	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.04	\$ 0.01	\$ 0.18

**Notes:**

(1) Represents the adjusted Non-GAAP results of operations and financial position of Genzyme Corporation for the year ended December 31, 2003. All other amounts presented herein represent previously reported amounts. 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.

(2) Represents the operations of Genzyme General Division for January 1, 2003 through June 30, 2003 and the operations of Genzyme Corporation from July 1, 2003 through December 31, 2003.

(3) Diluted earnings per share and diluted weighted average shares outstanding reflect the adoption of EITF 04-8. In accordance with the provisions of EITF 04-8, interest and debt fees related to our 1.25% convertible senior notes of \$497K, net of tax, have been added back to net income and approximately 557K shares have been added to diluted weighted average shares outstanding for purposes of computing GAAP and Non-GAAP diluted earnings per share.

**GENZYME GENERAL**  
**RECONCILIATION OF GAAP TO NON-GAAP EARNINGS**  
For the Year Ended December 31, 2002  
(Amounts in thousands, except percentage and per share data)

	GAAP As Reported	NON-GAAP As Adjusted (1)
<b>Income Statement Classification:</b>		
Total revenues	\$ 1,080,185	\$ 1,080,185
Cost of products and services sold	\$ (265,818)	\$ (265,818)
Gross margin	75% \$ 814,367	75% \$ 814,367
Selling, general and administrative	\$ (323,683)	\$ (323,683)
Research and development	\$ (230,043)	\$ (230,043)
Amortization of intangibles	\$ (38,998)	\$ (38,998)
Charge for impaired assets	\$ (13,986)	\$ (13,986)
Equity in income (loss) of equity method investments	\$ (16,858)	\$ (16,858)
Gains (losses) on investments in equity securities	\$ (14,497)	\$ (14,497)
Other	\$ (152)	\$ (152)
Investment income	\$ 48,944	\$ 48,944
Interest Expense	\$ (17,847)	\$ (17,847)
<b>Summary:</b>		
Income (loss) before income taxes	\$ 207,247	\$ 207,247
(Provision for) benefit from income taxes	14% \$ (28,721)	14% \$ (28,721)
Net income (loss) (2)	\$ 178,526	\$ 178,526
Net income (loss) per share:		
Basic (2)	\$ 0.83	\$ 0.83
Diluted (2)	\$ 0.81	\$ 0.81
Weighted average shares outstanding:		
Basic (2)	214,038	214,038
Diluted (2)	219,388	219,388

Items Formerly Excluded From Non-GAAP [(Income)/Expense]													
Novazyme Restructuring	Diagnostic Restructuring	Pompe CHO/Synpac Program	Recovery of Note Receivable Previously Written Off	Tax Benefit of Genzyme Biosurgery Asset Impairment	Argentina Bad Debt	Failed Production Runs by Joint Venture	Plant Shutdown Maintenance	Damaged In-Transit Inventory	Impaired Equity Investment	Severance	Reverse Excess Future Funding Obligation for Trans	Write Off Engineering Costs	Amortization
	\$ 2,856						\$ 2,832	\$ 2,214					
	\$ 2,856						\$ 2,832	\$ 2,214					
					\$ 2,500					\$ 3,300	\$ (5,497)		
\$ 1,968		\$ 8,786								\$ 927			
													\$ 38,998
													\$ 13,986
						\$ 3,604							
									\$ 15,367				
			\$ (2,670)										
\$ 1,968	\$ 2,856	\$ 8,786	\$ (2,670)	\$ -	\$ 2,500	\$ 3,604	\$ 2,832	\$ 2,214	\$ 15,367	\$ 4,227	\$ (5,497)	\$ 13,986	\$ 38,998
\$ (724)	\$ (1,051)	\$ (3,233)	\$ 983	\$ (3,297)	\$ (920)	\$ (1,326)	\$ (1,042)	\$ (815)	\$ (5,655)	\$ (1,556)	\$ 2,023	\$ (5,147)	\$ (14,351)
\$ 1,244	\$ 1,805	\$ 5,553	\$ (1,687)	\$ (3,297)	\$ 1,580	\$ 2,278	\$ 1,790	\$ 1,399	\$ 9,712	\$ 2,671	\$ (3,474)	\$ 8,839	\$ 24,647
\$ 0.006	\$ 0.008	\$ 0.026	\$ (0.008)	\$ (0.015)	\$ 0.007	\$ 0.011	\$ 0.008	\$ 0.007	\$ 0.045	\$ 0.012	\$ (0.016)	\$ 0.041	\$ 0.115
\$ 0.006	\$ 0.008	\$ 0.025	\$ (0.008)	\$ (0.015)	\$ 0.007	\$ 0.010	\$ 0.008	\$ 0.006	\$ 0.044	\$ 0.012	\$ (0.016)	\$ 0.040	\$ 0.112

**Notes:**

(1) Represents the adjusted Non-GAAP results of operations and financial position of Genzyme General Division for the year ended December 31, 2002. All other amounts presented herein represent previously reported amounts. 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.

(2) Represents the results of operations, net income per share and weighted average shares outstanding for Genzyme General Division.