

GENZYME CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP EARNINGS
Year to Date as of December 31, 2008
(Amounts in thousands, except percentage and per share data)

	NON-GAAP	Dilution Due to Common Stock Equivalents	Validation/ Inventory Write-offs	Strategic Equity Investment	Gain (Loss) on Investments	License Fees	Amortization	FAS 123R Expense	GAAP As Reported
Income Statement Classification:									
Total revenues	\$ 4,605,039								\$ 4,605,039
Cost of products and services sold	\$ (1,108,393)		\$ (12,614)					\$ (27,555)	\$ (1,148,562)
<i>Gross margin</i>	76% \$ 3,496,646		\$ (12,614)					\$ (27,555)	75% \$ 3,456,477
Selling, general and administrative	\$ (1,235,445)							\$ (102,745)	\$ (1,338,190)
Research and development	\$ (749,718)		\$ (11,039)	\$ (69,900)		\$ (421,000)		\$ (56,673)	\$ (1,308,330)
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	\$ 1,913				\$ (5,253)				\$ (3,340)
Other	\$ (1,861)								\$ (1,861)
Investment income	\$ 51,260								\$ 51,260
Interest Expense	\$ (4,418)								\$ (4,418)
Summary:									
Income (loss) before income taxes	\$ 1,558,759	\$ -	\$ (23,653)	\$ (69,900)	\$ (5,253)	\$ (421,000)	\$ (226,442)	\$ (186,973)	\$ 625,538
(Provision for) benefit from income taxes	29% \$ (451,038)	\$ -	\$ 5,724	\$ 13,428	\$ 390	\$ 94,900	\$ 75,399	\$ 56,740	33% \$ (204,457)
Net income (loss)	<u>\$ 1,107,721</u>	<u>\$ -</u>	<u>\$ (17,929)</u>	<u>\$ (56,472)</u>	<u>\$ (4,863)</u>	<u>\$ (326,100)</u>	<u>\$ (151,043)</u>	<u>\$ (130,233)</u>	<u>\$ 421,081</u>
Net income (loss) per share:									
Basic	\$ 4.12	\$ -	\$ (0.07)	\$ (0.21)	\$ 0.02	\$ (1.21)	\$ (0.56)	\$ (0.50)	\$ 1.57
Diluted (1)	\$ 4.00	\$ (0.11)	\$ (0.06)	\$ (0.20)	\$ (0.01)	\$ (1.14)	\$ (0.53)	\$ (0.45)	\$ 1.50
Weighted average shares outstanding:									
Basic	268,490								268,490
Diluted (1)	276,744	8,851							285,595

GENZYME CORPORATION
RECONCILIATION OF GAAP to NON-GAAP CASH GENERATED
For the Year Ended December 31, 2008
(Amounts in thousands)

	<u>Q1-08</u>	<u>Q2-08</u>	<u>Q3-08</u>	<u>Q4-08</u>	<u>2008</u>
Non-GAAP Net Income	\$ 260,895	\$ 268,546	\$ 289,793	\$ 288,487	\$ 1,107,721
Depreciation, net of tax	22,500	23,286	23,881	24,684	94,351
Proceeds from the issuance of common stock	90,243	36,765	167,595	24,150	318,753
Non-GAAP Cash Generated	<u>\$ 373,638</u>	<u>\$ 328,597</u>	<u>\$ 481,269</u>	<u>\$ 337,321</u>	<u>\$ 1,520,825</u>

Notes:

The amounts above represent the Non-GAAP operations and financial position of Genzyme Corporation in 2008. A reconciliation of GAAP to Non-GAAP net income for each quarter is available in the investors section at www.genzyme.com. Genzyme believes that certain non-GAAP financial measures, when considered together with the GAAP figures, can enhance the overall understanding of Genzyme'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 Genzyme 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) GAAP As-Reported 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 As-Reported diluted earnings per share.

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

	NON-GAAP	(1) Dilution Due to Common Stock Equivalents	(2) Validation/ Inventory Write-offs	(3) License Fee	Amortization	FAS 123R Expense	GAAP As Reported
Income Statement Classification:							
Total revenues	\$ 1,173,560						\$ 1,173,560
Cost of products and services sold	\$ (270,293)		\$ (12,614)			\$ (7,804)	\$ (290,711)
<i>Gross margin</i>	77% \$ 903,267		\$ (12,614)			\$ (7,804)	75% \$ 882,849
Selling, general and administrative	\$ (317,599)					\$ (23,730)	\$ (341,329)
Research and development	\$ (188,040)		\$ (11,039)	\$ (146,000)		\$ (13,351)	\$ (358,430)
Amortization of intangibles	\$ -				\$ (59,884)		\$ (59,884)
Charge for impaired asset	\$ (2,036)						\$ (2,036)
Equity in income (loss) of equity method investments	\$ 13						\$ 13
Minority interest	\$ 625						\$ 625
Gains (losses) on investments in equity securities	\$ 861						\$ 861
Other	\$ (1,021)						\$ (1,021)
Investment income	\$ 11,245						\$ 11,245
Interest expense	\$ (822)						\$ (822)
Summary:							
Income (loss) before income taxes	\$ 406,493	\$ -	\$ (23,653)	\$ (146,000)	\$ (59,884)	\$ (44,885)	\$ 132,071
(Provision for) benefit from income taxes	29% \$ (118,006)	\$ -	\$ 5,724	\$ 52,401	\$ 1,116	\$ 13,344	34% \$ (45,421)
Net income (loss)	\$ <u>288,487</u>	\$ -	\$ (17,929)	\$ (93,599)	\$ (58,768)	\$ (31,541)	\$ <u>86,650</u>
Net income (loss) per share:							
Basic	\$ 1.07	\$ -	\$ (0.07)	\$ (0.35)	\$ (0.22)	\$ (0.12)	\$ 0.32
Diluted (1)	\$ 1.04	\$ (0.02)	\$ (0.06)	\$ (0.33)	\$ (0.21)	\$ (0.11)	\$ 0.31
Weighted average shares outstanding:							
Basic	270,658						270,658
Diluted (1)	277,928	6,410					284,338

GENZYME CORPORATION
RECONCILIATION OF GAAP to NON-GAAP CASH GENERATED
For the Three Months Ended December 31, 2008
(Amounts in thousands)

Non-GAAP Net Income	\$ 288,487
Depreciation, net of tax	24,684
Proceeds from the issuance of common stock	24,150
Non-GAAP Cash Generated	<u>\$ 337,321</u>

Notes:

The amounts above represent the Non-GAAP operations and financial position of Genzyme Corporation for the three months ended December 31, 2008. Genzyme believes that certain non-GAAP financial measures, when considered together with the GAAP figures, can enhance the overall understanding of Genzyme'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 Genzyme 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) GAAP As-Reported 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 \$1,257K, net of tax, have been added back to net income and approximately 6,410K shares have been added to diluted weighted average shares outstanding for purposes of computing GAAP As-Reported diluted earnings per share.

(2) Represents the write-off of inventory associated with partial production runs \$(12,614)K and validation costs associated with our Belgium facility \$(11,039)K.

(3) Represents an up-front expense for the license or purchase of certain intellectual property and technology, of which \$(130,000)K relates to our collaboration with Osiris Therapeutics, Inc.; and \$(10,000)K and \$(6,000)K each relate to transactions with two other third parties.