BIOENVISION INC
Form PREM14A
August 17, 2007
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

x	Preliminary Proxy Statement
o	**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
o	Definitive Proxy Statement
o	Definitive Additional Materials
o	Soliciting Material Pursuant to §240.14a-12

BIOENVISION, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

o	No fee required.	
o	Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.	
	(1)	Title of each class of securities to which transaction applies:
	(2)	Aggregate number of securities to which transaction applies:
	(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
	(4)	Proposed maximum aggregate value of transaction:
	(5)	Total fee paid:
o	Fee paid previously with preliminary materials.	
x	Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.	
	(1)	Amount Previously Paid: $11,398.58
	(2)	Form, Schedule or Registration Statement No.: Schedule TO-T
	(3)	Filing Party: Genzyme Corporation
	(4)	Date Filed: June 4, 2007

BIOENVISION, INC.
345 Park Avenue, 41st Floor
New York, NY 10154
(212) 750-6700

, 2007

MERGER PROPOSED YOUR VOTE IS IMPORTANT

Dear Stockholder:

You are cordially invited to attend the Special Meeting of stockholders of Bioenvision, Inc. (Bioenvision) to be held on , 2007, at local time, at the offices of Goodwin Procter LLP, located at 599 Lexington Avenue, New York, New York 10022.

At the Special Meeting, you will be asked to vote to approve the merger (the Merger) of Wichita Bio Corporation, a wholly-owned subsidiary of Genzyme Corporation, with and into Bioenvision, pursuant to an Agreement and Plan of Merger dated as of May 29, 2007, as amended by Amendment No. 1 thereto, dated as of August 8, 2007 (the Merger Agreement). The Merger is the second and final step in the proposed acquisition of Bioenvision by Genzyme. The first step was the tender offer for all of the outstanding common stock and all of the outstanding preferred stock of Bioenvision, which was completed on July 10, 2007. Following the tender offer and as of the date hereof, Genzyme beneficially owns approximately 22 percent of the outstanding shares of Bioenvision common stock on an as-converted basis, including all outstanding shares of Bioenvision preferred stock. If the Merger is completed, Bioenvision s stockholders will have the right to receive $5.60 in cash, without interest, for each share of Bioenvision common stock they own.

After careful consideration, our board of directors has unanimously determined that the Merger and the Merger Agreement are advisable and in the best interests of our stockholders. Our board of directors unanimously recommends that you vote FOR the approval of the Merger and the Merger Agreement and FOR the adjournment or postponement of the Special Meeting, if necessary or appropriate, to solicit additional proxies.

Your vote is important. We cannot complete the Merger unless, among other things, the holders of a majority of the Bioenvision common stock and preferred stock (voting on an as-converted basis) outstanding and entitled to vote at the Special Meeting vote to approve the Merger Agreement. Failure to submit a signed proxy card or to vote by telephone, via the internet or in person at the Special Meeting will have the same effect as a vote AGAINST the approval of the Merger Agreement. Whether or not you are able to attend the Special Meeting in person, please take the time to vote by completing the enclosed proxy card and mailing it to us or, if you prefer, vote by telephone or via the internet by following the telephone and internet voting instructions described on the enclosed proxy card (or voting instruction form) as soon as possible. This action will not limit your right to vote in person at the Special Meeting. Only holders of record of Bioenvision common stock and preferred stock at the close of business on , 2007 will be entitled to vote at the Special Meeting.

To indicate their support for the Merger, our directors and officers have entered into Tender and Voting Agreements under which they tendered shares of common stock and preferred stock to Wichita Bio Corporation and agreed to vote any other shares of our common stock which they own as of , 2007.

This proxy statement explains the proposed Merger and the Merger Agreement, and provides specific information concerning the Special Meeting. Please review this document carefully.

If you have any questions or need assistance voting your shares, please call The Altman Group, who is assisting us, toll-free at (212) 681-9600.

Sincerely,
Christopher B. Wood
Chairman and Chief Executive Officer

This proxy statement is dated , 2007, and is first being mailed to Bioenvision stockholders on or about , 2007.

BIOENVISION, INC.
345 Park Avenue, 41st Floor
New York, NY 10154
(212) 750-6700

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To be Held on , 2007

Date: , 2007

Time: , local time

Place: Goodwin Procter LLP, 599 Lexington Avenue, New York, NY 10022

Dear Stockholders of Bioenvision, Inc.:

We will hold a Special Meeting of Stockholders of Bioenvision, Inc., a Delaware corporation (Bioenvision , or we , us , our , ours), to consider and vote upon the following:

1. A proposal to approve the Agreement and Plan of Merger, dated as of May 29, 2007, as amended by Amendment No. 1 thereto, dated as of August 8, 2007, by and among Genzyme Corporation (Genzyme), Wichita Bio Corporation, a wholly-owned subsidiary of Genzyme Corporation (Wichita Bio), and Bioenvision (the Merger Agreement), providing for a Merger (the Merger) in which, among other things, each share of Bioenvision common stock, par value $0.001 per share, will be converted into the right to receive $5.60 in cash, without interest;

2. A proposal to adjourn or postpone the Special Meeting to a later time, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the Merger Agreement; and

3. Such other proposals, if any, as may properly be brought before the Special Meeting or any adjournment or postponement thereof, including proposals related to any procedural matters incident thereto.

We will transact no other business at the Special Meeting except such business as may properly be brought before the Special Meeting or any adjournments or postponements thereof.

The record date for the purpose of determining the stockholders who are entitled to receive notice of and to vote at the Special Meeting is , 2007. Only holders of record of Bioenvision common stock at the close of business on that date will be entitled to notice of and to vote at the Special Meeting or any adjournments or postponements thereof. As of the record date, shares of Bioenvision common stock and 2,250,000 shares of preferred stock were outstanding and entitled to notice of and to vote at the Special Meeting or any adjournments or postponements thereof. Holders of common stock are entitled to one vote for each share of common stock held. Holders of Series A preferred stock are entitled to approximately two votes for each share of Series A preferred stock held, and are entitled to vote on an as converted basis with the common stock.

THE AFFIRMATIVE VOTE OF THE HOLDERS OF A MAJORITY OF THE OUTSTANDING SHARES OF BIOENVISION COMMON STOCK AND PREFERRED STOCK (VOTING ON AN AS-CONVERTED BASIS) ENTITLED TO VOTE IS REQUIRED TO APPROVE THE MERGER AGREEMENT. As of the record date, Genzyme was the beneficial owner of 8,398,098 shares of our common stock and 2,250,000 shares of our preferred stock, representing approximately % of the voting power of all outstanding shares of our capital stock and 100% of the voting power of all outstanding shares of our preferred stock. Pursuant to the Merger Agreement, Genzyme is obligated to vote, or cause to be voted, all shares of our capital stock beneficially owned by it, Wichita Bio or any of its other subsidiaries in favor of the Merger. This proxy statement describes the proposed Merger and the Merger Agreement and the actions to be taken in connection with the Merger and provides additional information about the parties involved. Please give this information your careful attention.

We believe that our stockholders may be entitled to appraisal rights under the Delaware General Corporation Law. Any stockholder seeking to assert appraisal rights will be required to give written notice, before the stockholders vote on whether to approve the Merger Agreement, of the stockholder s intent to demand payment pursuant to statutory appraisal rights, and to comply with the requirement to not vote to approve the Merger Agreement.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT OUR STOCKHOLDERS VOTE FOR THE APPROVAL OF THE MERGER AGREEMENT AND FOR THE ADJOURNMENT OR POSTPONEMENT OF THE SPECIAL MEETING, IF NECESSARY OR APPROPRIATE, TO SOLICIT ADDITIONAL PROXIES.

If you plan to attend the Special Meeting in person, please be aware that seating may be limited. Registration and seating will begin at . Please bring valid picture identification, such as a driver s license or passport. You may be required to provide this identification upon entry to the meeting. Stockholders holding stock in brokerage accounts (street name holders) will also need to bring a copy of a brokerage statement reflecting their stock ownership as of the record date. Cameras, cell phones, recording devices and other electronic devices will not be permitted at the Special Meeting.

Your vote is important. Whether or not you plan to attend the Special Meeting, please complete, sign and date the enclosed proxy card and return it promptly in the enclosed postage-paid return envelope or, if you prefer, vote by telephone or via the internet by following the telephone and internet voting instructions described on the enclosed proxy card (or voting instruction form). You may revoke the proxy at any time prior to its exercise in the manner described in this proxy statement. Any stockholder present at the Special Meeting, including any adjournments or postponements of it, may revoke any previously-granted proxy and vote personally on the proposal to approve the Merger Agreement. Executed proxy cards that are not marked with any instructions, and proxies submitted by telephone or via the internet without instructions, will be voted FOR the approval of the Merger Agreement and FOR the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies. If you fail to return a properly-signed proxy card or to vote via telephone, the internet or in person at the Special Meeting, your shares effectively will be counted as a vote AGAINST the approval of the Merger Agreement.

PLEASE DO NOT SEND ANY STOCK CERTIFICATES AT THIS TIME.

By Order of the Board of Directors,
Sincerely,
Christopher B. Wood
Chairman and Chief Executive Officer

New York, New York
, 2007

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

The following questions and answers briefly address some commonly asked questions about the special meeting of stockholders and the merger. These questions and answers may not address all questions that may be important to you as a stockholder. You should still carefully read this entire proxy statement, including each of the annexes.

In this proxy statement, the terms we , us , our , our company and Bioenvision refer to Bioenvision, Inc., the term Genzyme refers to Genzyme Corporation and the term Wichita Bio refers to Wichita Bio Corporation, a wholly-owned subsidiary of Genzyme.

The Merger

Q: What is the proposed transaction?

A: A merger agreement that provides for the acquisition of Bioenvision by Genzyme. The proposed transaction is to be accomplished through a merger of Wichita Bio with and into Bioenvision, with Bioenvision surviving, which we refer to as the merger. As a result of the merger:

- Bioenvision will become a wholly-owned subsidiary of Genzyme;
- our common stock will cease to be listed on The NASDAQ Global Market, and will no longer be publicly traded;
- we will no longer be obligated to file periodic reports with the Securities and Exchange Commission; and
- each outstanding share of our common stock will be converted into the right to receive $5.60 in cash, without interest.

Q: Why has the merger been proposed?

A: The merger is the second and final step in the proposed acquisition of Bioenvision by Genzyme. The first step was a tender offer for all the outstanding shares of our common stock and all the outstanding shares of our preferred stock, which was completed on July 10, 2007. We refer to the tender offer and the merger collectively as the Genzyme transaction .

Q: What will I receive in the merger?

A: Subject to the terms of the merger agreement, in the merger, each issued and outstanding share of Bioenvision common stock automatically will be converted into the right to receive $5.60 in cash, without interest. The actual payment to you may be reduced by the amount of any required tax withholding.

Q: What will happen to my outstanding stock options?

A: Under the merger agreement, we are obligated to use reasonable efforts to ensure that upon the consummation of the merger, each outstanding stock option, stock equivalent right or right to acquire shares of common stock granted under our 2003 Stock Incentive Plan, without regard to the extent then vested and exercisable, will be cancelled and, in consideration of such cancellation, Genzyme will, or will cause Bioenvision as the surviving corporation to, promptly, and in no event later than 30 days after the effective time of the merger, pay to such holders of options, an amount in respect thereof equal to the product of (i) the excess, if any, of $5.60 over the exercise price of each such option multiplied by (ii) the number of shares of common stock issuable upon exercise of the option. Upon the consummation of the merger, the 2003 Stock Incentive Plan will terminate and all rights under any

provision of any other plan, program or arrangement providing for the issuance or grant of any other interest in respect of the capital stock of Bioenvision or any Bioenvision subsidiary will be cancelled.

The payments due to the holders of Bioenvision stock options may be reduced by the amount of any required tax withholding.

Q: What will happen to my outstanding warrants?

A: Under the merger agreement, we are obligated to use reasonable efforts to obtain all consents necessary to cash out all warrants to purchase common stock. Upon the consummation of the merger, each outstanding warrant will only represent the right to receive cash consideration in an amount equal to the product of (i) the excess, if any, of $5.60 over the exercise price of each such warrant multiplied by (ii) the number of shares of Bioenvision common stock issuable upon exercise of the warrant.

The payments due to the holders of Bioenvision warrants may be reduced by the amount of any required tax withholding.

Q: When do you expect the merger to be completed?

A: We expect the merger, if approved by our stockholders, to take effect promptly after such approval and after the closing conditions to the merger have been satisfied or waived. At present, we anticipate that if the merger is approved the closing will occur in 2007.

Q: What will happen to my shares of common stock in Bioenvision after the merger?

A: Following the effectiveness of the merger, your shares of our common stock will represent solely the right to receive the merger consideration, and trading in our common stock on The NASDAQ Global Market will cease. Price quotations for our common stock will no longer be available and we will cease filing periodic reports under the Securities Exchange Act of 1934.

The Special Meeting

Q: When is the special meeting and where will it be held?

A: The special meeting will take place on , 2007, at local time, at the offices of Goodwin Procter LLP, located at 599 Lexington Avenue, New York, New York 10022. You may attend the special meeting and vote your shares in person, rather than completing, signing, dating and returning your proxy. If you wish to vote in person and your shares are held by a broker or other nominee, you need to obtain a proxy from the broker or other nominee authorizing you to vote your shares held in the broker s name.

Q: Who is soliciting my proxy?

A: This proxy is being solicited by our board of directors.

Q: What am I being asked to vote on?

A: You are being asked to vote to approve the merger agreement that we have entered into with Genzyme, pursuant to which Wichita Bio will be merged with and into us and we will become a wholly-owned subsidiary of Genzyme. We will also be asking you to approve the adjournment, if necessary, of the special meeting to solicit additional proxies in favor of approval of the merger agreement.

Q: Why is my vote important?

A: Your vote is important because, among other things, in order for us to complete the merger, at least a majority of our common stock and preferred stock (voting on an as-converted basis) outstanding and entitled to vote at the special meeting have to be voted in favor of approving the merger agreement. Accordingly, your failure to vote, including by abstaining or as a result of broker non-votes, will have the same effect as a vote AGAINST the proposal to approve the merger agreement.

Q: Who is entitled to vote at the special meeting?

A: Holders of record of shares of Bioenvision common stock as of the close of business on , 2007, the record date for the special meeting, are entitled to vote at the special meeting, or at any adjournments or postponements of the special meeting.

Q: What happened during the offer period of the Genzyme tender offer?

A: The initial offer period of the Genzyme tender offer was scheduled to expire at 12:01 a.m. on July 2, 2007. Prior to expiration on July 2, 2007, Wichita Bio waived the condition to the tender offer that there be tendered a majority of the issued and outstanding shares of common stock (on an as-converted basis). Additionally, Wichita Bio extended the initial offer period until 12:01 a.m. on July 10, 2007. Upon expiration of the extended offer period, Wichita Bio accepted for payment shares representing a total of approximately 15.3% of the outstanding shares of our common stock and 100% of the outstanding shares of our preferred stock.

Q: What is Genzyme s ownership of Bioenvision capital stock as of the record date?

A: At the close of business on the record date, Genzyme beneficially owned and was entitled to vote, in the aggregate, 8,398,098 shares of our common stock, representing approximately % of our common stock outstanding on that date, and 2,250,000 shares of our preferred stock, representing 100% of our preferred stock outstanding on that date. As of the record date, this represents % of the total votes entitled to be cast at the special meeting.

Q: What are Genzyme s rights as a holder of preferred stock and under the merger agreement?

A: In summary, under the terms of the certificate of designations of the preferred stock, each share of preferred stock can be converted into approximately two shares of common stock, and carries a separate series vote over several corporate matters, including any merger or sale of substantially all of the assets of Bioenvision and over approval of the authorization of any additional shares of Bioenvision common stock. As a holder of preferred stock, Genzyme is also entitled to an annual 5% dividend and a liquidation preference over holders of our common stock. Such rights and the other rights incident to the shares of preferred stock are set forth in the certificate of designations of the preferred stock. You should also read Additional Information Rights of Genzyme as a Holder of Preferred Stock, beginning on page , for a discussion of such rights.

Under the terms of the merger agreement, absent Genzyme s consent we are required, until consummation of the merger, to preserve our personnel and our business, to maintain insurance policies and to protect our intellectual property rights, among other actions. We are also required to obtain Genzyme s consent prior to, among other things, disposing of assets, making capital expenditures or incurring indebtedness greater than a set amount, changing compensation payable to our officers, directors or employees, making any material acquisitions outside the ordinary course of business, or entering into any extraordinary transactions.

Q: What vote is required to approve the merger agreement?

A: Stockholders holding at least a majority of our common stock and preferred stock (voting on an as-converted basis) outstanding and entitled to vote at the special meeting must vote FOR approval of the merger agreement for it to be validly approved.

Q: How does our board of directors recommend that I vote?

A: Our board of directors unanimously recommends that our stockholders vote FOR the approval of the merger agreement and FOR the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger agreement. You should read The Merger Our Reasons for the Merger, beginning on page , for a discussion of the factors that our board of directors considered in deciding to recommend the approval of the merger agreement.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this proxy statement, please vote your shares by completing, signing and dating the enclosed proxy card and returning it in the enclosed postage-paid return envelope as soon as possible or, if you prefer, you can vote by telephone or via the internet by following the relevant instructions described on the enclosed proxy card or voting instruction form received from any broker, bank or other nominee that may hold shares of our common stock on your behalf. If you sign and send in your proxy card and do not mark it to show how you want to vote, or if you submit a proxy by telephone or via the internet without providing instructions, we will count your proxy as a vote in favor of the approval of the merger agreement and in favor of any proposal to adjourn or postpone the special meeting to solicit additional proxies.

Q: May I vote via the Internet of telephone?

A: Yes, by following the telephone and internet voting instructions described on the enclosed proxy card or in the voting instruction form received from any broker, bank or other nominee that holds shares of our common stock on your behalf.

Q: Can I change my vote after I have mailed my signed proxy or voted by telephone or via the internet?

A: Yes. You can change your vote at any time before your proxy is voted at the special meeting. You can do this in one of four ways. First, you can send a written notice to us stating that you would like to revoke your proxy. Second, you can complete and submit a new proxy bearing a later date. Third, you can submit a later-dated proxy instruction by telephone or via the internet. If you choose any of these three methods, then you must submit your notice of revocation or your new proxy to us before the special meeting either by telephone, via the internet or at Bioenvision, Inc., 345 Park Avenue, 41st Floor, New York, NY 10154, Attention: Investor Relations, as the case may be. Finally, you can attend the special meeting and deliver a signed notice of revocation, deliver a later-dated duly executed proxy or vote in person. Your attendance at the special meeting will not, in and of itself, result in the revocation of a proxy or cause your shares to be voted. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change those instructions.

Q: What happens if I do not submit a proxy or vote by telephone or via the internet or in person at the special meeting?

A: Because the required vote of our stockholders is based upon the number of outstanding shares of our common stock, rather than upon the number of shares actually voted, any failure by a holder of Bioenvision shares to vote FOR

the approval of the merger agreement, in person at the special

meeting or by proxy, including abstentions and broker non-votes, will have the same effect as a vote AGAINST the approval of the merger agreement.

Q: If my shares are held in street name by my broker or bank, will my broker or bank automatically vote my shares for me?

A: No. Your broker or bank is allowed to vote your shares only if you provide instructions on how to vote. You should follow the directions provided by your broker or bank regarding how to instruct your broker or bank to vote your shares. Without instructions, your shares will not be voted, which will have the same effect as a vote AGAINST the approval of the merger agreement.

Q: Should I send in my stock certificates now?

A: No. Stockholders who hold their shares in certificated form will need to exchange their Bioenvision stock certificates for cash after the merger is completed. We will send stockholders instructions for exchanging their stock certificates at that time. Stockholders who hold their shares in book-entry form also will receive instructions for exchanging their shares after we complete the merger. **Please do not send in your stock certificates with your proxy.**

Q: Where can I learn more about Genzyme?

A: Information about Genzyme is available from its 2006 Annual Report, which can be obtained for free from its website at www.genzyme.com.

Q: Who can help answer my questions?

A: If you have any questions about the merger, including the procedures for voting your shares, or if you need additional copies of this proxy statement or the enclosed proxy (which will be provided without charge) you should contact The Altman Group, our proxy solicitor for the special meeting, or us, as follows:

THE ALTMAN GROUP
60 EAST 42nd STREET, SUITE 405
(212) 681-9600
Email: info@altmangroup.com
Banks and Brokerage Firms, please call: XXX-XXX-XXXX
Stockholders call toll free: XXX-XXX-XXXX

Bioenvision, Inc.
Investor Relations
345 Park Avenue, 41st Floor
New York, NY 10154
Telephone: (212) 750-6700 ext.
Email: @bioenvision.com

SUMMARY

This summary highlights selected information from this proxy statement and may not contain all the information that is important to you. You should carefully read this entire proxy statement and the other documents to which we have referred you. See Where You Can Find Additional Information on page . Each item in this summary refers to the page of this document on which the applicable subject is discussed in more detail.

The Companies (see page)

Bioenvision, Inc., 345 Park Avenue, 41st Floor, New York, New York 10154, Telephone: (212) 750-6700 (see page). Bioenvision, Inc. (Bioenvision) is a publicly held, product-oriented biopharmaceutical company primarily focused upon the acquisition, development, distribution and marketing of compounds and technologies for the treatment of cancer, autoimmune disease and infection. Bioenvision s shares are traded on The NASDAQ Global Market under the symbol BIVN.

Genzyme Corporation, 500 Kendall Street, Cambridge, Massachusetts 02141, Telephone: (617) 252-7500 (see page). Genzyme Corporation (Genzyme) is a publicly held, global biotechnology company with a product and service portfolio that is focused on rare disorders, renal diseases, orthopedics, organ transplant, cancer, and diagnostic and predictive testing. Genzyme s shares are traded on The NASDAQ Global Select Market under the symbol GENZ.

Wichita Bio Corporation, c/o Genzyme Corporation, 500 Kendall Street, Cambridge, Massachusetts 02141, Telephone: (617) 252-7500 (see page). Wichita Bio Corporation (Wichita Bio) is a wholly-owned subsidiary of Genzyme. Wichita Bio Corporation was formed solely for the purpose of facilitating the acquisition of our company by Genzyme.

The Special Meeting (see page)

Date, Time and Place (see page). The special meeting of our stockholders will be held on , 2007, at local time, at the offices of Goodwin Procter LLP, located at 599 Lexington Avenue, New York, New York 10022. At the special meeting, our stockholders will be asked to approve the merger agreement that we have entered into with Genzyme. Stockholders will also be asked to approve the adjournment, if necessary, of the special meeting to solicit additional proxies in favor of the approval of the merger agreement.

Record Date, Voting Power (see page). Our stockholders are entitled to vote at the special meeting if they are shown by our records to have owned shares of our common stock as of the close of business on , 2007, the record date. On the record date, there were shares of our common stock entitled to vote at the special meeting, 8,398,098 of which were beneficially owned by Genzyme, and 2,250,000 shares of our preferred stock entitled to vote at the special meeting, all of which were beneficially owned by Genzyme. Pursuant to the merger agreement, Genzyme is obligated to vote, or cause to be voted, all shares of our capital stock beneficially owned by it, Wichita Bio or any of its other subsidiaries in favor of the Merger. As of the record date, this represents % of the total votes entitled to be cast at the special meeting. Common stockholders will have one vote for each share of our common stock that they owned on the record date on any matter that may properly come before the special meeting and any adjournment of that meeting. Preferred stockholders are entitled to vote on an as converted basis with the common stock and are entitled to approximately two votes for each share of preferred stock that they owned on the record date on any matter that may properly come before the special meeting and any adjournment of that meeting.

Vote Required (see page). The approval of the merger agreement and, if necessary, the approval of the adjournment of the special meeting to solicit additional proxies in favor of the approval of the

merger agreement, each require the affirmative vote of stockholders holding at least a majority of shares of our common stock and preferred stock (voting on an as-converted basis) outstanding at the close of business on the record date. Failure to vote, by proxy or in person, will have the same effect as a vote AGAINST approval of the merger agreement.

Voting and Revocability of Proxies (see page). We are asking our stockholders to complete, date and sign the accompanying proxy card and return it in the pre-addressed accompanying envelope or, if you prefer, you can vote by telephone or via the internet by following the relevant instructions described on the enclosed proxy card or voting instruction form received from any broker, bank or other nominee that may hold shares of our common stock on your behalf as soon as possible. Brokers or banks holding shares in street name may vote the shares on our merger proposal only if the stockholder provides instructions on how to vote. Brokers or banks will provide stockholders for whom they hold shares with directions on how to give instructions to vote the shares. All properly submitted proxies that we receive before the vote at the special meeting, and that are not revoked, will be voted in accordance with the instructions indicated on the proxies. If no direction is indicated on a properly submitted proxy, then the underlying shares will be voted FOR the approval of the merger agreement and FOR the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies. Failure to submit a signed proxy card by mail or to vote by telephone, via the internet or in person at the special meeting will have the same effect as a vote AGAINST approval of the merger agreement.

We do not expect any other business to come before the special meeting. If other business properly comes before the special meeting, then the persons named as proxies will vote in accordance with their judgment.

A stockholder may revoke a previously-given proxy at any time prior to its use by delivering a signed notice of revocation or a later-dated, signed proxy to Bioenvision s Secretary or by submitting a later-dated proxy instruction by telephone or via the internet. In addition, a stockholder may revoke a previously-given proxy by delivering, on the day of the special meeting, a signed notice of revocation or a later-dated signed proxy to the Secretary of Bioenvision. A stockholder also may revoke a previously-given proxy by attending the special meeting and voting in person. A stockholder s attendance at the special meeting does not in itself result in the revocation of a previously-given proxy or cause the stockholder s shares to be voted.

Solicitation of Proxies (see page). We will bear the cost and expense associated with the solicitation of proxies from our stockholders. In addition to solicitation by mail, our directors, officers and employees may solicit proxies from our stockholders by telephone, internet, facsimile or other electronic means or in person. Brokerage houses, nominees, fiduciaries and other custodians will be requested to forward soliciting materials to beneficial owners and will be reimbursed for their reasonable expenses incurred in sending proxy materials to beneficial owners. The Altman Group will assist in our solicitation of proxies.

The Merger (see page)

The Merger Agreement (see page); *Structure of the Merger* (see page). The merger agreement being submitted for our stockholders approval as described in this proxy statement relates to the proposed acquisition of our company by Genzyme. If the merger is completed, Wichita Bio, a wholly-owned subsidiary of Genzyme, will be merged with and into Bioenvision, we will become a wholly-owned subsidiary of Genzyme and our outstanding shares will be converted into the right to receive the cash consideration described below (see page). Among other things, the merger agreement contains detailed representations and warranties made by us to Genzyme, covenants regarding the conduct of our business pending completion of the merger, consents and approvals required for and conditions to the completion of the merger and our ability to consider other acquisition proposals.

The Merger Consideration (see page). With effect from the closing of the merger, our stockholders will be entitled to receive, for each share of our common stock they hold as of immediately prior to the merger and upon surrender of his or her stock certificate(s), $5.60 in cash, without interest. Based on the number of shares of our common stock outstanding on , 2007 and giving effect to the treatment provided for in the merger agreement of all stock options and warrants exercisable for our common stock, and taking into account Wichita Bio s ownership of shares of our common and preferred stock, the aggregate consideration payable by Genzyme to our stockholders and to the holders of our options and warrants will be approximately $[ ] million. The payments due to our stockholders, as well as to the holders of our stock options or warrants as described below, may be reduced by the amount of any required tax withholding.

Stock Options (see page). Under the merger agreement, we are obligated to use reasonable efforts to ensure that upon the consummation of the merger, each outstanding stock option, stock equivalent right or right to acquire shares of common stock granted under our 2003 Stock Incentive Plan, without regard to the extent then vested and exercisable, will be cancelled and, in consideration of such cancellation, Genzyme will, or will cause Bioenvision as the surviving corporation to, promptly, and in no event later than 30 days after the effective time of the merger, pay to such holders of options, an amount in respect thereof equal to the product of (i) the excess, if any, of $5.60 over the exercise price of each such option multiplied by (ii) the number of shares of common stock issuable upon exercise of the option. Upon the consummation of the merger, the 2003 Stock Incentive Plan will terminate and all rights under any provision of any other plan, program or arrangement providing for the issuance or grant of any other interest in respect of the capital stock of Bioenvision or any Bioenvision subsidiary will be cancelled. No payment will be made with respect to stock options that have per share exercise prices equal to or greater than $5.60.

Warrants (see page). Under the merger agreement, we are obligated to use reasonable efforts to obtain all consents necessary to cash out all warrants to purchase common stock. Upon the consummation of the merger, each outstanding warrant will only represent the right to receive cash consideration in an amount equal to the product of (i) the excess, if any, of $5.60 over the exercise price of each such warrant multiplied by (ii) the number of shares of common stock issuable upon exercise of the warrant. No payment will be made with respect to warrants that have per share exercise prices equal to or greater than $5.60.

Anticipated Closing (see page). We expect the merger, if approved by our stockholders, to take effect promptly after such approval and after all other conditions to the merger have been satisfied or waived. At present, we anticipate that if the merger is approved, the closing will occur in 2007.

Recommendation of our Board of Directors (see page)

Our board of directors has unanimously determined that the terms of the merger agreement and the transactions described in the merger agreement are in the best interests of our stockholders. Our board of directors unanimously recommends that our stockholders vote FOR the approval of the merger agreement and FOR the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger agreement.

Our Reasons for the Merger (see page)

Our board of directors carefully considered the terms of the proposed merger and the other strategic alternatives available to our company in deciding to enter into the merger agreement and to recommend that stockholders vote FOR approval of the merger agreement.

For a description of the reasons considered by our board of directors, see Reasons for the Recommendation of our Board of Directors on page .

Opinion of Our Financial Advisor (see page)

In connection with the Genzyme transaction, our board of directors received an opinion, dated May 28, 2007, from our financial advisor, UBS Securities LLC, which we refer to as UBS, as to the fairness, from a financial point of view and as of the date of such opinion, of the $5.60 per share cash consideration to be received in the Genzyme transaction by holders of our common stock (other than Genzyme, Wichita Bio, holders who have entered into a stockholders agreement with Genzyme and Wichita Bio, and their respective affiliates). The full text of UBS written opinion, dated May 28, 2007, is attached to this proxy statement as Annex C. Holders of our common stock are encouraged to read this opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken. **UBS opinion was provided for the benefit of our board of directors in connection with, and for the purpose of, our board of directors evaluation of the $5.60 per share cash consideration from a financial point of view and does not address any other aspect of the Genzyme transaction or any related transaction. The opinion does not address the relative merits of the Genzyme transaction as compared to other business strategies or transactions that might be available with respect to our company or our underlying business decision to effect the Genzyme transaction. The opinion does not constitute a recommendation to any stockholder as to how to vote or act with respect to the merger or any related transaction.**

Interests of Our Directors and Executive Officers in the Merger (see page)

In considering the recommendation of our board of directors to vote for the proposal to approve the merger agreement, you should be aware that some of our directors and executive officers have personal interests in the merger that are, or may be, different from, or in addition to, your interests. We currently have severance agreements in place with Christopher B. Wood, James S. Scibetta, Ian Abercrombie, Hugh S. Griffith, Kristen M. Dunker and Robert Sterling, which are described in more detail in The Merger Interests of Our Directors and Executive Officers in the Merger Severance Agreements with Executive Officers on page . Upon completion of the merger, each outstanding stock option, whether or not it is vested, to purchase shares of our common stock will be canceled in exchange for a cash payment equal to the excess, if any, of the $5.60 per share merger consideration over the per share option exercise price, multiplied by the number of shares of our common stock subject to the option. The terms of the merger agreement provide for the continuation of indemnification rights (for actions both before and after the merger) and liability insurance coverage for our current and former directors and executive officers. Our board of directors was aware of these interests and considered them, among other matters, when approving the merger agreement. For a more complete description, see The Merger Interests of Our Directors and Executive Officers in the Merger beginning on page .

Shares Owned by Our Directors and Executive Officers (see page). Pursuant to tender and voting agreements, our directors and executive officers have tendered their shares of common and preferred stock to Wichita Bio, but still hold options to purchase common stock. On , 2007, the record date, our directors and executive officers beneficially owned and were entitled to vote shares of our common stock representing approximately % of the shares of our common stock outstanding on that date.

Tender and Voting Agreements (see page). Our directors and executive officers have entered into tender and voting agreements with Genzyme and Wichita Bio. Under the terms of the agreements, our directors and executive officers have agreed to vote any shares of our common stock they own on the record date in favor of the merger agreement and to take or refrain from taking certain related actions. A copy of the form of tender and voting agreements is included in this proxy statement as Annex B.

Litigation Related to the Merger (see page)

As of the date of this proxy statement, we are aware of multiple putative class action lawsuits that have been filed in connection with the merger against us, our directors, Genzyme and Wichita Bio, the Genzyme subsidiary with which we will merge to become a wholly owned subsidiary of Genzyme. Among other things, the lawsuits seek to enjoin the completion of the merger.

We have contacted the plaintiff s counsel to determine whether a settlement can be reached. If an acceptable settlement cannot be reached, we expect to contest the plaintiff s claims vigorously. We cannot predict or determine the outcome of this litigation.

Material U.S. Federal Income Tax Considerations With Respect to Stockholders in the Merger (see page)

The receipt of $5.60 in cash for each share of our common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. For U.S. federal income tax purposes, generally you will realize a taxable gain or loss as a result of the merger, measured by the difference, if any, between $5.60 per share and your adjusted tax basis in that share. Generally, your adjusted tax basis in a share is the amount you paid for it. See The Merger Material U.S. Federal Income Tax Considerations With Respect to Stockholders in the Merger beginning on page for a more complete discussion of the U.S. federal income tax considerations with respect to the merger. Tax matters can be complicated and the tax consequences of the merger to you will depend on your particular tax situation. You are urged to consult your tax advisor as to the specific tax consequences to you of the merger, including the applicability of federal, state, local, foreign and other tax laws.

Appraisal Rights (see page)

If the Merger is consummated, stockholders at the effective time of the merger will have certain rights pursuant to the provisions of Section 262 of the Delaware General Corporate Law (DGCL) to dissent and demand appraisal of their shares. Under Section 262, dissenting stockholders who comply with the applicable statutory procedures will be entitled to demand payment of fair value for their shares. If a stockholder and the surviving corporation in the merger do not agree on such fair value, the stockholder will have the right to a judicial determination of fair value of such stockholder s shares (exclusive of any element of value arising from the accomplishment or expectation of the merger) and to receive payment of such fair value in cash, together with any interest as determined by the court. Any such judicial determination of the fair value of such shares could be based upon factors other than, or in addition to, the $5.60 price per share or the market value of such shares. The value so determined could be more or less than $5.60.

The foregoing summary of Section 262 does not purport to be complete and is qualified in its entirety by reference to the DGCL. A complete text of Section 262 of the DGCL is set forth as Annex D hereto.

You should read The Merger Appraisal Rights beginning on page for a more complete discussion of the appraisal rights in relation to the merger.

Conditions to Completing the Merger (see page)

In order to complete the merger, at least a majority of shares of our common stock and preferred stock (voting on an as-converted basis) outstanding at the close of business on the record date must be voted FOR approval of the merger agreement. The completion of the merger is also subject to the condition that there be no law enacted that prohibits the consummation of the merger and no injunction issued by a court of competent jurisdiction that will be continuing and that prohibits the consummation of the merger.

Termination of the Merger Agreement (see page)

The merger agreement contains provisions addressing the circumstances under which we or Genzyme may terminate the merger agreement.

A COPY OF THE MERGER AGREEMENT IS INCLUDED IN THIS PROXY STATEMENT AS ANNEX A. YOU ARE STRONGLY ENCOURAGED TO READ IT CAREFULLY AND IN ITS ENTIRETY.

THE COMPANIES

Bioenvision, Inc.

Bioenvision is a publicly held biopharmaceutical company focused upon the acquisition, development, distribution and marketing of compounds and technologies for the treatment of cancer, autoimmune disease and infection. Bioenvision has a broad pipeline of products for the treatment of cancer, including: Evoltra®, Modrenal® (for which Bioenvision has obtained regulatory approval for marketing in the United Kingdom for the treatment of post-menopausal breast cancer following relapse to initial hormone therapy), and other products. Bioenvision is also developing Suvus® which is currently in clinical development for refractory chronic hepatitis C infection. For more information on Bioenvision please visit our website at www.bioenvision.com. Bioenvision s common stock is listed on The NASDAQ Global Market under the symbol BIVN.

Bioenvision is a Delaware corporation. Its principal executive offices are located at 345 Park Avenue, 41st Floor, New York, New York 10154. The telephone number at that location is (212) 750-6700.

Genzyme Corporation

Genzyme is a publicly held, global biotechnology company with a product and service portfolio that is focused on rare disorders, renal diseases, orthopedics, organ transplant, cancer, and diagnostic and predictive testing. Genzyme s shares are traded on The NASDAQ Global Select Market under the symbol GENZ. The common stock of Genzyme is registered under the Securities Exchange Act of 1934, as amended (the Exchange Act) and, in accordance therewith, Genzyme is required to file reports and other information with the Securities and Exchange Commission (the SEC) relating to its business, financial condition and other matters. Copies of such information are obtainable at the public reference facilities of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Such reports and information should also be obtainable by mail, upon payment of the SEC s customary charges, by writing to the SEC s principal office at 100 F Street, N.E., Washington, D.C. 20549. Genzyme s filings with the SEC are also available to the public from commercial document retrieval services, at the Internet Web site maintained by the SEC at www.sec.gov and at Genzyme s website at www.genzyme.com.

Genzyme is a Massachusetts corporation. Its principal executive offices are located at Genzyme Center, 500 Kendall Street, Cambridge, Massachusetts 02142. The telephone number at that location is (617) 252-7500.

Wichita Bio Corporation

Wichita Bio is a Delaware corporation that was organized for the purpose of acquiring all of the outstanding shares of Bioenvision and, to date, has engaged in no other activities other than those incidental to the merger. Wichita Bio is a direct wholly-owned subsidiary of Genzyme. Wichita Bio is not subject to the informational filing requirements of the Exchange Act. The principal executive offices of Wichita Bio are located c/o Genzyme at Genzyme Center, 500 Kendall Street, Cambridge, Massachusetts 02142. The telephone number at that location is (617) 252-7500.

THE SPECIAL MEETING

We are furnishing this proxy statement to you, as a holder of Bioenvision common stock as of the record date, as part of the solicitation of proxies by our board of directors for use at the special meeting of stockholders.

Date, Time and Place of the Special Meeting

The special meeting of our stockholders will be held on , 2007, at local time, at the offices of Goodwin Procter LLP, located at 599 Lexington Avenue, New York, New York 10022.

Purpose of the Special Meeting

At the special meeting, we will ask our stockholders to approve the merger agreement and to approve a proposal to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies in favor of approval of the merger agreement. Our board of directors unanimously recommends that our stockholders vote FOR the approval of the merger agreement and FOR the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies.

Record Date; Shares Entitled to Vote; Quorum

Only holders of record of our common stock at the close of business on , 2007, the record date, are entitled to notice of and to vote at the special meeting. Holders of common stock are entitled to one vote for each share of common stock held. Holders of preferred stock are entitled to approximately two votes for each share of preferred stock held, and are entitled to vote on an as converted basis with the common stock. On the record date, shares of our common stock were issued and outstanding and held by approximately holders of record. On the record date, 2,250,000 shares of our preferred stock were issued and outstanding and all held by Wichita Bio. A quorum will be considered present at the special meeting if a majority of all the shares of our capital stock issued and outstanding on the record date and entitled to vote at the special meeting are represented at the special meeting in person or by a properly submitted proxy. If a quorum is not present at the special meeting, then it is expected that the meeting will be adjourned or postponed to solicit additional proxies. Holders of record of our common stock on the record date are entitled to one vote per share on each matter submitted to a vote at the special meeting.

All votes will be tabulated by the inspector of election appointed for the special meeting who will separately tabulate affirmative and negative votes, abstentions and broker non-votes. Abstentions and broker non-votes are counted for the purposes of determining whether a quorum exists at the special meeting.

Vote Required

The approval of the merger agreement requires the affirmative vote of stockholders holding at least a majority of the shares of our common stock and preferred stock (voting on an as-converted basis) outstanding on the record date. Because the required vote of our stockholders is based upon the number of outstanding shares of our common stock and preferred stock (voting on an as-converted basis), rather than upon the number of shares actually voted, the failure by the holder of any such shares to submit a proxy or to vote in person at the special meeting, including abstentions and broker non-votes, will have the same effect as a vote AGAINST the approval of the merger agreement. The proposal to adjourn or postpone the meeting to a later time, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger agreement requires the affirmative vote of a majority of the shares of our capital stock present in person or by proxy and voting at the special meeting.

Shares Owned by Our Directors and Executive Officers

Pursuant to the terms of the tender and voting agreements, on July 10, 2007, our directors and executive officers tendered to Wichita Bio all shares of our common stock and preferred stock owned by them on that date. At the close of business on the record date, our directors and executive officers beneficially owned and were entitled to vote, in the aggregate, shares of our common stock outstanding on that date. Under the terms of the tender and voting agreements, our directors and executive officers have agreed to vote any shares of our common stock owned by them as of the record date in favor of the proposal to approve the merger agreement.

Shares Owned by Genzyme

At the close of business on the record date, Genzyme beneficially owned and was entitled to vote, in the aggregate, 8,398,098 shares of our common stock, representing approximately % of the common stock outstanding on that date, and 2,250,000 shares of our preferred stock, representing 100% of the preferred stock.outstanding on that date.

Voting of Proxies

All shares represented by properly submitted proxies received before the special meeting will be voted at the special meeting in the manner specified by such proxies. Properly executed proxy cards and proxies submitted by telephone and via the internet that do not provide voting instructions will be voted FOR the approval of the merger agreement and FOR the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies. Shares of our common stock represented at the special meeting but not voting, including shares of our common stock for which proxies have been received but with respect to which holders of shares have abstained, will be treated as present at the special meeting for purposes of determining the presence or absence of a quorum for the transaction of all business.

Only shares affirmatively voted FOR the approval of the merger agreement, including shares represented by properly submitted proxies that do not contain voting instructions, will be counted as favorable votes for that proposal. If a stockholder abstains from voting or does not furnish a valid proxy, the stockholder s shares effectively will count as voted AGAINST the approval of the merger agreement. Brokers or banks who hold shares of our common stock in street name for customers who are the beneficial owners of such shares may not give a proxy to vote those customers shares in the absence of specific instructions from those customers. If no instructions are given to the broker or bank holding shares, or if instructions are given to the broker or bank indicating that the broker or bank does not have authority to vote on the proposal to approve the merger agreement, then, in either case, the shares will be counted as present for purposes of determining whether a quorum exists, will not be voted on the proposal to approve the merger agreement and will effectively count as votes AGAINST the approval of the merger agreement.

Revocability of Proxies

A stockholder can change a vote or revoke a previously-given proxy at any time before the proxy is voted at the special meeting. A stockholder may accomplish this in one of three ways. First, a stockholder can send a written notice stating that the stockholder would like to revoke the stockholder s previously-given proxy. Second, a stockholder can complete and submit a new proxy bearing a later date. Third, a stockholder can submit a later-dated proxy instruction by telephone or via the internet. If a stockholder chooses any of these three methods, the stockholder must submit the notice of revocation or new proxy to us prior to the special meeting either by telephone, via the internet or at Bioenvision, Inc., 345 Park Avenue, 41st Floor, New York, NY 10154, Attention: Investor Relations, as the case may be. Finally, a stockholder can attend the special meeting and deliver a signed notice of revocation or deliver a later-dated duly executed proxy to the Secretary of Bioenvision or vote in person. Attendance at the special meeting will not in and of itself result in the revocation of a proxy or cause your shares to be voted. If you have instructed your broker to vote your shares, you must follow the directions provided by your broker to change these instructions.

Proposal to Approve Adjournment of the Special Meeting

We are submitting a proposal for consideration at the special meeting to authorize the named proxies to approve one or more adjournments of the special meeting if there are not sufficient votes to approve the

merger agreement at the time of the special meeting. Even though a quorum may be present at the special meeting, it is possible that we may not have received sufficient votes to approve the merger agreement by the time of the special meeting. In that event, we would determine to adjourn the special meeting in order to solicit additional proxies. The adjournment proposal relates only to an adjournment of the special meeting for purposes of soliciting additional proxies to obtain the requisite stockholder approval to approve the merger agreement. Any other adjournment of the special meeting (e.g., an adjournment required because of the absence of a quorum) would be voted upon pursuant to the discretionary authority granted by the proxy.

The approval of a proposal to adjourn the special meeting would require the affirmative vote of the holders of a majority of the shares of Bioenvision common stock and preferred stock (voting on an as-converted basis) outstanding present in person or by proxy and entitled to vote at the special meeting. The failure to vote shares of Bioenvision common stock would have no effect on the approval of the adjournment proposal.

Our board of directors recommends that you vote FOR the adjournment proposal so that proxies may be used for that purpose, should it become necessary. Properly executed proxies will be voted FOR the adjournment proposal, unless otherwise noted on the proxies. If the special meeting is adjourned, we are not required to give notice of the time and place of the adjourned meeting unless our board of directors fixes a new record date for the special meeting.

The adjournment proposal relates only to an adjournment of the special meeting occurring for purposes of soliciting additional proxies for the approval of the merger agreement proposal in the event that there are insufficient votes to approve that proposal. Our board of directors retains full authority to adjourn the special meeting for any other purpose, including the absence of a quorum, or to postpone the special meeting before it is convened, without the consent of any of our stockholders.

Other Business

We are not currently aware of any business to be acted upon at the special meeting other than the matters discussed in this proxy statement. Under our amended and restated by-laws, business transacted at the special meeting is limited to matters relating to the purposes stated in the notice of special meeting, which is provided at the beginning of this proxy statement. If other matters do properly come before the special meeting, or at any adjournment or postponement of the special meeting, we intend that shares of Bioenvision common stock represented by properly submitted proxies will be voted by and at the discretion of the persons named as proxies on the proxy card. In addition, the grant of a proxy will confer discretionary authority on the persons named as proxies on the proxy card to vote in accordance with their best judgment on procedural matters incident to the conduct of the special meeting.

Solicitation of Proxies

We will bear the cost of the solicitation of proxies from our stockholders. In addition to solicitation by mail, our directors, officers and employees may solicit proxies from stockholders by telephone or other electronic means or in person. We will cause brokerage houses and other custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of stock held of record by such persons. We will reimburse such custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses in doing so.

The Altman Group will assist us in our solicitation of proxies. We will pay The Altman Group a fee (which we do not expect will exceed $), and will reimburse The Altman Group for certain out-of-pocket expenses.

STOCKHOLDERS SHOULD NOT SEND STOCK CERTIFICATES WITH THEIR PROXIES. A transmittal form with instructions for the surrender of certificates representing shares of our common stock in exchange for the $5.60 per share merger consideration will be mailed to stockholders shortly after completion of the merger.

THE MERGER

While we believe that the following description covers the material terms of the merger and the related transactions, this summary may not contain all of the information that is important to you. You should carefully read this entire document, including the annexes, and the other documents we refer to for a more complete understanding of the merger and the related transactions.

General

The merger is the second and final step in the proposed acquisition of Bioenvision by Genzyme. The first step was the tender offer for all the outstanding capital stock of Bioenvision, which expired on July 10, 2007. Pursuant to the tender offer, Wichita Bio purchased 8,398,098 shares of common stock, representing approximately % of the outstanding shares of our common stock as of , 2007, and 2,250,000 shares of preferred stock, representing 100% of the outstanding shares of our preferred stock as of , 2007.

Background of the Merger

Commercial Arrangement with Genzyme.

Bioenvision and Genzyme (as successor-in-interest to Ilex Oncology, Inc. (Ilex) as of December 2004) are parties to a Co-Development Agreement, dated March 12, 2001, as amended (the Co-Development Agreement). The Co-Development Agreement grants Genzyme exclusive rights to a class of purine nucleoside analogues including clofarabine in North America for human cancer indications. Clofarabine is a novel chemotherapeutic agent with the potential to treat a range of malignancies, including leukemia, lymphoma and solid tumors. Pursuant to this agreement, Genzyme obtained approval in late 2004 to market clofarabine in the United States for the treatment of acute lymphoblastic leukemia (ALL) in relapsed or refractory pediatric patients. Genzyme thereafter provided the New Drug Application (NDA) supporting the US approval to us in increments over time and we converted the NDA into a Common Technical Document (CTD) over several months and ultimately filed the CTD for approval in Europe in mid-2004. Following the unanimous recommendation of the Committee for Human Medicinal Products (CHMP), we obtained full approval from the European Medicines Evaluation Agency (EMEA) in May 2006. Genzyme and Bioenvision are currently pursuing additional development programs to expand clofarabine s label into larger therapeutic indications, including use as a first-line therapy for the treatment of adult acute myeloid leukemia (AML).

In connection with the Co-Development Agreement, Genzyme has made quarterly royalty payments on sales of clofarabine in North America, beginning with the quarter ended March 31, 2005, the first quarter in which Genzyme generated commercial sales, in the aggregate amount of approximately $3,624,000 through the quarter ending March 31, 2007.

With regard to upfront payments for further marketing and distribution partners, we paid Genzyme approximately $46,880 in June 2006, representing one-third of the amount we received from Mayne Pharmaceuticals, Inc. (Mayne) in connection with us granting to Mayne the exclusive rights to distribute clofarabine for certain cancer indications in Australia and New Zealand.

Pursuant to the Co-Development Agreement, as amended, we agreed with Genzyme to co-develop clofarabine and, under Section 6.1, we granted Genzyme the exclusive right to market and sell clofarabine in the United States and Canada for the treatment of cancer.

The Co-Development Agreement also includes other obligations relating to the parties co-development activities including, for example, the obligation to share data generated during clinical development and the obligation to share certain costs incurred in the development of clofarabine. During the performance of the Co-Development Agreement, the parties have disagreed from time to time on the interpretation of certain of their respective rights and obligations under the Co-Development Agreement. Some of these disagreements have been resolved by the parties in the ordinary course of business. In some instances, the parties have continued to perform their obligations under the Co-Development Agreement while reserving their rights with respect to disagreements that they were not able to resolve.

For example, the parties have disagreed as to the proper interpretation of the language in Section 3.6 of the Co-Development Agreement. Section 3.6 provides that if Genzyme fails to file an NDA for chronic leukemia or solid tumors within a prescribed period of time, then Bioenvision shall have the right to make such filing. If we prepared and filed an NDA for the treatment of chronic leukemia or solid tumors, and if that application were to be approved, the parties do not agree as to whether we would then have the right to market and sell clofarabine in North America for those indications or whether Genzyme would retain those rights under Section 6.1 of the Co-Development Agreement, as described above. Given the disagreement as to the interpretation of the parties rights under the Co-Development Agreement, and given the challenges of developing clofarabine for the treatment of chronic leukemia or solid tumors and preparing and filing an NDA for those uses, we have elected at this time to focus our resources and efforts on the development and commercialization of clofarabine outside of the United States while reserving our rights under Section 3.6 of the Co-Development Agreement.

Acquisition Discussions with Genzyme and Other Target Partner Companies.

Since 2003, our management has periodically explored and assessed, and discussed with our board of directors, strategic alternatives for our company. These alternatives included strategies to grow and expand our business and operations through partnering arrangements and licensing agreements as well as opportunities to merge or combine our operations with those of a company within the pharmaceutical sector with a focus on products to treat cancer (each, a Target Partner Company and, collectively, the Target Partner Companies). At many of the regularly scheduled meetings of our board of directors, our board of directors reviewed our short and long term business strategies, market trends in the industry and the significant challenges we then confronted and in the future would likely confront in attaining our strategic objectives.

In connection with our board of directors assessment of our prospects with regard to each of these challenges, in July 2003, our board of directors retained a nationally recognized investment banking firm to serve as our financial advisor and to assist in exploring potential strategic alternatives for us. Between July 2003 and June 2004, our management and our financial advisor met with several Target Partner Companies. Certain of the Target Partner Companies expressed an interest in receiving additional

information about us, and our management and our financial advisor provided more detailed information relating to our various drug candidates, including clofarabine. During this time, our management and our financial advisor regularly met with our board of directors to review the status of these discussions. We did not receive any proposals during this period and closed the data room in late May 2004. Thereafter, in June 2004, our management met with Genzyme s management to discuss potential licensing opportunities. At that time, Genzyme indicated verbally that it was interested in us providing Genzyme the worldwide rights to clofarabine in exchange for certain royalty and milestone payments. Our board of directors discussed Genzyme s verbal proposal and decided, after consulting with our management and our financial advisor, that Genzyme s valuation of the clofarabine rights was substantially below expectations and therefore decided not to make any counter-proposal. In June 2004, our board of directors, after consulting with our management and our financial advisor, determined to discontinue this process of seeking out potential Target Partner Companies because of the insufficiency of Genzyme s verbal proposal and a lack of interest among any of the Target Partner Companies in exploring a strategic transaction with us.

In mid-2005, Genzyme informed us that it was interested in discussing a potential acquisition of our company. Genzyme indicated that it had retained a nationally recognized investment banking firm to act as its financial advisor in connection with such a transaction. We subsequently retained UBS to serve as our financial advisor in connection with a possible strategic transaction with Genzyme or another Target Partner Company.

Beginning in August 2005, various due diligence matters relating to our company were discussed between our and Genzyme s financial advisor. During September 7, 2005 and September 8, 2005, our management, members of Genzyme s management, and our and Genzyme s financial advisors met to discuss due diligence matters and other matters relating to a potential transaction involving us and Genzyme. On October 17, 2005, we and Genzyme executed a confidentiality agreement pursuant to which we and Genzyme each agreed to keep confidential non-public information shared in the course of discussions and diligence review and pursuant to which Genzyme agreed for a period of time not to acquire shares of our capital stock or take certain actions with respect to the control of our company without the consent of our board of directors. During this period, we established a due diligence data room and members of Genzyme s management and other advisors to Genzyme reviewed documents relating to us included in such data room.

On October 28, 2005, members of our management, members of Genzyme s management and our and Genzyme s financial advisors met to discuss further due diligence matters and other matters relating to a potential transaction between us and Genzyme. In November and December, 2005, Genzyme continued its due diligence review of our company, and we provided Genzyme with various documents and other information relating to our company and our business. On December 14, 2005, our management, members of Genzyme s management, and our and Genzyme s financial advisors met to review due diligence matters and the status of ongoing developments relating to potential transactions.

In early 2006, Genzyme indicated that it was withdrawing from its discussions with us regarding a strategic transaction between Genzyme and us due principally to three concerns: (i) Genzyme stated that the risk was significant enough that we would be unable to obtain regulatory approval from the EMEA based upon the clinical data and other information included in our regulatory filing in Europe (the European Filing); (ii) Genzyme stated that even if we were able to obtain such approval for the European Filing in pediatric ALL indications in relapsed or refractory patients with at least two prior regimens, Genzyme did not believe we would receive such approval for at least another year beyond our expectations at that time; and (iii) Genzyme did not believe we would be able to command the pricing and reimbursement levels which we articulated and since has obtained in certain European countries.

In April 2006, our board of directors determined that we should consider a potential sale, and accordingly, instructed UBS to approach a select number of Target Partner Companies regarding the

possibility of a potential strategic transaction with us. Our management, with the assistance of UBS, identified approximately 20 Target Partner Companies that were believed to be potentially interested in pursuing a possible strategic transaction with us.

During May and June 2006, in accordance with our instructions, UBS contacted these 20 Target Partner Companies. Four of these companies expressed an interest in discussing with us a possible strategic transaction, and each of these four companies executed a confidentiality agreement with us. We also prepared a due diligence data room in case we decided to move forward on a potential transaction with an interested Target Partner Company.

Between May 26, 2006 and June 16, 2006, our management, together with UBS, met with these four Target Partner Companies (referred to herein as Company A, Company B, Company C and Company D). At each of these meetings, our management presented detailed information relating to our company and our products.

On June 19, 2006, we received a preliminary non-binding indication of interest from Company A indicating that Company A was interested in acquiring our company for a price in the range of $6.25 to $6.75 per share (the Company A Proposal). The Company A Proposal was subject to various conditions, including, without limitation, Company A completing its due diligence review of our company and our products. Our board of directors reviewed the Company A Proposal with our management and UBS. Our board of directors determined to continue pursuing other indications of interest from other Target Partner Companies in an effort to determine the relative value of the Company A Proposal.

Between June 21, 2006 and June 26, 2006, each of Company B, Company C and Company D indicated that they were not interested in submitting any indication of interest relating to a possible strategic transaction with us.

At a meeting of our board of directors on July 27, 2006, our board of directors and our management discussed the status of discussions with interested Target Partner Companies. Our board of directors directed our management and UBS to engage in further discussions and negotiations concerning a potential strategic transaction with Company A. In August and September 2006, in accordance with our directives, our management updated the due diligence data room and UBS contacted representatives of Company A about the possibility of pursuing a strategic transaction with us. As a result of such contacts, in early September 2006, UBS organized a meeting between our management and the management of Company A at an industry conference held in Geneva, Switzerland. Following this meeting, Company A indicated to UBS that it remained interested in considering a possible strategic transaction with us. On October 13, 2006, our management and UBS and the financial advisor and management team of Company A met and our management presented detailed information relating to our company and our products.

During this time, as instructed by us, UBS also contacted other Target Partner Companies that our board of directors and our management and financial advisor believed might express an interest in pursuing a strategic transaction with us. None of such Target Partner Companies indicated they were interested in pursuing such a transaction.

In early November 2006, Company A indicated to UBS and our management that Company A was not prepared to pursue a strategic transaction with us at the price per share set forth in the Company A Proposal (i.e., $6.25 to $6.75 per share) because Company A was concerned about the risks associated with our regulatory strategy and commercialization prospects.

In December 2006, our board of directors directed our management to begin undertaking a strategic planning process to assess our assets and business opportunities. In connection therewith, our management began to define the parameters of such strategic planning process, and in February 2007, we retained the services of a third party to assist our management in undertaking this process.

In early 2007, a representative of Genzyme contacted Dennis Purcell, Senior Managing Director of Aisling Capital, an investment fund that manages Perseus-Soros Biopharmaceutical Fund, LP (which at that time beneficially owned approximately 13% of our outstanding shares of capital stock), about Genzyme s potential interest in acquiring us. Mr. Purcell indicated that Genzyme would need to talk to us directly regarding such matters. Mr. Purcell then contacted Dr. Christopher Wood, our Chairman and Chief Executive Officer, regarding these conversations.

Thereafter, Dr. Wood was contacted by Banc of America Securities LLC (BOA), Genzyme s new financial advisor, seeking to discuss matters pertaining to our company, our business model and our potential interest in pursuing a strategic transaction with Genzyme. After this call, BOA sent us a due diligence request list relating to our company and our products.

Dr. Wood informed our board of directors of the telephone call with BOA and the subsequent due diligence request, and our board of directors determined, after discussion with our management, that it was premature to respond to Genzyme s due diligence request and that our board of directors would first need to consider whether pursuing discussions with Genzyme would be in our best interests.

On April 4, 2007, we closed an equity financing with certain investors in which we raised approximately $30 million at $3.75 per share. As of that date, we had not received any formal indication of interest from Genzyme regarding a potential strategic transaction involving our company.

On or about April 6, 2007, Dr. Wood received a telephone call from BOA indicating that Genzyme might be inclined to deliver a written non-binding indication of interest within the next several days. Dr. Wood reiterated to our board of directors his suspicion that such indication of interest would either not be forthcoming or was likely intended as a fact-finding mission rather than any bona fide interest in exploring strategic alternatives.

On April 11, 2007, Genzyme sent to our board of directors a non-binding written indication of interest (the Genzyme Offer) that indicated, among other things, that Genzyme would be willing to acquire our company for $5.25 per share, which, at that time, represented approximately (i) a 28% premium to the trailing 30-day average closing price of our common stock on The NASDAQ Global Market; (ii) an 18% premium to the trailing 60-day average closing price of our common stock on The NASDAQ Global Market; and (iii) a 15% premium to the trailing 90-day average closing price of our common stock on The NASDAQ Global Market.

On April 12, 2007, our board of directors held a special telephonic meeting to discuss the Genzyme Offer. Our board of directors decided to reconvene a meeting on April 13, 2007, at which time our legal and financial advisors would be present to discuss the Genzyme Offer in detail.

On April 13, 2007, our board of directors held a special telephonic meeting to further discuss the Genzyme Offer, in which our management and representatives of UBS and Goodwin Procter LLP (Goodwin Procter), legal counsel to our company, participated. Our board of directors further discussed the Genzyme Offer as well as discussed our strategic direction and business. Representatives of Goodwin Procter reviewed at length with our board of directors its fiduciary duties in the context of a sale transaction. Our board of directors instructed our management to continue the strategic planning process that was previously authorized. Between April 13, 2007 and April 19, 2007, our management and a third party continued working on such process.

On April 19, 2007, our board of directors held a special telephonic meeting to further discuss the Genzyme Offer, in which our management and representatives of UBS and Goodwin Procter participated. Our board of directors discussed, among other things, the preliminary results of the strategic planning process and considered the preliminary results therefrom relative to the Genzyme Offer. At the request of our board of directors, representatives of UBS outlined for our board of directors possible next steps in connection with moving forward with Genzyme on a potential strategic transaction, and representatives of

Goodwin Procter further discussed our board of directors fiduciary duties in the context of a sale transaction. Our board of directors decided to pursue two parallel paths: (i) have our management and UBS continue discussing with Genzyme the possibility of a strategic transaction between the companies; and (ii) have our management continue working on the strategic planning process.

On April 24, 2007, we and Genzyme executed and delivered a new confidentiality agreement pursuant to which each party agreed to keep confidential nonpublic information shared in the course of discussions and diligence review.

On May 1, 2007, our board of directors held a regularly scheduled meeting at our offices. Our board of directors discussed the current status of the strategic planning process with our management. Our board of directors also created a committee (the Committee) which was authorized to work with our management, UBS and Goodwin Procter to assist in facilitating possible negotiations with Genzyme as well as assisting our management and UBS in conducting a market check. Dr. Wood, Dr. Andrew Schiff and Mr. Joseph Cooper, all members of our board of directors, were appointed to serve on the Committee.

In order to assist our board of directors in evaluating any proposal from Genzyme, and mindful of our board of directors fiduciary duties under applicable law with respect to any potential acquisition of our company, the Committee determined to explore the possibility of negotiating a transaction at a higher share price and on other terms more favorable to us than the terms set forth in the Genzyme Offer. In accordance with that instruction from the Committee, the Committee and our management, with the assistance of UBS, identified a list of 10 Target Partner Companies (including Company A and some of the other Target Partner Companies previously approached by us and/or, on our behalf, UBS) to determine if such companies would be interested in pursuing a strategic transaction with us (the Market Check). The 10 Target Partner Companies that were identified were those that were believed to be most likely to (i) be interested in undertaking a transaction with us due to these other companies industry focus, product lines and current research and development efforts and (ii) represent the possibility of a potentially more favorable per share price for our stockholders than the price set forth in the Genzyme Offer.

Between May 2, 2007 and May 23, 2007, in accordance with our directives, UBS contacted each such Target Partner Company. Of the 10 Target Partner Companies contacted, and after further discussions with these companies, only one of these companies (Company E) expressed serious interest in engaging in further discussions with us regarding a possible strategic transaction with us, and Company E executed a confidentiality agreement with us.

On May 2, 2007, Genzyme requested additional due diligence materials. Between May 2, 2007 and May 10, 2007, we responded to Genzyme s due diligence request and Genzyme continued its due diligence review of our company and our business.

On May 10, 2007, UBS and BOA had a telephone call to discuss the status of Genzyme s due diligence review. BOA indicated that, even though Genzyme had some reservations about some of the matters raised in its due diligence review, the purchase price set forth in the Genzyme Offer remained unchanged.

On May 11, 2007, per our request, UBS had a telephone call with Company E to discuss the possibility of our management making a presentation to Company E s management team.

On May 15, 2007, the closing price of our common stock on The NASDAQ Global Market was $3.35. On May 16, 2007, Genzyme held an analyst and investor meeting at which a Genzyme representative indicated that Genzyme would be interested in acquiring the worldwide rights to clofarabine. Over the next several trading days, the trading volume of our common stock increased substantially and the trading price began to increase significantly.

On May 17, 2007, our management and UBS met with the management team of Company E and its financial advisor (the Company E Advisor). At this meeting, our management presented detailed

information relating to our company and our products. During this meeting, process and timing were also discussed with Company E and the Company E Advisor.

On May 18, 2007, BOA informed UBS that a draft of the merger agreement would be delivered later that day. In the early evening, Ropes & Gray LLP (Ropes & Gray), legal counsel to Genzyme, distributed the initial draft of a merger agreement to Goodwin Procter. Ropes & Gray also circulated a proposed schedule of events which indicated that Genzyme wanted to execute the merger agreement on May 29, 2007.

In the morning of May 19, 2007, our management and UBS had a conference call with Company E s management team and the Company E Advisor regarding our clinical programs and products.

Later that day, our management, UBS and Goodwin Procter had a telephonic meeting to discuss preliminary views on the first draft of the merger agreement delivered by Genzyme s legal counsel. This group also discussed the status of conversations with Company E.

In light of a concern about Genzyme withdrawing the Genzyme Offer if we were to significantly delay discussions with Genzyme in connection with undertaking the Market Check, on May 20, 2007, in accordance with our directives, UBS and the Company E Advisor had a telephonic meeting during which UBS indicated that we had received a written indication of interest from an unnamed third party and emphasized to the Company E Advisor the urgency of promptly receiving a preliminary indication of interest from Company E regarding a potential strategic transaction with our company.

On May 21, 2007, the Committee held a telephonic meeting in which our management and representatives of UBS and Goodwin Procter participated. At the request of the Committee, representatives of UBS reviewed the activities that had been undertaken on behalf of our company since May 1, 2007 relating to the Market Check. The representatives of UBS also updated the Committee on their conversations with Genzyme and their conversations with Company E. The Committee decided to continue discussions with Genzyme and to allow Company E more time to provide an indication of interest.

Also on this day, in accordance with our directives, UBS spoke to the Company E Advisor and reiterated the need for Company E to express an interest in moving forward with a transaction if, in fact, it had such interest. The Company E Advisor acknowledged the timing issue and requested additional due diligence materials. Later that day, we provided to Company E such additional due diligence materials.

On May 22, 2007, the Company E Advisor informed UBS that Company E was continuing its due diligence review of our company and it was working on a preliminary valuation of our company.

On the morning of May 23, 2007, the Company E Advisor informed UBS that Company E was not interested in pursuing a strategic transaction with us because of a number of due diligence concerns.

Later that day, our board of directors held a special telephonic meeting, at which our management and representatives of UBS and Goodwin Procter were present. Our board of directors discussed, among other things, the Market Check, the Genzyme Offer and the status of conversations with Company E. UBS informed our board of directors that Company E had indicated that it was not interested in pursuing a strategic transaction with us because of due diligence concerns. Our board of directors also discussed the proposed amendment to our agreement with Southern Research Institute (the SRI Amendment) and the potential benefits to our company associated with this amendment. Our board of directors, with the assistance of our legal and financial advisors, also again discussed the price set forth in the Genzyme Offer, as well as certain key features of any definitive agreement should we agree to be acquired by Genzyme. Our board of directors discussed the desire to obtain from Genzyme a higher price per share than the price currently set forth in the Genzyme Offer. Based, in part, on the foregoing, our board of directors directed our management and legal and financial advisors to continue with their discussions with the

representatives of Genzyme about a possible sale transaction and to pursue efforts to cause Genzyme to increase the per share purchase price because of, among other things, the benefits associated with the SRI Amendment.

A special meeting of our board of directors was held telephonically on the late afternoon of May 24, 2007 to discuss the status of discussions with Genzyme as well as the recent increase in the trading volume and market price of our common stock.

Also on May 24, 2007, Goodwin Procter sent a revised draft of the merger agreement to Ropes & Gray reflecting our preliminary comments.

On May 25, 2007, our board of directors held a special telephonic meeting, at which our management and representatives of UBS and Goodwin Procter were present. Our management updated our board of directors on the status of Genzyme s due diligence review and indicated that such review was substantially complete. Representatives of UBS indicated that, as previously requested by us, they had ongoing conversations with representatives of BOA regarding, among other things, the price set forth in the Genzyme Offer. UBS also reported that BOA was continuing to indicate that Genzyme would not increase its offer price (despite, among other things, the benefits of the SRI Amendment). Our board of directors discussed with UBS and Goodwin Procter various strategies for seeking an increase in Genzyme s offer price as well as the propriety of undertaking another market check . After discussion, our board of directors determined that conducting another market check would not be productive in light of the market check activities to date. At the request of our board of directors, representatives of Goodwin Procter again reviewed at length with our board of directors its fiduciary duties in the sale context and summarized certain of the proposed terms of the merger agreement. Our board of directors also again discussed the possibility of remaining independent and compared this against the value of the Genzyme Offer (in both its original form as well as with an increased offer price). In doing so, our board of directors considered, among other things, the various risks and benefits relating to remaining independent, including the regulatory, development and other risks related to commercializing clofarabine and our other drug products, and the need for substantial amounts of additional capital to support the significant commercial build-up necessary to support the marketing and sale of clofarabine and our other drug products, against the benefits of the Genzyme Offer, including the premium, the amount of that premium in light of the estimated value of the opportunity to develop and commercialize clofarabine and our other drug products opportunity on its own (and the risks relating to fully realizing such opportunity) and the results of the Market Check. Our board of directors determined that in order for our board of directors to further pursue a potential transaction with Genzyme, Genzyme would need to increase the $5.25 offer price reflected in the Genzyme Offer. Our board of directors designated Joseph Cooper, an independent member of our board of directors, to work with UBS to discuss with representatives of Genzyme the terms of the Genzyme Offer with an emphasis on seeking an increase in Genzyme s offer price.

Later that day, as instructed by us, UBS and Mr. Cooper had a telephone conversation with Earl M. Collier, Jr. and Mark J. Enyedy of Genzyme and BOA during which Mr. Cooper explained that our board of directors was not prepared to move forward with a proposed transaction with Genzyme unless Genzyme increased its price. Immediately after this initial call, UBS and BOA had a separate telephone call to further discuss Genzyme s offer. A short time after these telephone calls, BOA contacted UBS and indicated that Genzyme was willing to pay $5.60 per share (the Improved Genzyme Offer) provided that the parties adhere to Genzyme s proposed timeline and negotiated, finalized and executed the merger agreement by no later than the open of market on Tuesday, May 29, 2007. At $5.60 per share, the Improved Genzyme Offer represented approximately (i) a 50% premium to the trailing 30-day average closing price of our common stock on The NASDAQ Global Market; (ii) a 44% premium to the trailing 60-day average closing price of our common stock on The NASDAQ Global Market; and (iii) a 34% premium to the trailing 90-day average closing price of our common stock on The NASDAQ Global Market.

In the early evening of May 25, 2007, our board of directors held a special telephonic meeting in which our management and representatives of UBS and Goodwin Procter participated. Our board of directors discussed the Improved Genzyme Offer as well as Genzyme s demand that the merger agreement be fully negotiated and executed by the morning of May 29, 2007. Our board of directors also discussed whether or not Genzyme would further improve upon the Improved Genzyme Offer as well as the feasibility of meeting the schedule proposed by Genzyme. In order to enhance the possibility that a competing bidder might emerge and be prepared to offer a materially higher price per share after announcement of any transaction with Genzyme, our board of directors instructed our management and legal and financial advisors to attempt to negotiate downward the termination fee in any transaction with Genzyme as well as seek Genzyme s agreement to termination provisions more favorable to us than those presented in the current draft of the merger agreement. Our board of directors also instructed our management and our legal and financial advisors to continue working on the merger agreement and related agreements in an effort to meet the timetable proposed by Genzyme.

Later that evening, Ropes & Gray sent a revised draft of the merger agreement to Goodwin Procter. This revised draft of the merger agreement was forwarded that night to our board of directors for its review and consideration. Over the course of the next three days, the parties respective management teams and legal and financial advisors negotiated the terms of the merger agreement. During this period, a number of drafts of the merger agreement and related documentation were negotiated and exchanged between the parties. As a result of these negotiations, Genzyme agreed to the following material changes (i) a termination fee that was substantially lower than the termination fee initially proposed by Genzyme (Genzyme had initially proposed a termination fee equal to approximately 3.75% of the value of the transaction); (ii) a fiduciary out to the non-solicitation provisions that was more favorable to the us than the fiduciary out initially proposed by Genzyme; and (iii) termination provisions that were more favorable to us than the provisions initially proposed by Genzyme.

A special meeting of our board of directors was held telephonically on the late afternoon of May 28, 2007 to discuss the proposed terms of the transaction, with our management and representatives of UBS and Goodwin Procter present. In advance of this telephonic meeting, a revised draft of the merger agreement and related materials were circulated to our board of directors. At this meeting, UBS delivered to our board of directors an oral opinion, which was confirmed by delivery of a written opinion dated May 28, 2007, to the effect that, as of that date and based on and subject to various assumptions, matters considered and limitations described in its opinion, the $5.60 per share cash consideration to be received in the Offer and the Merger, taken together, by holders of our common stock (other than Genzyme, Wichita Bio, holders who have entered into a stockholders agreement with Genzyme and Wichita Bio, and their respective affiliates) was fair, from a financial point of view, to such holders. Our board of directors also engaged in a review with Goodwin Procter of the key provisions of the merger agreement. Our board of directors again discussed the possibility of remaining independent and compared this against the value of the Improved Genzyme Offer. In doing so, our board of directors again considered, among other things, the various risks and benefits relating to remaining independent, including the regulatory, development and other risks related to commercializing clofarabine and our other drug products, and the need for substantial amounts of additional capital to support the significant commercial build-up necessary to support the marketing and sale of clofarabine and our other drug products, against the benefits of the Genzyme Offer, including the premium and the amount of that premium in light of the estimated value of the opportunity to develop and commercialize clofarabine and our other drug products opportunity on its own (and the risks relating to fully realizing such opportunity).

Our board of directors also reviewed with Goodwin Procter again our board of directors obligations under applicable law with respect to its fiduciary duties in a sale transaction. In that regard, on the basis of our activities to date (including, without limitation, the Market Check) and our board of directors previous efforts over the preceding four years to assess the possible interest of all third parties reasonably

likely to be interested in undertaking with our company a potential strategic transaction, and after extensive discussion, our board of directors determined that the price then being proposed by Genzyme for each share of our common stock outstanding was the best per share price then obtainable.

After further discussion among the participants on the call to address questions from our board of directors, our board of directors, by a unanimous vote, approved the proposed merger agreement, the Offer and Merger. The merger agreement, by and among Genzyme, Wichita Bio and us, and other transaction-related documents were signed and their execution was announced on May 29, 2007 in a joint press release.

On June 4, 2007, Genzyme and Wichita Bio filed a Tender Offer Statement on Schedule TO with the SEC, as subsequently amended and supplemented, related to the proposed tender offer by Wichita Bio to purchase all the outstanding shares of our common stock, including associated preferred stock purchase rights, at a purchase price of $5.60 per share of common stock, net to the seller in cash, without interest thereon and less any applicable withholding taxes, and to purchase all outstanding shares of our preferred stock, at a purchase price of $11.20 per share of preferred stock, plus all accrued but unpaid dividends, upon the terms and subject to the conditions set forth in the Offer to Purchase dated June 4, 2007. The initial tender offer period was set to expire at 12:01 a.m. on July 2, 2007.

On June 7, 2007, we filed with the SEC our Solicitation/Recommendation Statement on Schedule 14D-9, as subsequently amended and supplemented, related to the tender offer.

On July 2, 2007, pursuant to Sections 1.1 and 8.5 of the merger agreement, Genzyme and Wichita Bio waived the condition to the tender offer requiring that there be validly tendered and not withdrawn prior to the expiration date of the tender offer that number of shares of our common stock which, when added to any of our common stock owned by Genzyme and Wichita Bio, represents a majority of our issued and outstanding common stock (assuming, for purposes of such calculation, the exercise or conversion of all vested in-the-money options and in-the-money warrants). Genzyme and Wichita Bio also extended the tender offer until 12:01 a.m. on July 10, 2007.

On July 10, 2007, Wichita Bio purchased 8,398,098 shares of our common stock and 2,250,000 shares of preferred stock which had been tendered and not withdrawn from the tender offer as of that date, representing a total of approximately % of the outstanding shares of our common stock as of , 2007 and 100% of the outstanding preferred stock as of , 2007. Included in these figures are an aggregate of 5,434,409 shares of our common stock (representing approximately 9.9% of our outstanding common stock as of , 2007) and 2,250,000 shares of preferred stock (representing 100% of the outstanding preferred stock as of , 2007) that were tendered by our officers, directors and stockholders pursuant to tender and voting agreements.

On July 13, 2007, Andrew Schiff and Steven Elms resigned from our board of directors.

Recommendation of Our Board of Directors

Our board of directors has determined that the merger agreement, the merger and the other transactions described in the merger agreement are advisable, fair to, and in the best interests of, our stockholders, and unanimously recommends that our stockholders vote FOR the adoption of the merger agreement and FOR the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the adoption of the merger agreement.

Reasons for the Recommendation of our Board of Directors

In evaluating the tender offer, the merger and the merger agreement, our board of directors consulted with our management, legal counsel and financial advisor and, in reaching its recommendation, our board of directors considered a number of factors, including the following:

- *Our Operating and Financial Condition; Prospects of our Company*. Our board of directors considered its knowledge and familiarity with our business, financial condition and results of operations, as well as our financial plan and prospects if it were to remain an independent company and our short-term and long-term capital needs. Our board of directors discussed our current financial plan, including the risks associated with achieving and executing upon our business plan. Our board of directors considered, among other factors, that the holders of our common stock and Series A Preferred Stock (together, the Shares) would continue to be subject to the risks and uncertainties of our financial plan and prospects unless the Shares were acquired for cash. These risks and uncertainties included risks relating to our ability to successfully develop and market its current products, potential difficulties or delays in its clinical trials, obtaining regulatory approval in Europe and elsewhere for our products, regulatory developments involving current and future products and its effectiveness at managing and raising sufficient financial resources (including financing its research and development activities and the commercialization of any products approved by governmental authorities through licensing and other agreements), as well as the other risks and uncertainties discussed in our filings with the SEC. Additionally, our board of directors considered that we do not expect to market clofarabine in adult AML in Europe until 2008, at the earliest.

- *Strategic Alternatives*. Our board of directors considered trends in the industry in which our business operates and the strategic alternatives available to us, including remaining an independent public company, acquisitions of or mergers with other companies in the industry, leveraged buyouts by financial sponsors or private equity firms, as well as the risks and uncertainties associated with such alternatives.

- *Transaction Financial Terms; Premium to Market Price*. Our board of directors considered the relationship of the tender offer price and the merger consideration to the historical market prices of our common stock. In light of our activities to date (including, without limitation, the Market Check) and our communications about a potential strategic transaction over the past four years with other companies determined to be most likely to be interested in engaging in a possible strategic transaction with us, our board of directors determined that the tender offer price and merger consideration to be paid in the tender offer and the merger represented the best per share price currently obtainable for our stockholders. In making that determination, we considered that the tender offer price and merger consideration, respectively, represents a premium of approximately:

(i) 6.7% over $5.25, the closing price of our common stock on The NASDAQ Global Market on May 25, 2007, the last trading day prior to the execution of the merger agreement;

(ii) 40% over $4.00, the closing price of our common stock on The NASDAQ Global Market on May 18, 2007, one week prior to the last trading day prior to the execution of the merger agreement;

(iii) 49% over $3.75, the closing price of our common stock on The NASDAQ Global Market on April 25, 2007, one month prior to the last trading day prior to the execution of the merger agreement; and

(iv) 34% over $4.18, the average 90 trading day average of our common stock on The NASDAQ Global Market as of the last trading day prior to the execution of the merger agreement.

Our board of directors also considered an analysis that the mean and median one-month purchase price premiums that had been paid in selected biotechnology transactions were 55.9% and 58.9%, respectively.

- *Ability to Respond to Unsolicited Takeover Proposals and Terminate the Merger Agreement to Accept a Superior Proposal*. Our board of directors considered the provisions in the merger agreement that provide for the ability of our company, subject to the terms and conditions of the merger agreement, to provide information to and engage in negotiations with third parties that make an unsolicited proposal, and, subject to payment of a termination fee and the other conditions set forth in the merger agreement, to enter into a transaction with a party that makes a superior proposal. Upon consummation of the tender offer, these provisions became no longer applicable.

- *Termination Fee Provisions*. Our board of directors considered the termination fee provisions of the merger agreement and determined that they likely would not be a deterrent to competing offers that might be superior to the tender offer price and the merger consideration. Our board of directors considered that the termination fee of $9,000,000 was equal to approximately 2.6% of our equity value, which our board of directors believed to be a reasonable fee to be paid to Genzyme should a superior offer be accepted by us. Upon consummation of the tender offer, the termination fee provisions of the merger agreement became no longer applicable.

- *Conditions to the Consummation of the Tender Offer and the Merger; Likelihood of Closing*. Our board of directors considered the reasonable likelihood of the consummation of the transactions contemplated by the merger agreement in light of the limited conditions in the merger agreement to the obligations of Wichita Bio to accept for payment and pay for the Shares tendered pursuant to the tender offer, including that the consummation of the tender offer and the merger was not contingent on Genzyme s ability to secure financing commitments.

- *Cash Consideration; Certainty of Value*. Our board of directors considered the form of consideration to be paid to holders of Shares in the tender offer and the merger and the certainty of the value of such cash consideration compared to stock or other consideration.

- *Timing of Completion*. Our board of directors considered the anticipated timing of consummation of the transactions contemplated by the merger agreement and the structure of the transaction as a cash tender offer for all of the Shares, which allowed stockholders to receive the transaction consideration in a relatively short timeframe, followed by the merger in which stockholders would receive the same consideration as received by stockholders who tendered their Shares in the tender offer. Our board of directors considered that the potential for closing in a relatively short timeframe could also reduce the amount of time in which our business would be subject to the potential uncertainty of closing and related disruption.

- *Results of Process Conducted*. Our board of directors considered the results of the process that had been conducted by our company, with the assistance of our management and advisors, to evaluate strategic alternatives, including the discussions with the Target Partner Companies contacted by our management and/or its advisors (including, without limitation, Company A, Company B, Company C, Company D and Company E) and the solicitation of interest on behalf of several other Target Partner Companies thought to be interested in a business combination transaction with us, and the fact that none of them determined to make an offer to acquire us or to enter into discussions or negotiations regarding such a transaction. Our board of directors also considered the ability of other bidders to make, and the likelihood that other bidders would make, a proposal to acquire the Shares at a higher price per share than the tender offer price. Based on the results of our prior efforts and our extended arm s-length negotiations with Genzyme, our board of directors believed that the tender offer price represented the highest price per share of Shares that was reasonably attainable.

- *Opinion of our Financial Advisor*. Our board of directors considered the opinion of UBS, dated May 28, 2007, to our board of directors as to the fairness, from a financial point of view and as of the date of the opinion, of the $5.60 per share cash consideration to be received in the Genzyme transaction by holders of our common stock (other than Genzyme, Wichita Bio, holders who have entered into a stockholders agreement with Genzyme, and their respective affiliates), as more fully described below under the caption Opinion of our Financial Advisor .

- *Appraisal Rights*. Our board of directors considered the availability of appraisal rights with respect to the merger for our stockholders who properly exercise their rights under Delaware law, which would give such stockholders the ability to seek and be paid a judicially determined appraisal of the fair value of their Shares upon the completion of the merger.

Our board of directors also considered a number of uncertainties and risks in their deliberations concerning the transactions contemplated by the merger agreement, including the tender offer and merger, including the following:

- *Restrictions; Termination Fee*. Our board of directors considered the restrictions that the merger agreement impose on actively soliciting competing bids, and the insistence of Genzyme as a condition to its offer that we would be obligated to pay a termination fee of $9 million under certain circumstances, and the potential effect of such termination fee in deterring other potential acquirers from proposing alternative transactions.

- *Failure to Close*. Our board of directors considered that the conditions to Genzyme s and Wichita Bio s obligation to accept for payment and pay for the Shares tendered pursuant to the tender offer and to consummate the merger were subject to conditions, and the possibility that such conditions may not be satisfied, including as a result of events outside of our control. Our board of directors also considered the fact that, if the tender offer and merger are not completed, the market s perception of our continuing business could potentially result in a loss of customers, vendors, business partners, collaboration partners and employees and that the trading price of our common stock could be adversely affected. Our board of directors considered that, in that event, it would be unlikely that another party (including, without limitation, the Target Partner Companies contacted by our management and/or its advisors (including, without limitation, Company A, Company B, Company C, Company D and Company E)) would be interested in acquiring us. Our board of directors also considered the fact that, if the tender offer and merger are not consummated, our directors, officers and other employees will have expended extensive time and effort and will have experienced significant distractions from their work during the pendency of the transaction, and we will have incurred significant transaction costs, attempting to consummate the transaction.

- *Public Announcement of the Tender Offer and Merger*. Our board of directors considered the effect of a public announcement of the execution of the merger agreement and the tender offer and merger contemplated thereby, including effects on our operations, stock price and employees and our ability to attract and retain key management and personnel. Our board of directors also considered the effect of these matters on Genzyme and the risks that any adverse reaction to the transactions contemplated by the merger agreement could adversely affect Genzyme s willingness to consummate the transactions contemplated by the merger agreement.

- *Pre-Closing Covenants*. Our board of directors considered that, under the terms of the merger agreement, we agreed that we will carry on our business in the ordinary course of business consistent with past practice and, subject to specified exceptions, that we will not take a number of actions related to the conduct of our business without the prior written consent of Genzyme. Our board of directors further considered that these terms of the merger agreement may limit our ability to pursue business opportunities that we would otherwise pursue.

- *Tender and Voting Agreements*. Our board of directors noted that certain executive officers, directors and stockholders of our company, who together controlled approximately 20% of the voting power of our outstanding shares of capital stock (calculated as if our common stock and the Series A Preferred Stock are treated together as a single class on an as-if converted to common stock basis and assuming the exercise of all in the money options and warrants held by such executive officers, directors and stockholders), agreed to tender their Shares in the tender offer pursuant to the tender and voting agreements. Our board of directors also noted that the tender and voting agreements terminate if the merger agreement is terminated in accordance with its terms.

- *Cash Consideration*. Our board of directors considered the fact that, subsequent to completion of the merger, we will no longer exist as an independent public company and that the nature of the transaction as a cash transaction would prevent our stockholders from being able to participate in any value creation that we could generate going forward, as well as any future appreciation in value of the combined company, unless they separately acquired Genzyme common stock.

- *Tax Treatment*. Our board of directors considered the fact that gains from this transaction would be taxable to our stockholders for U.S. federal income tax purposes.

- *Potential Conflicts of Interest*. Our board of directors was aware of the potential conflicts of interest between our company, on the one hand, and certain of our executive officers and directors, on the other hand, as a result of the transactions contemplated by the tender offer and the merger.

Our board of directors believed that, overall, the potential benefits of the tender offer and the merger to our stockholders outweigh the risks of the tender offer and the merger and provide the maximum value to our stockholders. In analyzing the tender offer and the merger, our board of directors and our management were assisted and advised by our financial advisor and legal counsel.

The foregoing discussion of information and factors considered by our board of directors is not intended to be exhaustive. In light of the variety of factors considered in connection with its evaluation of the tender offer and the merger, our board of directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determinations and recommendations. Moreover, each member of our board of directors applied his own personal business judgment to the process and may have given different weight to different factors.

Additional Information

In connection with your decision whether to vote to adopt the proposed merger agreement, you should consider the following factors:

Rights of Genzyme as a Holder of Preferred Stock

As the sole holder of our outstanding shares of preferred stock, Genzyme may at its option convert each share of our preferred stock into approximately two shares of our common stock. Each share of our preferred stock is entitled to the number of votes equal to the number of shares of our common stock into which our shares of preferred stock are convertible at each meeting of our stockholders (and in connection with written actions of stockholders in lieu of meetings) with respect to any and all matters presented to our stockholders for their action or consideration. Except as provided by Delaware law or other law, our preferred stock votes together with our common stock as a single class and is entitled to prior written notice of any meeting of our stockholders (and copies of proxy materials and other information sent to stockholders) to which they would be entitled to vote. We are also required to obtain Genzyme s consent prior to taking, approving or otherwise ratifying any of the following actions: (i) the authorization, issuance or agreement to authorize or issue any new class or series of parity or senior securities or rights of any kind convertible into or exercisable or exchangeable therefor, or the offering, sale or issuance of any existing parity or senior securities or rights of any kind convertible into or exercisable or exchangeable therefor;

(ii) the purchase, repurchase or redemption of shares of our common stock, securities or rights of any kind convertible into or exercisable for our common stock or any other of our securities (except in the case of a termination of an employee; (iii) an increase or decrease in the number of members constituting the size of our board of directors; (iv) an increase in the authorized number of shares of our common stock or preferred stock; (v) the effecting of any merger, combination, reorganization, or sale of all or substantially all of our assets; (vi) the declaration or payment of dividends or any other distribution on shares of our common stock or other capital stock; (vii) the amendment of our certificate of incorporation or bylaws or the alteration or change to the rights, preferences or privileges of our preferred stock or any parity or senior securities, in each case so as to affect adversely the rights, preferences or privileges of our preferred stock; or (viii) an increase in the number of shares of our common stock reserved for the employee option pool by more than 5% per year.

Our preferred stock also carries the right to receive an annual 5% cumulative dividend which may be paid in cash or additional shares of common stock, in our sole discretion, and a liquidation preference over holders of our common stock of $3.00 per share of preferred stock held, plus all accrued but unpaid dividends on such share of preferred stock and as adjusted for stock splits, dividends, combinations or other recapitalizations.

EMEA Regulatory Matters

On August 16, 2007, we announced that, in connection with the status of our application to the EMEA to include a new indication for clofarabine for the treatment of adult AML in elderly patients who have one or more of the following: adverse cytogenetics, secondary AML, > 70 years old or significant co-morbidities and who are therefore not considered suitable for intensive chemotherapy, the EMEA has agreed to accept supplemental information from us by November 16, 2007. This timeframe will enable us to prepare a more comprehensive response to the EMEA, including interim data from the ongoing, multicenter AML-16 trials that have been initiated by the National Cancer Research Institute (NCRI). We currently anticipate that in December 2007 the EMEA will provide its assessment report and that in January 2008 the EMEA will either provide us with an opinion on whether or not we will be granted marketing authorization of clofarabine for this new indication or provide us with another request for supplemental information.

It should be noted that the foregoing may be subject to change and the EMEA s assessment report and opinion may require us to provide further data and/or to attend an oral explanation. The opinion of the EMEA is also required to be adopted by the European Commission as a pre-condition to the grant of marketing authorization of clofarabine for the treatment of adult AML. In addition, in relation to our variation application to include this new indication, the EMEA has requested that data from the ongoing AML-16 trials be provided. The AML-16 trials, sponsored by the NCRI, randomize clofarabine against the standard of care (low-dose cytarabine) for the treatment of elderly patients with adult AML who are not considered suitable for intensive chemotherapy. We believe we will be able to make data from these trials available to the EMEA by November 2007 in order to satisfy their request. There can be no assurances, however, that this data will be made available to us for its application. The AML-16 trials will not be fully enrolled at the time of submission of our response to the EMEA and there can be no assurances that interim data will be satisfactory, or that the data itself will be supportive of our application. Further, if the EMEA does not accept this data, we may have to run an additional randomized study.

Revenues from Clofarabine

We currently sell clofarabine to approximately 116 centers in Europe which are participating in the AML-16 trials that have been initiated by the NCRI. Distribution of clofarabine to the study centers is being coordinated by a single trial center, Cardiff University (Cardiff). The AML-16 studies include the phase I pilot intensive trial which commenced in December of 2005 and was completed in September of

2006, the phase II AML-16 non-intensive trial which commenced in July of 2006 and is expected to complete recruitment in 2008 and the phase III AML-16 intensive trial which commenced in August of 2006 and is expected to complete recruitment in 2009. In order to facilitate distribution, invoicing and compiling of study reports, we have entered into research agreements with Cardiff in connection with each of these trials that, among other things, provide for the sale of clofarabine, at current market prices, through Cardiff to the study sites. During the nine months ended March 31, 2007, 46% of our total revenue was attributed to the sale of clofarabine to Cardiff. During the three months ended September 30, 2006, December 31, 2006 and March 31, 2007, revenue attributable to Cardiff accounted for 52%, 48% and 41% of total revenue, respectively. We anticipate that the percentage of our total revenue derived from the sale of clofarabine into the AML-16 trials will continue to decrease. In connection with the research agreements, we are obligated to provide financial support to Cardiff which is dependent on the completion of certain milestones which are due upon the receipt of interim and final study reports. Through March 31, 2007, we have paid approximately $2,665,000 to Cardiff in relation to certain milestones met in the research agreements. For the nine months ended March 31, 2007, we recognized approximately $6,650,000 as research and development costs relating to the AML-16 trials.

Board Composition

It is currently anticipated that our board of directors will remain as constituted from the date of this proxy statement through the date of the expiration of the merger agreement. From and after that time, we may consider changes to the composition of the board of directors.

Opinion of our Financial Advisor

On May 28, 2007, at a meeting of our board of directors held to evaluate the Genzyme transaction, UBS rendered to our board of directors an oral opinion, which was confirmed by delivery of a written opinion dated May 28, 2007, to the effect that, as of that date and based on and subject to various assumptions, matters considered and limitations described in its opinion, the $5.60 per share cash consideration to be received in the Genzyme transaction, by holders of our common stock (other than Genzyme, Wichita Bio, holders who have entered into a stockholders agreement with Genzyme and Wichita Bio, and their respective affiliates) was fair, from a financial point of view, to such holders.

The full text of UBS written opinion, dated May 28, 2007, to our board of directors is attached as Annex C to this proxy statement and is incorporated herein by reference. Holders of our common stock are encouraged to read this opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken. UBS opinion was provided for the benefit of our board of directors in connection with, and for the purpose of, its evaluation of the $5.60 per share cash consideration from a financial point of view and does not address any other aspect of the Genzyme transaction. The opinion does not address the relative merits of the Genzyme transaction as compared to other business strategies or transactions that might be available with respect to our company or our underlying business decision to effect the Genzyme transaction. The opinion does not constitute a recommendation to any stockholder as to how to vote or act with respect to the merger or any related transaction. Although subsequent developments may affect its opinion, UBS does not have any obligation to update, revise or reaffirm its opinion. The summary of UBS opinion described below is qualified in its entirety by reference to the full text of its opinion.

In arriving at its opinion, among other things, UBS:

- reviewed certain publicly available business and historical financial information relating to our company;

- reviewed certain internal financial information and other data relating to our company s business and financial prospects that were provided to UBS by our company s management and not publicly available, including financial forecasts and estimates prepared by our company s management;

- conducted discussions with members of our company s senior management concerning our company s business and financial prospects;

- reviewed publicly available financial and stock market data with respect to certain other companies UBS believed to be generally relevant;

- compared the financial terms of the Genzyme transaction with the publicly available financial terms of certain other transactions UBS believed to be generally relevant;

- reviewed current and historical market prices of our common stock;

- reviewed a draft dated May 28, 2007 of the merger agreement; and

- conducted such other financial studies, analyses and investigations, and considered such other information, as UBS deemed necessary or appropriate.

At the direction of our board of directors, UBS contacted selected third parties to solicit indications of interest in a possible transaction with our company and held discussions with certain of these parties prior to the date of UBS opinion.

In connection with its review, with the consent of our board of directors, UBS did not assume any responsibility for independent verification of any of the information provided to or reviewed by UBS for the purpose of its opinion and, with the consent of our board of directors, UBS relied on that information being complete and accurate in all material respects. In addition, with the consent of our board of directors, UBS did not make any independent evaluation or appraisal of any of the assets or liabilities, contingent or otherwise, of our company, and was not furnished with any evaluation or appraisal. With respect to the financial forecasts and estimates prepared by our company s management, UBS assumed, at the direction of our board of directors, that they had been reasonably prepared on a basis reflecting the best currently available estimates and judgments of our company s management as to our future performance. UBS relied, at the direction of our board of directors, without independent verification or investigation, upon the assessments of our company s management as to our products and technology and the risks associated with such products and technology (including, without limitation, the probability of successful testing, development and marketing, and approval by appropriate governmental authorities, of such products and technology). UBS opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information available to UBS as of, the date of its opinion.

At the direction of our board of directors, UBS was not asked to, and it did not, offer any opinion as to the terms, other than the $5.60 per share cash consideration to the extent expressly specified in UBS opinion, of the merger agreement or the form of the Genzyme transaction. In rendering its opinion, UBS assumed, with the consent of our board of directors, that (i) the final executed form of the merger agreement would not differ in any material respect from the draft that UBS reviewed, (ii) our company and Genzyme would comply with all material terms of the merger agreement, and (iii) the Genzyme transaction would be consummated in accordance with the terms of the merger agreement without any adverse waiver or amendment of any material term or condition of the merger agreement. UBS also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Genzyme transaction would be obtained without any material adverse effect on us or the Genzyme transaction.

In connection with rendering its opinion to our board of directors, UBS performed a variety of financial and comparative analyses which are summarized below. The following summary is not a complete description of all analyses performed and factors considered by UBS in connection with its opinion. The preparation of a financial opinion is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis or summary description. With respect to the selected companies analysis and the selected transactions analysis summarized below, no company or transaction used as a comparison is either identical or directly comparable to our company or the Genzyme transaction. These analyses necessarily involve complex considerations and judgments concerning financial and operating

characteristics and other factors that could affect the public trading or acquisition values of the companies concerned.

UBS believes that its analyses and the summary below must be considered as a whole and that selecting portions of its analyses and factors without considering all analyses and factors or the narrative description of the analyses could create a misleading or incomplete view of the processes underlying UBS analyses and opinion. UBS did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis for purposes of its opinion, but rather arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole.

The estimates of the future performance of our company provided by our company s management in or underlying UBS analyses are not necessarily indicative of future results or values, which may be significantly more or less favorable than those estimates. In performing its analyses, UBS considered industry performance, general business and economic conditions and other matters, many of which are beyond our control. Estimates of the financial value of companies do not purport to be appraisals or necessarily reflect the prices at which companies actually may be sold.

The per share cash consideration payable in the Genzyme transaction was determined through negotiation between our company and Genzyme and the decision to enter into the Genzyme transaction was solely that of our board of directors. UBS opinion and financial analyses were only one of many factors considered by our board of directors in its evaluation of the Genzyme transaction and should not be viewed as determinative of the views of our board of directors or our company s management with respect to the Genzyme transaction or the per share cash consideration payable in the Genzyme transaction.

The following is a brief summary of the material financial analyses performed by UBS and reviewed with our board of directors on May 28, 2007 in connection with UBS opinion. **Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of UBS financial analyses.**

Selected Companies Analysis

UBS compared selected financial and stock market data of our company with corresponding data, to the extent publicly available, of the following nine selected publicly traded companies in the biopharmaceutical sector of the healthcare industry:

- BioMarin Pharmaceutical Inc.
- Cubist Pharmaceuticals, Inc.
- CV Therapeutics, Inc.
- GTx, Inc.
- Inspire Pharmaceuticals, Inc.
- Neurocrine Biosciences, Inc.
- NPS Pharmaceuticals, Inc.
- Pharmion Corporation
- XOMA Ltd.

UBS reviewed, among other things, the enterprise values of the selected companies (calculated as diluted equity value based on closing stock prices on May 25, 2007, plus the book value of debt and minority interests, plus preferred stock at its liquidation value, less cash and cash equivalents) as a multiple of the respective company s calendar years 2007, 2008 and 2009 estimated revenue. UBS then compared these multiples derived from the selected companies with corresponding multiples implied for our company based on the $5.60 per share cash consideration payable in the Genzyme transaction.

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Financial data for the selected companies were based on publicly available research analysts estimates, public filings and other publicly available information. Estimated calendarized financial data for our company were based both on internal estimates prepared by our company s management (Management Estimates) and publicly available research analysts estimates (Wall Street Estimates). This analysis indicated for the selected companies implied revenue multiple ranges for calendar year 2007 of 3.4x to 13.8x (with a mean of 7.6x and a median of 8.5x), for calendar year 2008 of 2.6x to 16.6x (with a mean of 6.4x and a median of 5.7x) and for calendar year 2009 of 2.0x to 6.6x (with a mean of 4.0x and a median of 4.1x), as compared to corresponding multiples implied for our company for calendar years 2007, 2008 and 2009 based on the $5.60 per share cash consideration payable in the Genzyme transaction of 12.4x, 7.8x and 4.8x (utilizing Management Estimates) and 7.6x, 3.3x and 2.0x (utilizing Wall Street Estimates), respectively.

Selected Transactions Analysis

UBS reviewed transaction values in the following 16 selected transactions in the biopharmaceutical sector of the healthcare industry that were publicly announced between December 2001 and February 2007:

Announcement Date	Acquiror	Target
02/2007	• Shire plc	• New River Pharmaceuticals Inc.
11/2006	• Actelion Ltd.	• CoTherix, Inc.
11/2006	• Genentech, Inc.	• Tanox, Inc.
10/2006	• Merck & Co., Inc.	• Sirna Therapeutics, Inc.
10/2006	• Eli Lilly and Company	• ICOS Corporation
08/2006	• Genzyme Corporation	• AnorMED Inc.
06/2006	• Novartis AG	• NeuTec Pharma plc
05/2006	• AstraZeneca UK Limited	• Cambridge Antibody Technology Group plc
09/2005	• GlaxoSmithKline plc	• ID Biomedical Corporation
07/2005	• MGI Pharma, Inc.	• Guilford Pharmaceuticals, Inc.
05/2005	• Genzyme Corporation	• Bone Care International, Inc.
04/2005	• Shire plc	• Transkaryotic Therapies Incorporated
02/2004	• Genzyme Corporation	• Ilex Oncology, Inc.
08/2003	• Genzyme Corporation	• Sangstat Medical Corp.
12/2001	• Millennium Pharmaceuticals, Inc.	• COR Therapeutics, Inc.
12/2001	• MedImmune, Inc.	• Aviron

UBS reviewed transaction values, calculated as the enterprise value (purchase prices paid for the target equity, plus the book value of debt and minority interests, plus preferred stock at its liquidation value, less cash and cash equivalents) in the selected transactions, as a multiple of one-year and two-year forward estimated revenue. UBS then compared these multiples derived from the selected transactions to our implied calendar years 2007 and 2008 estimated revenue multiples based on the $5.60 per share cash consideration payable in the Genzyme transaction.

Financial data for the selected transactions were based on publicly available information at the time of announcement of the relevant transaction. Estimated calendarized financial data for our company were based on Management Estimates. This analysis indicated for the selected transactions an implied one-year forward revenue multiple range of 2.9x to 13.4x (with a mean of 8.0x and a median of 8.5x) and an implied two-year forward revenue multiple range of 2.0x to 12.8x (with a mean of 6.8x and a median of 6.0x), as

compared to implied revenue multiples for our company for calendar years 2007 and 2008 based on the $5.60 per share cash consideration payable in the Genzyme transaction of 12.4x and 7.8x, respectively.

Discounted Cash Flow Analysis

UBS performed a discounted cash flow analysis to calculate the estimated present value as of June 30, 2007 of the stand-alone unlevered, after-tax free cash flows that our company could generate over fiscal years 2008 through 2022 based on Management Estimates. The unlevered, after-tax free cash flows, adjusted to reflect our company s net operating loss carryforward for tax purposes anticipated by our management to be utilized by our company, were discounted to present value using discount rates ranging from 17.5% to 22.5%. This analysis indicated an implied equity reference range for our company of approximately $3.72 to $5.33 per share, as compared to the $5.60 per share cash consideration payable in the Genzyme transaction.

Miscellaneous

Under the terms of UBS engagement, our company has agreed to pay UBS an aggregate fee of approximately $3.1 million for its financial advisory services in connection with the Genzyme transaction, a portion of which was payable in connection with its opinion and approximately $2.3 million of which is payable contingent upon consummation of the Genzyme transaction. In addition, our company has agreed to reimburse UBS for its expenses, including fees, disbursements and other charges of legal counsel, and to indemnify UBS and related parties against liabilities, including liabilities under federal securities laws, relating to, or arising out of, its engagement. In the past, UBS provided investment banking services to our company unrelated to the Genzyme transaction for which UBS received compensation, including having acted as joint bookrunning manager in connection with an equity offering of our company in 2005. In addition, in the past, UBS provided investment banking services to Genzyme unrelated to the Genzyme transaction for which UBS received compensation, including having acted as financial advisor to Genzyme in connection with certain acquisition transactions in 2005 and 2006. In the ordinary course of business, UBS, its successors and affiliates may hold or trade, for their own accounts and the accounts of their customers, securities of our company or Genzyme and, accordingly, may at any time hold a long or short position in such securities.

Affiliates of UBS purchased shares of our common stock in our April 2007 registered direct offering at $3.75 per share.

Genzyme has informed us that since 2005, Genzyme has paid UBS approximately $5.6 million in fees, continues to engage UBS for investment banking services and anticipates that Genzyme may do so in the future, and expects to pay UBS reasonable and customary fees for such services. The specific fees referred to in this time frame were: (1) in 2006, an aggregate of $2.6 million related to UBS acting as the Genzyme s financial advisor in the Genzyme s acquisition of AnorMED Inc. and (2) in 2005, $3.0 million related to UBS acting as the Genzyme s financial advisor in the Genzyme s acquisition of BoneCare International, Inc. In addition to these transactions, in 2003, UBS acted as the sole book-running manager in connection with Genzyme s $690 million convertible debt offering; in that offering the aggregate underwriting discount of $15.5 million was shared by UBS and two other initial purchasers, with UBS benefiting from most of that amount. Genzyme further notes that in the 2004 transaction in which Ilex was merged into a subsidiary of the Genzyme, UBS did not represent Genzyme. Rather, UBS acted as financial advisor to Ilex.

In the Schedule 14A filed with the SEC by Genzyme on April 12, 2007, Genzyme disclosed that UBS AG FBO UBS Global Asset Management, Bahnhofstrasse 45, PO Box CH-8021, Zurich, Switzerland, owned 16,564,661 shares of the Genzyme s common stock, or approximately 6.28% of the number of shares outstanding as of March 30, 2007. This disclosure was based on information included in a Schedule 13G filed by UBS AG with the SEC on February 21, 2007. That filing states that (1) UBS AG is a registered bank, (2) UBS AG disclaims beneficial ownership of the shares, which are shares beneficially

owned by the UBS Global Asset Management business group of UBS AG and its subsidiaries and affiliates on behalf of its clients, and (3) no single client is known to own more than 5% of the shares listed.

Our company selected UBS as its financial advisor in connection with the Genzyme transaction because UBS is an internationally recognized investment banking firm with substantial experience in similar transactions. UBS is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities and private placements.

Merger Financing; Source and Amounts of Funds

Wichita Bio s obligation to complete the merger is not conditioned upon its ability to obtain funds sufficient to do so. Genzyme has represented to us in the merger agreement that it will provide all funding required by Wichita Bio necessary to consummate the merger. The total amount of funds required by Wichita Bio to pay all the merger consideration and related fees and expenses in connection with the merger is estimated to be approximately $[ ]. Genzyme has advised us that it will provide the required funds from cash on hand.

Financial Forecasts

We do not as a matter of course make public projections as to future performance, earnings or other results, and are especially wary of making projections for extended periods due to the unpredictability of the underlying assumptions and estimates. However, in connection with the evaluation of the merger agreement and the transactions contemplated thereby, our board of directors reviewed a set of forecasts prepared by our management regarding our anticipated future operations for the fiscal years 2008 through 2022. With respect to these forecasts, our management and our board of directors recognized that we would require additional funds in order to carry out such plans to their full extent, with our internal projections forecasting losses until 2012. Further, our organizational capacity to achieve these projections had not yet been assessed. These forecasts were prepared to highlight the maximum potential for our assets (focusing on selected programs which generated a positive net present value) and did not take into account our resources and ability to optimally execute such programs. For example, our board of directors was not prepared to approve a final strategic plan until, among other things, (i) some of the assets were removed and/or other strategic alternatives were proposed so that the ultimate plan reflected less reliance on access to additional capital through the equity capital markets and (ii) our organizational capabilities were assessed in light of the proposed plan. A summary of the forecasts is set forth below.

	Fiscal Year End June 30,								
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
	($000,000s)								
Net Sales	24.1	41.8	65.6	124.6	205.0	309.7	416.3	508.1	578.7
Royalties	3.1	6.9	10.4	15.4	19.9	15.7	11.3	6.1	5.2
Net Sales & Royalties	27.2	48.6	76.0	139.9	224.9	325.4	427.6	514.2	583.9
COGS & Royalty	(2.5)	(4.4)	(6.9)	(13.1)	(21.9)	(36.2)	(53.9)	(69.4)	(80.2)
R&D	(19.5)	(30.8)	(20.3)	(4.8)	(4.3)	(3.0)	(5.0)	(3.0)	(3.0)
SG&A	(37.3)	(51.5)	(72.4)	(102.0)	(123.4)	(126.3)	(141.1)	(145.6)	(146.9)
SRI Royalty Payments and Profit Share	(2.1)	(6.1)	(8.8)	(28.2)	(10.2)	(47.2)	(4.3)	(1.3)	(0.8)
Total Operating Expense	(61.4)	(92.8)	(108.4)	(148.1)	(159.8)	(212.7)	(204.4)	(219.3)	(230.8)
EBIT	(342)	(44.1)	(32.4)	(8.2)	65.1	112.7	223.2	294.9	353.1
Plus: D&A	1.2	1.3	1.4	1.5	1.6	1.7	1.9	2.0	2.2
EBITDA	(33.0)	(42.8)	(31.1)	(6.7)	66.8	114.4	225.1	296.9	355.3

	Fiscal Year End June 30,					
	2017 ($000,000s)	2018	2019	2020	2021	2022
Net Sales	405.1	243.1	72.9	43.8	30.6	24.5
Total Royalties	2.6	0.7	0.7	0.7	0.7	0.7
Net Sales & Royalties	407.7	243.8	73.7	44.5	31.4	25.2
Total Op. Costs (before SRI Royalty and Profit Share	(59.6)	(36.6)	(12.6)	(8.4)	(6.6)	(5.7)
SRI Royalty Payments and Profit Share	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Costs	(60.1)	(37.0)	(13.0)	(8.9)	(7.0)	(6.2)
EBIT	347.6	206.8	60.7	35 .6	24.3	19.1
Plus: D&A	2.2	2.2	2.2	2.2	2.2	2.2
EBITDA	349.8	209.0	62.9	37.8	26.5	21.3

The internal financial forecasts were not prepared with a view toward public disclosure, nor were they prepared with a view toward compliance with published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial forecasts, or generally accepted accounting principles. In addition, the projections were not prepared with the assistance of or reviewed, compiled or examined by independent accountants. The financial projections do not comply with generally accepted accounting principles. The summary of these internal financial forecasts is not being included in this proxy statement to influence a stockholder s decision whether to vote to adopt the merger agreement, but because these internal financial forecasts were reviewed by our board of directors in connection with its evaluation of the merger agreement and the transactions contemplated thereby and made available by us to our financial advisor.

These internal financial forecasts were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of our management. Important factors that may affect actual results and result in the forecast results not being achieved include, but are not limited to, the inherently unpredictable nature of projections and the fact that they do not reflect a final board of directors approved strategic plan; the requirement for additional capital which may or may not be available and would cause significant dilution to stockholders; the failure to develop competitive products; factors affecting pricing; fluctuations in demand; reductions in customer budgets; the failure to retain key management and technical personnel; adverse reactions to the proposed merger by customers, suppliers and strategic partners and other risks described in our report on Form 10-K filed with the SEC for the fiscal year ended June 30, 2006. In addition, the internal financial forecasts may be affected by our ability to achieve strategic goals, objectives and targets over the applicable period. These assumptions upon which the financial forecasts were based necessarily involve judgments with respect to, among other things, future economic, competitive and regulatory conditions and financial market conditions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. The internal financial forecasts also reflect assumptions as to certain business decisions that are subject to change.

Accordingly, there can be no assurance that the projections will be realized, and actual results may vary materially from those shown. The inclusion of these internal financial forecasts in this proxy statement should not be regarded as an indication that any of Bioenvision, Genzyme, Wichita Bio or their respective affiliates, advisors or representatives considered or consider the internal financial forecasts to be necessarily predictive of actual future events, and the internal financial forecasts should not be relied upon as such. None of Bioenvision, Genzyme, Wichita Bio nor their respective affiliates, advisors, officers, directors, partners or representatives can give any assurance that actual results will not differ from these internal financial forecasts, and none of them undertakes any obligation to update or otherwise revise or reconcile the internal financial forecasts to reflect circumstances existing after the date such internal financial forecasts were generated or to reflect the occurrence of future events even in the event that any or all of the assumptions underlying the projections are shown to be in error. Neither we, nor, to our knowledge, Genzyme or Wichita Bio, intend to make publicly available any update or other revisions to these internal financial forecasts. Neither we nor our respective affiliates, advisors, officers, directors, partners or representatives have made or make any representation to any stockholder or other person regarding our ultimate performance compared to the information contained in these internal financial forecasts or that forecasted results will be achieved. We have made no representation to Genzyme or Wichita Bio, in the merger agreement or otherwise, concerning these internal financial forecasts.

Interests of Our Directors and Executive Officers in the Merger

In considering the recommendation of our board of directors with respect to the merger, our stockholders should be aware that some of our directors and executive officers have personal interests in the merger that are, or may be, different from, or in addition to, your interests. Our board of directors was aware of the interests described below and considered them, among other matters, when approving the merger.

Employment Agreements

We have entered into employment agreements with certain of our principal executive officers. Pursuant to these agreements, such executive officers agree to devote all or a substantial portion of their business and professional time and effort to our business as executive officers. The employment agreements provide for certain compensation packages, which include bonuses and other incentive compensation. The agreements also contain covenants restricting the employees from competing with us and our business and prohibiting them from disclosing confidential information about us and our business.

On September 1, 1999, we entered into an employment agreement with Christopher B. Wood, M.D. under which he serves as our chairman and chief executive officer. The initial term of Dr. Wood s employment agreement is two years with automatic one-year extensions thereafter unless either party gives written notice to the contrary. On December 31, 2002, we entered into a new employment agreement with Dr. Wood, under which he continues to serve as our Chairman and Chief Executive Officer. Under this contract, the term is one year, with automatic one-year extensions thereafter unless either party provides written notice to the contrary. Dr. Wood s new employment agreement provides for an initial base salary of $225,000, a bonus as determined by our board of directors, health insurance and other benefits currently or in the future provided to our key employees. If Dr. Wood s employment is terminated other than for cause or if he resigns for good reason or upon a change of control, he will receive a lump sum payment in an amount equal to his then current annual base salary and any and all unvested options will vest and immediately become exercisable.

On October 23, 2002, Bioenvision, Ltd. entered into an employment agreement with Hugh S. Griffith, pursuant to which he agreed to serve as Bioenvision Ltd. s Commercial Director (Europe) and now serves as Chief Operating Officer of Bioenvision, Ltd. The initial term of Mr. Griffith s employment agreement is one-year, with automatic six (6) month extensions thereafter unless either party provides written notice to

the contrary. If Mr. Griffith s employment is terminated other than for cause or if he resigns for good reason or upon a change of control, he will receive a lump sum payment in an amount equal to 0.5 multiplied by the sum of his then current annual base salary plus a payment equal to six (6) months of his then current base salary in complete satisfaction of our obligation to provide no less than six (6) months prior written notice as set forth in the employment agreement.

On January 6, 2003, Bioenvision, Ltd. entered into an employment agreement with Ian Abercrombie, pursuant to which he agreed to serve as the Bioenvision, Ltd. sales manager (Europe) and now serves as Programme Director (Europe). The initial term of Mr. Abercrombie s employment agreement is one year, with automatic six (6) month extensions thereafter unless either party provides written notice to the contrary. If Mr. Abercrombie s employment is terminated other than for cause or if he resigns for good reason or upon a change of control, he will receive a payment equal to six (6) months of his then current base salary in complete satisfaction of our obligation to provide no less than six (6) months prior written notice as set forth in the employment agreement.

On March 31, 2003, we entered into an employment agreement with David P. Luci, pursuant to which he agreed to serve as our Director of Finance, General Counsel and Corporate Secretary and later served as our Executive Vice President, General Counsel and Corporate Secretary. Mr. Luci s employment was terminated by the Company on July 27, 2007.

On November 27, 2006, we entered into an employment agreement with James S. Scibetta pursuant to which he agreed to serve as our Chief Financial Officer. The initial term of Mr. Scibetta s employment agreement is one year from December 4, 2006, with automatic one-year extensions thereafter unless either party provides written notice to the contrary. If Mr. Scibetta s employment is terminated other than for cause or if he resigns for good reason or upon a change of control, he will receive a lump sum payment in an amount equal to the sum of (i) his then current annual base salary plus (ii) his then average annual bonus for the preceding two years and any and all unvested options will vest and immediately become exercisable.

Director and Officer Indemnification and Insurance

Section 145 of the Delaware General Corporate Law permits a Delaware corporation to include in its charter documents, and in agreements between a corporation and its directors and officers, provisions expanding the scope of indemnification beyond that specifically provided by current law. We have included in our amended and restated by-laws provisions to limit or eliminate the personal liability of its directors to the fullest extent permitted under Delaware law, as it now exists or may in the future be amended. In addition, our amended certificate of incorporation provides that our directors will not be personally liable for monetary damages to us or our stockholders for breaches of their fiduciary duty as directors, except (a) for any breach of the director s duty of loyalty to us or our stockholders, (b) for acts or omissions not in good faith of law, (c) for any liability for unlawful payment of dividends or unlawful stock purchases or redemptions under Section 174 of the Delaware General Corporate Law and (d) for any transaction in which the director derives an improper benefit. In addition, our amended and restated by-laws provide that we (and any successor by merger or otherwise) is required to indemnify and hold harmless our directors and officers to the fullest extent authorized by the Delaware General Corporate Law, as it now exists or may in the future be amended, against any and all expenses (including attorneys fees), liabilities or other matters covered by rights to which the directors and officers are entitled under the amended and restated by-laws, any agreement, vote of stockholders or disinterested directors of otherwise, to any person who was or is a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether by or in the right of Bioenvision or otherwise, by reason of the fact that he or she is or was a director or officer of Bioenvision, or is or was serving at our request as a director or executive officer of another corporation, partnership, joint venture, limited liability company, trust or other enterprise, including service with

respect to an employee benefit plan. Expenses for the defense of any action for which indemnification may be available may be advanced by us under certain circumstances. We maintain liability insurance which insures our directors and officers against certain losses and insures us with respect to our obligations to indemnify our directors and officers.

Pursuant to the merger agreement, Genzyme has agreed that any rights to indemnification or exculpation existing in favor of our directors or officers as provided in our amended certificate of incorporation and our amended and restated by-laws, in effect as of the date of the merger agreement, with respect to matters occurring at or prior to July 10, 2007 shall survive the merger and shall continue in full force and effect until July 10, 2013, and Genzyme guarantees any such obligations of the surviving corporation. Unless required by law, Genzyme has agreed not to amend, repeal or otherwise modify such provisions for indemnification in a manner that would materially and adversely affect the rights of indemnification or exculpation thereunder in favor of the individuals who at July 10, 2007 were directors or officers of Bioenvision until expiration of the applicable statute of limitations. In addition, the merger agreement provides that Genzyme will cause the surviving corporation to honor our obligations to comply with the indemnification and exculpation provisions under the amended certificate of incorporation and the amended and restated by-laws in effect as of the date of the merger agreement between us and any of our directors or officers until expiration of the applicable statute of limitations.

Pursuant to the merger agreement, on June 29, 2007, we purchased a tail directors and officers liability insurance policy for our directors and officers that will provide our directors and officers with coverage until July 10, 2013 of not less than the existing coverage under, and have other terms not materially less favorable to the insured persons than the coverage provided in, the directors and officers liability insurance policy presently maintained by us, at an aggregate cost not greater than $1.80 million.

Executive Agreements

Christopher B. Wood, James S. Scibetta, Ian Abercrombie, Hugh S. Griffith, Kristen M. Dunker and Robert Sterling, each of whom is one of our executive officers, previously entered into an executive employment agreement with us and/or Bioenvision, Ltd., our wholly-owned sales and marketing subsidiary. These executive agreements generally provide that if an executive officer resigns for good reason or within a certain time period following a change of control, or is terminated without cause (as each such term is defined in each respective executive agreement), then the executive officer will be entitled to receive certain severance payments and certain benefits. The transactions contemplated by the merger agreement constitute a change of control under the executive agreements, where applicable.

Severance Agreements with Executive Officers

If any executive officer terminates his or her employment after a change of control during the requisite time period, or the executive officer resigns for good reason or his or her employment is terminated without cause (as each such term is defined in each respective executive agreement), then the executive officer would receive the following: Mr. Wood would receive a lump sum payment equal to one year of base salary. Mr. Scibetta would receive a lump sum payment equal to the sum of one year of base salary and the average value of the two most recent bonuses received. Mr. Griffith would receive a lump sum payment equal to one year of base salary. Mr. Abercrombie would receive a lump sum payment equal to six months of base salary. Ms. Dunker would receive a lump sum payment equal to 12 months of her base salary plus the average of her last two year-end bonuses. If Mr. Sterling s employment is terminated without cause (as defined in his executive agreement), then Mr. Sterling would receive a lump sum payment equal to one year of his base salary plus bonus. The severance payments and benefits are conditioned upon the executive officer s compliance with certain restrictive covenants.

In addition, under the terms of their respective executive agreements, if a change of control occurs during the employment of Messrs. Wood or Griffith and such change of control prevents any incentive stock options held by any such executive officer from receiving favorable tax treatment under Section 422 of the Internal Revenue Code, each such executive officer will receive gross-up payments to address such loss of favorable tax treatment. In the event of such a severance-qualifying termination, the following table shows the approximate amount of potential cash severance payable to each executive officer following termination of employment, based on compensation and benefit levels in effect on , 2007, assuming the executive officer s employment terminates under circumstances that entitle the executive officer to severance.

Name	Cash Severance(1)
Christopher B. Wood	$ 324,480 (2)
James S. Scibetta	$ 270,000
Ian Abercrombie	$ 94,102 (2)
Hugh S. Griffith	$ 308,901 (2)
Kristen Dunker	$ 242,834
Robert Sterling	$ 181,148

(1) Subject to applicable state and federal tax withholding and other deductions and assessments as required by law.

(2) Amounts are reported in US Dollars at an exchange rate of £1 being equal to $ (as of , 2007).

Employee Retention Plan

On August , 2007, our board of directors, upon the recommendation of the compensation committee, approved our adoption of an employee retention policy to provide retention bonuses for certain specified employees who continuously provide services to us through the date of consummation of the merger. If the merger is consummated, each participant in the plan will be entitled to receive a lump sum cash payment in an amount equal to the full amount of his or her retention bonus on the date that is 60 days after the date of consummation of the merger or, if the participant is terminated without cause prior to the date that is 60 days after the consummation of the merger, on the date of such participant s termination, whichever occurs earlier. If the merger is not consummated, the timing of retention bonus payments will be at our discretion. The following table shows the approximate retention bonus payable to each executive officer, assuming the executive officer s employment continues under circumstances that entitle the executive officer to receive a retention bonus.

Name	Retention Bonus (1)
Christopher B. Wood	$ 181,405 (2)
James S. Scibetta	$ 202,500
Ian Abercrombie	$ 89,583 (2)
Hugh S. Griffith	$ 232,490 (2)
Kristen Dunker	$ 79,829

(1) Subject to applicable state and federal tax withholding and other deductions and assessments as required by law.

(2) Amounts are reported in US Dollars at an exchange rate of £1 being equal to $ (as of , 2007).

Annual Bonus

The executive agreements provide that, during the term of such agreements, the executive officer will be eligible for an annual incentive bonus, as determined by our board of directors and/or compensation committee.

Stock Options

Each of Messrs. Wood, Scibetta, Griffith, Abercrombie, Sterling and Ms. Dunker is also eligible annually to receive an incentive bonus that our board of directors may grant, at its sole discretion, to the executive in accordance with our 2003 Stock Incentive Plan, based on our board of director s assessment of the executive s individual performance. We have granted stock options in accordance with the terms of the executive agreement. Pursuant to the merger agreement, we are required to use reasonable efforts to ensure that 30 days after the effective time of the merger, each outstanding option to purchase our common stock that we granted under our 2003 Stock Incentive Plan whether vested or unvested, shall be cancelled and will thereafter represent the right to receive, in consideration for such cancellation, a cash payment equal to the excess, if any, of the $5.60 per share merger consideration over the per share option exercise price, multiplied by the number of shares of our common stock subject to the option.

The following table summarizes the ownership of options and common stock by our executive officers and directors as of the record date:

Executive Officers

Name	Stock Options Strike Price Above Offer Price	Strike Price Below Offer Price	Company Common Stock
Christopher B. Wood	395,000	2,157,500	0
David P. Luci(1)	None	None	0
James S. Scibetta	None	350,000	0
Ian Abercrombie	76,250	97,500	0
Hugh S. Griffith	410,000	490,000	0
Kristen M. Dunker	243,750	57,375	0
Robert Sterling	82,500	70,000	