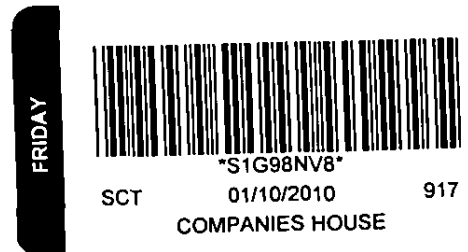


COMPANY REGISTRATION NUMBER 03714084

BIOENVISION LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2009



BILL HAY NETWORK LIMITED T/A BILL HAY & CO.

Chartered Certified Accountants & Statutory Auditor
24a Melville Street
Edinburgh
EH3 7NS

BIOENVISION LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

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BIOENVISION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr P Drohan
Mr P Wirth
Mr M Wyzga

Company secretary

Mr P Wirth

Registered office

4620 Kingsgate Cascade Way
Oxford Business Park South
Oxford
Oxfordshire
OX4 2SU

Auditor

Bill Hay Network Limited t/a Bill Hay & Co
Chartered Certified Accountants
& Statutory Auditor
24a Melville Street
Edinburgh
EH3 7NS

Solicitors

Manches LLP
9400 Garsington Road
Oxford Business Park
Oxford
OX4 2HN

BIOENVISION LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2009

The directors present their report and the financial statements of the company for the year ended 31 December 2009

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Bioenvision's primary focus has been acquisition, development, distribution and marketing of compounds and technologies for the treatment of cancer

On 22 October 2007 the company's immediate parent company Bioenvision LLC was purchased by Genzyme Corporation. On 19 December 2007 the intellectual property of Bioenvision Ltd was sold to Bioenvision LLC and all other assets transferred to fellow subsidiaries within the Genzyme group. The company itself therefore ceased trading on 19 December 2007 owing to business disposal, however it has incurred a small amount of residual expenditure in subsequent years.

FUTURE DEVELOPMENTS

The company has not traded since 19 December 2007

RESULTS AND DIVIDENDS

The loss for the year amounted to £4,988. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Due to the nature of the operations the company does not undertake hedge accounting. Information with regards to its policies in place to cover its exposure to price risk, exchange rate risk, credit risk, liquidity risk and cash flow risk are not material and would not assist users on their assessment of the assets, liabilities, financial position and profit or loss of the company.

DIRECTORS

The directors who served the company during the year were as follows.

Mr P Drohan
Mr P Wirth
Mr M Wyzga

The company is a wholly owned subsidiary of a holding company incorporated outside Great Britain.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,

BIOENVISION LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered office
4620 Kingsgate Cascade Way
Oxford Business Park South
Oxford
Oxfordshire
OX4 2SU

Signed on behalf of the directors



MR P DROHAN

Director

Approved by the directors on 30/09/10

BIOENVISION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF BIOENVISION LIMITED

YEAR ENDED 31 DECEMBER 2009

We have audited the financial statements of Bioenvision Limited for the year ended 31 December 2009. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholder, as a body, in accordance with Chapter 3 of Section 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BIOENVISION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF BIOENVISION LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2009

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



WILLIAM JAMES HAY (Senior
Statutory Auditor)

For and on behalf of

BILL HAY NETWORK LIMITED T/A

BILL HAY & CO

Chartered Certified Accountants
& Statutory Auditor

24a Melville Street
Edinburgh
EH3 7NS

30 September 2010

BIOENVISION LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
TURNOVER		—	—
Net operating expenses	2	<u>24,015</u>	<u>41,091</u>
OPERATING LOSS:			
Discontinued operations	3	(24,015)	(41,091)
Interest receivable and similar income	5	17,418	329,510
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(6,597)</u>	<u>288,419</u>
Tax on (loss)/profit on ordinary activities	6	(1,609)	86,590
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(4,988)</u>	<u>201,829</u>

The notes on pages 9 to 13 form part of these financial statements

BIOENVISION LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 DECEMBER 2009

	2009	2008
	£	£
(Loss)/Profit for the financial year attributable to the shareholder	(4,988)	201,829
Total recognised gains and losses relating to the year	(4,988)	201,829
Prior year adjustment	—	4,138,203
Total gains and losses recognised since the last annual report	<u>(4,988)</u>	<u>4,340,032</u>

The notes on pages 9 to 13 form part of these financial statements

BIOENVISION LIMITED

BALANCE SHEET

31 DECEMBER 2009

	Note	2009 £	2008 £
CURRENT ASSETS			
Debtors	7	1,107,830	2,215,004
Cash at bank and in hand		<u>397,015</u>	<u>106,664</u>
		1,504,845	2,321,668
CREDITORS: Amounts falling due within one year			
	8	<u>2,438,043</u>	<u>3,249,878</u>
NET CURRENT LIABILITIES		<u>(933,198)</u>	<u>(928,210)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(933,198)</u>	<u>(928,210)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	2	2
Profit and loss account	11	<u>(933,200)</u>	<u>(928,212)</u>
DEFICIT	12	<u>(933,198)</u>	<u>(928,210)</u>

These financial statements were approved by the directors and authorised for issue on 30/09/10, and are signed on their behalf by



MR P DROHAN

Company Registration Number 03714084

The notes on pages 9 to 13 form part of these financial statements

BIOENVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

BIOENVISION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

2. ANALYSIS OF NET OPERATING EXPENSES

	Discontinued operations £	Total £
YEAR ENDED 31 DECEMBER 2009		
Administrative expenses	37,447	37,447
Other operating income	(13,432)	(13,432)
Net operating expenses	<u>24,015</u>	<u>24,015</u>
YEAR ENDED 31 DECEMBER 2008		
Administrative expenses	56,788	56,788
Other operating income	(15,697)	(15,697)
Net operating expenses	<u>41,091</u>	<u>41,091</u>

3. OPERATING LOSS

Operating loss is stated after charging/(crediting)

	2009 £	2008 £
Directors' remuneration	—	—
Net profit on foreign currency translation	(888)	(639)
Auditor's remuneration - audit of the financial statements	7,000	13,125
Auditor's remuneration - other fees	<u>7,972</u>	<u>10,814</u>
	2009 £	2008 £
Auditor's remuneration - audit of the financial statements	<u>7,000</u>	<u>13,125</u>
Auditor's remuneration - other fees		
- Accountancy and taxation services	<u>7,972</u>	<u>10,814</u>

4. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year

BIOENVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £	2008 £
Bank interest receivable	51	25,688
Interest income from Bioenvision LLC	–	303,822
Interest income from IHB Genzyme SARL	30	–
Other similar income receivable	17,337	–
	<u>17,418</u>	<u>329,510</u>

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax		
UK Corporation tax based on the results for the year at 28% (2008 - 29%)	(1,609)	86,590
Total current tax	<u>(1,609)</u>	<u>86,590</u>

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 - 29%)

	2009 £	2008 £
(Loss)/profit on ordinary activities before taxation	<u>(6,597)</u>	<u>288,419</u>
(Loss)/profit on ordinary activities by rate of tax	(1,913)	83,642
Expenses not deductible for tax purposes	304	2,948
Total current tax (note 6(a))	<u>(1,609)</u>	<u>86,590</u>

7. DEBTORS

	2009 £	2008 £
Amounts owed by group undertakings	1,106,095	1,917,411
Corporation tax repayable	1,735	297,593
	<u>1,107,830</u>	<u>2,215,004</u>

BIOENVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

8. CREDITORS: Amounts falling due within one year

	2009	2008
	£	£
Overdrafts	88	—
Amounts owed to group undertakings	2,424,955	3,223,388
Accruals and deferred income	13,000	26,490
	<u>2,438,043</u>	<u>3,249,878</u>

9 RELATED PARTY TRANSACTIONS

The company has taken advantage of the FRS 8 exemption, as it is a wholly owned subsidiary of the Genzyme Corporation who produce consolidated financial statements available to the public as disclosed at note 13

10. SHARE CAPITAL

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

11 PROFIT AND LOSS ACCOUNT

	2009	2008
	£	£
Balance brought forward as previously reported	(928,212)	(5,268,244)
Prior year adjustment	—	4,138,203
Balance brought forward restated	(928,212)	(1,130,041)
(Loss)/profit for the financial year	(4,988)	201,829
Balance carried forward	<u>(933,200)</u>	<u>(928,212)</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2009	2008
	£	£
(Loss)/Profit for the financial year	(4,988)	201,829
Opening shareholder's deficit	(928,210)	(5,268,242)
Prior year adjustment	—	4,138,203
Closing shareholder's deficit	<u>(933,198)</u>	<u>(928,210)</u>

BIOENVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

13. ULTIMATE PARENT COMPANY

The ultimate parent company is Genzyme Corporation, a company incorporated in the USA and listed on the Nasdaq stock market

The immediate parent company is Bioenvision LLC, a company also incorporated in the USA

The consolidated accounts of Genzyme Corporation and subsidiaries are available on request from Genzyme Corporation, 500 Kendall Street, Cambridge, MA 02142, USA

14. GOING CONCERN

The company ceased trading on 19 December 2007 and it is the directors' opinion that the company will remain a non-trading company for the foreseeable future as part of the Genzyme group. The directors' therefore cannot consider going concern issues for a period of 12 months post signing of the accounts

The assets of the company were transferred to other fellow subsidiary companies within the group and the intellectual property was sold to its parent company during the period ending 31 December 2007. The company is non-trading and although it carries a deficit within the balance sheet, the company will continue to be supported by its ultimate parent, Genzyme Corporation. The financial statements were prepared on a break up basis as a result of the non-trading nature of the company