

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about what action you should take, you should consult your stockbroker, bank manager, solicitor or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

Copies of this document will be available free of charge, until 4 June 2007 at the Company's head office, which is located at Innovation House, Oaks Business Park, Crewe Road, Manchester M23 9QR, during normal business hours.

If you have sold or transferred all of your Ordinary Shares, please forward this document and the accompanying form of proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

Piper Jaffray, which is authorised and regulated in the United Kingdom by the Financial Services Authority and is a member of the London Stock Exchange, is acting exclusively for the Company in relation to the Placing. Piper Jaffray is not acting for any other person in connection with the matters referred to in this circular and will not be responsible to anyone other than Intercytex for providing the protections afforded to clients of Piper Jaffray or for giving advice in relation to the matters referred to in this circular.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission of the Placing Shares will become effective on 4 June 2007. The London Stock Exchange has not examined or approved the contents of this document.

INTERCYTEX GROUP PLC

(Incorporated and registered in England & Wales under the Companies Act 1985 with registered no.5340010)

Proposed placing of 23,076,924 Placing Shares of 1 pence each at 52 pence per share Notice of Extraordinary General Meeting

Notice of an Extraordinary General Meeting of Intercytex to be held at the offices of Morrison & Foerster, 7th Floor, CityPoint, One Ropemaker Street, London EC2Y 9AW, at 11.00 a.m. on 29 May 2007 is set out at the end of this document.

Shareholders will find a form of proxy for use at the Extraordinary General Meeting accompanying this document. To be valid the form of proxy should be completed and returned to the Company's registrars, Capita Registrars, Proxy Processing Centre, Telford Road, Bicester OX26 4LD, in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 11.00 a.m. on 27 May 2007. Completion and return of a form of proxy will not preclude Shareholders from attending and voting in person at the Extraordinary General Meeting should they so wish.

This document does not constitute an offer to sell or issue, or the solicitation of an offer to buy or subscribe for, Placing Shares in any jurisdiction. The Placing Shares have not been, nor will be, registered in the United States under the United States Securities Act of 1933, as amended, or under the securities laws of Canada, Australia, Japan or South Africa. Accordingly, they may not be offered or sold, directly or indirectly, within the United States, Canada, Australia, Japan or South Africa or to, or for the account or benefit of, any person in, or any national, citizen or resident of, the United States, Canada, Australia, Japan or South Africa. The distribution of this document outside the United Kingdom may be restricted by law and therefore persons outside the United Kingdom into whose possession this document comes should inform themselves about and observe any restrictions as to the Placing, the Placing Shares or the distribution of this document.

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PLACING STATISTICS

Placing Price	52p
Number of Ordinary Shares in issue at the date of this document	56,339,306
Number of Placing Shares being conditionally placed on behalf of the Company	23,076,924
Number of Ordinary Shares in issue following Admission	79,416,230
Number of Placing Shares as a percentage of the enlarged issued ordinary share capital	29.1%
Proceeds of the Placing available to the Company (net of expenses)	£11.4 million

EXPECTED TIMETABLE OF EVENTS

Latest time for receipt of forms of proxy	11.00 a.m. on 27 May 2007
Extraordinary General Meeting	11.00 a.m. on 29 May 2007
Admission of the Placing Shares to AIM	4 June 2007

DEFINITIONS

The following definitions apply throughout this document and in the accompanying form of proxy unless the context requires otherwise:

“2006 Report and Accounts”	the annual report and accounts of the Company for the financial year ended 31 December 2006, together with the report of Ernst & Young LLP as auditors of the Company on those accounts;
“Act”	the Companies Act 1985, as amended;
“Admission”	admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“AIM”	AIM, a market regulated by the London Stock Exchange;
“AIM Rules”	the AIM rules for companies and the AIM rules for nominated advisers published by the London Stock Exchange governing admission to, and the operation of, AIM (as amended from time to time);
“Board” or “Directors”	the directors of Intercytex whose names are set out on page 5 of this document;
“Company” or “Intercytex”	Intercytex Group plc;
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of Intercytex to be held at the offices of Morrison & Foerster, 7th Floor, CityPoint, One Ropemaker Street, London EC2Y 9AW at 11.00 a.m. on 29 May 2007, notice of which is set out at the end of this document;
“Group”	the Company and its subsidiaries;
“London Stock Exchange”	London Stock Exchange plc;
“Ordinary Shares”	the ordinary shares of 1p each in the capital of the Company;
“Piper Jaffray”	Piper Jaffray Ltd, the Company’s nominated adviser and broker;
“Placing”	the proposed placing by Piper Jaffray of the Placing Shares on behalf of the Company at the Placing Price in accordance with the terms of the Placing Agreement;
“Placing Agreement”	the conditional agreement dated 3 May 2007 between Piper Jaffray and the Company relating to the Placing, a summary of which is set out in paragraph 4 of the letter from the Chairman of Intercytex;
“Placing Price”	52p per Placing Share;
“Placing Shares”	23,076,924 new Ordinary Shares to be allotted pursuant to the Placing;
“Resolutions”	the resolutions to be proposed at the EGM, as set out in the notice of the EGM at the end of this document;
“Shareholders”	holders of Ordinary Shares;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland; and
“US” or “United States”	the United States of America

GLOSSARY OF SCIENTIFIC AND OTHER TERMS

The following scientific and other terms are used in this document:

Allogeneic	Cells which are sourced from a donor
Autologous	Cells which are sourced from the patient
Autograft	A transplant of tissue or cells from one site to another on the same patient
Biologics Licence Application (BLA)	Formal proposal that the Food and Drug Administration (FDA) approve a new biological treatment for sale and marketing in the US
Collagen	A fibrous protein that is a major component of the matrix between cells, and of connective tissues
Data and Safety Monitoring Board (DSMB)	An independent group of experts that advises clinical study investigators on trial designs
Dermal	Referring to the dermis
Dermal papilla cells	Cells of the dermal layer of the skin which project into the epidermal layer. Often used to refer to cells at the base of the hair follicle integral to hair growth
Dermis	A layer of the skin beneath the epidermis
Diabetic Foot Ulcer (DFU)	An open sore of the foot in patients with diabetes mellitus due to arterial abnormalities, diabetic neuropathy and with a tendency for delayed wound healing
Elastin	A protein commonly found in connective tissues which confers the ability of many tissues to resume their original shape after stretching or compression
Epidermis	The outer layers of the skin, the inner layers being the dermis
Fibroblast	A cell which synthesises and maintains the structural scaffold (the extracellular matrix) of tissues
Fibrin	A protein involved in blood clotting through polymerisation
Human Tissue Authority	A UK public body with statutory functions regarding human material
Hyaluronic acid	A non-sulphated glycosaminoglycan polymer, extensively found throughout connective and epithelial tissues
Male pattern baldness	The loss of cranial hair in males
Medicines and Healthcare products Regulatory Agency (MHRA)	The UK government agency responsible for ensuring that medicines and medical devices have clinical benefit and are acceptably safe
Naso-labial folds	Wrinkles in skin between the base of the nose and corners of the mouth
Skin graft	A transplant of healthy skin tissue from one area of a patient to replace damaged or compromised skin of the same individual
Venous leg ulcer (VLU)	Wounds believed to be caused by improper functioning of the valves in the veins of the legs

LETTER FROM THE CHAIRMAN OF

Intercytex Group plc

(Incorporated and registered in England and Wales with registered no 5340010)

Ian Fletcher Kent *(Non-executive Chairman)*
Nicolas Andrew Higgins *(Chief Executive Officer)*
Richard Anthony Moulson *(Chief Financial Officer)*
Paul David Kemp *(Chief Scientific Officer)*
Alan Suggett *(Non-executive Director)*
John Christopher Aston *(Non-executive Director)*

Registered Office:
Innovation House,
Oaks Business Park,
Crewe Road,
Manchester,
M23 9QR

3 May 2007

Dear Shareholder,

Proposed placing of 23,076,924 Placing Shares and Notice of Extraordinary General Meeting

1. Introduction

The Company announced today that it proposes, subject to certain conditions, to raise £11.4 million, net of expenses, by way of a placing of 23,076,924 new Ordinary Shares at a price of 52p per share. Further details of the Placing, which has been fully underwritten by Piper Jaffray, are set out below.

The Company intends to use the funds raised pursuant to the Placing to launch its aesthetic medicine product, Vavelta, in the UK and to progress clinical trials of its other products, further details of which are set out below.

Approval of the authorities required for the allotment of the Placing Shares pursuant to the Placing will be sought at an Extraordinary General Meeting to be held at 11.00 a.m. on 29 May 2007. The purpose of this document is to provide you with information on the Placing, and to convene the EGM at which approval will be sought for the Resolutions, as set out in the notice of the EGM at the end of this document.

The Directors consider the terms of the Placing to be fair and reasonable, insofar as the Shareholders are concerned, and in the best interests of the Company; and accordingly recommend that you vote in favour of the Resolutions at the EGM as they intend to do in respect of their own holdings.

2. Background to and reasons for the Placing

Since its admission to AIM in February 2006, the Company has continued with the development of its product pipeline, making substantial progress across the entire product range. ICX-PRO has reached the initial recruitment target in its phase III trial for venous leg ulcers (VLUs) and a phase II trial in diabetic foot ulcers (DFUs) has commenced. The Company intends to launch Vavelta (ICX-RHY), for facial rejuvenation, in the second half of this year. Vavelta has completed a phase I trial and is being studied in two phase II studies during 2007, and the Directors are encouraged by the feedback from potential customers. ICX-TRC is being assessed in a phase II trial and ICX-SKN has almost completed a phase I trial with promising early results.

The Directors believe that the progress of all of the Company's products is promising, and Intercytex is now seeking further funding to continue their development. In particular, Intercytex intends to use funds raised from the Placing as follows:

- to launch Vavelta in the UK;

- to complete the ICX-PRO phase III trial and file a BLA;
- to continue the phase II programmes for Vavelta and ICX-TRC; and
- to conduct a phase II trial of ICX-SKN.

3. Information on Intercytex

Overview of the Group

Intercytex is a healthcare company developing cell therapy products for the tissue repair and aesthetic medicine markets. The Company has proprietary expertise in cell therapy, which is being applied to create products that harness the innate ability of human cells to repair and regenerate the body.

Shares and shareholders

Intercytex is a public limited company incorporated in England & Wales under the Companies Act 1985 (as amended). The business of the Company and its principal activity is to act as a holding company of the Group. The Group's principal activities and operations are carried on by Intercytex Limited, a wholly owned subsidiary of Intercytex.

As at the date of this document, the issued share capital of the Company comprises 56,339,306 Ordinary Shares. In addition, the Company has granted outstanding options over 10,049,717 Ordinary Shares. The Company has also made outstanding awards to senior executives over a total of 1,291,500 Ordinary Shares under the Company's Long Term Incentive Plan. Further details of these options and awards are set out in the 2006 Report and Accounts.

As at 27 April 2007, the Directors are aware of the following persons who are interested in Ordinary Shares representing 3 per cent. or more of the issued Ordinary Share capital of the Company:

<i>Name</i>	<i>Number Ordinary Shares</i>	<i>Percentage as at the date of this document⁽¹⁾</i>
Avlar Bioventures	9,903,359	17.58%
Merlin Biosciences	8,242,922	14.63%
Scottish Equity Partnership	7,653,670	13.58%
Omega Fund Management	6,216,925	11.03%
First Cambridge Gateway ⁽²⁾	5,191,193	9.21%
AXA Framlington Investment Management	3,625,000	6.43%
DnB NOR Kapitalforvaltning	3,500,000	6.21%
Montpelier Investments LP	2,233,843	3.96%
3i Asset Management	2,072,308	3.68%

(1) 56,339,306 Ordinary Shares being in issue as at the date of this document.

(2) The First Cambridge Gateway General Partner Limited is a subsidiary of Avlar BioVentures Limited and general partner of The First Cambridge Gateway Limited Partnerships.

Intercytex' strategy

Intercytex is focused on novel treatments for the restoration and regeneration of skin and hair. Intercytex is using its cell technology platform to develop living, human cell-based products, on a commercially viable scale targeting large, commercially attractive markets which are demonstrating rapid growth.

Product portfolio

Overview

The table below summarises the product candidates from the Intercytex pipeline in clinical development:

<i>Product</i>	<i>Indication</i>	<i>Developmental stage</i>
ICX-PRO	Chronic wound repair	Phase III
Vavelta (ICX-RHY)	Facial rejuvenation	Phase II
ICX-TRC	Male pattern baldness	Phase II
ICX-SKN	Skin graft replacement	Phase I

ICX-PRO – for the treatment of chronic wounds

ICX-PRO, Intercytex' lead clinical product, is a disc of fibrin matrix gel containing allogeneic human dermal fibroblasts, which is being developed for the treatment of chronic ulcers. It is currently being evaluated in two clinical trials. The first, a multi-centre phase III trial for the treatment of patients with VLUs is being conducted in the UK, US and Canada. This trial is designed to assess ICX-PRO compared to the current standard of care: four layer compression bandaging. The initial recruitment target of 216 patients was reached in March 2007.

Following a review of the data from the first 108 patients in the trial, the Data and Safety Monitoring Board (DSMB) conducted a sample size re-estimation, and recommended continuation of the trial with an increase in patient numbers in order to ensure a statistically significant result. This was due to the DSMB's belief that the original trial design assumed a control response rate that was too low. Recruitment for the extended trial with between 135 and 180 additional patients is expected to be completed in Q4 2007 and data announced in mid-2008.

The second trial, a phase II trial assessing the safety and efficacy ICX-PRO for the treatment of DFUs, is also ongoing, and results are expected to be announced in the second half of 2007.

Vavelta (ICX-RHY) – for facial rejuvenation

Vavelta is indicated for facial rejuvenation and is delivered by superficial injection. In 2006 \$12.2 billion was spent in the US on cosmetic procedures. A total of 1.6 million soft tissue filler procedures were performed in 2006, an increase of 26 per cent. compared to 2005.

Vavelta consists of allogeneic dermal fibroblasts which synthesise collagen and hyaluronic acid. During the ageing process there is a reduction in both the number of these cells in the skin, and their ability to produce collagen and elastin, contributing to wrinkles and loss of skin elasticity. Current cosmetic procedures using soft tissue fillers typically seek to fill out wrinkles through injections of material derived from collagen or hyaluronic acid. However, such treatments are only short term solutions, usually lasting for no more than 6 months. Vavelta addresses the problems associated with current procedures by replacing the dermal fibroblasts that are lost during ageing.

Vavelta completed a phase I trial in July 2006, in which it was found to be safe and well tolerated. Two phase II studies have since been planned. The first, examining the effect of Vavelta on naso-labial folds, is ongoing; and the second, which will assess the effect on facial imperfections caused by acne, is scheduled to commence in Q2 2007.

At present Vavelta is regulated by the Human Tissue Authority, but is not regulated as either a device or a medicine by the MHRA, hence there is currently no requirement for a marketing authorisation to market Vavelta in the UK. Consequently the UK launch is scheduled for 2007 with a wider rollout in selected European territories planned for 2008.

ICX-TRC – for the treatment of male pattern baldness

ICX-TRC is an autologous cell therapy hair regeneration product being developed for male pattern baldness. The current US market for hair regeneration products is estimated at \$1.5 billion, of which approximately \$800 million is for hair transplants.

Existing hair transplants require extensive tissue for the procedure, which is lengthy, complex and often painful. Furthermore, the outcome is limited by the amount of donor hair available. ICX-TRC involves taking a sample of the patient's dermal papilla cells, which reside at the base of the hair follicle, and expanding these cells in culture (thereby overcoming the potential limitation of donor hair). Following expansion of the dermal papilla cells they are micro-injected into the desired area of the scalp, with the intention that over the next six to twelve months hair regrows from new follicles formed by the injected cells.

A phase I trial has been completed in seven volunteers. No safety issues arose and five of the seven patients showed increased hair numbers. A phase II study in male pattern baldness has commenced and recruitment of the first cohort has been completed, with results expected to be announced in the second half of 2007.

ICX-SKN – allogeneic skin graft replacement

ICX-SKN is a living skin substitute for use as a skin graft replacement in hospitals and clinics. Currently skin grafting involves excising skin from one part of the body and placing it over the wound to replace the damaged or missing skin. There are currently an estimated 130,000 skin grafts performed annually in the US in reconstructive and elective surgery. Furthermore, ICX-SKN may be used on wound sites following excision of some basal cell carcinomas, of which there are an estimated 900,000 total annual cases in the US.

ICX-SKN consists of a matrix of human collagen which has been laid down by human fibroblasts, and in which the fibroblasts are embedded. A phase I study to assess the safety and tolerability of ICX-SKN commenced in February 2007. The study will examine six volunteers with wounds resulting from a small punch biopsy. A phase II trial comprising patients who are undergoing excision of basal cell carcinomas is planned to commence in the second half of this year.

Current trading and prospects

The Company recently published its 2006 Report and Accounts. The information in this Circular should be considered in conjunction with the 2006 Report and Accounts. The 2006 Report and Accounts show that as at 31 December 2006 the Group had cash and liquid resources of approximately £11 million. Since 31 December 2006, the Group has continued to incur costs, liabilities and expenses in the ordinary course of the Group's business. For the year ended 31 December 2006 the loss on ordinary activities after taxation was £8.2 million. The Directors expect that the Group will continue to incur significant costs associated with its product development and other activities, and that the Group will incur operating losses in the current and future financial years.

Expected newsflow

	<i>H1 2007</i>	<i>H2 2007</i>	<i>H1 2008</i>
ICX-PRO	phase II DFU patient recruitment complete	phase III VLU patient recruitment complete Data from phase II DFU	Data from phase III VLU (mid 2008)
ICX-SKN	Proof of principle data from phase I	phase II commences	phase II data
Vavelta	Second phase II trial commences	Preliminary phase II data Commercial launch in the UK	Additional phase II data
ICX-TRC	Complete treatment of first cohort of phase II	Preliminary phase II data	Additional phase II data

4. The Placing

The Company announced today that it proposes, subject to certain conditions, to raise £11.4 million net of expenses, by way of a placing of 23,076,924 Placing Shares at a price of 52p per share.

The 23,076,924 Placing Shares will represent approximately 29.1 per cent. of the enlarged issued share capital of the Company following the Placing.

The Placing Price represents a discount of approximately 13.3 per cent. to the closing mid-market price of 60p per Ordinary Share as at 2 May 2007, the latest practicable date prior to the announcement of the Placing. The Board believes that the Placing Price represents the best price reasonably obtainable from proposed investors. The Placing Shares will rank in full for all dividends and otherwise *pari passu* with the existing Ordinary Shares.

It is expected that the Placing Shares will be admitted to trading on AIM on 4 June 2007. The Placing Agreement and the issue of the Placing Shares, is conditional, *inter alia*, upon the approval of the Resolutions at the EGM and Admission taking place on 4 June 2007, or such later date as the Company and Piper Jaffray shall agree, but no later than 4 July 2007.

In order to broaden the institutional shareholder base of the Company, and to minimise transactional costs, the Placing Shares are being offered to a number of existing and new institutional shareholders.

The Placing is to be effected on behalf of the Company by Piper Jaffray on the terms of the Placing Agreement. The Placing Agreement provides that the Placing will be fully underwritten by Piper Jaffray. Pursuant to the Placing Agreement Piper Jaffray will use its reasonable endeavours to procure subscribers for the Placing Shares, or failing which, to subscribe for such Placing Shares itself.

In consideration of their services in connection with the Placing, the Company will pay to Piper Jaffray a corporate finance fee of £50,000 together with a commission of 3.5 per cent. of the aggregate value, at the Placing Price, of the Placing Shares. The Placing Agreement contains warranties given by the Company with respect to its business and the Group and certain matters connected with the Placing. In addition, the Company has given indemnities to Piper Jaffray in connection with the Placing and Piper Jaffray's performance of services in relation to the Placing. Piper Jaffray is entitled to terminate the Placing Agreement in certain specified circumstances.

5. Directors' Participation

The Directors have agreed to subscribe an aggregate of £82,000 for 157,690 Placing Shares at the Placing Price. The beneficial interests of the Directors (not including unexercised options over Ordinary Shares or awards made under the Company's Long Term Incentive Plan) on the date of this document and as they will be immediately following the Placing are set out below:

<i>Name</i>	<i>Number Ordinary Shares</i>	<i>Percentage as at the date of this document⁽¹⁾</i>	<i>Number of Placing Shares</i>	<i>Percentage on completion of the Placing⁽²⁾</i>
Ian Fletcher Kent	–	–	28,846	0.04%
Nicolas Andrew Higgins	114,280	0.20%	19,230	0.17%
Richard Anthony Moulson	–	–	9,615	0.01%
Paul David Kemp	900,000	1.60%	13,461	1.15%
Alan Suggett	10,000	0.02%	9,615	0.02%
John Christopher Aston	10,000	0.02%	76,923	0.11%

(1) Based on 56,339,306 Ordinary Shares being in issue as at the date of this document.

(2) Assuming: (i) no change in the number of Ordinary Shares held by such Director as at the date of this document, other than the acquisition of Placing Shares (if any); and (ii) 79,416,230 Ordinary Shares in issue as at completion of the Placing.

6. Extraordinary General Meeting and action to be taken

A notice convening the EGM to be held at the offices of Morrison & Foerster, 7th Floor, CityPoint, One Ropemaker Street, London EC2Y 9AW at 11.00 a.m. on 29 May 2007 is set out at the end of this document.

The Placing is conditional on the passing of the Resolutions to be proposed at the EGM.

Pursuant to Resolution 1, if passed, the Directors will have authority to allot up to 23,076,924 Ordinary Shares, representing approximately 29.1 per cent. of the issued Ordinary Share capital of the Company (as enlarged by the issue of the Placing Shares).

Pursuant to Resolution 2, if passed, the Directors will have the power under section 95 of the Act to allot up to 23,076,924 Ordinary Shares, representing approximately 29.1 per cent. of the issued Ordinary Share capital of the Company (as enlarged by the issue of the Placing Shares), without being required first to offer such Ordinary Shares to Shareholders in accordance with statutory pre-emption rights.

The Directors propose that the authorities and powers conferred on them by the Resolutions be used to issue the Placing Shares at the Placing Price in accordance with the terms of the Placing Agreement.

The authorities and powers conferred by the Resolutions are in addition to the Directors' existing authority to allot Ordinary Shares, and powers under section 95 of the Act.

A form of proxy for use by Shareholders in connection with the EGM is enclosed with this document. Whether or not you propose to attend the EGM in person, you are requested to complete the form of proxy in accordance with the instructions printed on it and to return it to the Company's registrars, Capita Registrars, Proxy Processing Centre, Telford Road, Bicester OX26 4LD as soon as possible and in any event so as to arrive no later than 11.00 a.m. on 27 May 2007. Completion and return of the form of proxy will not preclude you from attending the EGM and voting in person should you so wish.

7. Responsibility

The Directors of the Company, whose names appear on page 5 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

8. Working capital

In the opinion of the Directors having made due and careful enquiry, taking into account the net proceeds of the Placing, the working capital available to the Group will be sufficient for the Group's present requirements, that is for at least twelve months following the date of this document.

9. Significant change

Save as described in this document and the 2006 Report and Accounts, there has been no significant change in the financial or trading position of the Group since 31 December 2006, being the end of the period covered by the latest accounts of Intercytex.

10. Recommendation

The Directors consider the terms of the Placing to be fair and reasonable insofar as the Shareholders are concerned and in the best interests of the Company; and accordingly recommend that you vote in favour of the Resolutions at the EGM as they intend to do in respect of their own holdings of Ordinary Shares, representing 1,034,280 Ordinary Shares, being 1.8 per cent. of the Company's current issued ordinary share capital.

Yours faithfully,

Ian Kent

Non-executive Chairman

INTERCYTEX GROUP PLC

(Incorporated and registered in England and Wales with registered no. 5340010)

(the “Company”)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at the offices of Morrison & Foerster, 7th Floor, CityPoint, One Ropemaker Street, London EC2Y 9AW at 11.00 a.m. on 29 May 2007 for the purpose of considering and, if thought fit, passing the following Resolutions, of which Resolution No. 1 will be proposed as an Ordinary Resolution and Resolution No. 2 will be proposed as a Special Resolution:

ORDINARY RESOLUTION

1. THAT, in addition to all other authorisations and powers, the Directors of the Company be and hereby are generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985, as amended (the “Act”) to exercise all the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) up to an aggregate nominal amount of £230,769.24 in connection with the placing of up to 23,076,924 Ordinary Shares provided that such authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) 3 months after the passing of this resolution, save that the Directors may before such expiry make an offer or agreement which would or might require such relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to such offer or agreement as if the authority had not expired.

SPECIAL RESOLUTION

2. THAT, in addition to all other authorisations and powers, the Directors be and they are hereby generally empowered, pursuant to section 95 of the Act, subject to the passing of Resolution 1 above, to allot equity securities (within the meaning of section 94(2) of the Act) pursuant to the general authority granted for the purposes of section 80 of the Act by Resolution 1 above as if section 89(1) of the Act did not apply to any such allotments, provided that such authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) 3 months after the passing of this resolution, save that the Directors may before such expiry make an offer or agreement which would or might require such equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the authority had not expired.

Dated 3 May 2007

By Order of the Board,
Richard Moulson
Secretary

Registered office:
Innovation House,
Oaks Business Park,
Crewe Road,
Manchester,
M23 9QR

Notes:

1. A member who is entitled to attend and vote at the Extraordinary General Meeting may appoint one or more proxies to attend and (on a poll) vote on his/her behalf. A proxy need not be a member of the Company. A proxy form for use by members at the Extraordinary General Meeting accompanies this notice.
2. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such authority, must be deposited at the office of the Company's registrars, Capita Registrars, Proxy Processing Centre, Telford Road, Bicester OX26 4LD, in accordance with the instructions printed thereon, so as to be received no later than 11.00 a.m. on 27 May 2007 (or, in the event of an adjournment, the time which is 48 hours before the adjourned meeting).
3. Completion and return of the proxy form does not preclude a member from attending and voting at the Extraordinary General Meeting in person.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), the Company specifies that only those Shareholders who are registered on the Company's register of members at 11.00 a.m. on 27 May 2007 (or, in the event of an adjournment, the time which is 48 hours before the adjourned meeting) shall be entitled to attend or vote at the Extraordinary General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after 11.00 a.m. on 27 May 2007 (or, in the event of an adjournment, the time which is 48 hours before the adjourned meeting) shall be disregarded in determining the rights of any person to attend and/or vote at the Meeting.
5. A register of the interests of each Director in shares of the Company and copies of the Directors' contracts of service are available for inspection at the registered office of the Company during usual business hours on any week day (Saturday, Sunday and public holidays excepted) up to and including the date of the Extraordinary General Meeting and then at the place of the meeting for fifteen minutes prior to and until the close of the meeting.
6. In the case of joint holders, the vote of the senior joint holder who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant holding.