

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or otherwise from another appropriately authorised and independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document, together with the accompanying Form of Proxy, at once to the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee, except that no such document should be despatched to any of the Restricted Jurisdictions. If you have sold or otherwise transferred part of your holding of Ordinary Shares please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the Financial Services Authority.

The London Stock Exchange has not itself examined or approved the contents of this document.

Intercytex Group plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 05340010)

PROPOSED CANCELLATION OF TRADING ON AIM

PROPOSED RE-REGISTRATION AS A PRIVATE COMPANY

PROPOSED CHANGE OF NAME

and

NOTICE OF GENERAL MEETING

There is set out at the end of this document Notice of a General Meeting of the Company to be held at the offices of Morrison & Foerster (UK) LLP, 7th Floor, CityPoint, One Ropemaker Street, London EC2Y 9AW at 11.00 a.m. on 23rd December 2009. A Form of Proxy for use at the General Meeting is enclosed. Shareholders are requested to complete and return the Form of Proxy whether or not they intend to be present at the meeting. **To be valid, Forms of Proxy should be completed and signed in accordance with the instructions printed thereon and returned as soon as possible and, in any event, so as to be received by the Company's registrars, Capita Registrars, Proxy Department, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by not later than 11.00 a.m. on 21st December 2009.** Alternatively, in respect of Ordinary Shares held in CREST a proxy may be appointed electronically by following the instructions in Note (5) on page 9. Completion and return of Forms of Proxy or the electronic appointment of a proxy will not preclude Shareholders from attending and voting at the meeting should they so wish.

Piper Jaffray Ltd., which is regulated and authorised in the United Kingdom under the Financial Services and Markets Act 2000 by the Financial Services Authority, is acting exclusively for the Company as nominated adviser and broker for the purpose of the AIM Rules for Nominated Advisers and the AIM Rules for Companies. Piper Jaffray Ltd. is not acting for any other person and will not be responsible to any other person for providing the protections afforded to clients of Piper Jaffray Ltd., or for advising any other person in connection with the matters described in this document. The responsibilities of Piper Jaffray Ltd., as nominated adviser, are owed solely to the London Stock Exchange and not to the Company or to any Director or to any other person in respect of any part of this document.

This document does not constitute an offer to sell or issue, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction.

CONTENTS

	<i>Page</i>
Expected timetable of principal events	2
Definitions	3
Letter from the Chairman	4
Notice of General Meeting	8

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 21st December 2009
General Meeting	11.00 a.m. on 23rd December 2009
Cancellation of admission to trading on AIM	7.00 a.m. on 8th January 2010

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“£”	the lawful currency of the United Kingdom
“AIM Rules for Companies”	the rules for AIM companies issued by the London Stock Exchange (as amended from time to time)
“AIM”	AIM, a market of the London Stock Exchange
“Axordia”	Axordia Limited
“Cancellation”	cancellation of the Ordinary Shares from trading on AIM
“Change of Name”	the change of the Company’s name to “Regenerative Medicine Assets Limited”
“Company” or “Intercytex”	Intercytex Group plc
“CREST”	the electronic settlement system operated by Euroclear UK & Ireland Limited, which facilitates the transfer of title to securities in uncertificated form
“Directors” or “Board”	the directors of the Company whose names are set out on page 4 of this document
“Executive Directors”	Nicolas Higgins, Paul Kemp and Max Herrmann
“Financial Services Authority”	the Financial Services Authority of the United Kingdom
“Form of Proxy”	the form of proxy for use at the GM, enclosed with this document
“General Meeting” or “GM”	the general meeting of the Company to be held at 11.00 a.m. on 23rd December 2009, 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
“Notice of GM”	the notice convening the GM set out at the end of this document
“Ordinary Shares”	the 97,166,497 Ordinary Shares of £0.01 each in the capital of the Company in issue at the date of this document, all of which are admitted to trading on AIM
“Piper Jaffray”	Piper Jaffray Ltd., of One South Place, London EC2M 2RB
“Re-Registration”	the re-registration of Intercytex Group plc as a private company, proposed to be re-named Regenerative Medicine Assets Limited
“Resolutions”	the resolutions set out in the Notice of GM
“Shareholders”	holders of Ordinary Shares
“UK”	the United Kingdom of Great Britain and Northern Ireland

PART I

Letter from the Chairman

Intercytex Group plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 05340010)

Directors:

Ian Kent, Non-Executive Chairman
Nicolas Higgins, Chief Executive Officer
Max Herrmann, Chief Financial Officer
Paul Kemp, Chief Scientific Officer
Alan Suggett, Non-Executive Director
John Aston, Non-Executive Director

Registered Office:

Innovation House
Oaks Business Park
Crewe Road
Manchester M23 9QR

7th December 2009

Dear Shareholder

**PROPOSED CANCELLATION OF TRADING ON AIM
PROPOSED RE-REGISTRATION AS A PRIVATE COMPANY
PROPOSED CHANGE OF NAME
and
NOTICE OF GENERAL MEETING**

Introduction

Intercytex has today announced that it intends to apply to cancel the trading of its Ordinary Shares on AIM. It is anticipated that the effective date of the Cancellation will be 8th January 2010. Pursuant to the AIM Rules for Companies, the Cancellation is conditional upon the passing of the relevant Resolution with the approval of 75 per cent. of Shareholders present and voting in person or by proxy or by authorised representative at the General Meeting. Accordingly, the purpose of this letter is to give you further information regarding the reasons for the proposed Cancellation and to seek your approval of the Cancellation at the General Meeting. The notice of the General Meeting is set out at the end of this document and includes a resolution to approve the proposed Cancellation. If the Resolutions are approved, it is expected that the Cancellation will take effect on 8th January 2010.

Background to and reasons for the Cancellation

On 20th February 2009, Intercytex announced it had initiated a strategic review of its operations following the failure of its lead product Cyzact in a large Phase III clinical trial. As part of this review the Company explored the possibility of a trade sale of the entire business. Regrettably, after a comprehensive sales process coordinated by the Company's advisers, Piper Jaffray, a buyer for the entire Company was not forthcoming. On 1st July 2009, Intercytex announced it had failed to find a buyer for the entire business but was in negotiations to sell various business assets. The Directors have also explored the possibility of raising further funds to continue development of Intercytex' remaining development programmes. However, against the background of the current financial market, this has not been feasible. At the same time the Company has continued to conserve its cash resources by implementing measures to reduce overhead expenditure and headcount levels.

As announced on 23rd November 2009, Intercytex has completed the sale of certain of the business assets of its wholly owned subsidiary, Axordia, to Pfizer Limited for total cash consideration of US \$750,000. The Company has received all but £75,000 of this amount which is being held in escrow until 1st May 2010 to satisfy any warranty claims that may be brought by Pfizer Limited in respect of the transaction. These funds are being used to support ongoing operational costs and working capital requirements of the Company, but are insufficient to allow continued development of Intercytex' remaining products. The Directors therefore believe that the best course of action is to sell all of the remaining assets of the Group and return excess funds (if any) to Shareholders. Pursuant to this goal, the Directors believe they are close to securing the sale of the majority of Intercytex' assets in three further transactions relating to the disposal of: (i) the hair regeneration assets including ICX-

TRC (“Sale of Hair Assets”), (ii) certain wound healing assets including ICX-SKN and Cyzact (“Sale of Skin Assets”), and (iii) the Company’s wholly owned subsidiary Intercytex Limited, which includes the Vavelta assets, (together the “Disposals”).

Whilst there can be no guarantees as to the likelihood of completion or of timing it is anticipated that the Disposals can be completed within the next 3 months. Even if all of the Disposals are completed and all anticipated sale proceeds received, the Group will still have significant liabilities to be settled. The Board therefore anticipates only a relatively small return to Shareholders (if any) compared to the market capitalisation at the time the Company’s shares were suspended on 2nd September 2009.

The Directors believe that following the Cancellation, the Company will be better placed as an unlisted company to both: (i) complete the timely disposal of the Company’s remaining assets, and (ii) minimise ongoing operational costs.

The Board is seeking Shareholders’ approval for the Cancellation, the Re-Registration and the Change of Name.

The Directors have provided undertakings to vote in favour of the Resolutions representing, in aggregate, 1.73 per cent. of the issued share capital of the Company.

INVESCO Asset Management Limited, acting for and on behalf of its discretionary managed clients, (“IAML”), the Company’s largest shareholder, has confirmed to the Company that, as at the date of this document, it is IAML’s current intention to vote in favour of the Resolutions. As at the date of this document IAML holds approximately 21 per cent. of the Company’s issued share capital.

The Cancellation and the Re-Registration

The Company announced on 2nd September 2009 that the Company’s Ordinary Shares had been suspended from AIM whilst the Directors of the Company took steps to divest certain business assets.

The Directors believe that it is in the best interests of the Company to cancel trading of the Company’s Ordinary Shares on AIM now in order to reduce the Company’s operating costs and to facilitate a swifter completion of the Disposals and crystallisation of any remaining value. The Company has applied to the London Stock Exchange for the Cancellation and it is expected that, subject to the approval of Shareholders at the GM by Special Resolution, the Cancellation will become effective on 8th January 2010.

Following Cancellation it is the intention of the Directors to effect the Re-Registration. The Directors consider the Re-Registration to be appropriate in connection with the Cancellation and desirable to help facilitate future distributions, if any, made by the Company to Shareholders. Re-Registration is subject to the approval of Shareholders at the GM by Special Resolution.

The Cancellation and Re-Registration are both included within the same Special Resolution which requires the approval of 75 per cent. of Shareholders present and voting in person or by proxy or by authorised representative at the General Meeting in order for such Resolution to be passed.

As the process of the divestment of the Company’s assets is ongoing the Directors consider that it is appropriate that the name of the Company be changed to help avoid any potential confusion which may arise during and following the completion of that process. Resolution 2 in the Notice of GM, a Special Resolution, proposes the Change of Name.

An expected timetable of principal events is set out at the beginning of this document. Beyond this timetable the Directors intend to keep Shareholders informed of the Company’s progress, including in relation to the Disposals, in further communications posted on the Company’s website as the Directors determine to be appropriate.

Proposed winding up of the Company

Following completion of the Disposals and receipt by the Company of all payments to be made to it under the terms of the Disposals it is proposed that the Company will be wound up. The winding-up process may require further Shareholder approvals which will be sought, as necessary, at later dates. The Board will endeavour to minimise the costs associated with these subsequent actions.

The Board

In order to reduce costs, the Company has closed its offices in Cambridge, UK and Woburn, MA and has undertaken a redundancy programme so that, at the date of this document, the only employees of the Group are the three Executive Directors. The Company has given each of the

Executive Directors notice of termination in respect of their employment and, in the case of Nicolas Higgins and Max Herrmann, it is anticipated that their employment with the Company will terminate on 31st December 2009. It is proposed that Paul Kemp's employment with the Company will be transferred, by operation of law, to Intercytx Limited on completion of the Sale of Hair Assets and the Sale of Skin Assets.

The Remuneration Committee has negotiated termination arrangements with Nicolas Higgins and Max Herrmann, whereby the termination payments being made to them are significantly less than their contractual entitlements as outlined below. Nicolas Higgins and Max Herrmann have agreed that they will each enter into a form of compromise agreement with the Company on or about the date of the General Meeting (assuming that the Resolutions are passed by Shareholders) ("Compromise Agreements"). Pursuant to the terms of the Compromise Agreements, each of Nicolas Higgins and Max Herrmann will waive their contractual entitlement to receive a payment in respect of their full notice period and instead will receive a redundancy payment of £15,000 on cessation of employment with the Company. The Company has agreed that additional payments (including an additional redundancy payment) will be made to Nicolas Higgins and Max Herrmann only after all other creditors of the Company have been paid, such payments to be made at the same time that shareholders receive distributions (if any) on the winding-up of the Company. The additional payments will see Nicolas Higgins and Max Herrmann receive a specified percentage of the net proceeds resulting from the realisation of the Company's remaining assets (after payment of all creditors and winding-up costs) up to a specified maximum amount (Nicolas Higgins (£140,000), and Max Herrmann (£100,000)). The remainder of such net proceeds will be distributed to Shareholders. If no net proceeds are available for distribution to Shareholders, no additional payments will be made to Nicolas Higgins or Max Herrmann. The effect of the arrangements put in place is that Nicolas Higgins and Max Herrmann will, save for the initial £15,000 that each will receive on cessation of his employment, rank with Shareholders of the Company in respect of their agreed termination payments. In the absence of such arrangements, Nicolas Higgins and Max Herrmann would rank ahead of, and receive payment in advance of, any distribution to Shareholders. The additional payments made pursuant to the Compromise Agreements will be conditional on the Company being wound up in a solvent manner and, in the event that a solvent winding-up is not able to be effected, Nicolas Higgins and Max Herrmann will each have a claim against the Company's assets for the full amount of their contractual and other entitlements estimated to be approximately £405,000 in aggregate as at the date of this document. The Directors hope that the limited amounts payable pursuant to the Compromise Agreements will allow the Company to be wound up in a solvent manner.

It is proposed that Nicolas Higgins and Max Herrmann will remain as non-executive directors of the Company following the cessation of their employment with the Company for a period of up to six months, terminable by one month's notice. Nicolas Higgins and Max Herrmann will not be paid by the Company for these appointments but will receive reimbursement of any out-of-pocket expenses. Max Herrmann will also provide services to the Company, on a consultancy basis, from time to time to assist with the winding down of the Company's operations and will remain the Company Secretary. John Aston and I have both agreed to stay on as non-executive directors without pay but will receive reimbursement of any out-of-pocket expenses.

Alan Suggett and Paul Kemp will be resigning as directors. The Board joins me in thanking both Alan and Paul for their contributions to the Company.

The Directors consider that the passing of the Resolutions will enable the Company to effect the Disposals more quickly and efficiently than if the Resolutions are not passed.

Effecting transactions in Ordinary Shares following Cancellation

Following Cancellation, although the Ordinary Shares will remain transferable they will no longer be tradable on AIM and no other trading facility will be available to enable the trading of the Ordinary Shares. Consequently, there can be no guarantee that a Shareholder will be able to purchase or sell any Ordinary Shares.

Following Cancellation, transfers of Ordinary Shares may be effected in accordance with those provisions of the Company's articles of association concerning off-market transfers of shares in certificated form. In summary, to effect a transfer of Ordinary Shares following Cancellation the registered holder of the shares must duly execute a stock transfer form (the form of which is available on request from the Company Secretary) and send the original stamped (to the extent stamp duty is payable thereon), duly executed stock transfer form, together with the relevant share certificate (if any) for such transferred holding, to the Company Secretary at the Company's registered office.

General Meeting

Shareholders will find at the end of this document a notice convening a General Meeting of the Company, to be held at the offices of Morrison & Foerster (UK) LLP, 7th Floor, CityPoint, One Ropemaker Street, London EC2Y 9AW at 11.00 a.m. on 23rd December 2009.

At the General Meeting, the following Resolutions will be proposed:

Special Resolutions

- (1) to authorise the Cancellation and Re-Registration; and
- (2) to approve the Change of Name.

The Directors have provided undertakings to vote in favour of the Resolutions in respect of their entire shareholdings, together representing, in aggregate, 1.73 per cent. of the issued share capital of the Company.

IAML, the Company's largest shareholder, has confirmed to the Company that, as at the date of this document, it is IAML's current intention to vote in favour of the Resolutions. As at the date of this document IAML holds approximately 21 per cent. of the Company's issued share capital.

Action to be taken

Shareholders will find enclosed with this document a Form of Proxy for use at the General Meeting.

It is important that you complete and sign the enclosed Form of Proxy in accordance with the instructions printed thereon and return it to the Company's registrars, Capita Registrars, Proxy Department, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and in any event so as to be received by no later than 11.00 a.m. on 21st December 2009. Alternatively, a proxy may be appointed electronically by following the instructions in Note (5) on page 9. Completion and return of the Form of Proxy or the electronic appointment of a proxy will not preclude you from attending and voting at the meeting, should you wish to do so.

Recommendation

The Directors consider the Cancellation, the Re-Registration and the Change of Name to be in the best interests of the Company and the Shareholders as a whole.

Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions at the General Meeting, as they have undertaken to do in respect of their own beneficial holdings of Ordinary Shares amounting, in aggregate, to approximately 1.73 per cent. of the Ordinary Shares.

Yours sincerely

Ian Kent
Chairman

Intercytex Group plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 05340010)
(the “Company”)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of Morrison & Foerster (UK) LLP, 7th Floor, CityPoint, One Ropemaker Street, London EC2Y 9AW at 11.00 a.m. on 23rd December 2009 for the purpose of considering and, if thought fit, passing the following Resolutions which will both be proposed as Special Resolutions.

SPECIAL RESOLUTIONS

1. THAT:
 - (i) the Directors of the Company be authorised to arrange for the cancellation of the Company’s trading facilities on AIM with effect from 8th January 2010 or such later date as the Directors may determine (the “Cancellation”); and
 - (ii) conditional on the Cancellation having occurred:
 - (a) the Company be re-registered as a private limited company (the “Re-Registration”); and
 - (b) upon Re-Registration the memorandum of association be amended accordingly to reflect the fact that the Company is registered as a private limited company.
2. THAT, conditional on Resolution 1 having been passed, the name of the Company be changed from “Intercytex Group plc” to “Regenerative Medicine Assets Limited”.

BY ORDER OF THE BOARD

Max Herrmann
Company Secretary

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

7th December 2009

Notes:

- (1) A Shareholder entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend, speak and vote on a show of hands and on a poll instead of him or her. The proxy need not be a member of the Company. Where a Shareholder appoints more than one proxy, each proxy must be appointed in respect of different shares comprised in his or her shareholding which must be identified on the proxy form. Each such proxy will have the right to vote on a poll in respect of the number of votes attaching to the number of shares in respect of which the proxy has been appointed. Where more than one joint Shareholder purports to appoint a proxy in respect of the same shares, only the appointment by the most senior Shareholder will be accepted as determined by the order in which their names appear in the Company's register of members. If you wish your proxy to speak at the meeting, you should appoint a proxy other than the chairman of the meeting and give your instructions to that proxy.
- (2) To be effective an instrument appointing a proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited at the offices of Capita Registrars, Proxy Department, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 11.00 a.m. on 21st December 2009 except that, (a) should the meeting be adjourned, such deposit may be made not later than 48 hours before the time of the adjourned meeting and (b) in the case of a poll taken more than 48 hours after it was demanded, such deposit may be made not later than 24 hours before the time appointed for the taking of the poll. A Form of Proxy is enclosed with this notice. Shareholders who intend to appoint more than one proxy can obtain additional Forms of Proxy from Capita Registrars by telephoning them on 0871 664 0300 (calls cost 10 pence per minute plus network extras. Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday). Alternatively, the form provided may be photocopied prior to completion. Alternatively, in respect of shares held in CREST one or more proxies may be appointed electronically by following the instructions in Note (5) below. Completion and return of the Form of Proxy or the electronic appointment of a proxy will not preclude Shareholders from attending and voting in person at the meeting.
- (3) An abstention (or "vote withheld") option has been included on the Form of Proxy and in the available options for electronic proxy voting. The legal effect of choosing the abstention option on any resolution is that the shareholder concerned will be treated as not having voted on the relevant resolution. The number of votes in respect of which there are abstentions will however be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.
- (4) In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders registered in the register of members of the Company as at 11.00 a.m. on 21st December 2009 or, in the event that the meeting is adjourned, in such register not later than 48 hours before the time of the adjourned meeting, shall be entitled to attend, or vote (whether in person or by proxy) at the meeting in respect of the number of shares registered in their names at the relevant time. Changes after the relevant time will be disregarded in determining the rights of any person to attend or vote at the meeting.
- (5) CREST members who wish to appoint a proxy or proxies by using the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. The message, (a CREST proxy instruction) must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited ("EUI") and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA10) not later than the time stated in Note (2) above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by EUI.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by any particular time. Reference should be made to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

