

9 September 2008

Intercytex Group plc

Institutional placing raises £2.75 million

Intercytex Group plc (LSE: ICX) (“Intercytex” or “the Company”), the leading developer of regenerative medicine products to restore skin and hair, today announces that it has raised £2.75 million before expenses through a placing for cash of 6,547,619 new Ordinary Shares of 1 pence each.

The new shares, which represent approximately 8.2 per cent. of the Company’s issued share capital prior to the placing, have been placed with existing institutional shareholders at a placing price of 42 pence per share. The placing price represents a discount of approximately 10 per cent. to the closing middle market price on AIM, a market of the London Stock Exchange, on Monday, 8 September 2008, and was undertaken pursuant to the disapplication of pre-emption rights in relation to issues for cash, the resolution supporting such disapplication having been passed at the last AGM.

Application has been made for the new shares to be admitted to trading on AIM. The placing is conditional on admission, which is expected to become effective on 11 September 2008. When issued, the new shares will rank *pari passu* in all respects with the Company’s existing ordinary shares.

Following the placing, Intercytex will have a total of 86,862,798 Ordinary Shares of 1 pence each in issue.

Commenting on the placing, Nick Higgins, Chief Executive Officer of Intercytex, said, “*We are delighted with the support for this placing from the Company’s leading UK institutional shareholders. These funds will enable us to take our lead treatment for chronic wounds, Cyzact (ICX-PRO), through Phase III trials in readiness for partnering and also to continue the development of the other products in the Company’s late-stage pipeline. We look forward to reporting further progress in due course.*”

- Ends -

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Notes for Editors

Intercytex is the leading developer of regenerative medicine products to restore skin and hair. Intercytex uses its fully integrated cell technology platform to develop living, human cell-based products at commercially viable scale in attractive markets.

Intercytex has four products in development:

- ICX-PRO (Cyzact®), designed to stimulate active repair in chronic wounds - in a Phase III trial for venous leg ulcers and recently completed a Phase II trial for diabetic foot ulcers
- ICX-SKN, being developed as a skin graft replacement – in a Phase I extension trial
- VAVELTA®, a facial rejuvenation and skin damage repair product in Phase II efficacy trials and on the market in the UK
- ICX-TRC, a hair regeneration product – in a Phase II trial

All Intercytex' products are derived from unmodified human cells.

Intercytex commenced operations in 2000 and currently employs around 80 staff. In addition to its head office in Cambridge, UK, it has GMP compliant clinical production facility plus research and development laboratories in Manchester, UK. Additional laboratories are located in Boston, US.

Intercytex' shares trade on the Alternative Investment Market of the London Stock Exchange under the ticker symbol ICX.L and on the Open Market and the Xetra trading platform of the Frankfurt Stock Exchange under the symbol IGJ.F.

Additional information on the Company can be found at www.intercytexas.com

Statements contained within this press release may contain forward-looking information or statements with respect to the financial condition, results of operations and business achievements/performance of Intercytex and certain of the plans and objectives of management of Intercytex with respect thereto. By their nature, forward-looking statements involve risks and uncertainties that may cause actual results to vary from those contained in the forward-looking statements. In some cases, you can identify such forward-looking statements by terminology such as 'may', 'will', 'could', 'forecasts', 'expects', 'plans', 'anticipates', 'believes', 'estimates', 'predicts', 'potential', 'continue' or similar expressions. A number of factors, including the satisfactory progress of research and development, could cause Intercytex' actual financial condition, results of operations and business achievements/performance to differ materially from the estimates made or implied in such forward-looking statements and, accordingly, reliance should not be placed on such statements. Forward projections reflect management's best estimates based on information available at the time of issue and are not a guarantee of future performance. Other than as required by applicable law, Intercytex does not undertake any obligation to update or revise any forward-looking information or statements to reflect events or circumstances after the date of this release.

The term "Intercytex" refers to Intercytex Group plc and its subsidiary undertakings.