



Intercytex

22nd December 2008

**Intercytex Group plc  
Acquisition of stem cell company Axordia Limited**

Intercytex Group plc (LSE: ICX) (“Intercytex”), the regenerative medicine company developing innovative products to restore skin and hair, announces today that it has acquired Axordia Limited (“Axordia”), a privately-held UK company focused on the development of stem cell therapies. Under the terms of the acquisition, Intercytex will issue 7,000,000 new ordinary shares of 1 pence each as consideration for the purchase of the entire issued share capital of Axordia, formerly a Fusion IP portfolio company. Based on Intercytex’ closing share price of 24p on 19th December 2008, this values Axordia at £1.68m.

Following completion of the acquisition, Intercytex will have 93,862,798 Ordinary Shares of 1 pence each in issue. The substantive selling shareholders of Axordia will be subject to a one year lock-up period followed by orderly market trading for a further year.

The acquisition of Axordia gives Intercytex access to a world-leading group focused on the development of embryonic stem cell therapies and significantly broadens Intercytex’ capabilities in regenerative medicine. Axordia, in collaboration with The London Project to Cure Blindness, is developing a novel stem cell therapy to treat age-related macular degeneration, the leading cause of blindness in the elderly. This programme, which also involves the Moorfields Eye Hospital in London, is currently in late-stage preclinical development. In addition, through Axordia, Intercytex gains exclusive rights to commercialise discoveries in the area of stem cell research derived from The Centre for Stem Cell Biology (CSCB) at the University of Sheffield. Axordia was founded in 2001 by Professor Peter Andrews and Professor Harry Moore.

The acquisition is not expected to increase Intercytex’ funding requirements in the short to medium term, as Axordia already benefits from significant external grant and project funding.

Nick Higgins, Intercytex’ CEO, commented: *“Recent developments in the area of stem cell research give us increased confidence in its ability to provide a highly effective source of therapies for use in future regenerative medicine products. Axordia’s leading position in stem cell research, combined with our know-how in producing cell-based therapies to pharmaceutical industry standards, provides a strong platform from which to develop future cell-based therapies. The acquisition also provides us with a rich source of future potential pipeline candidates.”*

**Enquiries**

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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:

- Cyzact® (ICX-PRO), designed to stimulate active repair in chronic wounds, in the final stages of a Phase III trial for venous leg ulcers
- VAVELTA®, a skin repair and rejuvenation product intended to improve the feel, function and appearance of skin damaged by scarring and the aging process, currently in a third Phase II efficacy trial and available from a number of accredited centres in the UK
- ICX-SKN, being developed as a skin graft replacement for burns and acute wounds, Phase I trials completed
- ICX-TRC, a hair regeneration product, in a Phase II trial.

Intercytex commenced operations in 2000 and currently employs around 75 staff. In addition to its head office in Cambridge, UK, it has a GMP clinical production facility with research and development laboratories in Manchester, UK. Additional laboratories are located in Boston, USA.

Intercytex' shares trade on AIM, a market of the London Stock Exchange, under the ticker symbol ICX.L.

Additional information on the Company can be found at [www.intercytexas.com](http://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.*