

17 June 2010

**ValiRx Plc**  
(*“ValiRx” or “the Company”*)

**VALIRX ANNOUNCES FIRST ANNIVERSARY OF ITS €1.2m EUROSTAR PROGRAMME  
WITH ALL DEVELOPMENTAL MILESTONES SUCCESSFULLY MET**

ValiRx Plc (AIM: VAL), a life science company with a focus on cancer diagnostics and therapeutics for personalised medicine, is pleased to announce that ValiRx has now completed the first year of a two year Eurostars grant programme (total budget €1.2m) in which all developmental milestones have been met.

In June 2009, ValiRx, as the leading partner of an international consortium of three companies, was awarded a two year grant by Eurostar against substantial competition from across Europe, to develop its GeneICE technology (*“GeneICE” or “Gene inactivation by chromatin engineering”*), in which *“rebellious genes”*, which cause problems such as cancer and potentially some neurological problems, are shut down or *“put on ice”*.

The Eurostars programme is a EU grant scheme and EUREKA Network initiative, created with the purpose of providing funding for market-oriented research and development activities by Small and Medium-sized Enterprises within the EU.

ValiRx successfully led the funding application with GenoSyst (Finland) and PentaBase (Denmark) under the 2<sup>nd</sup> call to the Eurostars joint Programme, for design optimisation, lead selection and pre-clinical testing of GeneICE. The application was rated second in the UK and Finland and first in Denmark, coming in 4<sup>th</sup> overall out of over 500 applicants within the EU wide scheme.

The technology is under license from Imperial College, University of London and it has been shown to be effective against several cancer cell lines, including prostate cancer, ovarian cancer, pancreatic cancer and lung cancer. ValiRx retains all commercial rights for GeneICE from the programme.

The GeneICE development plan has four principal goals:

1. Identification of specific genomic DNA sequences associated with proven cancer targets.
2. Design and optimisation of the anti-gene system to silence the aberrant genes
3. Evaluation of desired and potential off-target effects
4. Pre-clinical development of an optimised lead therapeutic against a selected target

The construction of the programme's database was completed in September 2009 and data generated throughout the programme will be uploaded to the database as it becomes available with GenoSyst, the Finnish partner in the consortium, providing technical support throughout the programme.

In terms of current progress in the programme, gene target sequencing has been completed and unique target sequences, suitable for the next generation of optimised GeneICE molecules, have been designed. Molecule production (chemistry) has been optimised and affinity testing is now complete showing significant improvements over the first generation of GeneICE molecules with the cost of production reduced. We have also entered into a joint venture with Cambridge (UK)

based Vivamer Limited to develop a bespoke delivery system for the GeneICE reagents and therapeutic systems.

In terms of timing, this phase of the programme is in line with predicted deliverables given the staggered programme start, but elements of the programme were brought forward to initiate the development of cell lines and models required for further pre-clinical study.

As far as the exploitation of the GeneICE programme is concerned, completion of the in-vitro efficacy testing will provide a data package for ValiRx and its partners to begin exploring commercialisation opportunities for GeneICE as a suite of gene down-regulation molecules. Among other opportunities, it is hoped the data package will address a specific data wish list provided to ValiRx by a leading global provider to the life science community and that it will provide discovery and development tools for biopharmaceutical companies.

**Dr Satu Vainikka, CEO commented:**

*"It is a very happy coincidence, and not least a tangible link that the first anniversary of our Eurostars Programme should coincide with the tenth anniversary this year of the human genome project, with the project's new-found understanding of how genes work and react in the human body, stimulating further research in the area and culminating in and being at the core of ValiRx's gene silencing and epigenomics activities."*

*"I am delighted by the progress of GeneICE towards first human trials and the extension of our investigations into new indications with considerable markets. Significant work has been completed and encouraging results are emerging in the areas of its utility and delivery. The intellectual property covering these activities continues to develop, thereby providing the Company with the increasing potential for significant value creation."*

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**Notes for Editors**

**ValiRx Plc**

ValiRx Plc is a biopharmaceutical company developing novel technologies and products in oncology therapeutics and diagnostics. The product focus is in the epigenomic analysis and treatment of cancer, but the technologies can be applied to other fields as well, such as neurology and inflammatory diseases.

The Company listed on AIM in October 2006 and is creating a portfolio of innovative products through investment in specific development projects. It actively manages projects within this portfolio as a trading company and is not an investment vehicle. The ValiRx business model spreads the risks of life science technology developments by minimising financial exposure and running a set of projects to defined commercial endpoints. This maximises returns to shareholders by adding value at the earlier stages where value increases per investment unit are the greatest.

The Company operates through the following divisional companies:

- ValiMedix is the sales and distribution division of ValiRx
- ValiBio is the diagnostic research and development division of ValiRx
- ValiPharma is the therapeutics division with two embedded technologies primarily directed at the treatment of cancers. Of particular note is GeneICE, ValiRx's technology for controlling rebellious genes, which was awarded a Eurostars grant to the value of €1.2 million to fund the development of the GeneICE products through preclinical stages in cancer treatments