

# ValiRx plc

## Acquisition of shares in Cronos Therapeutics and directors' shareholding

14 July 2008, London. ValiRx plc (AIM:VAL, 'ValiRx') the cancer therapeutics and diagnostics company, announces that, pursuant to the call option agreement dated 8 September 2006 entered into between the Company and each of Satu Vainikka, Jacob Micallef, George Morris and Cameron Macdonald (together the "Cronos Minority Shareholders"), the Company has exercised the option to acquire 6,293 ordinary shares of 1p each in Cronos Therapeutics Limited ("Cronos") from the Cronos Minority Shareholders (the "Acquisition"). The ordinary shares present some 39.7% of Cronos and at Friday's closing mid market price of ValiRx are valued at approximately £374,000. Following the Acquisition, Cronos will become a wholly owned subsidiary of the Company and will trade as ValiPharma.

Following the reverse takeover and admission of the Company to trading on AIM on 3 October 2006 ("Admission"), an option was granted to the Company to acquire the remaining balance of shares of Cronos' share capital, not already held by ValiRx on Admission, for a period of two years from Admission.

The Acquisition follows the Company's announcement on 26 June 2008 of the promising *in vivo* results for its lead molecule VAL 101 which uses its gene silencing technology GeneICE™ in preclinical xenograph models of pancreatic cancer. Studies showed that the tumour growth was less than half the size of that seen in the control group. Based on these results, the Company will now initiate further preclinical studies with the aim of progressing VAL 101 toward Phase I regulatory filing by initiating toxicology studies. The Company has also recently expanded its pre-clinical portfolio to include VAL 201 in prostate cancer.

In consideration for the Acquisition, the Company has issued, in aggregate, 6,500,000 ordinary shares of 6p each in the Company ("Ordinary Shares") to the Cronos Minority Shareholders. Application has been made for 6,500,000 Ordinary Shares to be admitted to trading on AIM and dealings are expected to commence on 17 July 2008. Following this issue of shares, the Company's issued share capital will increase to 52,999,759 Ordinary Shares.

The following received Ordinary Shares as a result of the Acquisition:

Name	Ordinary Shares received	New shareholding	Percentage %
<i>Director</i>			
Satu Vainikka	1,981,090	3,844,840	7.25
Jacob Micallef	1,981,090	3,657,340	6.90
George Morris	556,730	1,794,230	3.39
<i>Significant Shareholder</i>			
Cameron Macdonald	1,981,090	2,693,590	5.08

### Enquiries:

#### ValiRx plc

Dr. Satu Vainikka

Tel: +44 (0) 20 3008 4416

#### WH Ireland Limited – Nominated Adviser

David Youngman / Adrian Kirk

Tel: +44 (0) 161 832 2174

#### College Hill

Adrian Duffield/Justine Lamond

Tel: +44 (0) 20 7457 2020

[valirx@collegehill.com](mailto:valirx@collegehill.com)

### Notes to Editors

**About ValiRx** - [www.valirx.com](http://www.valirx.com)

ValiRx plc (AIM:VAL, 'ValiRx') is a cancer therapeutics and diagnostics company headquartered in London, England and admitted to AIM in October 2006. The Company operates through two subsidiaries, ValiPharma (formerly trading as Cronos Therapeutics) ([www.valipharma.com](http://www.valipharma.com)), a UK-based epigenetic drug discovery and development business and ValiBio SA ([www.valibio.com](http://www.valibio.com)), a Belgium-based oncology diagnostics operation.

*Therapeutics – ValiPharma*

ValiRx utilises a cells own inherent gene control machinery to silence genes involved in cancer cell progression, effectively "switching off" genes involved in certain forms of cancer through its platform technology GeneICE™ (Gene Inactivation by Chromatin Engineering). GeneICE™ works through the recruitment of silencing complexes known as Histone Deacetylase Complexes (HDACs) to target genes involved in cancer. ValiRx's lead product VAL 101 targets the anti-apoptotic gene BCL-2 which is over expressed in many cancers including in pancreatic cancer. The Company has also recently expanded its pre-clinical portfolio to include VAL 201 in prostate cancer.

Gene silencing technology platform potentially represents an innovative and ground breaking new approach to cancer treatment as it allows for the development of targeted, personalised medicine and treatment for patients. GeneICE™ is also applicable to a wide variety of other genetic disorders such as in the fields of neurology and inflammatory diseases.

*Diagnostics – ValiBio*

ValiRx currently has two epigenetic diagnosis products - HyperGenomics™, a method for the detection and identification of hypersensitive sites in cells and Nucleosomics™, a non-invasive (blood) test for early cancer diagnosis based on epigenetic signal changes associated with malignancy – which it licences to its subsidiary, ValiBio.

**Epigenetics**

Epigenetics is the study and manipulation of regulatory factors which regulate and determine gene expression.

Unlike mutations which occur in DNA, epigenetic changes are reversible. The 'epigenetic' modification of the genome may take many forms, such as addition of external chemical groups for example methylation, acetylation and ubiquitination on to histone proteins associated with DNA.

Research currently suggests the de-regulation of normal epigenetic control mechanisms is implicated in the development and progression of certain cancers. Hence, compounds which specifically target and reverse these changes are attractive and potentially powerful candidates for future therapeutic approaches to cancer.

**Personalised medicine**

Personalised medicine refers to tailoring treatment strategies to work differently in different individuals, dependant upon such factors such as their genetic profile, epigenetic profile, environment and the presence of other diseases in the individual.