

## **VALIRX PLC**

### **PROPOSED REORGANISATION AND GENERAL MEETING**

The Company has today announced that a General Meeting of the Company will be held at 10 a.m. on 13 February 2009 at which the Directors are proposing to effect the Proposed Reorganisation.

A circular has been dispatched to Shareholders to provide them with information on, and to outline the reasons for, the Proposed Reorganisation and to explain why the Board considers it to be in the best interests of the Company and Shareholders as a whole, and why it recommends that Shareholders vote in favour of the Special Resolution to be proposed to effect the Proposed Reorganisation.

#### **BACKGROUND TO AND REASONS FOR THE PROPOSED REORGANISATION**

In order to finance the further development of the Company's business the Directors believe that additional funds will be required. The Company will look to raise this additional capital by a placing of New Ordinary Shares following approval of the Proposed Reorganisation.

The current market price of the Company's Existing Ordinary Shares is less than the nominal value. The Company cannot issue new shares at less than the nominal value so in order to raise additional funds, the Company needs to reorganise its share capital to reduce the nominal value of its ordinary shares.

Subject to approval by the Shareholders at the General Meeting, the Directors propose to subdivide each issued Existing Ordinary Share into one New Ordinary Share and one Deferred Share and sub-divide each of the unissued Existing Ordinary Shares into six New Ordinary Shares. Immediately following the Proposed Reorganisation, the total number of New Ordinary Shares in issue will be unchanged and each existing Shareholder will continue to hold one New Ordinary Share in place of each Existing Ordinary Share. Existing certificates representing the Existing Ordinary Shares will remain valid for the New Ordinary Shares. No share certificates will be issued for the Deferred Shares.

Following the Proposed Reorganisation, and assuming no further Existing Ordinary Shares are issued between today and the Proposed Reorganisation becoming effective, the issued share capital will comprise 58,378,365 New Ordinary Shares and 58,378,365 Deferred Shares.

#### **DEFERRED SHARES**

The Deferred Shares will have no right to vote, attend or speak at general meetings of the Company and will have no right to receive any dividend or other distribution and will have only limited rights to participate in any return of capital on a winding-up or liquidation of the Company. No application will be made to the London Stock Exchange for admission of the Deferred Shares to trading on AIM.

#### **RECOMMENDATION**

The Directors consider the proposals described in the circular to Shareholders to be in the best interests of the Company and of Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Special Resolution to be proposed at the General Meeting, as they intend to do in respect of their own beneficial

holdings of 12,007,910 Existing Ordinary Shares representing 20.57 per cent. of the Existing Ordinary Shares in issue.

**Enquiries:**

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**DEFINITIONS**

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

<b>"Board" or "Directors"</b>	the board of directors of the Company
<b>"Circular"</b>	the circular to Shareholders of the Company
<b>"Companies Act" or "Act"</b>	the Companies Act 1985, as amended, and the Companies Act 2006, to the extent in force
<b>"Company" or "ValiRx"</b>	ValiRx plc
<b>"Deferred Shares"</b>	the deferred shares of 5 pence each in the capital of the Company to be created by the Special Resolution.
<b>"Existing Ordinary Shares"</b>	existing ordinary shares of 6 pence each in the capital of the Company
<b>"General Meeting"</b>	the General Meeting of the Company to be held on 13 February 2009 at 10 a.m.
<b>"London Stock Exchange"</b>	London Stock Exchange plc
<b>"New Ordinary Shares"</b>	new ordinary shares of 1 pence each in the capital of the Company following the Proposed Reorganisation
<b>"Proposed Reorganisation"</b>	the sub-division and reclassification of each of the Existing Ordinary Shares in issue into one New Ordinary Share and one Deferred Share and the sub-division of each unissued Existing Ordinary Share into six New Ordinary Shares
<b>"Shareholders"</b>	holders of Existing Ordinary Shares
<b>"Special Resolution"</b>	the special resolution to be proposed at the General Meeting