press release

Proposed strategic alliance and up to £32.1 million investment by Reliance Life Sciences Pvt Ltd

Proposed issue of New Ordinary Shares comprising Subscription Shares and Conversion Shares and proposed issue of a Warrant

Proposed cancellation of listing on the Official List and application to trading on AIM

Proposed Consolidation of Ordinary Shares

GeneMedix plc ("GeneMedix" or "the Company"), the UK biopharmaceutical company listed on the London and Singapore Stock Exchanges, announces details of its proposed restructuring and move to AIM.

Summary

- Proposed strategic alliance and investment of up to £32.1 million by Reliance Life Sciences Pvt Ltd ("RLS") an affiliate of Reliance Group, the largest private sector enterprise in India
- Initial Investment by RLS to be made through a subscription for 1,168,254,570 Subscription Shares at 1.25p to raise £14.6 million, representing a controlling interest of 74% of the Enlarged Share Capital of GeneMedix
- Issue of a 5 year Warrant representing 1,403,742,972 additional Ordinary Shares at a price of 1.25p whereby RLS may invest up to a further £17.5 million
- Proposed conversion of loan notes with a book value of approximately £1.8 million into 38,623,428 Conversion Shares, and redemption of loan notes with a book value of approximately £3.9 million for £1.2 million in cash
- Proposed cancellation of listing on the Official List of the London Stock Exchange and proposed application for admission to trading on AIM
- Proposed consolidation of every ten Ordinary Shares into one Consolidated Ordinary Share of 10p.

Commenting on the Transaction, Julian Attfield, Chief Executive of GeneMedix, stated

"*The investment by RLS, subject to the approval of its shareholders, provides a strong route forward for the Company, and will bring to an end the uncertainties surrounding the funding of our programmes and the Company's financial position. Not only will the significant investment allow GeneMedix to continue to develop its existing portfolio of products at an accelerated pace but will also allow us to bring new biopharmaceutical products under development. With the expertise within the Company and the enhanced infrastructure and support brought by RLS, we are looking forward to an exciting period of integration and expansion over the coming year*".

This summary should be read in conjunction with the full text of the following announcement. The Appendix contains the definitions of certain terms used in this summary and the full announcement.

20 December 2006

ENQUIRIES:

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Introduction

GeneMedix is pleased to announce that it is now in a position to seek Shareholder approval for RLS to acquire a controlling interest in GeneMedix by way of a subscription for Subscription Shares under the terms of the Proposal. The Board believes that RLS, which is an affiliate of Reliance Group, the largest private sector enterprise in India, is an excellent partner for GeneMedix. This opportunity, as set out in detail below, will allow the Company to fund its main programmes, bring in a portfolio of new products, provide significant infrastructure support and future commercial scale manufacturing capabilities, and enable the Company to restructure or repay all major debt instruments on its balance sheet.

The Company intends simultaneously to de-list its Existing Ordinary Shares from the Official List and apply for admission of its Existing Ordinary Shares and the New Ordinary Shares to trading on AIM. This procedure is subject to the approval of Shareholders and compliance with the requirements of the Listing Rules and the AIM Rules. At the time of Admission, (and subject to Shareholder approval), every ten Ordinary Shares will be consolidated into one Consolidated Ordinary Share of 10p.

The Proposal has met with support from a number of the Company's largest Shareholders, who together hold in excess of 50 per cent of the Existing Ordinary Shares. These Independent Shareholders have given irrevocable commitments to vote in favour of the Resolutions.

A Circular will be sent to Shareholders shortly setting out further information on the Proposal and convening an EGM to seek Shareholder approval for it and various other related issues.

The Proposal

General

From the outset of its discussions with us, RLS made it clear that it wishes to maintain GeneMedix as a publicly listed company so as to allow the Company to be able to raise funds from an external investor base in the future.

RLS wishes to invest a total of up to £32.1 million into GeneMedix over the next five years in order to take the Company's Biosimilars through to launch in the EU and US. The Proposal would see RLS make this investment in two tranches, of approximately £14.6 million and £17.5 million, to reflect the anticipated funding requirements of the business. The Initial Investment will be through a subscription for Subscription Shares and the second through the issue of additional Ordinary Shares pursuant to the future exercise of the Warrant Instrument, all such shares ranking *pari passu* with the Existing Ordinary Shares in all respects.

Initially RLS is seeking to acquire an interest of 74 per cent of the Company through the investment of £14.6 million, which will immediately allow the Company to restructure its balance sheet by removing long-term debt instruments, as described below. This will improve the strength of the Company's balance sheet and should also allow the Company to benefit from improved infrastructure and products available as a result of RLS's involvement in the Company.

RLS's Initial Investment would be made by a subscription for 1,168,254,570 Subscription Shares at 1.25p each to raise £14.6 million pursuant to the Subscription Agreement. The price equates to a discount of 50 per cent to the middle-market price as at 18 December 2006 being the last practicable date prior to the publication of this announcement. Shareholder approval is specifically being sought for this issue of shares to RLS by the Company at this discount by virtue of the fact that the price equates to a discount of more than 10 per cent to the middle-market price stated above. At the same time as this subscription, £1.83 million of convertible loan notes held by Springhill BioVentures and Dr Kim Tan will be converted into 38,623,428 Conversion Shares. An additional convertible loan note with SkyePharma with a book value (including rolled up interest) of £3.9 million, but which GeneMedix has an option to redeem for £1.2 million cash, and other loans with a total book value of £0.3 million will be paid out of the proceeds of the Subscription Shares.

At the time of RLS's Initial Investment, the Company will issue it with a 5 year Warrant representing 1,403,742,972 additional Ordinary Shares (or after Consolidation the equivalent number of Consolidated Ordinary Shares) purchasable at a price of 1.25p (or 12.5p after Consolidation) and exercisable pursuant to the Warrant Instrument. RLS may invest up to a further £17.5 million upon exercise of the Warrant over a five year period.

Completion is conditional on a number of matters, including the approval of Shareholders and admission of the Existing Ordinary Shares and the New Ordinary Shares to trading on AIM. In addition, at the time of Admission, every ten Ordinary Shares will be consolidated into one Consolidated Ordinary Share of 10p. The Directors believe that the Consolidation will benefit both the Company and its Shareholders by bringing the denomination of the shares in-line with other listed companies in order to reduce the volatility in share price that the Company has experienced following flotation.

Background to and reasons for the Proposal

Background

The Company has been developing its range of Biosimilars for some years. More recently it has focussed activities on the manufacture of EPO, a product used mainly in the treatment of patients with chronic renal failure or undergoing chemotherapy. In order to manufacture EPO the Company has set up manufacturing facilities in Tullamore (Ireland), which have recently been awarded a Good Manufacturing Practice accreditation from the Irish Medicines Board. There are currently 25 employees at the site. The clinical manufacture of the Company's EPO product is well underway and we are in final preparations to start the single pivotal clinical trial over the coming months. The Company's other current programme, which is the development of a Biosimilar G-CSF is progressing at a slower rate.

The legal and regulatory pathway for the Company's main products has been in place since the early part of this year, allowing them to be registered in the EU and in the developing world. Safety and efficacy issues and the complexity of the manufacturing process of these products present significant challenges for any company aiming to introduce Biosimilars into the EU. Moreover, stringent registration requirements mean that there are fewer players in the EU market than originally anticipated. Although the Company is therefore in a potentially lucrative position, it cannot realise its potential without significant further investment.

As has been made clear in public announcements, the Company has been making strong progress despite being under severe financial constraints for a number of years. It has not been able to achieve cash in-flows from product sales in the developing world, nor up-front milestones payments from licensing deals of sufficient size to run its programmes to conclusion or that properly reflect what the Directors believe to be the true value of the technology.

The Company along with many other small biotechnology companies with relatively low market capitalisations, has found it challenging in recent years to raise adequate funding from the public markets. GeneMedix has in the past few years only been able to raise capital through a number of small subscriptions, which have been highly dilutive for the amount of funding received, and, once the limits permissible under FSA rules were reached, through the issue of debt instruments. The accumulation of these debt instruments has weakened the balance sheet to the extent that it is presenting net liabilities and has breached the limits imposed by section 142 of the Companies Act. This is explained in more detail in below under the heading "Serious Loss of Capital". The Company is still operating on very short liquidity horizons (though it has been funded in recent months by means of a Bridge Loan from RLS described below under the heading "Arrangements with RLS").

The Proposal will enable the Company to raise a substantial amount of funds and also allow the Company to redeem these debt instruments.

The terms of the Proposal contain provisions that, whilst required by RLS as a precondition of investing in the Company, would not be compatible with certain provisions of the Listing Rules. Taking into consideration this and in general the less restrictive regulatory regime imposed by the AIM Rules, the Board considers that the Company would benefit from seeking a listing on AIM. This is explained in more detail below under the heading "De-listing and move to AIM".

The Directors believe that the interests of the Company would be best served by bringing in a major corporate partner pursuant to the Proposal to provide much needed financial stability, an enhanced infrastructure, an increase to the Company's product offering and validation of the technological advances that the Company has achieved thus far.

Reasons for the Proposal

It is the view of the Directors that the combination of the Company's existing business and RLS's input creates a much stronger company. RLS has stated that it would encourage the Company to maintain the current staff and operations and use the invested capital to expand facilities, personnel and the product offering, as detailed below.

The Board anticipates that utilising funding raised by way of the Proposal, and RLS's involvement as a strategic partner of the Company, will allow GeneMedix to make significant progress in:

- funding its EPO and G-CSF programmes to launch, including the costs of pivotal clinical trials. The current estimated global market size of EPO is USD 10 billion and G-CSF USD 3 billion. GeneMedix is looking to be one of the early entrants for both products into the newly created Biosimilars market in the EU, and then the US, once the regulatory and legal pathways have been set. The investment by RLS gives the Company the opportunity to launch these products without bringing in a licensing partner, allowing the Company to retain 100 per cent of the revenues. (Typical partnering deals would have resulted in GeneMedix receiving from a licensing partner only 35 per cent of the end user price in royalties, and upfront milestones to cover manufacturing and clinical costs). However, it should be noted that the Proposal will be highly dilutive to existing Shareholder's interests as a result of which the net return to Shareholders may not be significantly different;

- opening up the pathway for launching products into the Asian and South American markets at the earliest opportunity;

- restructuring its balance sheet to remove all long-term debt instruments. The investment by RLS will allow GeneMedix to redeem all the current convertible loan notes in accordance with their terms, before their stated maturity, thereby decreasing the interest payable by the Company. GeneMedix will redeem for cash a convertible loan note with SkyePharma; and

- allowing senior management to focus completely on operational matters during the next critical period of its development, without having to address funding requirements.

RLS's involvement would also allow the Company, if the Directors consider this to be beneficial at the relevant time, and subject to entering into appropriate arms'-length arrangements with RLS, to:

- introduce the RLS portfolio of Biosimilars to market in the EU. Where possible, these will be manufactured by GeneMedix and clinical studies run in the EU;

- utilise RLS's commercial scale manufacturing facilities in India. These facilities are complementary to the Company's facilities and would allow the Company access to lower cost manufacturing services than those which are currently outsourced by GeneMedix; and

- use RLS's animal testing centres and analytical testing facilities in India, which are also currently outsourced.

The Board would, however like to make it clear, that, if Shareholders do not approve the Proposal at the EGM, it is likely that, due to the levels of current indebtedness, the only realistic option available to the Company within the current time frame would be to seek an immediate purchaser for the business or some of its assets. Should the Company be unable to secure a purchaser for the business within one week following the EGM, it is likely that insolvency proceedings would have to be instigated.

Information on GeneMedix

GeneMedix is a biopharmaceutical company with operations in Europe and with joint London and Singapore Stock Exchange listings. The Company was set up to develop a range of generic biopharmaceuticals (now known as Biosimilars), and has three of the largest market products under development. These are:

- EPO, a stimulant of red blood cell production used mainly for patients with chronic renal failure or undergoing chemotherapy;

- G-CSF, which is also a chemotherapy adjunct, but used to boost the generation of white blood cells; and

- Interferon-alfa, used in the treatment of Hepatitis B and C.

The first generation products of these large molecule therapeutic proteins, which can only be made using biological process, have either just come off patent in the EU or are coming off patent in the next year or two and this has opened up an opportunity for a generic market for these expensive products. The regulation of

these Biosimilars is a complex process as quality control levels are extremely high due to complexity of manufacture and the potential to cause unexpected severe immune reactions in certain cases. There has been significant delay by the regulatory authorities in introducing the legal and regulatory pathway for Biosimilars in the EU, but it finally happened for EPO and G-CSF in the first quarter of this year. This has given a substantial commercial opportunity for GeneMedix, as the Directors believe that very few other companies appear to be as advanced as GeneMedix in developing programmes and manufacturing, which conform to these guidelines.

The Company has a high quality Good Manufacturing Practice accredited mammalian cell fermentation facility in Tullamore, Ireland, which is in commercial production and the Company is shortly commencing its single pivotal clinical trial for EPO. The facility has significant flexibility to increase its capacity in order to expand its production of EPO or to manufacture other mammalian products. It is also nearing completion of its interferon-alfa programme and has in-licensed G-CSF which has been in commercial production in Asia, but which needs to be developed for the international markets. It has recently entered into contracts for the sale of its facility in China with £1.3 million of total proceeds of £1.6 million expected early in 2007. The facility had not been operational since 2004.

Due to the costs of its pivotal clinical programme and the new programmes to be introduced by RLS, the Company is likely to continue running at widening losses for the next two years after which it anticipates significant revenue from product launches.

Dr Ting intends to resign his directorship in the next few months following the sale of the Company's Chinese facility. Mr Mylchreest intends to resign his directorship following Completion. It is the intention of RLS, after Completion, to appoint one or more directors to the Board. RLS would be able to draw from personnel in its global biotech and pharmaceutical teams who have considerable experience in the biotechnology sector and of companies which are similar to GeneMedix, thus ensuring that the Board has the requisite skills and expertise at all times. It is the intention of the Company to maintain a consistent management structure going forward, as well as an independent board. Therefore an independent board comprising a majority of non-RLS appointees will be reconstituted after Completion.

Information on Reliance Life Sciences

RLS is part of the Reliance Group, which is India's largest private sector enterprise. The flagship company, Reliance Industries Limited, is a Fortune Global 500 company. Global revenues of the Reliance Group are approximately USD 22 billion with around 25,000 employees worldwide.

RLS is a new millennium initiative of the Reliance Group and is a research-driven, biotechnology-led, life sciences organisation. It is developing business opportunities in the domains of medical biotechnology, plant biotechnology, industrial biotechnology, clinical research services and contract manufacturing. These opportunities encompass biopharmaceuticals, molecular diagnostics, genetics, cell-based therapies, biofuels, clinical research services and contract manufacturing.

RLS has its own portfolio of Biosimilar products. It is currently constructing manufacturing facilities in India, which are anticipated to operate to full international standards and has a large infrastructure of analytical testing and animal testing facilities. RLS is looking to introduce its products into the EU through collaboration with the Company, and to leverage its own manufacturing capabilities by manufacturing the Company's products, which the Company is not currently able to make.

Arrangements with RLS

As a condition of being able to enter into a period of exclusivity, RLS entered into an agreement with GeneMedix to fund GeneMedix during the final negotiations of the Proposal. RLS agreed to make the Bridge Loan upon the signing of a non-binding term sheet for the Proposal. The Bridge Loan was offered at 7 per cent per annum interest rate, payable on a quarterly basis, and is repayable immediately at any stage after 20 January 2007, if the Initial Investment has not been made, unless the process has been delayed due to delays in regulatory approval for the transaction or both companies mutually agree.

The Bridge Loan is secured by means of:

- a floating charge over the assets of the Company; and
- a debenture over the Company's facility at Tullamore.

The Bridge Loan and any further advances made to the Company in the period before the Initial Investment (which at the date of this announcement amounts in aggregate to approximately £3 million) will be repaid from the cash proceeds from the Initial Investment at a time to be mutually agreed between RLS and GeneMedix.

As a result of these arrangements, RLS is required to be treated as a related party under the Listing Rules. In addition the Proposal is required to be treated as a Class 1 transaction under the Listing Rules.

De-listing and move to AIM

The Company intends to de-list its Existing Ordinary Shares from the Official List with effect from 8am on 12 February 2007 and to make an application for admission of the Existing Ordinary Shares and the New Ordinary Shares to trading on AIM. Pursuant to the Listing Rules, the de-listing is subject to the approval of Shareholders.

It is anticipated that trading in the Existing Ordinary Shares on London Stock Exchange's main market for listed securities will cease at close of business on 9 February 2007, with cancellation of the listing on the Official List taking effect at 8.00 am on 12 February 2007 (being not less than 20 business days following Shareholder approval). Admission of the Existing Ordinary Shares and the New Ordinary Shares on AIM is expected to take place, and dealings are expected to commence, at 8.00am on 12 February 2007.

Singapore Shareholders

Since the Company's shares were admitted to trading on the Official List on 1 December 2000, GeneMedix has had a secondary listing on the SGX-ST. There are currently 145,978,119 Ordinary Shares, representing 39.3 per cent of the Company's issued share capital, traded on the CDP and approximately 2,500 Shareholders (who are independent of RLS, the Reliance Group or any affiliate of either). The Singapore market has been an important source of capital for the Company over the past 6 years and it is a primary concern of the Company to protect the Company's Singapore investor base and preserve the ability of Shareholders to trade in the Company's securities in Singapore.

The Company has been aware, from the moment that it first approached SGX-ST regarding a potential move across to the AIM market in April 2005, that although AIM is part of the London Stock Exchange, it is not listed as a 'recognised exchange' for the purposes of the listing rules of the SGX-ST. Acceptance of AIM as a primary exchange to a secondary listing on SGX-ST requires a change of policy on behalf of SGX-ST, which is still under review at the Singapore Stock Exchange. The rules regarding recognised exchanges were put in place some years ago and in the 11 years since it was set up, AIM has grown into a significant market for global companies and corporate governance standards are considered to be very high. The Directors believe that the AIM market is now considered by the global investment community to be a more suitable platform for the trading of the shares of a company of the small size and relatively early stage of development of GeneMedix.

If the Singapore Stock Exchange does not accept AIM as a primary listing and the Company is obliged to de-list in Singapore, the Company will make an alternative arrangement available for its Singapore Shareholders to be able to trade their shares within Singapore.

Change of Control and the City Code

The terms of the Proposal give rise to certain considerations under the City Code. Under Rule 9 of the City Code any person, or group of persons acting in concert, which acquires an interest in shares which, when taken together with an interest in shares already held by him or an interest in shares held or acquired by persons acting in concert with him, carry 30 per cent or more of the voting rights of a company which is subject to the City Code, that person is normally obliged to make a general offer in cash to all shareholders at the highest price paid by him, or any person acting in concert with him, within the preceding 12 months.

Rule 9 also provides, inter alia, that, where any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent but does not hold shares carrying more than 50 per cent of the voting rights of a company which is subject to the City Code, and such person, or any other person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in such company in which he is interested, that person is normally obliged to make a general offer to all shareholders at the highest price paid by him, or any person acting in concert with him, within the preceding 12 months.

Implementation of the Proposal would ordinarily have resulted in an obligation on RLS to make a general offer to Shareholders pursuant to Rule 9. However, RLS has made the waiver of this obligation a condition of the Proposal. In compliance with dispensation provisions in the City Code, an application was made to the Panel for a waiver of this Rule. The Panel will normally waive the requirement for a general offer to be made in accordance with Rule 9 if the Shareholders of the Company, excluding any person connected in any way with RLS or any associated company, pass an ordinary resolution on a poll (a "Whitewash Resolution") approving the waiver. However, the Panel has an additional power to waive the requirement for a Whitewash Resolution to be

passed provided that Independent Shareholders holding more than 50 per cent of the Company's shares capable of being voted on such a resolution confirm:

1. that they are Independent Shareholders;

2. that they would vote in favour of a Whitewash Resolution were one to be put to the Independent Shareholders (excluding any person connected in any way with RLS or any associated company) at an EGM;

3. that they are in favour of the Panel granting a waiver:

   (i) from the obligation that would otherwise arise under Rule 9 of the City Code on RLS to make a general offer to the Shareholders; and

   (ii) from the requirement that a Whitewash Resolution be put to the Shareholders; and

4. that they consider themselves to be sophisticated in relation to equity investments such as those pursuant to the Proposal, meaning that they regard themselves as sufficiently knowledgeable to understand the associated risks and the implications of giving the confirmations (including waiving the City Code rights that they are entitled to, including the right to receive independent financial advice) and that the Independent Shareholders have had the opportunity to take independent financial advice before signing the letter containing these confirmations.

Details of the Independent Shareholders holding more than 50 per cent of the Company's Ordinary Shares who have confirmed the same in writing to the Company on 7 December 2006 will be set out in the Circular

The Panel has therefore agreed to waive the requirement for RLS to make a general offer to the Shareholders under Rule 9 and to waive the requirement for the Shareholders to pass a Whitewash Resolution at the EGM. The waiver is in respect of the issue of New Ordinary Shares and the acquisition and exercise of the Warrant to acquire additional Ordinary Shares.

Pursuant to the Proposal, RLS would acquire more than 50 per cent of the voting rights of the Company. Shareholders should note that RLS would then be able to make further acquisitions of Ordinary Shares (either by exercise of the Warrant or otherwise), without incurring any obligation under Rule 9 to make a general offer to Shareholders for the remaining Ordinary Shares in the Company.

Serious loss of capital

The Board at GeneMedix has been aware for some months that the years of accumulated losses of the Company, and the series of debt instruments that have been put in place, have led to the net assets of the Company being valued at less than half of its called-up share capital. Under the provisions of section 142 of the Companies Act, the Directors have a duty to call an extraordinary general meeting within 28 days of any of the Directors being aware of this situation in order to explain the steps it will take to deal with it. Upon becoming aware of the situation, the Directors of the Company addressed the Independent Shareholders to inform them of its duties to convene an extraordinary general meeting of the Company. It was explained to them that the Company was addressing its funding situation through discussions with a major company and that it was the Company's intention to hold an extraordinary general meeting at an appropriate time of its negotiations or immediately upon those negotiations ceasing. It was the unanimous view of the Independent Shareholders that we should defer convening the extraordinary general meeting until we had reached a sufficient stage of the current negotiations that we would be able to give the Shareholders a clear view of the future direction of the Company. This was clearly set out in our press releases and was further discussed at the Company's Annual General Meeting on 28 September 2006.

It was also made clear that a major contributory factor to the serious loss of capital is a convertible loan note issued to SkyePharma which is carried in the books at a value of £3.9 million, inclusive of rolled up interest, but which the Company has an option to redeem in cash for £1.2 million. Current accounting standards do not allow the Company to restate this loan at its redemption value. This has led to an historic understatement of the Company's net assets, and, if the redemption value of this instrument had been recorded in the books, the Company would not have infringed the provisions of section 142 of the Companies Act until three months before the date of this announcement.

The Directors therefore believe that holding this EGM will fulfil their obligations under section 142 of the Companies Act, since the EGM gives Shareholders the opportunity to consider the substance of the Proposal, which will reverse the loss of capital once implemented. Implementation is subject to the approval of Shareholders.

Current trading and prospects

On 25 August 2006 GeneMedix announced its preliminary results for the 6 month period ended 31 May 2006 and reported a loss on ordinary activities before taxation of £2.8 million on no turnover (compared with a loss of £2.8 million for the corresponding period ended 31 May 2005).

The audited report and accounts of the Company for the 12 months ended 30 November 2005 were posted to Shareholders on 29 August 2006.

On 28 November 2006, in a restructuring and trading update the Company announced that in the three months to 31 August 2006, it has continued to progress the clinical development of its lead compound and that expenditure for the period was in line with management's expectations. The Company also announced that some of its liabilities have been reduced by the restatement of some of the Company's debt to redeemable value and the repayment of some debt.

Since that date expenditure has continued to be in line with management's expectations and the Directors believe that the prospects for the Group will be enhanced by the completion of the Proposal.

General

The distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The information contained herein is not for publication or distribution in or into the United States of America, Canada, Australia or Japan. These materials are not an offer of securities for sale in the United States of America, Canada, Australia or Japan. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act"), as amended, and may not be offered or sold in the United States absent registration under the Securities act or any available exemption from registration. No public offering of the securities referred to herein will be made in the United States.

Certain statements contained in this announcement constitute "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "prepares", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. Investors should specifically consider the factors identified in this announcement that could cause actual results to differ before making an investment decision. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of GeneMedix or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding GeneMedix's present and future business strategies and the environment in which GeneMedix will operate in the future. These forward-looking statements speak only as at the date of this announcement. Except as required by the Listing Rules, the Prospectus Rules, the Disclosure Rules, the London Stock Exchange or applicable law, the Company expressly disclaims any obligations of undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Enquiries:

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Appendix: Definitions

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

''Admission''	the admission of the Existing Ordinary Shares and New Ordinary Shares to trading on AIM, noting that contemporaneously with admission, these shares will be consolidated into Issued Consolidated Ordinary Shares
"AIM"	the Alternative Investment market, a market operated by the London Stock Exchange
"AIM Rules"	the rules of AIM as set out in the publication entitled "AIM Rules for Companies" published by London Stock Exchange from time to time
''Articles''	the articles of association of the Company
"Biosimilar(s)"	generic biopharmaceutical(s)
''Board'' or ''Directors''	the directors of the Company
"Bridge Loan"	a bridge loan of £1.5 million made available by RLS to the Company on 28 July 2006, as amended and restated on 4 December 2006 in the aggregate amount of £3 million
"CDP"	the Central Depository (Pte) Ltd in Singapore
''City Code''	the City Code on Takeovers and Mergers
''Combined Code''	the Principles of Good Governance and Code of Best Practice appended to the Listing Rules
"Companies Act" or the "Act"	the Companies Act 1985 (as amended)
"Completion"	completion of the Proposal
"Consolidated Ordinary Shares"	Issued Consolidated Ordinary Shares and Unissued Consolidated Ordinary Shares of 10p each
"Consolidation"	the consolidation of every ten Ordinary Shares of 1p each into Ordinary Shares of 10p each
"Control"	a holding, or aggregate holdings, of shares carrying 30% or more of the voting rights of a company, irrespective of whether the holding or holdings gives de facto control as defined by the City Code
''Conversion Shares''	the 38,623,428 additional Ordinary Shares issued pursuant to the conversion of the convertible loan notes
''CREST''	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo Limited is the Operator (as defined in the CREST Regulations)
''CREST Regulations''	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
''Enlarged Share Capital''	the issued ordinary share capital of the Company on Admission as enlarged by the issue of the New Ordinary Shares (assuming no exercise of the Warrant and no exercise of options granted pursuant to the Existing Share Option Plans)
"EPO"	erythropoietin, a glycoprotein hormone
''ESOP and Warrants''	the GeneMedix Plc unapproved Employee Share Option Plan
"EU"	European Union
"Existing Optionholders"	holders of options to acquire Existing Ordinary Shares through the Existing Share Option Plan
''Existing Ordinary Shares''	the 371,573,405 Ordinary Shares in issue at the date of this announcement
"Existing Share Capital"	the issued ordinary share capital of the Company as at the date of this announcement
''Extraordinary General Meeting'' or ''EGM''	the Company's extraordinary general meeting notice of which will be contained in the Circular.
"Existing Share Option Plans"	share option plans offered to individual employees of GeneMedix under the Company's unapproved share option scheme
''Form of Proxy''	the form of proxy accompanying the Circular for use by Shareholders in connection with the EGM
''FSA''	the Financial Services Authority
"FSMA"	the Financial Services and Markets Act 2000, as amended
"G-CSF"	Granulocyte Colony Stimulating Factor, a glycoprotein
''GeneMedix'' or ''the Company''	GeneMedix Plc
''GeneMedix Limited''	GeneMedix Limited, a wholly-owned subsidiary of the Company regulated by the FSA and registered in England and Wales with number 1742592

''Group''	GeneMedix and each of its subsidiary and branch undertakings (as defined in the Act) at the date of this announcement
"Independent Shareholders"	certain Shareholders who are independent of RLS, Reliance Group or any affiliate of either who together hold more than 50 per cent of the voting rights of the Company
"Initial Investment"	the investment by RLS, under the Proposal by way of the subscription for the Subscription Shares
"Issued Consolidated Ordinary Shares"	ordinary shares currently in issue, resulting from the consolidation of 10 Ordinary Shares into 1 ordinary share in the capital of the Company of 10p each
"Listing Rules"	the listing rules made by the FSA for the purposes of Part 6 of the FSMA
''London Stock Exchange''	London Stock Exchange Plc
''New Ordinary Shares''	the Subscription Shares and the Conversion Shares
"Notice"	the notice convening the EGM at which the Resolutions will be proposed
''Official List''	the Official List of the UK Listing Authority
''Ordinary Shares''	ordinary shares of 1p each in the capital of the Company
''Panel''	the Panel on Takeovers and Mergers
"Proposal"	the proposed strategic alliance with RLS, the increase of the Company's share capital by the issue of New Ordinary Shares, and the issue of a Warrant.
"Prospectus Rules"	the prospectus rules made by the FSA pursuant to Commission Regulation (EC) No. 809/2004
"Reliance Life Sciences" or "RLS"	a private limited company incorporated in accordance with the laws of India, with its registered offices at Chirakoot, Second Floor, Ganpatrao Kadam Marg, Worli, Mumbai 400 013, India
''Resolutions''	the resolutions tabled for vote at the forthcoming EGM
"SGB"	Shanghai GeneMedix Biotechnology Co. Ltd of No. 68 Juli Road Shanghai Pudong Zhangjiang Hi-Tech Park, PRC
"SGX-ST"	the main board of the Singapore Stock Exchange
''Shareholders''	holders of Ordinary Shares
"SkyePharma"	SkyePharma Inc. of 10450 Science Center Drive, San Diego, California 92121, USA
"Springhill BioVentures"	Spring Hill BioVentures Sdn. Bnd. of Foxburrow Hill Road, Bramley, Guildford, Surrey GU5 0ZR
"Subscription Shares"	the 1,168,254,570 new Ordinary Shares to be issued to RLS
"Subscription Agreement"	the subscription agreement between RLS and the Company
"Unissued Consolidated Ordinary Shares"	ordinary shares not yet in issue, resulting from the consolidation of 10 Ordinary Shares into 1 ordinary share in the capital of the Company of 10p each
''UK Listing Authority'' or "UKLA"	the FSA acting in its capacity as the competent authority for the purposes of Part V of FSMA
''UK''	the United Kingdom of Great Britain and Northern Ireland
"US"	United States of America
"USD"	US Dollars
"Warrant Instrument"	the warrant instrument between RLS and the Company
''Warrant''	a warrant to subscribe for 1,403,742,972 Ordinary Shares (or after Consolidation the equivalent number of Consolidated Ordinary Shares) granted by the Company to RLS pursuant to the Warrant Instrument
"Whitewash Resolution"	the ordinary resolution that would normally have been required by the Panel to be passed by Shareholders at the EGM for the waiver of the obligation upon RLS to make a general offer to Shareholders