

# ReNeuron announces fundraising. 22/02/10

Guildford, UK, 22 February 2010: ReNeuron Group plc (LSE: RENE.L) today announces that it has raised approximately £4.7 million, before expenses, from existing and new institutional and qualifying individual shareholders via a placing (the “Placing”) of 94,400,000 new ordinary shares of 1 pence each (“Ordinary Shares”) credited as fully paid up, at a price of 5 pence per Ordinary Share (the “Placing Shares”).

The Placing is conditional, inter alia, on shareholder approval through the passing of certain resolutions. A circular convening a General Meeting on 12 March 2010 (the “General Meeting”) will be posted to shareholders. At the General Meeting, shareholder approval will be sought, inter alia, for the allotment and issue of the Placing Shares as part of the Placing.

To enable certain places to take advantage of Venture Capital Trust and Enterprise Investment Scheme tax treatment, it is proposed that the Placing shall comprise two closings. The first closing for 16,800,000 of the Placing Shares is expected to occur on 18 March 2010 and the second closing for 77,600,000 of the Placing Shares is expected to occur on 19 March 2010.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that admission will become effective and dealings will commence at 8.00 am on 18 March 2010 (for the Placing Shares the subject of the first closing) and 8.00 am on 19 March 2010 (for the Placing Shares the subject of the second closing).

The net proceeds of the Placing will, in the opinion of the Directors, provide the Company with sufficient working capital to satisfy its requirements for at least the next 12 months. The net proceeds of the Placing will be directed towards the Phase I trial of the Company’s ReN001 stem cell therapy for disabled stroke patients; late pre-clinical testing of the Company’s ReN009 therapy for peripheral arterial disease and optimisation and scale-up of the Company’s second-generation CTX stem cell line, in addition to providing finance for the Company’s other therapeutic programmes and for general working capital purposes.

Details of the Placing

The Placing is being conducted on behalf of the Company by Daniel Stewart & Company plc and Matrix Corporate Capital LLP (“Matrix”) (together the “Placing Agents”) pursuant to the terms of a placing agreement (the “Placing Agreement”). Pursuant to the Placing Agreement, the Placing Agents have procured subscribers for 94,400,000 Ordinary Shares, in aggregate, at a price of 5 pence per Ordinary Share.

The Placing Agreement contains warranties in favour of the Placing Agents given by the Company with respect to its business and certain matters connected with the Placing. In addition, the Company has given customary indemnities to the Placing Agents in connection with the Placing and their performance of services in relation to the Placing. The Placing Agents have certain rights to terminate the Placing Agreement in specified circumstances, save that the Placing Agreement may not be terminated by the Placing Agents following the first closing.

Subject to the successful completion of the Placing, the Company and Matrix have agreed that the Company will suspend the existing Flexible Use Small Capital Increase Agreement (“FUSCIA”) until the earlier of: (i) receipt of notification by the Company from Matrix that a drawdown under the FUSCIA may be undertaken; and (ii) 18 August 2010.

#### Details of the General Meeting

The General Meeting will be held at the offices of Morrison & Foerster, 7th Floor, CityPoint, One Ropemaker Street, London EC2Y 9AW, at 10.00 a.m. on 12 March 2010. A form of proxy for use at the General Meeting will be enclosed with the circular sent to shareholders. The form of proxy should be completed and returned to the Company’s registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 10.00 a.m. on 10 March 2009. Completion and return of a form of proxy will not preclude shareholders from attending and voting in person at the General Meeting should they so wish.

The authorities to be sought at the General Meeting are additional to the existing authorities conferred on the Directors at the Company’s Annual General Meeting held on 17 September 2009.

The Directors consider the Placing to be in the best interests of the Company and its shareholders as a whole and accordingly unanimously recommend that shareholders vote in favour of the resolutions to be proposed at the General Meeting.

#### Enquiries

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#### About ReNeuron

ReNeuron is a leading, UK-based stem cell company. Its primary objective is the development of stem cell therapies targeting areas of significant unmet or poorly met medical need.

ReNeuron has regulatory approval for a Phase I clinical trial in the UK with its lead ReN001 stem cell therapy for disabled stroke patients. Patient recruitment for this trial will commence shortly. The Company is also developing stem cell therapies for a number of other conditions, including peripheral arterial disease and diseases of the retina.

ReNeuron has also developed a range of stem cell lines for non-therapeutic applications – its ReNcell® products for use in academic and commercial research. The Company's ReNcell®CX and ReNcell®VM neural cell lines are marketed worldwide under license by USA-based Millipore Corporation.

ReNeuron's shares are traded on the London AIM market under the symbol RENE.L. Further information on ReNeuron and its products can be found at [www.reneuron.com](http://www.reneuron.com).

The distribution of this announcement into jurisdictions other than the United Kingdom may be restricted by law and, therefore, persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. In particular, such documents should not be distributed, forwarded or transmitted in or into the United States, Canada, Australia, The Republic of Ireland or Japan or into any other jurisdiction where to do so would or might constitute a violation of local applicable laws or regulations.

This announcement is for information purposes only and does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in any jurisdiction and should not be relied upon in connection with any decision to subscribe for or acquire any of the Ordinary Shares. In particular, this announcement does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States.

The Ordinary Shares have not been and will not be registered under the US Securities Act 1933 (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from, or in a transaction subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

There will be no public offer of the Ordinary Shares in the United States. The Ordinary Shares are being offered and sold only outside the United States in offshore transactions in accordance with Regulation S under the Securities Act. The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of the this announcement. Any representation to the contrary is a criminal offence in the United States.

This announcement contains forward-looking statements with respect to the financial condition, results of operations and business achievements/performance of ReNeuron and certain of the plans and objectives of management of ReNeuron with respect thereto. These statements may generally, but not always, be identified by the use of words such as "should", "expects", "estimates", "believes" or similar expressions. This announcement also contains forward-looking statements attributed to certain third parties relating to their estimates regarding the growth of markets and demand for products. By their nature, forward-looking statements involve risk and uncertainty because they reflect ReNeuron's current expectations and assumptions as to future events and circumstances that may not prove accurate. A

number of factors could cause ReNeuron's 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.

The Placing Agents are each authorised and regulated by the Financial Services Authority, and are each acting for the Company and for no-one else in connection with the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to their respective customers or for affording advice in relation to the matters referred to herein. This announcement has been issued by, and is the sole responsibility of, the Company. Neither of the Placing Agents accepts any liability whatsoever for the accuracy or opinions contained in this announcement (or for the omission of any material information) and neither of the Placing Agents shall be responsible for the contents of this announcement.

This announcement and the information contained in it is not for release, publication or distribution, directly or indirectly, in whole or in part, in, into or within the United States, Canada, Australia, the Republic of South Africa or Japan and should not be distributed in, forwarded to or transmitted into any jurisdiction where to do so would or might constitute a violation of local applicable laws or regulations.