



Medgenics, Inc.
(“Medgenics” or the “Company”)

**MEDGENICS CONSOLIDATES CORPORATE AND R&D
OPERATIONS INTO NEW OFFICE FACILITY**

Misgav, Israel and London, UK – 18 March 2008 – Medgenics (AIM: MEDG), the US-incorporated biopharmaceutical company developing the ‘biopump’ sustained-action protein therapy for the treatment of chronic diseases, has completed its move to a new facility on the Teradion Business Park in Misgav, Israel. The new facility brings together Medgenics’ corporate operations with larger R&D laboratories on one site.

At the same time, the Company has more than doubled its scientific and engineering staff from four at Admission to ten now, in accordance with its plan and preparation for the Phase I/II clinical trial for EPODURE: its lead product in development to deliver a sustained therapeutic dose of erythropoietin (EPO) for the long-term treatment of anaemia. Subject to regulatory approval, EPODURE is on schedule to begin Phase I/II clinical trials in mid 2008 and preliminary data are anticipated from these trials within 3–5 months of trial commencement.

Dr. Andrew Pearlman, Medgenics’ CEO, said:

“Medgenics is really gearing up for the start of our Phase I/II clinical trial with EPODURE as a potential new therapy for anaemia, which is due to begin mid year. The new additions to the development team for EPODURE are in keeping with our plan and schedule as we advance toward this important trial. The move brings the whole Company together under one roof for the first time, which will be important in enhancing communication between the various departments as we move forward into this exciting period for the Company.”

Medgenics’ new mailing address is:
Teradion Business Park
PO Box 14
Misgav, 20179, ISRAEL
Tel: +972-4-902-8900
Fax: +972-4-999-0114

#####

For further information, contact:

Medgenics, Inc. Dr. Andrew L. Pearlman	Phone: +972 4 902 8900
Citigate Dewe Rogerson Dr. Mark Swallow Jonathan Shillington (Global Consulting Group)	Phone: +44 207 638 9571
Blomfield Corporate Finance Limited James Pinner Alan MacKenzie	Phone: +44 207 512 0191

NOTES TO EDITORS:

About Medgenics

Medgenics, Inc. is a biopharmaceutical company developing its unique tissue-based Biopump platform technology to provide sustained-action protein therapy for the treatment of a range of chronic diseases.

Medgenics currently has two products in development based on this technology:

- EPODURE – producing erythropoietin (EPO) to treat anaemia
- INFRADURE – producing interferon-alpha (IFN- α) to treat hepatitis C

The Company has demonstrated proof of principle of the Biopump treatment procedure in a clinical trial using a short-acting version of EPODURE in anaemic patients. A long-acting version of EPODURE, designed to produce and deliver a therapeutic dose of EPO steadily for six months or more, is scheduled to enter Phase I/II trials in mid-2008. The Company plans to follow with clinical trials of INFRADURE in 2009.

Medgenics intends to develop its innovative products and bring them to market via multiple strategic partnerships with major pharmaceutical and/or medical device companies, starting with EPODURE and INFRADURE.

Beyond these, Medgenics plans to develop and/or out-license a pipeline of future Biopump products targeting the large and rapidly growing global protein therapy market, which is forecast to reach US \$87 billion by 2010. Other potential areas include multiple sclerosis (interferon- β), haemophilia (Factor XIII), paediatric growth hormone deficiency (human growth hormone) and diabetes (insulin).

Founded in 2000, Medgenics is a US-incorporated company with major operations in Misgav, Israel. Medgenics was admitted to AIM in December 2007 (AIM: MEDG).

www.medgenics.com

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This release contains forward-looking statements, which include all statements other than statements of historical fact, including (without limitation) those regarding the Company's financial position, business strategy, plans and objectives of management for future operations. These statements relate to future events, prospects, developments and strategies. Forward-looking statements are sometimes identified by their use of the terms and phrases such as "estimate," "project," "intend," "forecast," "anticipate," "plan," "planning," "expect," "believe," "will," "will likely," "should," "could," "would," "may" or the negative of such terms and other comparable terminology. All such forward-looking statements are based on current expectations and are subject to risks and uncertainties. Should any of these risks or uncertainties materialize, or should any of the Company's assumptions prove incorrect, actual results may differ materially from those included within these forward-looking statements. Accordingly, no undue reliance should be placed on these forward-looking statements, which speak only as of the date made. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. As a result of these factors, the events described in the forward-looking statements contained in this release may not occur.