



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

**RESEARCH UPDATE**

**Medgenics on target to start Phase I/II clinical trials with EPODURE protein therapy for anaemia mid-2008 as planned**

Misgav, Israel and London, UK – 14 April 2008 – Medgenics (AIM: MEDG), the US-incorporated biopharmaceutical company, is pleased to provide an update on progress towards the start of its Phase I/II clinical trials with EPODURE, its lead sustained-action protein therapy for producing and delivering erythropoietin (EPO) to treat anaemia.

The Company continues to make excellent progress with its preparations to commence Phase I/II trials of EPODURE and remains confident it will begin these trials by mid-2008 as planned. In addition, Medgenics expects to obtain the key initial safety and proof of efficacy data for EPODURE within 3–5 months after the trial commences.

Medgenics submitted its application for approval of the Phase I/II trials of its EPODURE protein therapy to the Israel Ministry of Health (MoH) in February 2008. The application is currently in active review by MoH and Medgenics anticipates that approval will be obtained in good time to enable the trials to commence mid-year. EPODURE is Medgenics’ lead product in development, designed to provide a sustained-action protein therapy for producing and delivering EPO continuously for a period of 4–6 months or longer to treat anaemia in patients with chronic kidney disease.

The Phase I/II clinical trials are designed to generate key initial safety and proof of efficacy data for EPODURE, and are planned to take place at the Hadassah Hospital in Jerusalem, Israel. In September 2007, Medgenics received initial approval of its trial protocol from the Ethics Committee of Hadassah Hospital, conditional upon final approval from MoH.

Medgenics’ application for approval of the trials parallels the Company’s achievement of several important milestones in recent months, which are crucial to allow the trial to begin:

1. The successful manufacture of the key “gutless” adenoviral vector in a GMP (“Good Manufacturing Practice”) vector production facility. This vector, now in the last phases of external testing, has passed the Company’s internal tests, in which it was used to prepare EPODURE biopumps from human dermis “micro-organs” to produce sufficient daily amounts of EPO to meet the Company’s requirements for use in the trial.
2. Completion of the design, fabrication and evaluation of the key proprietary devices it will use for harvesting patient micro-organs and implanting biopumps, including EPODURE, back into patients.
3. The recruitment of key additional scientific and engineering personnel, increasing the staff complement from four at Admission to ten now, in accordance with its plan and preparations for the Phase I/II clinical trial for EPODURE.
4. The relocation of the Group’s operations to a new facility on the Teradion Business Park in Misgav, thereby bringing all operations under one roof.

Dr. Andrew Pearlman, Medgenics' CEO, said:

“Since Admission to AIM in December 2007, preparations for the Phase I/II clinical trials of our EPODURE biopump technology for treating anaemia have gone very well. The successful results we hope and believe we will achieve in these trials will be a transforming event for Medgenics and we are confident that, subject to timely approval by the Israel Ministry of Health, they will start as planned in the middle of the year.”

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**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- $\alpha$ ) 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- $\beta$ ), 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](http://www.medgenics.com)

**CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS**

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