



Medgenics, Inc.
(**'Medgenics' or the 'Company'**)

**MEDGENICS GRANTED APPROVAL TO COMMENCE ITS LANDMARK PHASE I/II
CLINICAL STUDY OF EPODURE TO TREAT ANAEMIA**

Misgav, Israel and London, UK – 30 July, 2008 — Medgenics (AIM: MEDG) announces that it has received approval from Israel’s Ministry of Health (MOH) to commence its landmark Phase I/II safety and efficacy trial of its EPODURE Biopump for providing sustained treatment of anaemia in patients with chronic kidney disease. Patient recruitment has now commenced for the trial, with the first patients expected to receive their Biopumps within six weeks.

The trial is taking place at the Hadassah University Medical Center in Jerusalem, Israel and will aim to treat up to 30 patients.

This study aims to assess the safety and efficacy of EPODURE at increasing, controlled dose ranges, in providing sustained, elevated levels of the deficient protein erythropoietin (EPO) and, thereby, in elevating the red blood cell count and hemoglobin levels for up to 4–6 months in those patients receiving appropriate doses. The first patients are scheduled to receive the lowest dose range of up to 20 Units of EPO per kilogram per day. Once an interim review has confirmed initial safety in at least 6 patients, higher doses of 40 and 60 Units are planned.

Commenting on the approval Dr. Andrew Pearlman, Chief Executive Officer of Medgenics, said:

“This is clearly the most important milestone for Medgenics since its admission to AIM, as our primary focus this past year has been to prepare for this key clinical trial. This study aims to demonstrate not only the basic safety and efficacy of EPODURE for treating anaemic patients but, more broadly, to prove the concept of our Biopump platform technology as an innovative approach for treating chronic diseases. We are very pleased to have received this important approval from the MOH and look forward to recruiting the first patients and to reporting initial results within 3–5 months after they receive their own EPODURE implants. This key approval moves Medgenics closer to proving the proprietary platform technology to enable patients to produce their own natural human protein therapy for treatment of a range of chronic diseases, and should strengthen Medgenics’ position for strategic partnering.”

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NOTES TO EDITORS:

Medgenics, Inc. is a clinical-stage 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, entered a Phase I/II trial in mid-2008. The Company plans to follow with a clinical trial 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.