

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

16 February 2009

The Board of Medgenics announces that it was informed by Joel Kanter (a director of the Company) on 13 February 2009 that, on that same day, warrants held by certain affiliates in which he is interested had been exercised pursuant to the extension of the warrant repricing programme announced on 5 February 2009. Mr. Kanter's relevant affiliates are:

1. the Kanter Family Foundation, a not-for-profit corporation of which Mr. Kanter is the President and a Director. This affiliate has exercised warrants at the reduced exercise price of US \$0.0375 each entitling it to 857,007 common shares of par value of US \$0.0001 each ("Common Shares") and 96,413 warrants to subscribe for and purchase further Common Shares. The warrants ("Bonus Warrants") are exercisable at a price of US \$0.25 per Common Share from 13 February 2009 and expire on 13 February 2012.
2. Chicago Private Investments, Inc, a corporation indirectly owned by the Kanter Trusts (see note (iii) below). This affiliate has exercised warrants at their original exercise price of US \$0.000005 entitling it to 197,914 Common Shares and 3 Bonus Warrants.

The aggregate cash amount received by the Company in respect of these warrant exercises was US \$32,139.

These new Common Shares are deemed to be restricted shares under the US securities laws and will be admitted to AIM pursuant to the block listing which was applied for on 4 December 2007 and will trade under the TIDM (ticker) MEDG. The Company announces that, as at the date of this announcement, it has 118,420,694 Common Shares in issue. The percentage of Common Shares in issue that are not in public hands is 30.0%.

Following the above warrant exercises, Joel Kanter is interested in 14,053,487\* Common Shares representing approximately 11.9% of the Company's issued share capital.

Notes:

- \* Included in the interests of Joel Kanter are his interests in:
- (i) 1,806,233 Common Shares held by the Kanter Family Foundation, an Illinois not-for-profit corporation of which Mr. Kanter is the President and is a Director;
  - (ii) 7,605,985 Common Shares held by CIBC Trust Company (Bahamas) Limited ("CIBC"). CIBC is the trustee of Settlement T-555 (the "CIBC Trust"). The CIBC Trust was established for the benefit of various descendants of (i) Helen and Henry Krakow, and (ii) Beatrice and Morris Kanter. Mr. Kanter is a discretionary beneficiary of the CIBC Trust. Sole voting and investment control of the Common Shares owned by the CIBC Trust is vested in CIBC as trustee of the CIBC Trust;

- (iii) 4,400,807 Common Shares held by Chicago Investments, Inc. ("CII"). CII is a majority-owned subsidiary of Chicago Holdings, Inc. ("CHI"). CHI is majority owned by various trusts (together the "Kanter Trusts") established for the benefit of various descendants of (i) Helen and Henry Krakow, and (ii) Beatrice and Morris Kanter. Joel Kanter is a discretionary beneficiary of some, but not all, of the Kanter Trusts. Sole voting and investment control of the Common Shares owned by CII is vested in Mr. Kanter's brother, Joshua Kanter, as President of CII; and
- (iv) 240,462 Common Shares held by Chicago Private Investments, Inc ("CPI"). CPI is a wholly owned subsidiary of The Holding Company ("THC"). THC is owned by Kanter Trusts. Sole voting and investment control of the shares of the Company owned by CPI is vested in Mr. Kanter's brother, Joshua Kanter, as President of CPI.

For the purposes of applicable US Securities Laws and regulations, Mr. Kanter disclaims all beneficial and pecuniary interest to the Common Shares held by CII and CPI and the CIBC Trust. Such disclaimer does not affect Mr. Kanter's status as a discretionary beneficiary under the Kanter Trusts or the CIBC Trust.

Following the exercise of these warrants, Joel Kanter is interested in the following number of warrants:

Warrant Name	Number	Issue date	Expiry date	Exercise price US \$
W	3,059,192	31/03/06	31/03/11	0.071
W	1,069,575	23/10/06	23/10/11	0.117
RS	14,080,734	31/03/06	31/03/11	0.023634
Bonus	450,000	30/01/09	30/01/12	0.25
Bonus	96,416	13/02/09	13/02/12	0.25
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Total	18,755,917			

The total warrants outstanding in the Company as of the date of this announcement are as follows:

Warrant Type	Date of Issue	No. of Common Shares	Exercise Price per Common Share	Expiry Date
RS	31.03.06	15,680,818	US \$0.0005	31.03.11
RS	31.03.06	36,481,902	US \$0.071	31.03.11
RW	31.03.06	1,388,821	US \$0.000005	31.03.11
RW	22.10.08	22,588	US \$0.000005	31.03.11
X	31.03.06	4,278,298	US \$0.071	24.03.10
X	31.03.06	533,183	US \$0.071	31.03.11
W	31.03.06	21,397,303	US \$0.071	31.03.11
W	10.04.06	1,026,792	US \$0.071	10.04.11
W	14.06.06	1,069,575	US \$0.071	14.06.11
W	23.10.06	19,036,479	US \$0.117	23.10.11
W	9.02.07	705,919	US \$0.071	31.03.11
W	13.03.07	705,919	US \$0.071	31.03.11
W	13.03.06	2,117,758	US \$0.071	21.06.11
W	13.03.07	1,336,968	US \$0.117	23.10.11
W	31.05.07	1,329,310	US \$0.164	31.05.12
W	13.08.07	402,246	US \$0.164	13.08.12

W	17.08.07	64,174	US \$0.164	17.08.12
W	4.12.07	252,334	US \$0.164	13.08.12
W	4.12.07	1,259,810	US \$0.164	4.12.12
W	4.12.07	2,997,420	US \$0.194	4.12.12
W	4.12.07	570,992	10p	4.12.12
W	19.10.08	305,598	US \$0.164	17.08.12
Platinum	13.08.07	1,909,618	US \$0.164	31.08.12
Platinum	4.12.07	1,604,362	US \$0.164	4.12.12
Platinum	4.12.07	23,183	10p	4.12.12
Platinum	1.12.08	2,353,064	US \$0.194	4.12.13
Bonus	30.1.09	1,196,728	US \$0.25	30.1.12
Bonus	13.2.09	96,416	US \$0.25	13.2.12
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Total		120,147,578		

The Company also confirms that the warrant repricing programme as announced on 17 December 2008 and as extended to 13 February 2009 (as announced on 5 February 2009) is now complete and no further extensions to the warrant repricing programme will be granted. The exercise price of any warrants that were not exercised prior to 13 February 2009 have all reverted to their original price as stated in this announcement.

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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-a) to treat hepatitis C

The Company has demonstrated proof of concept of the Biopump treatment procedure in a clinical trial of EPODURE in anaemic subjects. The Company's Phase I/II clinical trial for its long-acting version of EPODURE, designed to produce and deliver a therapeutic dose of EPO steadily for six months or more commenced in August 2008. Medgenics 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-B), haemophilia (Factor VIII), 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 the London AIM in December 2007 (AIM:MEDG and AIM:MEDU).

[www.medgenics.com](http://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.*

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