
Company MEDGENICS INC.
TIDM MEDG
Headline Non payment of warrant exercise
Released 11:30 01-Apr-2009
Number BIT:2313:0

Medgenics, Inc.

('Medgenics' or the 'Company')

1 April 2009

Further to the announcement made by the Company on 16 February 2009 regarding the exercise of warrants for common shares of par value US \$0.0001 each ('Common Shares') under the warrant repricing programme announced on 5 February 2009, the Company announces that a payment of US \$25,000 in respect of the exercise of warrants for 666,667 Common Shares has not been received and that, accordingly, the Common Shares issued in respect of this warrant exercise are in the process of being cancelled. The Company understands that this failure to make due payment was initially as a result of a bank error which, once resolved, was followed by an inability of the investor to satisfy the consideration for the exercise.

For further information, contact:

Medgenics, Inc. Dr. Andrew L. Pearlman	+972 4 902 8900
Blomfield Corporate Finance (Nominated adviser) James Pinner or Alan MacKenzie	+44 207 489 4500
SVS Securities plc (Broker) Ian Callaway	+44 207 638 5600
Grayling Global Jonathan Shillington or Alistair Scott	+44 207 255 5406

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 anemia
- * INFRADURE - producing interferon-alpha (IFN-a) to treat Hepatitis-C

The Company's ongoing Phase I/II clinical trial for EPODURE in anemic patients

continues to demonstrate proof of concept of the Biopump. Designed to produce and deliver a therapeutic dose of EPO steadily for up to six months or more, EPODURE Biopumps are already maintaining effective anemia treatment for more than 5 months in earliest patients in the ongoing study, even with low dose administered.

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.

Medgenics plans to raise the requisite funds during 2009 to enable it to follow the current trial of EPODURE with a Phase IIb clinical trial in the US starting in 2010, and in addition, to commence a Phase I/II trial of INFRADURE in Hepatitis-C patients in Israel also during 2010.

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-a), hemophilia (Factor VIII), pediatric 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

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.