



MEDGENICS ANNOUNCES CHAIRMAN OF THE BOARD TO TAKE ACTIVE EXECUTIVE ROLE TO HELP INCREASE US ACTIVITIES

Misgav, Israel and London, UK – 19 October 2010 - Medgenics, Inc. (AIM: MEDG, MEDU), the company that has developed a novel technology for the manufacture and delivery of therapeutic proteins continuously in patients using their own tissue, is delighted to announce that, as of 18 October 2010, Dr. Eugene Bauer has assumed the role of Executive Chairman of the Board of Directors and has committed to take a more active role in the strategy and direction, as well as day-to-day management, of the Company. He was previously non-executive Chairman.

The Company anticipates increasing its U.S. presence and building its corporate infrastructure as it continues to seek to advance its platform technology for the manufacture and delivery of therapeutic proteins using Biopumps. The Board is, therefore, delighted that Dr. Bauer will now take an active role in the executive management of the Company. As Executive Chairman, he will work closely with the Dr. Andrew Pearlman, CEO, on all aspects of the Company's activities and, in particular, on financial issues and investor relations, business development and partnering, team building and clinical and regulatory activities.

Dr. Andrew Pearlman, CEO of Medgenics, said: "I am delighted that Dr. Bauer has agreed to widen his role in the Company. This is the first step in building a significant presence in the U.S. In coming months, we anticipate hiring additional senior executives to join Dr. Bauer in our growing U.S. office. Dr. Bauer's vast clinical experience as Dean of the Stanford University School of Medicine and the Vice President for Medical Affairs of Stanford University, as well as his successful experience in the corporate world, complement the work of the team leading our business development programme.

Dr. Eugene Bauer also commented: "I am pleased to be able to augment Medgenics' management team and in particular to play a larger role in corporate strategy and business development. The technology offers the hope of bringing a truly personalized approach to protein therapeutics."

Dr. Bauer has been a member of the Board since March 2001 and was appointed Non-Executive Chairman in July 2005. He is a Lucy Becker Emeritus Professor in the School of Medicine at Stanford University and served as the Dean of the Stanford University School of Medicine from 1995-2001 and as Vice President for Medical Affairs of Stanford University from 1997-2000. He was also Chair of the Department of Dermatology at the Stanford University School of Medicine from 1988-1995. He currently holds the position of Chairman of the Board of Directors of Vyteris, Inc., maker of the first FDA-approved ready-to-use drug delivery patch. He also serves as a director of a number of other life science and development stage biopharmaceutical companies and medical services companies, including MediSync Bioservices and Dr. Tattoff, Inc.

Dr. Bauer is a member of numerous academic societies, including the Institute of Medicine of the National Academy of Sciences, to which he was elected in 1997. He has been the recipient of both the Research Career Development and the MERIT awards from the NIH. He has published approximately 175 scientific articles and has been honoured for his research and academic accomplishments by the Society for Investigative Dermatology (the Montagna Award for outstanding research by a young investigator and the Stephen Rothman Award, the Society's highest honour), by the American Academy of Dermatology (the Sulzberger Award), by the Society for Investigative Dermatology (President) and by Northwestern University (Alumni Merit Award).

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Notes to Editors:

Medgenics, Inc. is a commercial-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. The first revenue generating commercial deal with a well known, multinational, pharmaceutical company was negotiated in late 2009 and we look forward to generating additional deals to further commercialise the Biopump platform technology.

Biopumps are made using needle biopsies taken from the lower layer of the patient's skin under local anaesthetic and are processed during 10-14 days to become 30 mm long tissue biofactories producing the required protein. The requisite number of Biopumps are injected under the patient's skin to provide sustained protein production and delivery for many months. The Company is developing the Biopump to provide substantially greater safety and reliability in protein treatment in a more cost effective manner than experienced with the existing injected protein therapies. Medgenics currently has three products in development based on this technology, addressing the indications of:

- anaemia - using EPODURE, a Biopump producing erythropoietin (EPO)
- hepatitis-C - using INFRADURE - a Biopump producing interferon-alpha (IFN-a)
- haemophilia - using a Biopump to produce clotting Factor VIII

The Company's Phase I/II clinical trial using EPODURE to treat anaemia in patients with chronic kidney disease, has demonstrated proof of concept of the Biopump. Designed to produce and deliver a therapeutic dose of EPO steadily for six months or more, EPODURE Biopumps have already provided effective anaemia treatment in patients for 6-12 months, even at the low administered dose.

Medgenics intends to develop its innovative products and bring them to market via multiple strategic partnerships with major pharmaceutical and/or medical device companies. In addition to treatments for anaemia, hepatitis-C and haemophilia, 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 \$95 billion by the end of 2010. Other potential applications of Biopumps producing various proteins include multiple sclerosis, arthritis, paediatric growth hormone deficiency, obesity, and diabetes.