

**TRANSMITTAL LETTER**

Return this form with your original stock certificate(s) in the enclosed envelope to:

Capita Registrars  
Corporate Actions, The Registry  
34 Beckenham Road  
Beckenham, Kent  
United Kingdom  
BR3 4TU

**DO NOT MAIL THIS FORM TO MEDGENICS, INC.  
DIRECT ANY QUESTIONS TO CAPITA REGISTRARS**

Please carefully review the instructions before completing this Transmittal Letter. If you have any queries, please contact Capita Registrars on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9:00 a.m. to 5:00 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Capita Registrars cannot give any financial, legal or tax advice.

This Transmittal Letter is for use of holders of common shares of Medgenics, Inc. (the "Company") in connection with the reverse stock split of the common shares as more fully described in the steps listed below:

- (a) On February 14, 2001, a 1-for-35 reverse stock split of the shares of common stock of Medgenics, Inc., \$0.0001 par value per share, became effective.
- (b) As of Monday, February 21, 2011 at 8:00 AM London Time, the post-reverse stock split common shares of the Company will begin trading;
- (c) Thereupon, any shares owned by a shareholder shall be reduced accordingly and any resulting fractional shares shall be entitled to receive cash consideration. No fractional shares will be issued. The Company will send to each holder who has submitted a properly completed Transmittal Letter, together with such holder's stock certificate(s), a check for any cash consideration to which such holder is entitled. Checks will be mailed to the address set forth in Box 1 below.

The records of Medgenics, Inc. show that you are a holder of common shares of the Company. By completing this Transmittal Letter, you hereby represent and warrant that you are the owner of the number of common shares of the Company which are represented by the share certificate(s) described below and delivered herewith and have full power and authority to deliver such shares to Capita Registrars herewith and you hereby authorize and direct Capita Registrars to issue a certificate for new common shares to which the undersigned may be entitled as indicated below in accordance with the information set forth below. You also make the confirmation below regarding your status as an affiliate of the Company. You hereby surrender the shares under the certificates listed below:

<b>1. About You and Your Shares—Indicate Address Change as Necessary Below</b>	
Name: _____	
Address: _____	
_____	
Country: _____	
Postal Code: _____	
Total Number of Certificated Shares Enclosed: _____	

Number of Shares	Certificate Number

**GO TO NEXT PAGE FOR REQUIRED SIGNATURES**

**2. Required Signatures**—All shareholders must sign below exactly as your name appears on your stock certificates that you are tendering to the Capita Registrars.

X  
Signature of Shareholder \_\_\_\_\_ Date \_\_\_\_\_

X  
Signature of Shareholder \_\_\_\_\_ Date \_\_\_\_\_

X  
Signature of Shareholder \_\_\_\_\_ Date \_\_\_\_\_

X  
Signature of Shareholder \_\_\_\_\_ Date \_\_\_\_\_

(\_\_\_\_\_) \_\_\_\_\_--\_\_\_\_\_  
Daytime Phone Number, including Area Code

**3. Special Delivery Instructions**

Share certificates will be mailed to the person and address shown in Section 1 unless you indicate a different name and address below:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Country: \_\_\_\_\_  
Postal Code: \_\_\_\_\_

**INSTRUCTIONS FOR COMPLETING THE TRANSMITTAL LETTER**

All shareholders in possession of Medgenics, Inc. shares must surrender their original stock certificates to Capita Registrars (the “**Exchange Agent**”) in order to receive the new stock certificates evidencing the 1-for-35 reverse stock split.

Until Medgenics, Inc. stock certificates are received by the Exchange Agent at the address set forth in the Transmittal Letter, together with such documents as the Exchange Agent may require, and until such documents are processed for exchange by the Exchange Agent, the holder of such Medgenics, Inc. stock certificates shall not be entitled to receive the new certificate(s) evidencing the reverse stock split.

If your Medgenics, Inc. stock certificates are lost, stolen or destroyed, please refer to Instruction 9 below.

**YOUR ORIGINAL STOCK CERTIFICATES FOR ANY CERTIFICATED SHARES YOU HOLD MUST BE RETURNED WITH THE TRANSMITTAL LETTER FOR YOUR EXCHANGE TO BE VALID.**

**IF YOU HOLD ANY OF YOUR SHARES OF MEDGENICS, INC. WITH A STOCKBROKER IN STREET NAME OR AS NOMINEE, YOUR BROKER/NOMINEE MUST COMPLETE A SEPARATE TRANSMITTAL FORM ON YOUR BEHALF.**

**Instruction 1- Exchange Deadline**

To make a valid exchange and have the Company pay for all costs associated with the exchange, you must deliver this Transmittal Letter, properly completed, and your Medgenics, Inc. stock certificates to the Exchange Agent at the address shown on the Transmittal Letter as soon as possible and preferably before **March 18, 2011**. Shareholders may responsible for any costs associated with the exchange if they tender their shares to the Transfer Agent after **March 18, 2011**. Please do this in a timely manner to ensure prompt distribution of certificates. The Exchange Agent will have reasonable discretion to determine whether any Transmittal Letter is received on a timely basis and whether a Transmittal Letter has been properly completed. Any such determinations are conclusive and binding. Your new share certificate will be dispatched within 14 days of receipt of a valid Transmittal Letter.

**Instruction 2- Signatures on Transmittal Letter, Stock Powers and Endorsements**

- (a) All signatures must correspond exactly with the name written on the face of the stock certificate without alteration, variation or any change whatsoever.

- (b) If the stock certificates surrendered are held of record by two or more joint owners, all such owners must sign the Transmittal Letter.
- (c) If any surrendered Medgenics, Inc. shares are registered in different names on several stock certificates, it will be necessary to complete, sign and submit as many separate Transmittal Letters as there are different registrations of stock certificates.
- (d) If this Transmittal Letter is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity and such person is not the record holder of the accompanying Medgenics, Inc. stock certificates, he or she must indicate the capacity when signing and must submit proper evidence of his or her authority to act.

**Instruction 3- Special Delivery Instructions**

Complete Box 3 only if you want the Medgenics, Inc. share certificate from the surrender of your shares to be delivered to an address other than the one printed in Box 1 entitled "About You and Your Shares". Note: Your address of record will not be affected by completing Box 3.

**Instruction 4- Delivery of Transmittal Letter and Stock Certificates**

This Transmittal Letter, properly completed and duly executed, together with the certificate(s) representing the Medgenics, Inc. shares, should be delivered to Capita Registrars at the address set forth on the front of the Transmittal Letter. The method of delivery of the Medgenics, Inc. stock certificates and all other required documents is at the election and risk of the holder of such Medgenics, Inc. shares; however, if such certificates are sent by mail, it is recommended that they be sent by registered mail, appropriately insured, with return receipt requested. Insert in the box at the top of the Transmittal Letter the certificate number(s) of the Medgenics, Inc. common stock certificate(s) which you are surrendering and the number of shares represented by each certificate. If the space provided is insufficient, attach a separate sheet listing this information.

**Instruction 5- Validity of Surrender; Irregularities**

All questions as to validity, form and eligibility of any surrender certificates will be determined, in its sole discretion, by Medgenics, Inc. (which may delegate the power to so determine in whole or in part to Capita Registrars), and such determination shall be final and binding. Medgenics, Inc. reserves the right to waive any irregularities or defects in the surrender of any certificate(s) and its interpretation of the terms and conditions of the Transmittal Letter or any other documents delivered therewith with respect to such irregularities or defects shall be final and binding. Surrender will not be deemed to have been validly made until all irregularities and defects have been cured or waived.

**Instruction 6- Lost, Stolen, or Destroyed Certificates**

If your Medgenics, Inc. stock certificate(s) are lost, stolen or destroyed, please contact the Capita Registrars Shareholder Helpline immediately for instructions on how to proceed or alternatively send a written request for a letter of indemnity for a lost share certificate. There may be a fee for this service.

In the event of a replacement share certificate being requested, it is standard share registration practice to issue an indemnity when a share certificate is reported lost, stolen or destroyed. To enable us to issue an indemnity, you will need to contact Shareholder Helpline on 0871 664 0386 (calls cost 10p per minute plus network extras). Other network providers' costs may vary. Lines are open from 9:00 a.m. to 5:30 p.m. (UK time) Monday to Friday (excluding UK public holidays). If you are calling from outside the United Kingdom, please telephone +44 20 8639 3407. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The Shareholder Helpline cannot give any financial, legal or tax advice.

For a written request, please send it to:

Capita Registrars  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
UNITED KINGDOM  
BR3 4TU

**Instruction 7- Holders Who Are Nominees, Trustees or Other Representatives**

Each holder of record of Medgenics, Inc. shares is entitled to submit a Transmittal Letter covering all Medgenics, Inc. shares actually held of record by such holder. Nominee record holders, which include brokers, trustees or any other person that holds Medgenics, Inc. shares in any capacity whatsoever on behalf of more than one person or entity, are entitled to submit a Transmittal Letter on behalf of each beneficial owner of Medgenics, Inc. shares held through such nominee record holders. Beneficial owners who are not record holders are not entitled to submit Transmittal Letters. Persons submitting a Transmittal Letter on behalf of a registered stockholder as trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or acting in another fiduciary or representative capacity should refer to above.

**Instruction 8- Miscellaneous**

Neither Medgenics, Inc. nor Capita Registrars is under any duty to give notification of defects in any Transmittal Letter. Medgenics, Inc. and Capita Registrars shall not incur any liability for failure to give such notification, and Medgenics, Inc. and Capita Registrars has the absolute right to reject any and all Transmittal Letters not in proper form or to waive any irregularities in any Transmittal Letter.

**Instruction 9 Information and Additional Copies**

Additional copies of this document may be obtained by telephoning Capita Registrars on the details provided on page 1 of this Transmittal Letter or by visiting the Company's website at [www.medgenics.com](http://www.medgenics.com). All inquiries with respect to the completion of the Transmittal Letter or the surrender of Medgenics, Inc. stock certificates should be made directly to Capita Registrars.