

Medgenics, Inc.
(‘Medgenics’ or the ‘Company’)

5 February 2009

Medgenics is pleased to announce that the closing date for the warrant repricing programme announced on 17 December 2008 has been extended to 13 February 2009 to encourage the exercise of existing warrants (on the same terms as previously announced). The extension will allow existing warrant holders to consider an exercise of their warrants on the advantageous terms proposed under this programme with the benefit of knowledge of the Company's positive results from its Phase I/II Clinical Trial of EPODURE as announced today. The Directors have confirmed that the warrant repricing programme will not be extended beyond this date.

This warrant repricing programme aims to strengthen the Company's cash position to support its operations and its business development activities while increasing the share base and reducing the number of outstanding warrants.

The warrant repricing programme enables existing warrant holders to exercise their warrants for cash before 13 February 2009 and offers them the following terms:

1. Reduced Exercise Price : \$0.0375/share (2.5 pence/share) or the current exercise price, whichever is lower; and
2. Bonus Warrants: for every one dollar (\$1.00) or 0.667 GBP paid for exercise of warrants during this programme, a new bonus warrant to purchase three (3) shares of common stock in the Company of \$0.0001 par value per share ("Common Shares"), which will be immediately exercisable for three (3) years at an exercise price \$0.25 per share, will be issued. For example, a total exercise price of \$10,000 will result in a bonus warrant for 30,000 Common Shares at an exercise price of \$0.25 per share.

The exercise price of any warrants that are not exercised prior to 13 February 2009 will revert to the original price as stated in the warrant prior to this warrant repricing programme.

The current warrants outstanding in the Company are as announced this morning and the number of warrants held by Lord Leonard Steinberg and Joel Kanter (directors of the Company) were also announced this morning. The number of warrants held by the remaining directors remain as previously announced on 17 December 2008.

Joel Kanter has stated that, as a result of the extension to this incentive programme, he will (either directly or through his affiliates) exercise further warrants at the reduced exercise price of \$0.0375 to an aggregate value of \$32,139. The remaining directors (the "Independent Directors") have decided not to exercise their warrants as part of this extension to the warrant repricing programme so that they are able to remain independent in their assessment of whether this extension is in the interest of all shareholders of the Company.

In view of the interests and intended exercise of warrants at the reduced price by Joel Kanter during the extended period of this programme, this extension to the warrant repricing programme is considered to be a related party transaction under the AIM rules and therefore Joel Kanter is precluded, in accordance with the AIM rules, from expressing an opinion that the transaction is fair and

reasonable insofar as the shareholders are concerned

The Independent Directors consider, having consulted with Blomfield Corporate Finance Limited, the Company's nominated adviser, that the terms of the extension to this programme are fair and reasonable insofar as the Company's shareholders are concerned.

The Independent Directors make this assessment based on the rationale for the warrant repricing programme and in particular the Company's cash flow requirements, the current share price, and after consideration of alternate viable short-term fund-raising methods, especially given the current economic climate.

The Company anticipates that the exercise of warrants between this announcement and 13 February 2009 will have a positive impact on the Company, both in terms of cash flow and in reducing the total number of outstanding warrants.

Warrant holders will be required to execute certain documents and make certain representations in order to participate in the warrant repricing programme. Further details regarding the programme and the procedures to exercise the warrants have been posted to Warrant Holders and are also available on the Company's website (www.medgenics.com). Warrant Holders who wish to participate in this programme are encouraged to contact the Company for further information on the process for doing so.

The Company would also like to correct the Directors Dealings announcement on 3 February 2009 in which all references to Ordinary Shares should have been to common shares of US \$0.0001 each ('Common Shares'). The Company has only one class of security (Common Shares) in issue.

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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 anemia
- INFRADURE - producing interferon-alpha (IFN-a) 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 anemic subjects. The Company announced positive initial results in its Phase I/II clinical trial for its long-acting version of EPODURE, designed to produce and deliver a therapeutic dose of EPO steadily for three to six months or more, which commenced in August 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 \$87 billion by 2010. Other potential areas include multiple sclerosis (interferon-B), 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 and currently trades under two separate lines on the AIM market; the Reg.S restricted securities trade under the TIDM (AIM: MEDG) and the unrestricted securities trade under the TIDM (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.

