

Press release:

MediGene AG presents future business plan at annual analyst conference

Martinsried/München, December 15, 2009. MediGene AG (Frankfurt: MDG, Prime Standard, TecDAX) presented the company's future strategic plans through 2015 at its annual analyst conference in Frankfurt. As part of the presentations, the company announced that it will continue to sharpen its business focus and outlined the future development plans for the drug candidates EndoTAG™-1 and RhuDex™ in detail. Sustained profitability of the company is expected to be secured by product revenues with the launch of EndoTAG™-1 from 2015.

Dr. Frank Mathias, Chief Executive Officer of MediGene AG commented: „Over the last several months the new management team has analyzed the current status of the company, evaluated both benefit and risk, and based on that analysis, has defined a number of new strategic goals and measures. With this five-year plan, we will seek to minimize the development risks of our pipeline, optimize the value of our most important drug projects, improve the company structure and lead MediGene to a financially independent future.”

The most important strategic and operational steps for 2010-2015 will be a step-wise focus on the field of oncology, the closing of a partnership for the cancer drug EndoTAG™-1 during 2010, the finalization of the ongoing phase II study with EndoTAG™-1 for the treatment of breast cancer in the first half of 2010 and the start of a phase III study with EndoTAG™-1 for the treatment of pancreatic cancer (together with a partner) in the first half of 2011. In the context of greater focus, RhuDex™ for the treatment of rheumatoid arthritis will be prepared for out-licensing and all other technologies that are deemed non-core shall be spun off or sold.

To improve the value of the development project EndoTAG™-1, the freeze drying manufacturing process that is currently in place will be converted to a spray drying process before the start of the phase III study, which is planned to start in the first half of 2011. This will significantly improve the future EndoTAG™-1 cost of goods. Moreover, the results of the phase II breast cancer study, which are expected for the first half of 2010, will deliver a second proof of concept for the drug candidate. Dr. Mathias indicated that no decision has yet been made on whether the intended partnership will be closed before or after the presentation of the phase II breast cancer data, which could significantly increase the value of the product.

For the drug candidate RhuDex™, the new development plan provides for further preclinical studies during 2010 in order to more accurately specify the therapeutic window and thus optimizing the clinical development program. Clinical development is expected to be resumed in the fourth quarter of 2010 or in the first quarter of 2011 and MediGene intends to out-license the immunological drug candidate once clinical proof of concept has been achieved, if not before.

Besides RhuDex™, MediGene will aim at out licensing or spinning off the oHSV and AAVLP technologies to realize the desired focus on oncology and clinical development. Similar to the spin out of the mTCR technology which has already taken place, MediGene will seek to retain future access to promising drug candidates in any transaction.

In order to extend its pipeline, MediGene AG is planning to develop new candidates from its EndoTAG™ technology platform and hence to concentrate on liposome technology, its core competence within oncology. At a later point in time, it may be possible that in-licensing of oncology products will extend the portfolio, and MediGene intends to bring two further products into the clinical development pipeline by 2015.

By 2015 MediGene plans to have three products on the market, including EndoTAG™-1 for pancreatic cancer, which the company will seek to co-market with a partner. In addition,



MediGene expects to have one new drug candidate in development stemming from the EndoTAG™ technology as well as any in-licensed products. The market launch of EndoTAG™-1 in 2015 will take MediGene into sustained profitability for the first time, but until that time product revenues, payments from partnerships and tight cost management will contribute to the company's financial stability.

At the analyst conference, MediGene confirmed its revenue forecast for the business year 2009 of approximately 40 million euro and further specified the forecast on an EBITDA basis to be a loss of approximately 20 million euro (last forecast: -20 to -23 million euro). In the full year 2008, MediGene realized total revenues of 39.6 million euro and an EBITDA loss of -24.6 million euro.

The presentation of the analyst conference can be found in the internet at www.medigene.com.

This press release contains forward-looking statements representing the opinion of MediGene as of the date of this release. The actual results achieved by MediGene may differ significantly from the statements made herein. MediGene is not bound to update any of these forward-looking statements. MediGene® and EndoTAG™ are registered trademarks of MediGene AG. RhuDex™ is a registered trademark of MediGene Ltd. These trademarks may be owned or licensed in select locations only.

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MediGene AG is a publicly listed (Frankfurt: MDG, Prime Standard, TecDax) biotechnology company located in Martinsried/Munich, Germany, Oxford, UK, and San Diego, USA. MediGene is the first German biotech company to have drugs on the market, which are distributed by partner companies. MediGene has several drug candidates in clinical development, two of which provide significant sales potential. In addition, the company pursues several development projects and possesses innovative platform technologies for drug development. MediGene focuses on clinical research and development of novel drugs for the treatment of cancer and autoimmune diseases.

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