

MediGene Presents 3-Months Report 2008

- Total revenues approx. 5.0 million EUR (Q1-2007: 6.9 million EUR)
- Loss on EBIT basis of -7.9 million EUR (Q1-2007: -7.5 million EUR)
- Cash and cash equivalents at closing date March 31, 2008 37.6 million EUR (December 31, 2007: 46.5 million EUR)
- Key advances in product portfolio: positive phase II data for EndoTAG™-1, European regulatory authority recommends granting of marketing authorization for Oracea®

Martinsried/Munich, May 9, 2008. The biotech company MediGene AG (Frankfurt, Prime Standard: MDG) achieved total revenues of 5.0 million EUR (Q1-2007: 6.9 million EUR). These revenues have been generated mainly from the commercialization of Eligard® in Europe. Sales revenues of Eligard® of approx. 1.5 million EUR were not realized in the first quarter of 2008, since the existing inventories were not delivered until the beginning of the second quarter of 2008. Taking this effect into consideration, and adjusting the revenues in last year's reporting period by a milestone payment at the same time, we find that MediGene's Eligard® revenues have increased compared to last year's reporting period. This also corresponds to the positive development of Eligard® prescriptions in the first quarter of 2008. Moreover revenues in the reporting period also include revenues from sales of Veregen™ in the USA to a small extent.

The loss before interest and tax (EBIT) slightly increased to -7.9 million EUR compared to last year's reporting period (Q1-2007: -7.5 million EUR). This is due to a slight increase in R&D expenses and in selling, general, and administrative expenses.

Consolidated income statement (abbreviated)

	Q1-2008	Q1-2007	Change
in T€			
Total revenues	4,990	6,878	-27 %
Cost of sales	-3,397	-5,590	-39 %
Gross profit	1,593	1,288	24 %
Selling, general, and administrative expenses	-2,608	-2,301	13 %
Research and development expenses	-6,866	-6,462	6 %
Operating result	-7,881	-7,475	5 %
Result before income tax	-9,461	-7,184	32 %
Net loss for the period	-8,796	-6,634	33 %

Cash and cash equivalents as at March 31, 2008 was 37.6 million EUR.

Major events since the beginning of 2008:

Following the US launch of Veregen™ in December 2007, MediGene achieved significant success with positive phase II results for EndoTAG™-1 and the recommendation for approval of Oracea® made by the European regulatory authority. The six-month dosage of MediGene's drug Eligard® was launched in additional European countries since the beginning of 2008.

Outlook and forecast 2008:

For 2008, MediGene expects a significant increase in total revenues. These revenues expected will be generated by product sales of Eligard®, Veregen™, and Oracea®. Operational costs will increase compared to the financial year 2007. This forecast also includes the expenses for product marketing, as well as increased R&D expenses resulting from the extended activities regarding the main product candidates EndoTAG™-1 and RhuDex®. All in all, however, MediGene expects a decrease in loss on EBIT basis compared to last year.

As reported early this year, MediGene is planning to spin off the mTCR research program of its UK subsidiary MediGene Ltd. into a separate research entity.

Dr. Peter Heinrich, Chief Executive Officer of MediGene AG, comments: „This year has had a very promising start for MediGene. In our development project EndoTAG™-1, which is currently our most important project, we have achieved a major breakthrough with the excellent data obtained in our clinical phase II trial. The recommendation of the European regulatory authority EMEA to grant approval for our dermatological product Oracea® in Europe was also of key importance. Thus we made significant advances in both fields of our dual business model, research and development as well as marketing. Along with the US launch of our drug Veregen™ last December, this has been an extraordinary series of successes."

The detailed 3-months report 2008 of MediGene AG is accessible on the internet at:

<http://www.medigene.de/englisch/quartalsberichte.php>

This press release contains forward-looking statements. The forward-looking statements contained herein represent the judgment of MediGene as of the date of this release. The actual results achieved by MediGene may significantly differ from the statements made in these forward-looking statements. MediGene disclaims any obligation to update any of these forward-looking statements. MediGene™, EndoTAG™, and Veregen™ are trademarks of MediGene AG, Polyphenon® is a registered trademark of Mitsui Norin Co., Ltd., Oracea® is a registered trademark of CollaGenex Pharmaceuticals Inc., Eligard® is a registered trademark of QLT USA, Inc. These trademarks may be owned or licensed in select locations only.

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MediGene AG is a publicly quoted (Frankfurt, Prime Standard: MDG) biotechnology company located in Martinsried/Munich, Germany, with subsidiaries in 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. Another drug has been approved for marketing. The company plans to start its own sales activities. MediGene's drug pipeline includes several products in clinical development, among them two drug candidates with an estimated annual sales potential of more than one billion Euro each. In addition, MediGene is active in various research projects and possesses platform technologies for developing active compounds. MediGene concentrates on researching, developing and commercializing novel drugs in three therapeutic areas: cancer, autoimmune diseases, and skin diseases.

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