

Press Release

MediGene Focuses its Strategy on Oncology and Immunology

Martinsried/Munich June 2, 2008. On the basis of convincing clinical data with EndoTAGTM-1 for the treatment of pancreatic cancer, the executive board of MediGene AG (Frankfurt, Prime Standard: MDG) has decided, with the supervisory board's consent, to focus the company's business area significantly. All research and development activities as well as the planned sales and marketing activities of the company will be focused exclusively on the two areas oncology and immunology. For its dermatological products, MediGene intends to conclude further partnerships, but no more sales activities of its own. In the field of research & development MediGene will focus primarily on its major projects EndoTAGTM-1 and RhuDexTM. Some projects such as the mTCR and HSV programs will be spun off or discontinued. It is the opinion of MediGene's management that the excellent clinical data obtained with EndoTAGTM-1 will provide an ideal basis for this focusing. MediGene intends to retain the marketing rights to EndoTAGTM-1 for specific geographical markets when licensing the product, and to participate in the further development of the drug. MediGene expects these measures to have a positive effect on the company's future business results.

Dr. Peter Heinrich, Chief Executive Officer of MediGene AG, comments: "The excellent EndoTAGTM data obtained in the clinical phase II have opened up completely new opportunities to us. We are now in a very strong position for negotiations with potential partners in such a way that we will be able to continue participating in both the tremendous potential of this cancer drug, and the underlying technology. At the same time we have received interesting offers for our dermatological products which will enable us to focus on our core competences cancer and immune diseases. This will involve reallocation and cost savings that will increase the financial flexibility of our company. Through this strategic focus we will gain a clear-cut profile: MediGene develops drugs against cancer and immune diseases. Our planned medium-term sales activities will center around these areas. Furthermore, the cost reduction achieved by this focusing will enable us to push forward our key development projects, simultaneously reducing our company's capital requirements. "

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. EndoTAGTM and MediGene[®] are trademarks of MediGene AG, RhuDex[®] is a trademark of MediGene Ltd.

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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 being distributed by partner companies. Another drug candidate has just received official recommendation for marketing authorization by the EMEA. MediGene has several drug candidates in clinical development, including two products which each have an annual sales potential of more than one billion Euros per year. MediGene also has projects in research and pre-clinical development and possesses innovative platform technologies for the development of active ingredients. MediGene concentrates on researching, developing and commercializing novel drugs in three therapeutic areas: cancer, autoimmune diseases, and skin diseases.

Contact MediGene AG

E-mail: investor@medigene.com

Fax:++49 - 89 - 85 65 - 2920



Julia Hofmann / Dr. Georg Dönges, Public Relations, Tel.: ++49 - 89 - 85 65 - 3317

Dr. Michael Nettersheim / Dr. Georg Dönges, Investor Relations, Tel.: ++49 - 89 - 85 65 - 2946