

MediGene Sells Licensee Rights to the Drug Oracea[®] to Galderma

- **Immediate cash inflow of 8 million Euros**
- **Total volume of up to 32 million Euros via milestone payments**
- **First step on our way to focusing the company on the areas of oncology and immunology**

Martinsried/Munich July 31, 2008. MediGene AG (Frankfurt, Prime Standard: MDG) has sold the European rights of the dermatological product Oracea[®] for the treatment of rosacea to Galderma Laboratories, Inc, the U.S. holding company of Galderma Pharma S.A., a global specialty pharmaceutical company focused on dermatology. MediGene AG will receive successive milestone payments totalling up to 32 million Euros. By signing the contract, Galderma commits to making an immediate payment of 8 million Euros to MediGene AG. MediGene had acquired the European rights to the drug from the US company CollaGenex, Inc. in 2006. Depending on market launch and sales revenues achieved by Galderma with Oracea[®], MediGene will receive successive milestone payments totalling up to 24 million Euros. The sale of the rights to Galderma represents a major step in the implementation of MediGene's strategy of focusing on the areas of oncology and immunology.

In April 2008, the European regulatory authority EMEA recommended granting of marketing authorization for this drug. On the basis of convincing clinical data with EndoTAGTM-1 for the treatment of pancreatic cancer, MediGene decided 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 on the two areas oncology and immunology.

Dr. Frank Mathias, Chief Operating Officer of MediGene AG, comments: "The sale of the dermatological product Oracea[®] is a very important step towards focusing our company. We achieve a significantly higher price for this product than that was paid when acquiring it. The sales revenues achieved with Oracea[®] will help us pushing our promising development projects."

About Oracea[®]: Oracea[®] is the first orally administered, systemically delivered drug that has received approval from the U.S. Food and Drug Administration for the treatment of the inflammatory lesions (pimples and red bumps) of rosacea in adult patients.

About Rosacea: Rosacea is a chronic, inflammatory, progressive skin condition affecting primarily adults between the ages of 30 and 60. Often called "adult acne," rosacea is not acne at all, but a disorder that produces redness, small pimples and broken blood vessels on the face.

About Galderma: Galderma, created in 1981 as a joint venture between Nestle and L'Oreal, is a fully integrated specialty pharmaceutical company dedicated exclusively to the field of dermatology. The Company is present in 65 countries with over 1000 medical sales representatives and is committed to improving the health of skin with an extensive line of products to treat a range of dermatological conditions including: acne, rosacea, fungal nail infections, psoriasis & steroid-responsive dermatoses, pigmentary disorders, skin cancers and medical solutions for skin senescence. With a main research and development center in Sophia Antipolis, France, Galderma has one of the largest R&D facilities devoted exclusively to dermatology. Leading dermatology brands include Differin[®], MetroGel[®] /Rozex[®], Oracea[®], Clobex[®], Tri-Luma[®], Loceryl[®] and Cetaphil[®]. Recently launched products include Pliaglis[®], a topical anesthetic for dermatologic procedures in the United States, Epiduo[®], an innovative combination product for the



treatment of acne in Europe and Argentina, and Dysport[®], an injectable muscle relaxant for use in aesthetic medicine and dermatological indications in Brazil and Argentina. The Company's international website is www.galderma.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[™]-1 are trademarks of MediGene AG, Oracea[®] is a registered trademark of CollaGenex Pharmaceuticals, Inc. Differin, MetroGel, Oracea, Rozex, Clobex, Tri-Luma, Loceryl, Cetaphil and Epiduo are trademarks of Galderma. Pliaglis is a trademark of Zars Pharma Inc. Dysport is a trademark of Ipsen Ltd. 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 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. Moreover, the company has projects in research and pre-clinical development and possesses innovative platform technologies. MediGene concentrates on researching and developing novel drugs for the treatment of cancer and autoimmune diseases.

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