9-Months report 2003

Fighting tumor diseases

One of Europe's leading biotech companies

Broadest drug pipeline of German biotech industry

Novel drug candidates and technologies

MediGene

MediGene's product pipeline

Product portfolio	Diseases	Clinical phase 1	2	3	Approval	Max. sales postential (estimated)[1]
Leuprogel®	Prostate cancer					> 50 million €
Polyphenon® E	Genital tumors					> 100 million €
NV1020	Liver metastases					> 200 million €
rAAV tumor vaccine [2]	Malignant melanoma	[3]				> 200 million €
G207 [4]	Brain tumors					> 300 million €
Probability of reaching the market[5]:		10 – 30 %	40 – 60 %	60 – 80 %	90 %	

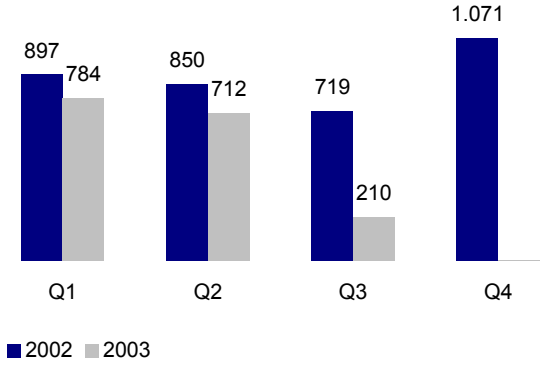
1) Per year; Source: Analysts' estimates. MediGene will receive royalties from sales of products jointly developed or marketed with biotech or pharmaceuticals companies (Leuprogel®, rAAV tumor vaccine).
2) Drug candidate, currently under joint development with our strategic partner Aventis.
3) Phase 1/2
4) For cost-saving reasons, project was put on hold until further notice, although phase 1 clinical trial showed promising results.
5) Source: Analysts' estimates

Contents

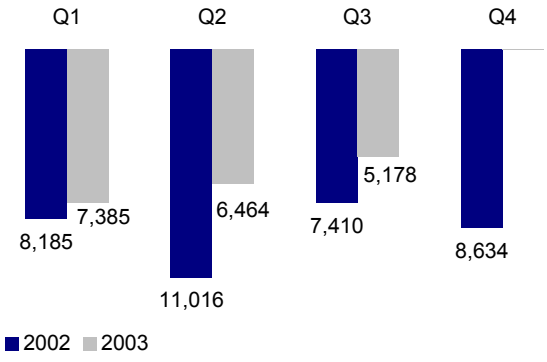
Key figures 9-Months report 2003

		Q3-2002	Q3-2003	Change	9M-2002	9M-2003	Change
Other operating income	T€	719	210	-71 %	2,467	1,706	-31 %
R&D expenses	T€	7,410	5,178	-30 %	26,611	19,027	-28 %
Operating loss	T€	-9,994	-6,644	-25 %	-30,609	-24,779	-19 %
Personnel expenses	T€	3,217	2,693	-16 %	9,520	9,643	1 %
Employees as at September 30	number	188	144	-23 %	188	144	-23 %
Cash flow used by operating activities	T€	8,035	6,987	-13 %	29,281	20,147	-31 %
Cash flow from/used by investing activities	T€	-131	-20	85 %	5,337	-95	-102 %
Cash and cash equivalents at end of period	T€	57,042	27,738	-51 %	57,042	27,738	-51 %
Net result per share (loss)	€	-0.76	-0.58	24 %	-2.65	-2.13	19 %

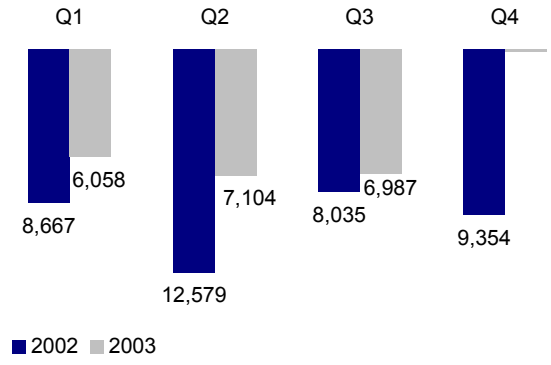
Other Operating Income
in T€



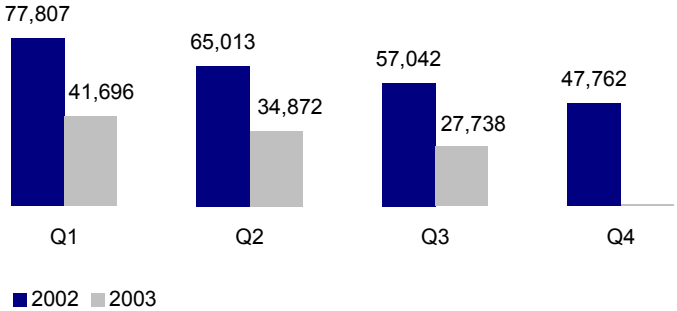
R&D Expenses
in T€



Cash Flow used by Operating Activities
in T€



Cash and Cash Equivalents
in T€



Overview of the Third Quarter 2003

- **In September, MediGene announced that the second part of the clinical phase 3 trial of Polyphenon® E ointment had been initiated.** The first patients had already been admitted to this trial, mainly conducted in the USA and Latin America, in July. The results of this trial are expected for the fourth quarter of 2004. A total of 480 patients will participate in this trial. Preliminary results from the first clinical phase 3 trial conducted in Europe shall be available in the first quarter 2004.

- **On September 3, 2003, MediGene was awarded a prize for one of the best annual and quarterly reports in Germany. The jury of the contest organized by "manager magazin" awarded the third prize in the TecDax stock market segment to MediGene.** The mm contest represents the most comprehensive comparison of annual reports in Germany, analyzing the annual and 3-months reports of approximately 260 German companies quoted in the most important stock indexes. According to manager magazin, the award-winning reports stand out for their high degree of lucidity and quality as regards content.

- **In September, MediGene acquired further patent rights to the drug Polyphenon® E from the Canadian company Epitome Pharmaceuticals Ltd. The worldwide exclusive rights cover development and marketing of Polyphenon® E for the treatment of hyperplasia caused by papilloma viruses.** Hyperplasia such as common warts are characterized by benign proliferation of organs or tissue. The extended license agreement strengthens MediGene's patent position, offering the long-term opportunity for further development of Polyphenon® E in additional indications.

- **Dr. Johanna Holldack, Chief Operating Officer and Head of Research & Development, resigned on September 30, 2003. As of October 1, 2003, Senior Vice President Dr. K. Jon (Kerry) Kowal has assumed leadership of the international research and development department at MediGene AG.** Dr. Kowal, who had been Managing Director and Director of Research & Development at our US subsidiary, MediGene, Inc., will directly report to Dr. Peter Heinrich, CEO. He will also continue to have overall responsibility for operations in San Diego.

- **In October, MediGene has acquired additional patents and patent applications for the drug candidates NV1020 and G207, as well as the underlying HSV technology.** Until now, MediGene held options for these patents. The license agreements will enable MediGene to further consolidate its predominant patent position in the field of oncolytic (cancer-killing) herpes simplex viruses (HSV).

Selected News of the First 9 Months 2003

- **On February 20, 2003 MediGene announced that the US Food and Drug Administration has approved Eligard® 30 mg - also known as Leuprogel® Four-Month Depot - for the treatment of advanced prostate cancer.** MediGene holds the exclusive European marketing rights for all depot forms of Leuprogel®.

- **In March, MediGene announced the discontinuation of the CVLP project.** The results obtained from a clinical phase 1/2 trial had not fulfilled the criteria defined as a prerequisite for the continuation of the project.

- **On March 31, 2003, MediGene, the seed capital investment company BioM AG and the scientific co-founders Dr. Martin Funk and Dr. Barbara Navé jointly established LARNAX GmbH for the discovery and development of novel drugs against cardiac and metabolic diseases.** MediGene's cardiological and metabolic research program forms the core of the new company as of April 1, 2003. Currently, MediGene holds a share of almost 67 % in LARNAX GmbH.

- **In April, the US Patent and Trademark office has granted MediGene another patent on its rAAV technology based on recombinant adeno-associated viruses (rAAV).** The newly issued patent no. 6,541,012 protects a specific biological component for the production of rAAVs.

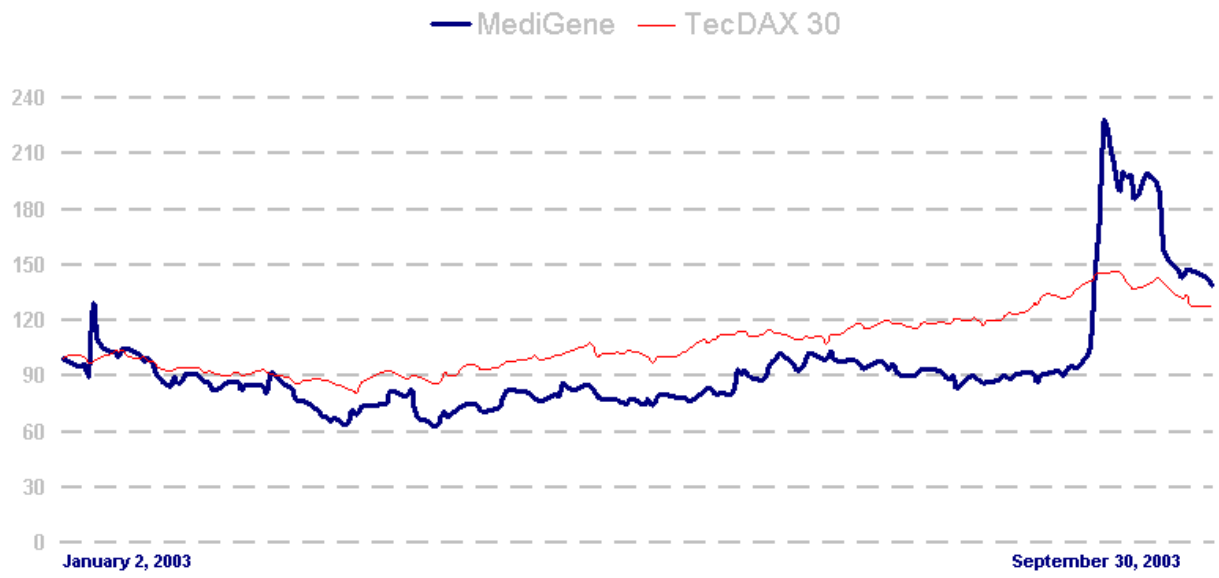
- **In May, MediGene has achieved an important milestone within its Polyphenon® E project, by successfully completing patient recruitment for the European part of the clinical phase 3 trial.** The total of 480 patients needed to conduct the trial were recruited six weeks earlier than scheduled. The American part of the trial, also scheduled to involve 480 patients, was initiated in July 2003, and is proceeding as planned.

- **In June, MediGene announced that the entire research department of its US subsidiary MediGene, Inc., will be relocated to Germany.** The US subsidiary MediGene, Inc. will focus its activities on Clinical Development and Regulatory Affairs. The staff will be reduced to approx. 10 employees by the end of this year. MediGene's management expects to realize an annual cost saving of 5 million Euros.

Our Share

The MediGene Share Price

(January 2, 2003, 4.05 € indexed to 100)



Key Figures for the Share

		9M-2002	9M-2003
9 months high	€	24.89	9.23
9 months low	€	2.71	2.55
Price at the beginning of the year	€	20.00	4.05
Average price since beginning of the year	€	11.68	3.83
Closing price	€	6.05	5.63
Number of shares as of September 30		11,206,205	11,206,205
Average number of shares		11,204,585	11,206,205
Average market capitalization	million €	130.9	43.0
Average daily trading volume		90,477	140,513

Investor Relations Activities

Share has reached 12-months high

During the third quarter of the year, the MediGene share price has continued recovering, outperforming the TecDax 30 index. A new yearly high was reached with a share price of 9.23 € at XETRA. At the end of the third quarter, the share price was 5.63 €, which is significantly above the 9-month average price of 3.83 €.

Readmittance to the TecDax 30 index is primary objective

The MediGene shares are quoted in the Prime Standard of the German stock exchange. MediGene was a member of the TecDax 30 index since March 2003. In the third quarter 2003, the German Stock Exchange changed the composition of the TecDax index. As of September 22, 2003, the MediGene shares are no longer in the TecDax index, but they remain within the Prime Standard. The reason for this was MediGene's market capitalization which is too low in comparison with other technology companies. This value is calculated from the number of shares, multipied by the share price. At the same time, market capitalization of some technology companies that had previously not been members of the TecDax has improved. It is one of our primary objectives to be readmitted to the TechDax 30 index. The composition of the TecDax index is decided on every three months.

MediGenes annual report 2002 has been awarded a prize

In August, MediGene was awarded a prize for one of the best annual and quarterly reports in Germany. The jury of the contest organized by "manager magazin" awarded the third prize in the TecDax stock market segment to MediGene. According to manager magazin, the award-winning reports stand out for their high degree of lucidity and quality as regards content.

Participation in Renowned International Investors' Conferences

In the first nine months of the year 2003, MediGene has consistently maintained investor relations activities and participated in internationally renowned investors' conferences, including meetings in the USA such as the “JP Morgan Healthcare Conference”, “BIO CEO & Investors Conference” and the “BIO 2003”. In Europe, MediGene representatives have attended the “6th German Corporate Conference” held by Deutsche Bank, the “5th Biotech & Finance Forum”, as well as the “Biopharmaceutical Conference”. Moreover, numerous meetings with individual investors were held to present and discuss MediGene's corporate strategy and future development.

Declaration on the “German Corporate Governance Code”

As of the reporting date, there have been no changes to the declaration given by MediGene's Management and Supervisory Boards in the annual report 2002, with regard to the “German Corporate Governance Code's” recommendations, as per § 161 of the German Stock Corporation Law. MediGene's voluntary commitments surpass the statutory provisions. A separate declaration as per § 161 of the German Stock Corporation Law can be found in our annual report 2002 as well as on our website, listing the recommendations not implemented. In order to guarantee maximum openness, our updated declaration as well as our Corporate Governance Principles are available at www.medigene.com.

Interim MD&A 9-Months 2003

- **Cash position of 27.7 million € for future financing of our R&D activities**
- **Average monthly net cash burn rate of 2.4 million € in Q3-2003, and of 2.2 million € in the first 9 months 2003**
- **Other operating income from cooperations with pharmaceuticals companies of 0.1 million € in Q3-2003, and 1.5 million € in the first 9 months 2003**
- **R&D expenses for the development of our products and technologies 5.2 million € in Q3-2003, and 19.0 million € in the first 9 months 2003**
- **Forecast for the year confirmed: net loss of approx. 30 million € and cash position of 20 million € by the end of the year**

Framework Data

Positive atmosphere on the stock markets continues

In the third quarter 2003, the upswing on the European and US stock market has continued. Positive company news have increasingly contributed to this development. Whereas the continuing depreciation of the US-Dollar supports the positive development of profits in US companies, leading economic research institutes predict econimc stagnation in Germany for the year 2003. A growth in economic performance of approximately 1.7 % is expected not until 2004. In June, the key interest rates in Europe and in the USA were cut by 0.5 and 0.25 % respectively, in order to further support the economic performance development. The reduced investment opportunities in the bond market resulting from this lead experts to expect further stimuli for the share market.

Recovery in biotechnology stock prices improves company financing

Numerous positive announcements by biopharmaceutical companies during the first nine months of this year have increased the investors' confidence in this segment. American biotechnology stocks were the first to benefit from this development, and in the third quarter of the year, European biotechnology stock prices also increased. The friendly tone of the capital market has already led to a significant improvement in the funding of US companies. In addition, the consolidation process in the US biotechnology segment continues. Experts expect a consolidation for Europe, as well. Great Britain has already reported some deals concluded.

Overview of the Group

Preliminary notes

Cost Reduction and Saving Measures Initiated

In 2003, MediGene's management has initiated three significant measures to reduce cost and save future expenditure. In addition to the spin-off of the cardiological research program completed in March, the research department of the US subsidiary MediGene, Inc. will be relocated to the Martinsried headquarters by the end of this year. In the course of this reorganization, the group staff will be reduced to approx. 110 employees. As of the financial year 2004, both measures shall lead to a total annual cost reduction of 11.5 million €. As a third measure, the clinical development of the drug candidate G207 for the treatment of brain tumors was put on hold. The future development of G207 until maturity for marketing authorization application would require an investment of approximately 40 million €. This project will not be continued without external funding.

MediGene Focuses on Therapies for Tumor Diseases

Our business activities are focused on research and development (R&D) of novel drugs and technologies for the treatment of tumor diseases. The approval of MediGene's first drug, Leuprogel® for the treatment of advanced prostate cancer, is expected before the end of 2003. MediGene is planning to launch this drug on the German market in cooperation with a well-established partner from the pharmaceuticals industry. The conclusion of the respective marketing agreement is expected by the end of 2003. With the commercialization of Leuprogel®, we will for the first time be able to generate income from product sales by receiving royalties from our marketing partner. The amount of royalties received will therefore also depend on the future marketing partner's success in selling the product. MediGene expects to obtain income from product sales for the first time in 2004.

At present, our business success largely depends on the anticipated approval of Leuprogel® as well as on the results of clinical trials necessary to obtain marketing authorization for our drug candidates. Apart from the marketing authorization and commercialization of the drug candidate Leuprogel®, new strategic alliances concluded for the development of our Polyphenon® E ointment and of our HSV technology are expected to contribute to our success.

The explanatory comments made in the Management's Discussion and Analysis (MD&A) in our Annual Report for 2002 also apply to this 9-Months Report.

Income statement (abbreviated)

in T€	Q3-2002	Q3-2003	Change	9M-2002	9M-2003	Change
Other operating income	719	210	-71 %	2,467	1,706	-31 %
R&D expenses	7,410	5,178	-30 %	26,611	19,027	-28 %
Business development and general administration	1,875	1,333	-29 %	5,492	5,884	7 %
EBITDA (loss)	-8,566	-6,301	26 %	-29,636	-23,205	22 %
Depreciation on intangible and fixed assets	318	343	8 %	967	1,574	63 %
Operating result (loss)	-8,884	-6,644	25 %	-30,603	-24,779	19 %

Other Operating Income

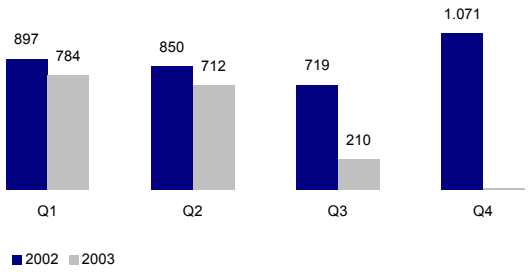
In the reporting periods Q3-2003 and 9M-2003, other operating income was 210 T€ and 1,706 T€. Income comprises research and development payments as well as royalties from the partners Schering (CVLP vaccine project) and Aventis (rAAV tumor vaccine project), obtained in the HPV indications and oncology segments.

The amounts of R&D payments depend on the expenses incurred to MediGene in the respective joint project: the higher R&D expenses, the higher other operating income will be. Corresponding to the current status of the joint projects, lower R&D expenses arose for MediGene. Therefore the amount of other operating income is no indication of current or future company success.

Other operating income

in T€	Q3-2002	Q3-2003	Change
HPV indications	383	21	-95 %
Oncology	284	155	-45 %
Cardiology	31	29	-6 %
Intersegment	22	5	-77 %
Total	**719**	**210**	**-71 %**

in T€	9M-2002	9M-2003	Change
HPV indications	1,178	663	-44 %
Oncology	1,133	867	-23 %
Cardiology	99	134	35 %
Intersegment	57	42	-26 %
Total	**2,467**	**1,706**	**-31 %**



R&D Expenses

In the third quarter 2003, total expenditure on research and development decreased by 30 % to 5,178 T€, and in the first nine months by 28 % to 19,027 T€. The reduction compared to the corresponding periods of last year can be attributed mainly to a significant decrease in R&D expenses in the oncology and cardiology segments. In the HPV indications segment, expenditure increased slightly, whereas intersegment expenditure rose significantly (see page 24: "Segment Definition"). The reduced R&D expenditure reflects mainly changes within the product portfolio.

During the first nine months 2003, two drug candidates from the oncology segment were undergoing clinical trials, i.e. G207 and the rAAV tumor vaccine. In the same period of 2002, three drug candidates were in clinical trials, that is NV1020, G207 and the rAAV tumor vaccine. We are currently preparing a clinical trial for NV1020 which is intended to start in 2004.

Until March 31, 2003, the cardiology segment included the activities of our cardiological research program. Since April, 2003, LARNAX GmbH has been consolidated within the cardiology segment. The decrease in R&D expenditure in this segment is explained by the fact that in the reporting period of last year there were R&D expenses accruing for the development of the drug candidate Etomoxir.

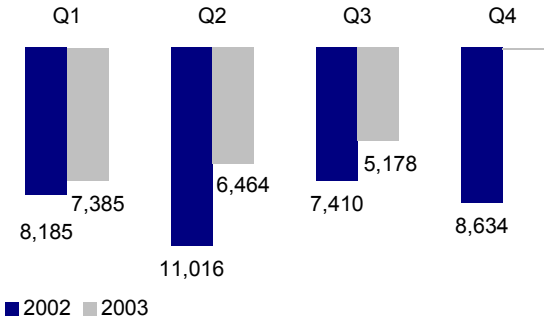
Furthermore, R&D expenses in the HPV indications segment increased slightly, because of the clinical phase 3 trial of the Polyphenon® E ointment. Recruitment of approx. 480 patients for this trial, initiated in September 2002, was accomplished in May, 2003. In July 2003, MediGene started recruitment of another 480 patients in the USA and other countries.

All R&D expenses that can't be clearly assigned to one of the segments have been posted as intersegment R&D expenses. The increase within this segment by 18 % (Δ Q3 2002/2003) and 26 % (Δ 9M 2002/2003) respectively results from the expansion of the pharmacology and toxicology departments, among other things. Pharmacology and toxicology examine the effects of drugs by means of pre-clinical and clinical trials.

R&D Expenses

in T€	Q3-2002	Q3-2003	Change
HPV indications	1,645	1,780	8 %
Oncology	3,191	1,863	-42 %
Cardiology	1,669	464	-72 %
Intersegment	905	1,071	18 %
Total	**7,410**	**5,178**	**-30 %**

in T€	9M-2002	9M-2003	Change
HPV indications	5,719	6,163	8 %
Oncology	11,440	6,725	-41 %
Cardiology	6,867	2,890	-58 %
Intersegment	2,585	3,249	26 %
Total	**26,611**	**19,027**	**-28 %**



Expenditure for Business Development and General Administration

Cost of sales - consisting of expenditure for business development and marketing - and general administration - decreased by 29 % to 1,333 T€ in the third quarter, and by 7 % to 5,884 T€ in the first nine months of the year. This decrease results from the reorganization measures initiated. The expenses reported include non-recurrent expenditure for the subsidiary MediGene, Inc., as well as for the spin-off of the cardiological research program.

EBITDA Improved

In the third quarter 2003, earnings before interest, tax, depreciation and amortization (EBITDA) improved to -6,301 T€ (Q3-2002: -8,566 T€); compared to the first nine months of 2002, EBITDA improved by 22 % to -23,205 T€ (9M-2002: -29,636 T€). Altogether, the EBITDA improvement in the oncology and cardiology segments has offset the rise in negative EBITDA in HPV indications and intersegment.

EBITDA

in T€	Q3-2002	Q3-2003	Change
HPV indications	-1,267	-1,763	-39 %
Oncology	-3,081	-1,778	42 %
Cardiology	-1,638	-435	73 %
Intersegment	-2,579	2,325	10 %
Total	**-8,566**	**-6,301**	**26 %**

in T€	9M-2002	9M-2003	Change
HPV indications	-4,562	-5,517	-21 %
Oncology	-10,518	-5,930	44 %
Cardiology	-6,769	-2,756	59 %
Intersegment	-7,788	-9,002	-16 %
Total	**-29,636**	**-23,205**	**22 %**

Depreciation

Depreciation increased by 8 % to 343 T€, compared to the third quarter of 2002. The increase during the first nine months of the year was 63 %, to 1,231 T€. This significant increase results from depreciation of 570 T€ in fixed assets arising in the second quarter of 2003 in the course of the reorganization of our US location. Regarding the goodwill reported in the balance sheet, the impairment test at the end of the reporting period did not show a change compared to the previous quarter.

Depreciation

in T€	Q3-2002	Q3-2003	Change	9M-2002	9M-2003	Change
of fixed assets incl. intangibles	254	287	13 %	765	1,372	79 %
of capitalized leased items	64	56	-13 %	202	202	0 %
Total	**318**	**343**	**8 %**	**967**	**1,574**	**63 %**

EBIT

Compared to last year's reporting periods, operating loss before interest and tax (EBIT) decreased by 25 % to 6,644 T€ (Q3-2002: 8,884 T€), and by 19 % to 24,779 T€ (9M-2002: 30,603 T€).

EBIT

in T€	Q3-2002	Q3-2003	Change	9M-2002	9M-2003	Change
HPV indications	-1,336	-1,771	-33 %	-4,769	-5,665	-19 %
Oncology	-3,194	-1,949	39 %	-10,874	-6,735	38 %
Cardiology	-1,694	-494	71 %	-6,934	-2,939	58 %
Intersegment	-2,659	-2,430	9 %	-8,027	-9,440	-18 %
Total	**-8,884**	**-6,644**	**25 %**	**-30,603**	**-24,779**	**19 %**

Financial Result

Compared to last year's reporting periods, the financial result declined by 38 % to 601 T€ (9M-2003) and by 66 % to 144 T€ (Q3-2003). The reduction in interest income resulted mainly from a significantly lower amount invested. Interest expenses incurred by leasing of tangible fixed assets. The reduced US-Dollar cash funds lead to a decrease in currency fluctuations reported.

Financial Result

in T€	Q3-2002	Q3-2003	Change	9M-2002	9M-2003	Change
Interest income	502	154	-69 %	1,779	656	-63 %
Interest expenses	17	11	-35 %	58	61	5 %
Foreign currency exchange gains/losses	-65	1	102 %	-755	6	101 %
Total	**420**	**144**	**-66 %**	**966**	**601**	**-38 %**

9-Months Loss Reduced

Compared to last year's reporting period, MediGene reduced the 9-months loss by 19 % to 23,917 T€ (9M-2003: 29,637 T€), and in the third quarter by 23 % to 6,500 T€ (Q3-2002: 8,463 T€). This decrease resulted mainly from reduced research and development expenses in the cardiology and oncology segments.

Loss per Share Decreased

In the first nine months of the financial year 2003, the net loss per share decreased by 20 % from 2.65 € (weighted average number of shares 11,204,044) to 2.13 € (weighted average number of shares 11,206,205). On a quarterly basis, the loss even decreased by 24 %, amounting to 0.58 € per share (weighted average number of shares: 11,206,205), as against 0.76 € (weighted average number of shares 11,206,205) in the reporting period of the year 2002.

Segment Reports

During the reporting periods 9M-2003 and Q3-2003, MediGene's business activities were focused on the following drug market segments: oncology and HPV indications (see page 24: "Segment Definition"). The activities in the cardiology segment were spun off as of March 31, 2003, and are posted as minority interest. The areas that cannot be clearly assigned to one segment are reported under "Intersegment". This includes, among others, pharmacology, toxicology, clinical project management and quality assurance.

During the first nine months 2003, one drug candidate was undergoing European marketing authorization process, and three further candidates were in clinical development. Further development of the drug candidate G207 was put on hold in August 2003. Regarding clinical development in the different segments, the following changes took place in comparison with last year's reporting period:

In the HPV indications segment, a clinical phase 3 trial of Polyphenon® E ointment has been ongoing in Europe since the third quarter of 2002. Recruitment of the scheduled number of 480 patients was completed in May. Another clinical phase 3 trial, also including 480 patients, was initiated in the third quarter of 2003, which will be conducted mainly in the USA and in Latin America. Clinical development of the CVLP tumor vaccine was discontinued in the first quarter of 2003.

In June 2003, MediGene initiated further measures to reduce R&D expenses. In the course of the relocation of the US subsidiary's research department to the headquarters in Martinsried, the staff will be gradually reduced to about 10 employees by the end of the year. Starting with the year 2004, MediGene expects to realize an annual cost reduction in the oncology segment of approximately 5 million €. The US subsidiary MediGene, Inc. will continue operations with the “Clinical Development” and “Regulatory Affairs” departments.

On March 31, 2003, MediGene completed the spin-off of the cardiological research program. The company LARNAX GmbH emerging from this spin-off was consolidated as minority interest in the cardiology segment as from April 1, 2003. MediGene currently holds a share of 67 % in LARNAX GmbH. Development of the drug candidate Etomoxir for the treatment of congestive heart failure had been discontinued in June 2002.

HPV Indications

The HPV indications segment comprises the CVLP technology, the clinical development projects Polyphenon® E and the CVLP tumor vaccine. Other operating income in this segment results from the strategic alliance with Schering. The subject matter of the cooperation agreement was the joint development of a CVLP tumor vaccine for the treatment of cervical cancer and its precursors.

R&D expenditure within the HPV indications segment has slightly increased by 8 % for the periods reported. Altogether, the final Polyphenon® E trial has caused an increase in expenses which has offset the savings achieved after termination of the CVLP project. Polyphenon® E ointment is developed for the treatment of benign tumors of the genital tract, so-called genital warts.

HPV Indications

in T€	Q3-2002	Q3-2003	Change	9M-2002	9M-2003	Change
Other operating income	383	21	-95 %	1.178	663	-44 %
Selling expenses	5	4	-20 %	22	17	-23 %
R&D expenses	1,645	1,780	8 %	5,719	6,163	8 %
EBITDA	**-1,267**	**-1,763**	**-39 %**	**-4,562**	**-5,517**	**-21 %**
Depreciation	69	8	-88 %	207	148	-29 %
EBIT	**-1,336**	**-1,771**	**-33 %**	**-4,769**	**-5,665**	**-19 %**

HPV indications - other operating income

in T€	Q3-2002	Q3-2003	Change	9M-2002	9M-2003	Change
R&D payments received from partners	383	21	-95 %	1.178	663	-44 %
Milestone and license fee payments	0	0	0 %	0	0	0 %
Research grants	0	0	0 %	0	0	0 %
Other revenue	0	0	0 %	0	0	0 %
Total	**383**	**21**	**-95 %**	**1,178**	**663**	**-44 %**

Oncology

The oncology segment includes the recombinant adeno-associated virus (rAAV) and oncolytic herpes simplex virus (HSV) technologies, as well as the drug candidates Leuprogel®, G207, NV1020 and the rAAV tumor vaccine. Other operating income in this segment results from a strategic alliance with Aventis. The cooperation agreement was concluded for the development of a tumor vaccine to treat malignant melanoma.

Oncology

in T€	Q3-2002	Q3-2003	Change	9M-2002	9M-2003	Change
Other operating income	284	155	-45 %	1,133	867	-23 %
Selling expenses	174	70	-60 %	211	72	-66 %
R&D expenses	3,191	1,863	-42 %	11,440	6,725	-41 %
EBITDA	**-3,081**	**-1,778**	**42 %**	**-10,518**	**-5,930**	**44 %**
Depreciation	113	171	51 %	356	805	126 %
EBIT	**-3,194**	**-1,949**	**39 %**	**-10,874**	**-6,735**	**38 %**

Oncology - other operating income

in T€	Q3-2002	Q3-2003	Change	9M-2002	9M-2003	Change
R&D payments received from partners	284	124	-56 %	1,025	734	-28 %
Milestone and license fee payments	0	0	0 %	102	102	0 %
Research grants	0	0	0 %	0	0	0 %
Other revenue	0	31	0 %	5	31	520 %
Total	**284**	**155**	**-45 %**	**1,133**	**867**	**-23 %**

During the reporting periods, R&D expenditure in the oncology segment has decreased by 42 % (Δ Q3-2002/2003), and by 41 % (Δ 9M-2002/2003). The changed status of the NV1020 project has contributed to this; in the first nine months of 2002, a clinical phase 1 trial of this drug candidate had been conducted. The suspension of the G207 development will lead to further cost savings. The rAAV tumor vaccine for the treatment of malignant melanoma is currently undergoing a clinical phase 1/2 trial. The results of this trial are expected in the middle of 2004.

Cardiology

In the cardiology segment, MediGene investigated the causes for cardiac diseases and identified approaches to the development of novel active substances to treat these diseases. Until April 2002, the drug candidate Etomoxir for the treatment of congestive heart failure was undergoing a clinical phase 2 trial. Further clinical development of Etomoxir was discontinued in June 2002. On March 31, 2003, MediGene completed the spin-off of its cardiological research program, co-founding the new LARNAX GmbH which is consolidated as minority interest in the cardiology segment as from April 1, 2003.

Cardiology

in T€	Q3-2002	Q3-2003	Change	9M-2002	9M-2003	Change
Other operating income	31	29	-6 %	99	134	35 %
Selling expenses	0	0	0 %	0	0	0 %
R&D expenses	1,669	464	-72 %	6,867	2,890	-58 %
EBITDA	**-1,638**	**-435**	**73 %**	**-6,769**	**-2,756**	**59 %**
Depreciation	56	59	5 %	165	183	11 %
EBIT	**-1,694**	**-494**	**71 %**	**-6,934**	**-2,939**	**58 %**

Cardiology - other operating income

in T€	Q3-2002	Q3-2003	Change	9M-2002	9M-2003	Change
R&D payments from partners	0	0	0 %	0	0	0 %
Milestone and license fee payments	0	0	0 %	0	0	0 %
Research grants	29	30	3 %	94	129	37 %
Other revenue	1	-1	-200 %	5	5	0 %
Total	**31**	**29**	**-6 %**	**99**	**134**	**35 %**

Intellectual Property

The development of MediGene's patent portfolio reflects the company's focus on the development of anti-tumor drugs. Whereas the patent position in the oncology segment has been further expanded, comparing the respective end of period dates, the HPV indications and cardiology patent portfolio has been tigthened.

Patents granted or allowed

	HPV Indications	Oncology	Cardiology
Germany	1	9	2
USA	5	26	0

Patents pending

	HPV Indications	Oncology	Cardiology
Germany	5	9	5
USA	10	27	14
International	6	33	12

Investments

Compared with the corresponding periods of last year, investment in tangible fixed assets including software declined in all segments, totaling 22 T€ in Q3-2003, and 221 T€ in the first nine months of 2003. Significant individual investments did not accrue. In the third quarter of 2003, only investments in tangible fixed assets were made by MediGene AG; during the first nine months of 2003, approx. 14 % of the investment in tangible fixed assets were made by the subsidiary, MediGene, Inc.

Assets Position

Cash Position 27,738 T€; Equity Ratio of 81 %

Compared with the cut-off date of last year, the balance sheet total decreased by 33 %, to 44,645 T€ (December 31, 2002: 67,079 T€). This decrease can be attributed mainly to the consumption of net equity. The equity ratio decreased from 89 % to 81 % in the first nine months of 2003. As at September 30, 2003, the cash position amounted to 27,738 T€. The impairment test at the cut-off date did not show a change in capitalized goodwill.

Changes in assets and capital structure			
in T€	31.12. 2002	30.09. 2003	Change
Assets			
Long-term investments	3,802	4,157	9 %
Goodwill	9,226	9,226	0 %
Fixed assets	3,821	2,326	-39 %
Cash and cash equivalents	47,762	27,738	-42 %
Other current assets	2,468	1,198	-51 %
Total assets	**67,079**	**44,645**	**-33 %**
Liabilities and shareholders' equity			
Shareholders' equity	59,435	36,048	-39 %
Minority interest	0	0	0 %
Long-term liabilities	2,993	3,545	18 %
Current liabilities	4,651	5,052	9 %
Total liabilities	**67,079**	**44,645**	**-33 %**
Liquidity cover ratio	**71 %**	**62 %**	**-13 %**
Equity ratio	**89 %**	**81 %**	**-9 %**

Financial Position

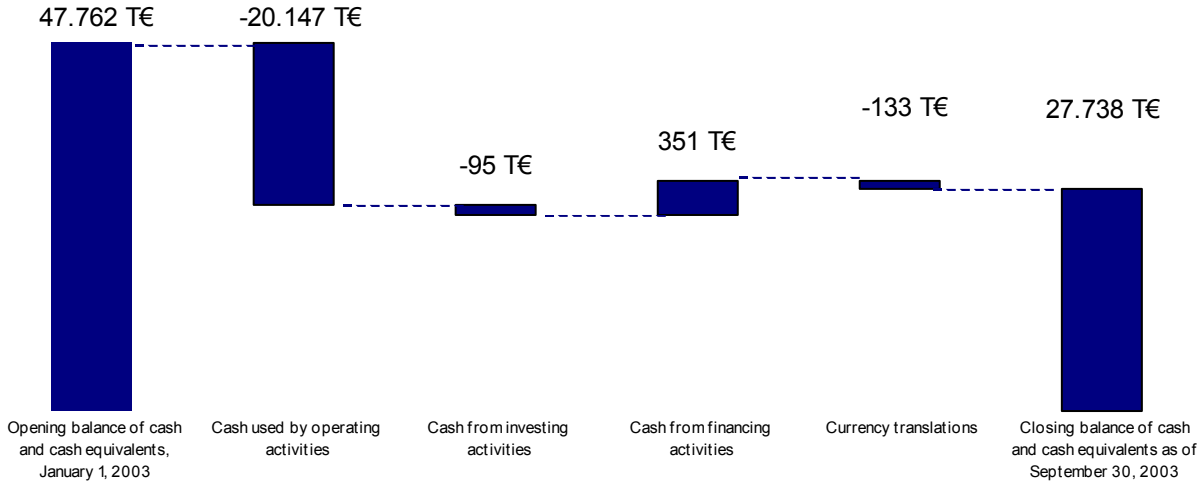
Outflow of Cash Reduced

The total reduction in cash during the first nine months of the year was 16 %, to 20,024 T€, and in the third quarter of 2003 11 %, to 7,134 T€. Compared with the reporting periods of last year, outflow of cash from operating activities was reduced due to changes within the research and development portfolio as well as the reorganization measures initiated, by 13 % (Δ Q3-2002/2003) and 31 % (Δ 9M-2002/2003), respectively. In the first nine months of 2002, there was a non-recurring inflow of cash from investment activity amounting to 6,000 T€. As of cut-off date, cash and cash equivalents was 27,738 T€. MediGene uses the resources available for the development of drug candidates.

Monthly Net Cash Burn

As a result of the change in cash and cash equivalents and securities reported in the balance sheet (see page 20, Balance Sheet), the net cash burn rate (net cash used in the period under review) was 20,024 T€ in the first nine months of 2003 (9M-2002: 23,802 T€), which corresponds to an average of 2,225 T€ per month (9M-2002: 2,645 T€). In the third quarter 2003, net cash used amounted to 7,134 T€ (Q3-2002: 7,972 T€), that is 2,378 T€ per month (Q3-2002: 2,657 T€). Compared to this, the average net cash burn rate in the financial year 2002 was 3,257 T€. The first quarter 2002 figures include a non-recurring inflow of cash from the sale of securities.

Development of cash and cash equivalents



Human Resources

As of the cut-off date September 30, 2003, the total number of employees was 144, with 106 at the Martinsried headquarters and 26 at the subsidiary, MediGene, Inc., in the USA. LARNAX GmbH totaled 12 employees. The number of employees of the group declined by 23 % as of cut-off date, and by 30 % not considering LARNAX GmbH. In the course of the cost-saving measures, the staff at the US location will be reduced to about 10 employees at the end of 2003. The employees listed in the cardiology segment will leave LARNAX GmbH by the end of the year.
Personnel expenses remained nearly constant during the first nine months of 2003 and remain within the annual budget. As a consequence of the reorganization measures, personnel expenses dropped by 16 % to 2,693 T€ in the third quarter of 2003 (Q3-2002: 3,217 T€).

Number of employees as at September 30, 2003

	9M-2002	9M-2003	Y-2002
MediGene AG	134	106	133
MediGene, Inc.	54	26	52
LARNAX GmbH	0	12	0
Total	**188**	**144**	**185**
HPV indications	24	6	22
Oncology	53	41	51
Cardiology	28	16	29
Intersegment	83	81	83
Total	**188**	**144**	**185**

Personnel expenses

in T€	Q3-2002	Q3-2003	Change	9M-2002	9M-2003	Change
Total	**3,217**	**2,693**	**-16 %**	**9,520**	**9,643**	**1 %**

MAJOR EVENTS SINCE END OF PERIOD UNDER REVIEW

There have been no changes in the general setting or company's situation (as at November 8, 2003).

FORECAST

General Setting for the Current Financial Year Improved

The overall economic situation shows signs of improvement for the year 2004. At the same time, the sentiment within our industry segment has continued to brighten since the 6-Months Report 2003. This was due to numerous positive news published by the drug developing biotech companies, as well as the approval of new drugs. Regarding major risks for MediGene's future development, there have been no changes compared to the financial year ending on December 31, 2002, either.

Marketing authorization for Leuprogel® Expected for 2003

Marketing authorization for Leuprogel® in 2003 represents an important milestone on our way to become a fully integrated biopharmaceutical company. We expect Leuprogel® to receive approval from the German authorities before the end of this year. The completion of a marketing partnership for Europe is one of our major goals. We expect to finalize our negotiations with potential partners this year. Within the framework of a marketing agreement we intend to generate income from Leuprogel®for the first time in 2003. Our licensor Atrix in the USA has obtained marketing authorization for the four-months depot product; another product, the six-months depot, is still undergoing clinical trials. MediGene holds the option on acquiring European marketing licenses for both products.

Plans for our Drug Candidates Under Clinical Development

Polyphenon® E ointment: Results from concluding clinical phase 3 trial expected for the first quarter of 2004

The first of two concluding clinical phase 3 trials of our Polyphenon® E ointment in Europe started in September 2002. Patient recruitment for this trial was successfully completed in May, six weeks ahead of schedule. A total of 480 patients is participating in the trial. In August 2003, the first patients were recruited for the second clinical phase 3 trial. This trial will be mainly conducted in the USA and Latin America. We expect to obtain the results of the first trial, conducted in Europe, in the first quarter of 2004. The results of the second trial will probably be available at the end of 2004. Approval of the product is expected by the end of 2006 at the earliest. MediGene is planning to commercialize the Polyphenon® E ointment by means of a strategic alliance.

Focus on Development of NV1020

In the clinical development of the HSV technology, MediGene's management decided to concentrate all resources on the development of the drug candidate NV1020 and to put the development of G207 on hold for the time being. An additional clinical phase 2 trial for NV1020 is currently in preparation.

Completion of the Clinical Phase 1/2 Trial of the rAAV Tumor Vaccine in the First Half of 2004

For the rAAV tumor vaccine we expect the completion of the clinical phase 1/2 trial by the middle of 2004 instead of the end of 2003, due to the continuing follow-up of two patients who were included in the trial in summer of 2003. Altogether, patient recruitment for the current clinical trial has been completed.

Cash Position of 20 million € at the End of 2003

MediGene expects a net loss for the year of approx. 30 million €, and consequently a cash position of 20 million € by the end of the year. This forecast reflects the first effects of the reorganization measures already implemented. By the end of the year, group staff will be reduced to 110 employees, with 10 employees working at the US-subsidiary in San Diego. The relocation of MediGene Inc.'s R&D department will then be completed.

Balance Sheet

As of December 31, 2002 and September 30, 2003

in T€		Dec. 31. 2002 audited	September 30, 2003 unaudited
Assets			
A. Current assets			
I. Cash and cash equivalents		47,762	27,738
II. Accounts receivable		1,027	96
III. Inventories		492	152
IV. Prepaid expenses and other current assets		949	950
Total current assets		**50,230**	**28,936**
B. Long-term assets			
I. Property, plant & equipment		3,686	2,234
II. Intangible assets		135	92
III. Goodwill		9,226	9,226
IV. Investments		3,443	4,123
V. Loans		187	0
VI. Other assets		172	34
Total long-term assets		**16,849**	**15,709**
Total assets		**67,079**	**44,645**
Liabilities and shareholders' equity			
A. Current liabilities			
I. Current portion of capital lease obligation		401	309
II. Trade accounts payable		1,128	1,049
III. Accrued expenses		2,526	3,318
IV. Deferred income		103	0
V. Other current liabilities		493	376
Total current liabilities		**4,651**	**5,052**
B. Long-term liabilities			
I. Long-term dept less current portion		2,650	3,319
II. Capital lease obligation less current portion		277	158
III. Pension accrual		32	34
IV. Other long-term liabilities		34	34
Total long-term liabilities		**2,993**	**3,545**
C. Minority Interest.....	**(1)**	**0**	**0**
D. Shareholders' Equity			
I. Share capital			
Number of shares issued and outstanding:			
December 31, 2002: 11.206.205			
September 30, 2003: 11.206.205		11,206	11,206
II. Additional paid-in capital		218,142	218,176
III. Accumulated deficit		-168,882	-192,798
IV. Accumulated other comprehensive		-1,031	-536
Total shareholders' equity		**59,435**	**36,048**
Total liabilities and shareholders' equity		**67,079**	**44,645**

US-GAAP
Totals may vary due to rounding

Consolidated Income Statements
for the periods July 1 until September 30, and January 1 until September 30, 2002 und 2003

in T€	Q3-2002 unaudited	Q3-2003 unaudited	9M-2002 unaudited	9M-2003 unaudited
1. Other operating income	**719**	**210**	**2,467**	**1,706**
2. Selling expenses	571	357	1,310	1,050
3. General and administrative expenses	1,304	976	4,182	4,834
4. Research and development expenses	7,410	5,178	26,611	19,027
5. Depreciation on intangible and fixed assets	318	343	967	1,574
6. Operating result (EBIT)	**-8,884**	**-6,644**	**-30,603**	**-24,779**
7. Interest income and expenditures	485	143	1.721	595
8. Foreign currency exchange gains/losses	-65	1	-755	6
9. Result before income tax	**-8,463**	**-6,500**	**-29,637**	**-24,178**
10. Tax	0	0	0	0
11. Net loss before minority interest	**-8,463**	**-6,500**	**-29,637**	**-24,178**
12. Minority interest	0	0	0	261
13. Net loss	**-8,463**	**-6,500**	**-29,637**	**-23,917**
Per share data in €:				
Basic and diluted net result	-0.76	-0.58	-2.65	-2.13
Weighted average number of shares outstanding	11,206,205	11,206,205	11,204,585	11,206,205

The number of shares used in calculating the diluted net loss per share is the same as calculating the basic net loss per share without consideration of potential dilution, since conversion of common stock equivalents would have an anti-dilutive effect. The number of potentially dilutive shares related to options and convertible bonds that could dilute basic earnings per share in the future was 500,184 as of September 30, 2003.

US-GAAP
Totals may vary due to rounding

Consolidated Changes in Shareholders' Equity

for the periods from January 1, 2002 to September 30, 2003

	Shares	Share capital	Capital reserves	Accumu-lated losses	Other compre-hensive income	Total Share-holders' Equity
	Number	T€	T€	T€	T€	T€
Balance January 1, 2002, audited	**11,198,637**	**11,199**	**217,995**	**-130,012**	**1,224**	**100,406**
Net loss for the period				-29,637		-29,637
Other comprehensive income					-1,948	-1,948
Currency translation adjustments					-148	-148
Comprehensive income						**-31.733**
Stock options exercised	7,568	8	38			46
APB No. 25 expensses on new options/bonds			80			80
Balance September 30, 2002, unaudited	**11,206,205**	**11,206**	**218,113**	**-159,649**	**-872**	**68,799**
Balance December 31, 2002, audited	**11,206,205**	**11,206**	**218,142**	**-168,882**	**-1,031**	**59,435**
Net loss for the period				-23,916		-23,916
Other comprehensive income					680	680
Currency translation adjustments					-185	-185
Comprehensive income						**-23,421**
Stock options exercised						0
APB No. 25 expenses on new options/bonds			34			34
Balance September 30, 2003, unaudited	**11,206,205**	**11,206**	**218,176**	**-192,798**	**-536**	**36,048**

US-GAAP
Totals may vary due to rounding

Consolidated Cash Flow Statements
for the periods July 1 to September 30 and January 1 to September 30, 2002 and 2003

in T€	Q3-2002 unaudited	Q3-2003 unaudited	9M-2002 unaudited	9M-2003 unaudited
Cash flow from operating activities				
Net loss for the period	-8,463	-6,500	-29,637	-23,916
Adjustments:				
APB 25 expense on new options/bonds	28	1	80	34
Minority interest	0	0	0	242
Minority interest net loss	0	0	0	-261
Depreciation	318	343	967	1,574
Losses on sales of property, plant & equipment	0	17	16	24
Changes in:				
Inventories	19	40	-38	339
Other assets and prepaid expenses	846	196	12	1,256
Trade accounts payable	382	-714	-594	-79
Accruals	-1,171	-170	53	857
Other liabilities and deferred income	7	-200	-140	-217
Net cash used by operating activities	**-8,035**	**-6,987**	**-29,281**	**-20,147**
Cash flow from investing activities				
Purchase of property, plant & equipment	-131	-20	-664	-95
Sales of property, plant & equipment	0	0	1	0
Disposal of securities	0	0	6,000	0
Net cash from investing activities	**-131**	**-20**	**5,337**	**-95**
Cash flow from financing activities				
Proceeds from stock options	0	0	46	0
Proceeds from minority interest	0	0	0	19
Repayments of/Proceeds from loans	291	25	451	669
Principal payments under finance lease obligations	-113	-102	-340	-337
Net cash from financing activities	**178**	**-77**	**157**	**351**
Currency translation	16	-50	-15	-133
Decrease in cash and cash equivalents	**-7,972**	**-7,134**	**-23,802**	**-20,024**
Cash and cash equivalents at beginning of period	65,013	34,872	80,843	47,762
Cash and cash equivalents at end of period	**57,042**	**27,738**	**57,042**	**27,738**

Supplementary schedule of non-cash financing activities:

In the first nine months of 2003, new leasing obligations incurred for laboratory and office equipment amounted to 127 T€ (9M-2002: 0 T€).

US-GAAP
Totals may vary due to rounding

Segment Reporting

MediGene's business activities take place in Germany and in the United States.

Segment reporting by region

in T€	Germany Q3-2002	USA Q3-2002	Germany Q3-2003	USA Q3-2003
Other operating income	719	0	210	0
R&D expenses	4,646	2,764	4,217	961
Depreciation	201	117	219	124
EBIT	-5,472	-3,411	-5,717	-927
Investments*	42	68	22	-1
Cash flow (from operating activities)	-4,796	-3,450	-5,546	-1,704
Assets	73,141	3,030	42,600	2,045
Liabilities and shareholders' equity	5,788	1,584	7,413	1,185

in T€	Germany 9M-2002	USA 9M-2002	Germany 9M-2003	USA 9M-2003
Other operating income	2,467	0	1,706	0
R&D expenses	18,063	8,548	14,519	4,508
Depreciation	588	379	660	914
EBIT	-19,978	-10,625	-18,236	-6,543
Investments*	309	333	192	30
Cash flow (from operating activities)	-19,090	-10,250	-14,421	-5,726
Assets	73,141	3,030	42,600	2,045
Liabilities and shareholders' equity	5,788	1,584	7,413	1,185
Average number of employees	127	48	127	40

* Investments also include capital lease investments

Segment Definition

During the reporting periods, the company has been active in the HPV indications, oncology and cardiology market segments. In these segments, drugs were under development utilizing various technologies which can be classified as follows:

HPV indications: CVLP technology

Drug candidates under development:

- Polyphenon® E ointment for the treatment of genital warts
- CVLP tumor vaccine against cervical carcinoma and its precursor stages, until March 2003

Oncology	rAAV technology, HSV technology Drug candidates under development: o Leuprogel® for the treatment of advanced prostate cancer o rAAV tumor vaccine against malignant melanoma o G207 for the treatment of brain tumors, until August 2003 o NV1020 for the treatment of liver metastases
Cardiology:	ITD technology platform until March 2003, LARNAX GmbH as of April 2003 Drug candidate under development: o Etomoxir for the treatment of congestive heart failure, until June 2002

Segment reporting by market segment

in T€	HPV Indications	Oncology	Cardiology	Intersegment	Total
Q3-2003					
Other operating income	21	155	20	5	210
Selling expenses	4	70	0	283	357
General and administrative expenses	0	0	0	976	976
R&D expenses	1,780	1,863	464	1,071	5,178
Depreciation	8	171	59	105	343
Operating result	-1,771	-1,949	-494	-2,430	-6,644
Investments*	0	20	1	1	22
Q3-2002					
Other operating income	383	284	31	22	719
Selling expenses	5	174	0	392	571
General and administrative expenses	0	0	0	1,304	1,304
R&D expenses	1,645	3,191	1,669	905	7,410
Depreciation	69	113	56	80	318
Operating result	-1,336	-3,194	-1,694	-2,659	-8,884
Investments*	0	70	14	27	111

in T€	HPV Indications	Oncology	Cardiology	Intersegment	Total
9M-2003					
Other operating income	663	867	134	42	1,706
Selling expenses	17	72	0	961	1,050
General and administrative expenses	0	0	0	4,834	4,834
R&D expenses	6,163	6,725	2,890	3,249	19,027
Depreciation	148	805	183	438	1,574
Operating result	-5,665	-6,735	-2,939	-9,440	-24,779
Investments*	0	30	2	193	225
Average number of employees	16	46	27	78	167
9M-2002					
Other oeprating income	1,178	1,133	99	57	2,467
Selling expenses	22	211	0	1,078	1,310
General and administrative expenses	0	0	0	4,182	4,182
R&D expenses	5,719	11,440	6,867	2,585	26,611
Depreciation	207	356	165	239	967
Operating result	-4,769	-10,874	-6,934	-8,027	-30,603
Investments*	6	221	110	305	642
Average number of employees	23	52	27	73	175

* Investments also include capital lease investments.

Selected Details on the Notes

These unaudited consolidated financial statements were drawn up in compliance with the accounting principles for interim reports generally accepted in the United States of America (US GAAP). It is the Management Board's conviction that the quarterly financial statements on hand reflect all adjustments required for the presentation of the assets, financial and income situation at the end of the periods that expired in September 2002 and 2003. All of these adjustments are of a conventional nature.

The quarterly financial statements on hand should be read in connection with the annual financial statements for 2002 and 2001. If no explicit reference to any changes is made, the comments provided therein also apply to the quarterly financial statements and are not mentioned herein.

A) Accounting and Valuation Principles

New Accounting Principles

Effective from January 1, 2003, the following SFAS[2)] regulations published by FASB[1)] have to be applied: no. 143, "Accounting for obligations associated with the retirement of long-lived assets", no. 146, "Accounting for costs associated with exit or diposal activities", no. 147, "Acquisitions of certain financial institutions", no. 148, "Accounting for stock-based compensation - transition and disclosure - an amendment to SFAS[2)] 123", FIN[3)] 45, "Guarantor's accounting and disclosure requirements for guarantees, including indirect guarantees of indebtedness of others", and FIN 46, "Consolidation of variable interest entities". Interpretation 45 requries a guarantor to carry a liability amounting to the current value of the obligation incurred as a result of granting the guarantee. According to FIN 46, assets, liabilities and operating results of corporations in which the company holds a majority interest ("Variable Entity"), have to be consolidated. Due to a loan of 472 T€, LARNAX GmbH is considered as a variable entity in accordance with FIN 46, and therefore consolidated into MediGene's figures.

B) Consolidation

In addition to MediGene AG, Martinsried, and the wholly-owned subsidiary MediGene, Inc., San Diego, LARNAX GmbH, Martinsried has been integrated into the consolidated group as of March 31, 2003, in accordance with FIN 46 (see C) Comments on the Balance Sheet).

C) Comments on the Balance Sheet (p. 20)

(1) Minority Interest

On March 31, 2003, MediGene AG and the seed capital company Bio^{M} AG jointly founded LARNAX GmbH for the discovery and development of novel drugs for the treatment of cardiac and metabolic diseases. MediGene's cardiological research program forms the core of LARNAX GmbH since April 1, 2003. As of September 30, 2003, MediGene has exercised the option to increase its share in LARNAX GmbH from approx. 25 % to 67 % by means of an increase in share capital.

1) Financial Accounting Standards Board
2) Statements of Financial Accounting Standards
3) FASB Interpretation

In the first nine months of 2003, there have been no changes in the management and supervisory organs.

„Directors Holdings“ and comments on shares held by members of the Supervisory Board, the Executive Board and employees in accordance with § 160, Par. 1 No. 2 and 5 AktG (Stock Corporaton Act)

Members	No. of shares 9M-2002	No. of shares 9M-2003	No. of options 9M-2002	No. of options 9M-2003	No. of CB*) 9M-2002	No. of CB*) 9M-2003
Prof. Dr. Ernst-Ludwig Winnacker Supervisory Board Chairman, Co-founder	292,676	292,676	38,700	38,700	1,600	2,400
Dr. Helmut Schühsler Supervisory Board Deputy Chairman	25,940	25.940	6,880	6,880	1,200	1,800
Prof. Dr. Dr. Ernst-Günter Afting Supervisory Board member	11,217	11,217	15,370	15,370	800	1,200
Dr. Pol Bamelis Supervisory Board member	330	1,000	0	0	400	800
Prof. Dr. Michael Hallek Co-founder, Supervisory Board Member	275,091	275,091	5,590	5,590	800	1,200
Michael Tarnow Supervisory Board member	6,337	6,337	0	0	20,400	31,200
Total Supervisory Board	**611,591**	**612,261**	**66,540**	**66,540**	**25,200**	**38,600**
Dr. Peter Heinrich Chief Executive Officer, Co-founder	499,500	503,440	36,636	56,636	41,000	0
Dr. Johanna Holldack Chief Operating Officer	0	0	43,000	43,000	37,500	0
Alexander Dexne Chief Financial Officer	0	0	0	40,000	0	0
Total Executive Board	**499,500**	**503,440**	**79,636**	**139,636**	**78,500**	**0**
Shareholders' equity MediGene AG	**0**	**0**	**0**	**0**	**0**	**0**

1) Convertible Bonds

(Status as at Septemper 30, 2003 and 2002)

Other Notes

Contingencies and Other Financial Obligations

As of September 30, 2003, a rental guarantee of 171 T€ existed. Any contingencies for the benefit of organ members have not been assumed.

The future minimum payments for capitalized leased items and future annual minimum lease installments for operational lease are as follows:

in T€	Capital lease	Operating lease
2003 (October – Dezember)	104	356
2004	281	894
2005	111	627
2006	0	36
danach	0	1
Minimum leasing obligations	**498**	**1,914**
Less interest amount	-31	
Total capital lease obligations	**467**	
Short-term obligations	309	
Long-term obligations	158	

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Financial Calendar 2003/2004

2004

March 24
Annual Report 2003
Press and analysts conference

May 5
3-Months Report
Press and analysts phone conference call

June 2
Annual shareholder's meeting, Munich

August 4
6-Months Report
Press and analysts phone conference call

November 10
9-Months Report
Press and analysts phone conference call

...we look forward to speaking with you