



**PRESS RELEASE**

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## **Medicago Announces Investment in Quebec City Pilot Production Facility**

QUEBEC CITY, QC, February 3, 2012 - Medicago Inc. (TSX : MDG), a biotechnology company focused on developing highly effective and competitive vaccines based on proprietary manufacturing technologies and Virus-Like Particles (VLPs), today announced it plans to invest approximately \$4 million to enhance the capacity of the pilot production facility located in Quebec City. The Company expects this investment to accelerate preclinical and clinical development timelines of future product candidates. This new investment includes capital expenditures and labour costs, as well as preclinical studies for a rabies vaccine and other products.

"Investing in our Quebec City facility is an important step for Medicago as we look towards expanding our product candidate pipeline," said Andrew Sheldon, President and CEO of Medicago. "We are happy to invest in our local community with the addition of approximately 20 new employees in 2012."

"We would like to thank CQDM for their past support of the VLP*Express*<sup>™</sup> platform, which has allowed us to accelerate our discovery and development of new vaccines," said Louis-Philippe Vezina, Chief Scientific Officer of Medicago. "The VLP*Express*<sup>™</sup> platform is now a key component in the development of our new products."

In 2009, Medicago was awarded \$1.77 million in funding by the Quebec Consortium for Drug Discovery (CQDM) to support the development of VLP*Express*<sup>™</sup>, an automated high-throughput platform enabling the rapid expression, purification and testing of VLPs to identify the best antigen presentations for a disease-causing agent within ten weeks.

"Medicago was one of the recipients of the first CQDM competition. Our financial support and unique collective approach allowed Medicago to strengthen its leadership position and increase its capacity to develop new products," said Max Fehlmann, President and CEO of CQDM. "We are very proud to be a part of Medicago's remarkable success. This reinforces the role of CQDM in promoting innovation and creating economic value for the research community in Quebec."

### **About Medicago**

Medicago is a clinical-stage biopharmaceutical company developing novel vaccines and therapeutic proteins to address a broad range of infectious diseases worldwide. The Company is committed to providing highly effective and competitive vaccines and therapeutic proteins based on its proprietary VLP and manufacturing technologies. Medicago is a worldwide leader in the development of VLP vaccines using a transient expression system which produces recombinant vaccine antigens in plants. This technology has potential to offer more potent vaccines with speed and cost advantages over competitive technologies, enabling the development of a vaccine for testing in approximately one month after the identification and reception of genetic sequences from a pandemic strain. This production time frame has the potential to allow vaccination of the population before the first wave of a pandemic, and supply large volumes of vaccine antigens to the world market. Medicago also intends to expand development into other areas such as biosimilars and biodefense products where the benefits of our technologies can make a significant difference. Additional information about Medicago is available at [www.medicago.com](http://www.medicago.com).

### **About the CQDM**

The Québec Consortium for Drug Discovery (CQDM) is a meeting ground for all stakeholders in biopharmaceutical research. Its principal mission is to fund research projects carried out in partnership between the academic and hospital milieus in the public sector and the pharmaceutical and biotechnology industries in the private sector. An innovative Canadian initiative, the CQDM has a twofold goal: to accelerate the drug discovery process and to develop safer and more effective drugs. Project funding is made possible through contributions from the Ministère du Développement Économique, de l'Innovation et de l'Exportation (MDEIE) du Québec, the Fonds de recherche Québec - Santé (FRQ-S), the Business-Led Networks of Centres of Excellence (BL-NCE), Pfizer Canada, AstraZeneca, Merck, Boehringer Ingelheim (Canada) Ltd., GlaxoSmithKline and Eli Lilly Canada Inc. For more information: [www.cqdm.org](http://www.cqdm.org).

**Forward Looking Statements**

*This news release includes certain forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with Medicago's business and the environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", and similar expressions to the extent they relate to Medicago or its management. The forward-looking statements are not historical facts, but reflect Medicago's current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under "Risks Factors and Uncertainties" in Medicago's Annual Information Form filed on March 31, 2011 with the regulatory authorities. Medicago assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements.*

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