

MOLOGEN AG

Berlin, August 11, 2005

MOLOGEN half-year report 2005:

Strong foundation for a positive development, result prognosis for second half year good

Company performance first half year 2005

During the first six months of 2005, MOLOGEN has strengthened its basis for a positive future business development. Investments in an expansion of the dSLIM segment and a better capitalization set the course for the future.

The consolidated financial statement, compiled with IFRS, shows MOLOGEN to have had a business volume of 0.4 million EUR in the first half of 2005. The volume is expected to increase significantly in the second half year, due to the revenues anticipated from cell- and gene-therapy centers. In the first half of 2004, the business volume was 1.1 million EUR. The volume for the second quarter 2005 was 0.3 million EUR.

A determining factor for the -1.9 million EUR EBIT were the expansion of the dSLIM segment and the non-recurring expenditures for the successful capital increase. MOLOGEN's increased activities in the dSLIM segment have further improved the very positive prospects linked with the immune modulator. In the first half of 2004, EBIT was -1.2 million EUR. The result per share in the first half of 2005 was -0.31 EUR, compared to -0.23 EUR in last year's period. In the second quarter of 2005, EBIT was -1.3 million EUR, in last year's period, -0.4 million EUR.

The operational cash flow was -1.7 million EUR during the first half of 2005 due to increased activities in research and development. The operational cash flow was -1.3 million EUR in the first half of 2004.

The inventory of financial resources went up from 0.9 million Euro on March 31, 2005 to 2.1 million Euro on June 30, 2005.

Investment focus gene-therapy centers

Investment activities in the report period have focused strongly on the expansion of the gene-therapy center segment. Thus, roughly 0.9 million EUR of the total investment volume of 1.2 million EUR went to the joint venture INMOG. The responsibilities of this company, situated in Saudi Arabia, include further marketing and sales of the gene-therapy centers. Marketing activities have been launched according to schedule. Investments in INMOG have been in the form of real estate and premises, so that INMOG will be able to start building cell- and gene-therapy centers as planned in the third quarter of this year.

Capital increase placed successfully

On April 27, 2005, a capital increase was placed with renowned institutional investors and was registered on May 3 in the register of corporations. 2.2 million EUR of this capital increase went to MOLOGEN. These funds allow MOLOGEN to continue the business expansion as planned.

Prospect

Based on existing contracts and planned revenues, MOLOGEN's prospect for the second half of 2005 includes a clearly positive cash flow development as well as positive EBIT.

The MOLOGEN share

MOLOGEN's business performance and the exceptional prospects have also had an impact on the development of the company share. Since the beginning of this year, it has increased considerably in value. The daily sales of the share are particularly exciting. This is a decisive criterion especially for institutional investors. Turnover has been high during the past few quarters,

MOLOGEN AG

and has increased once again in the report period. Thus, the average trading volume grew from ca. 20,000 units in 2004 to more than 53,000 units in the current year. This makes MOLOGEN one of the most liquid biotech securities in Germany. The assignment of a Designated Sponsor as of January 2005 has further supported this development.

Research and development

In the first quarter of 2005, the exceptional clinical test results for the MIDGE-based leishmaniasis vaccine for dogs have been reviewed and confirmed by a panel of independent experts. The development of a MIDGE-based vaccine against leishmaniasis in humans, carried out in cooperation with and under the direction of IDRI (USA), is currently at an advanced pre-clinical phase.

Two preparatory projects for clinical studies are also making satisfactory progress. The first of these is the development by the Chinese cooperation partner Starvax of dSLIM-based medication against cancers of the liver, the colon, and the lungs. The other concerns the pre-clinical development of a therapeutic against cancer of the kidneys (RCC) from cells with a quadruple MIDGE gene modification and dSLIM immune modulation.

dSLIM patents

An important milestone has been reached during the report period in our dSLIM technology segment: The United States Patent and Trademark Office has granted MOLOGEN the patent for its dSLIM technology. The first dSLIM patent had been granted by the European Patent Office in early 2004. The time limit for appeal against this patent has by now expired and no appeals have been filed. The US patent protects future dSLIM-based medication and vaccines on the US market until the year 2020.

Molgen Molecular Medicines S.L., Spain

Molgen Molecular Medicines S.L., the Spanish MOLOGEN subsidiary that was consolidated in the previous year's financial statement has after extensive audits received the "Good Laboratory Practices" (GLP) certificate allowing it to carry out pre-clinical studies. Furthermore, the company may now expand its activities to include new analyses relevant for the approval of medication. During the first half of 2005, Mologen Molecular Medicines, S.L. has generated gains of 50 thousand EUR (gains in the first half of 2004: -37 thousand EUR).

Annual general meeting

The regular annual general meeting of MOLOGEN AG took place on June 9, 2005 in Berlin. 32% of the shareholders attended. All items of the agenda were accepted by a large majority.

About MOLOGEN

MOLOGEN shares are listed in the General Standard at the Frankfurt Stock Exchange's Regulated Market.

MOLOGEN uses DNA as therapeutic for formerly incurable or merely unsatisfactorily curable ailments and diseases. The company focuses its research and development mainly on MIDGE and dSLIM technologies, for which it holds the patents. Based on these technologies, MOLOGEN develops DNA-based vaccines and medication for the treatment and prevention of a wide range of severe illnesses.

MOLOGEN AG

Fabeckstr. 30, 14195 Berlin, Germany

Contact: Jörg Petrass

E-mail: investor@mologen.com

Telephone: +49-(0)30-84 17 88-0

Fax: +49-(0)30-84 17 88-50

Internet: <http://www.mologen.com>

MOLOGEN AG

MOLOGEN AG – Consolidated Balance Sheet
according to IFRS as of June 30, 2005
not audited

	06/30/2005	12/31/2004
	in € thousand	in € thousand
ASSETS		
Non-current assets	2,202	1,681
Property, plant and equipment	949	983
Intangible assets	873	687
Financial assets	370	0
Financial assets at equity	0	0
Other non-current assets	10	11
Current Assets	3,058	3,233
Liquid funds	2,115	2,260
Trade accounts receivable	167	638
Inventories	77	99
Other current assets	699	236
Total	5,260	4,914
LIABILITY AND SHAREHOLDERS' EQUITY		
Non-current liabilities	368	378
Other non-current liabilities and deferred income	252	262
Provisions	116	116
Current Liabilities	667	590
Trade accounts payable	538	402
Other current liabilities	133	150
Provisions	6	38
Shareholders' Equity	4,215	3,946
Share capital	6,772	6,172
Capital reserves	10,918	9,212
Balance sheet loss	-13,495	-11,457
Minority interests	20	19
Total	5,260	4,914

MOLOGEN AG

MOLOGEN AG – Consolidated Statement of Profit and Loss
according to IFRS for the first six months
not audited

	Apr 1 – Jun 30		Jan 1 – Jun 30	
	2005	2004	2005	2004
	in € thousand		in € thousand	
Revenues	289	1,102	442	1,142
Other operating income	100	300	178	331
Increase/Decrease of stock of finished and unfinished goods	4	16	-24	39
Purchases/Expenses for raw materials and supplies and purchased goods	-161	-967	-312	-1,086
Personnel expenses	-456	-440	-817	-794
Depreciation	-82	-81	-142	-147
Other operating expenses	-944	-358	-1,276	-729
Operating result (EBIT)	-1,250	-428	-1,951	-1,244
Financial result	3	7	8	19
Result before taxes (and minority interests)	-1,247	-421	-1,943	-1,225
Taxes	0	0	0	0
Result before minority interests	-1,247	-421	-1,943	-1,225
Minority interests	-3	1	-1	1
Net loss for the year	-1,250	-420	-1,944	-1,224
Loss carryforward	0	0	-11,551	-9,402
Balance sheet loss	-1,250	-420	-13,495	-10,626
Earnings per share (in €)	-0.19	-0.08	-0.31	-0.23

MOLOGEN AG

MOLOGEN AG - Consolidated Statements of Cash Flow according to IFRS for the first three months 2005 not audited

	Half-year ended June 30,	
	2005	2004
	in € thsd	in € thsd
Cash flows from operating activities		
Net Loss before tax (and minority interests)	-1,943	-1,225
Depreciation of non-current assets	119	132
Loss from disposal of non-current assets	3 0	
Change in provisions	-32	-50
Other non-cash income	33	3
Taxes	0	1
Minority interests	-1	1
Change in trade accounts receivable, inventories and other assets	31	-684
Change in trade accounts payable and other liabilities	121	542
Net cash used for operating activities	-1,669	-1,280
Cash flows from investing activities		
Purchases of property, plant and equipment	-74	-223
Purchases of intangible assets	-200	0
Purchases of financial assets	-370	0
Net cash used for investing activities	-644	-223
Cash flows from financing activities		
Cash reseipts from issuance of shares	2,168	0
Net cash used for financing activities	2,168	0
Change in liquidity	-145	-1,503
Liquid funds at beginning of period (include securities)	2,260	2,914
Liquid funds at end of period (include securities)	2,115	1,411

MOLOGEN AG

MOLOGEN AG - Consolidated Statements of Changes in Shareholders' Equity
according to IFRS for the first three months 2005
in thousand €, excluding share information
not audited

	Parent company					Equity	Minority shareholders	Group equity
	Share capital		Capital contributions	Capital reserves	Balance sheet loss			
	Shares no.	Capital stock						
Balance as at January 1, 2004	5,111,331	5,111	0	8,300	-9,402	4,009	12	4,021
Result before minority interests					-1,198	-1,198		-1,198
Minority interests					1	1	-1	0
Balance as at June 30, 2004	5,111,331	5,111	0	8,300	-10,599	2,812	11	2,823
Balance as at January 1, 2005	6,172,331	6,172	0	9,212	-11,457	3,927	19	3,946
Capital increase for cash contribution	600,000	600		1,568		2,168		2,168
Compensation related to the grant of stock options (first time application of IFRS 2, for previous years)				95	-95	0		0
Compensation in 2005 related to the grant of stock options (according to IFRS 2)				43		43		43
Result before minority interests					-1,942	-1,942		-1,942
Minority interests					-1	-1	1	0
Balance as at June 30, 2004	6,772,331	6,772	0	10,918	-13,495	4,195	20	4,215