



Press Release

MDG MEDICAL ANNOUNCES \$14 MILLION FUNDING ROUND

Private Investment to Expand Marketing and Fuel Product Development

February 26, 2008 – Cleveland, OH – MDG Medical, Inc., a leading provider of automated medication dispensing systems, announced today that it has attracted \$14M U.S.D. in equity and debt to fund sales and marketing growth. Leading the investment was New York-based Life Sciences Capital (LSC) and RSL Investments. Roberts Mitani (www.robertsmitani.com) acted as investment banker and placement agent on behalf of MDG. The investment will enable MDG to increase sales and marketing efforts in growing market segments in the United States, Europe and the Middle East.

Mr. Mark Saffran, CEO of MDG Medical, explained the company's objective: "Strategically, at this point, the MDG focus is on growing market awareness and preference of our proprietary medication management solutions. We have experienced steady organic growth in the past several years and established ourselves as a significant player in the health industry. The influx of capital resulting from this recent private investment round provides the critical impetus needed to accelerate that growth".

MDG, whose target market is smaller, rural healthcare facilities, has created a solid runway with more than 180 systems sold in the U.S. and Europe. According to an independent research company, MDG leads the industry in customer satisfaction in nearly every category. The company's computerized dispensing systems manage medication delivery from the point of prescription to administration. Healthcare providers improve patient safety through the integration of MDG proprietary products, smart solutions, and simplified medication management services.

Michael Siegal, Chairman of the Board states, "I have watched this early stage Israeli technology take hold here in the US and abroad. As an early investor in MDG, we

were intrigued by the prospect of taking the best of Israeli development and pairing it with professional management in the Northeast Ohio area in order to create a first-rate company and provide employment opportunities for Israel and Northeast Ohio.”

Principals in this investment round, which officially closed 2/20/08, are New York-based Life Sciences Capital (LSC) and RSL Investments. Jonathan S. Walker, Senior Vice President of Life Sciences Capital, LLC, commented, “It was an extreme pleasure to work with Mark Saffran and the MDG team on this transaction. Life Sciences Capital believes that MDG has a compelling suite of products that will help make it profitable and successful. We look forward to building a strong relationship with MDG”.

About MDG

Headquartered in Cleveland, Ohio, MDG Medical, Inc. develops and provides technologically advanced automated pharmaceutical management products and services that improve patient care and provider processes in hospitals and healthcare facilities worldwide. With a research and development subsidiary based in Tel Aviv, Israel, MDG is the unparalleled leader in medication management systems, focused on providing cost effective solutions to smaller healthcare facilities. MDG’s flagship product, ServeRx® leads the industry in delivering the unique system solution that reduces human error, improves medical staff efficiency, and monitors the management of hospital pharmaceutical supplies. Along with ServeRx, MDG provides a host of medication management products and services to hospitals throughout the United States, Europe and the Middle East. For complete information, contact MDG Medical, Inc. at 216-514-1763 or visit our website www.mdgmedical.com.

Contact:

Mark Saffran
President/CEO
MDG Medical, Inc.
Phone: 216-514-1763
Email: marks@mdgmedical.com
Website: www.mdgmedical.com

About Life Sciences Capital

Life Sciences Capital (LSC) is a specialized finance company offering venture debt and venture leases to emerging private and public companies in life sciences (which include biotechnology, pharmaceuticals, medical devices and related sectors). LSC is a subsidiary of [Emigrant Bank](#) (member FDIC) of New York with excellent access to long-term sources of dependable funding. It has a seasoned management team with backgrounds in the sciences, corporate finance, investment banking, underwriting, investment management and private equity.

Contact:

Jonathan Walker, Senior Vice President
6 E 43rd Street, 19th Floor
New York, NY 10017
Phone (212) 850 4499
e-mail: jwalker@lifescap.com
Web: www.lifescap.com

This news release contains certain forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934 that involve a number of known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in our forward-looking statements. Forward-looking statements contained in this document include the intent, belief or expectations of the Company and members of its management team with respect to the Company's future business operations and the assumptions upon which such statements are based. For those statements, the Company claims the protection of safe harbor for forward-looking statements as amended by the Private Securities Litigation Reform Act of 1995. Factors that could cause actual results to differ materially include, without limitation, changes in market and competition, technological and competitive developments and potential downturns in economic conditions generally. Therefore, actual outcomes and results may differ materially from those expressed in such forward-looking statements. Furthermore, a forward-looking statement speaks only as of the date on which such statement is made. Except to the extent required by applicable law, MDG Medical, Incorporated assumes no obligation to update or revise any forward-looking statement to reflect new events or circumstances.

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