

MolMed and Avecia announce pharmaceutical development and manufacturing agreement for ARENEGYR

Milano (Italy) and Tees Valley (United Kingdom), 25 June 2008 - MolMed S.p.A. (Milan:MLM), a biopharmaceutical company focused on the development of novel antitumour therapies, and Avecia Ltd, one of the leading developers and cGMP manufacturers of microbial-based biopharmaceuticals, announce that they have signed an agreement for the production of MolMed's investigational drug ARENEGYR (NGR-hTNF α), a vascular targeting agent currently undergoing Phase I and II trials for several types of solid tumours.

MolMed will benefit from this drug development and manufacturing agreement:

- Avecia will further optimise the drug manufacturing process and scale-up, and conduct cGMP manufacture of ARENEGYR for planned Phase III clinical trials in Avecia Biologics facilities in Billingham (UK);
- MolMed will put in place a cost-efficient manufacturing process, in order to be well-prepared for adequate drug supply in view of future drug commercialisation.

Claudio Bordignon, chairman and CEO of MolMed, commented: "Following recently announced, promising preliminary results of ARENEGYR in Phase II, we decided to step up manufacturing capacity and anticipated the further advance of ARENEGYR pharmaceutical development. We are confident that with our new partner Avecia, their leading process development expertise and GMP manufacturing capabilities, we can strengthen the value of the product."

Stephen Taylor, Avecia's Business Director, said: "We are delighted that MolMed have chosen Avecia to carry out development work on this programme. We look forward to supporting MolMed into further clinical development and, hopefully, market launch for this exciting potential treatment."

Early this month, MolMed announced key preliminary Phase II clinical trial results for ARENEGYR at the ASCO (American Society of Clinical Oncology) Annual Meeting 2008, and particularly of two ongoing trials in chemo-pretreated patients with malignant pleural mesothelioma, and in heavily pre-treated patients with advanced colorectal cancer. In addition, this month ARENEGYR received Orphan Drug designation in the EU for the treatment of malignant mesothelioma.

About ARENEGYR

ARENEGYR is a vascular targeting agent with unique mode of action, and a first-in-class compound in the class of peptide/cytokine complexes able to selectively target the tumour vasculature. ARENEGYR consists of a tumour homing peptide (NGR) selectively binding tumour blood vessels, fused to the powerful anticancer cytokine hTNF α . The resulting molecule has unique biological properties, including induction of tumour vascular permeability and normalisation, and a direct biological antitumour activity. ARENEGYR is undergoing clinical development both as single agent and in combination with several different chemotherapeutic agents: currently, single agent Phase II trials are ongoing in mesothelioma, colorectal cancer, hepatocellular carcinoma, and small-cell lung cancer, and ARENEGYR for colorectal cancer is also being tested in a Phase II trial in combination with Xelox. Also ongoing is a Phase I trial in combination with cisplatin, while a Phase I trial in combination with doxorubicin was successfully completed. ARENEGYR has been granted Orphan Drug designation in the EU for the treatment of malignant mesothelioma in June 2008 (EU/3/08/549).

About MolMed

MolMed S.p.A is a biotechnology company focused on research, development and clinical validation of novel antitumour therapies. In addition to ARENEGYR, MolMed's pipeline includes two more novel therapeutics in clinical development: TK, a cell-based therapy enabling bone marrow transplant from partially compatible donors, in Phase III in high-risk acute leukaemias; and M3TK, a therapeutic

vaccine, in Phase I/II in advanced melanoma. MolMed's clinical pipeline is supported by a broad portfolio of therapeutic candidates. MolMed is headquartered at the San Raffaele Biomedical Science Park in Milan, Italy. The company's shares (MLM) are listed at the MTA managed by Borsa Italiana (Standard segment, class I).

For further information on MolMed please visit: www.molmed.com

About Avecia

Avecia is a privately owned biotechnology group of companies with recognised leading positions in the process development and manufacture of biopharmaceutical and oligonucleotide medicines. The Group's Tees Valley, UK site has been developing microbial processes and making protein-based biologics to cGMP since 1998. Products currently being worked on include medicines targeted at forms of cancer, heart conditions, stroke, growth and blood disorders. Customers range from some of the world's largest pharmaceutical companies to small innovative biotech start-up businesses.

For further information on Avecia please visit: www.avecia.com

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