

MolMed Board of Directors approves the interim financial report as of 30 September 2008

- Intensified development activities, particularly for MolMed's most advanced investigational new drugs TK and NGR-hTNF (ARENEGYR).
- Promising results of NGR-hTNF, reported at the annual meeting of the European Society of Medical Oncology, in Phase II trials in hepatocellular carcinoma, malignant pleural mesothelioma, and colorectal cancer, confirming safety and showing early evidence of clinical activity.
- Positive net financial position of € 37.7 million, despite increased operating cost amounting to € 16.9 million as of September 30, 2008, compared to € 12.3 million in the corresponding period of FY 2007, due to intensification of activities and strengthened organisation, with significant staff increase.

Milan (Italy), 12 November 2008 - The Board of Directors of MolMed S.p.A. (Milan:MLM), chaired by Professor Claudio Bordignon, approved the interim financial report as of September 30, 2008.

HIGHLIGHTS OF DEVELOPMENT ACTIVITIES

In the first nine months of 2008 significant progress was achieved, with particular emphasis on the expansion of the clinical development of MolMed's most advanced investigational new anticancer therapeutics TK and NGR-hTNF (ARENEGYR):

- MolMed started a Phase III trial of its TK therapy in high-risk leukaemia patients, following authorisation from the Italian drug agency AIFA (*Agenzia Italiana del Farmaco*) obtained on January 17, 2008. TK is a cell therapy enabling bone marrow transplants from partially compatible donors. MolMed's partner in cell and gene therapy, Takara Bio Inc., has recently initiated TK's clinical development in Japan with a Phase I trial in leukaemia patients.
- Final and preliminary results of five clinical trials of NGR-hTNF - MolMed's vascular targeting agent for the treatment of solid tumours - were presented in June at ASCO 2008 (the annual meeting of the American Society of Clinical Oncology), and in September at ESMO 2008 (the annual meeting of the European Society of Medical Oncology). Of particular interest were key data of three Phase II trials in hepatocellular carcinoma, in malignant pleural mesothelioma and in colorectal cancer, showing early evidence of clinical activity of NGR-hTNF, with survival data clearly superior to those reported in literature for best supportive care, and evidence of substantial clinical benefit in terms of long-lasting disease control:
 - in **hepatocellular carcinoma** (trial NGR008), a first complete response was observed, with total necrosis of the tumour lesion, along with a disease control rate of approximately 30%;
 - in refractory **malignant pleural mesothelioma** (trial NGR010), median overall survival has not yet been reached, but is already evaluable to be more than 12 months;
 - in multi-refractory **colorectal carcinoma** (trial NGR006), the definitive median overall survival is 13.1 months considering the entire study population, i.e. more than doubled with respect to the result reported in literature for best supportive care (6 months); considering patients achieving disease stabilisations or partial responses, median overall survival is further increased to 15.4 months.

An additional benefit of NGR-hTNF is the confirmation of the very good safety profile, with adverse events limited to reversible and easily manageable side effects, such as chills during the administration of the first infusion.

- Thanks to the promising results obtained in mesothelioma, NGR-hTNF was granted Orphan Drug designation for this indication, in June by the European Commission, and in August by the FDA.
- MolMed signed in June a drug development and production agreement for NGR-hTNF with Avecia Biologics, focused on optimisation and industrial scale-up of the drug manufacturing process, and on cGMP manufacturing of the drug by Avecia for the forthcoming Phase III trials. This optimised production process will match the requirements of adequate supply for the drug commercialisation.
- Patient enrollment in the ongoing trials of NGR-hTNF was continued and a new Phase II trial was started, exploring combination with the standard chemotherapeutic regimen Xelox (capecitabine + oxaliplatin) in colorectal cancer. New Phase II trial protocols have been defined for the exploration of NGR-hTNF in combination with chemotherapeutics in two more oncology indications: with cisplatin in non small-lung cancer, and with doxorubicin in ovarian cancer. Moreover, a new Phase I trial protocol was defined, aimed at exploring administration of NGR-hTNF at high doses. MolMed also started the design of new protocols for randomised Phase II trials of NGR-hTNF, in the indications already explored in single-arm Phase II trials with positive results.
- Given the ever growing commitment implied by the continuous progress of MolMed's strategic projects TK and NGR-hTNF, the Company decided to interrupt the development of its project on the cancer therapeutic vaccine M3TK. Therefore, patient enrollment in the Phase I/II trial for advanced melanoma will no longer continue and the clinical results of the trial will be assessed on the patient population enrolled so far.

FINANCIAL HIGHLIGHTS

| (amounts in thousands of Euro) | 3 rd Quarter 2008 | 3 rd Quarter 2007 | 9 months to 9/30/2008 (a) | 9 months to 9/30/2007 (b) | Change | |
|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------|--------|
| | | | | | (a-b) | % |
| Revenues and other income | 2,311 | 558 | 3,223 | 1,997 | 1,226 | 61.4% |
| Operating Costs | (5,358) | (3,798) | (16,865) | (12,347) | (4,518) | 36.6% |
| Operating loss | (3,047) | (3,240) | (13,641) | (10,350) | (3,291) | 31.8% |
| Net finance income (loss) | 484 | 50 | 1,207 | 164 | 1,043 | 635.9% |
| Loss of the period | (2,563) | (3,190) | (12,435) | (10,186) | (2,249) | 22.1% |

| (amounts in thousands of Euro) | September 30, 2008 (a) | June 30, 2008 (b) | December 31, 2007 | Change | |
|--------------------------------|------------------------------|----------------------|----------------------|---------|---------|
| | | | | (a-b) | % |
| Net financial position | 37,653 | 44,061 | 5,666 | (6,408) | (14.5%) |

FINANCIAL RESULTS

In line with expectations, in the first nine months of 2008 Molmed recorded a total loss of € 12.4 million, *versus* € 10.2 in the corresponding period of FY 2007: this reflects a business model typical for a R&D-driven drug developing biotech company, for which economic return is expected in future fiscal years.

Revenues and other income in the first nine months of 2008 amount to € 3.2 million, with an increase of 61,4% compared to the same period of the prior year. The income, related to tax credit for research & development activities according to the Italian Financial Bill for year 2007 (*Legge Finanziaria 2007*) offset lower revenues for services to third parties, due to focus on the development of the Company's pipeline.

Total operating costs increased to € 16.9 million, 36.6% up compared to the same period in FY 2007, as a direct consequence of MolMed's strong expansion of development activities, public listing, organisation reinforcement and staff hirings.

Financial resources obtained through the listing process provide MolMed with a strong position to manage its development plan, with cash, cash equivalents and other financial assets for € 37.7 million as of September 30, 2008.

During the first nine months of 2008, MolMed completed a successful listing of its shares on the Milan Stock Exchange. Trading of MolMed's shares started on 5 March 2008 on the Standard segment (class I) of the Milan screen-based equity market (*Mercato Telematico Azionario*) managed by *Borsa Italiana*. The listing was achieved through a Global Offer of 26,116,952 shares without nominal value, representing 25% of post-IPO corporate capitalisation, at the price of € 2.15 per share. Gross financial resources issued amounted to € 56.2 million.

The official Corporate Financial Reporting Manager of MolMed S.p.A., Enrico Cappelli, herewith attests, pursuant to Article 154-bis, paragraph 2 of the Italian Consolidated Law on Finance (Legislative Decree 58/1998), that the accounting disclosure contained in this press release matches documentary evidence, corporate books, and accounting records.

About MolMed

MolMed S.p.A. is a biotechnology company focused on research, development and clinical validation of novel antitumour therapies. MolMed's pipeline includes two novel therapeutics in clinical development: TK, a cell-based therapy enabling bone marrow transplants from partially compatible donors, in Phase III in high-risk acute leukaemias; NGR-hTNF, a novel vascular targeting agent (VTA), in Phase II in four different indications: colorectal, small-cell lung and liver cancers, and malignant pleural mesothelioma. 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 (Milan:MLM) are listed at the Milan Stock Exchange, on the Standard segment (class I) of the MTA managed by Borsa Italiana.

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This press release is written in compliance with public disclosure obligations established by CONSOB (Italian securities & exchange commission) resolution no. 11971 of 14.5.1999 as subsequently amended.

Accounting Statements as of September 30, 2008

Income statement

| (amounts in thousands of Euro) | Notes | 3 rd Quarter 2008 | 3 rd Quarter 2007 | 9 months to 9/30/2008 (a) | 9 months to 9/30/2007 (b) | Change | |
|--|----------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------|---------------|
| | | | | | | (a-b) | % |
| Revenues | | 430 | 460 | 949 | 1,568 | (619) | (39.5%) |
| Other income | | 1,881 | 99 | 2,274 | 429 | 1,845 | 430.1% |
| Total operating revenues | 2 | 2,311 | 558 | 3,223 | 1,997 | 1,226 | 61.4% |
| Purchases of materials and consumables | 3 | (438) | (487) | (1,465) | (1,336) | (129) | 9.6% |
| Services costs | 4 | (2,808) | (1,625) | (8,545) | (5,961) | (2,584) | 43.3% |
| Costs for use of third-party assets | 5 | (319) | (280) | (945) | (829) | (116) | 14.0% |
| Personnel costs | 6 | (1,330) | (929) | (4,511) | (2,788) | (1,723) | 61.8% |
| Other operating costs | 7 | (39) | (48) | (167) | (160) | (7) | 4.3% |
| Depreciation and amortization | 8 | (424) | (429) | (1,233) | (1,273) | 40 | (3.2%) |
| Total operating costs | | (5,358) | (3,798) | (16,865) | (12,347) | (4,518) | 36.6% |
| Operating income (loss) | | (3,047) | (3,240) | (13,641) | (10,350) | (3,291) | 31.8% |
| Financial income | | 504 | 57 | 1,239 | 183 | 1,056 | 576.8% |
| Financial charges | | (20) | (7) | (32) | (19) | (13) | 67.1% |
| Net financial income (charges) | 9 | 484 | 50 | 1,207 | 164 | 1,043 | 635.9% |
| Pre-tax profit (loss) | | (2,563) | (3,190) | (12,435) | (10,186) | (2,249) | 22.1% |
| Income taxes | | - | - | - | - | - | - |
| Profit (loss) for the period | | (2,563) | (3,190) | (12,435) | (10,186) | (2,249) | 22.1% |

Net financial position

| (amounts in thousands of Euro) | September 30, 2008 (a) | June 30, 2008 (b) | December 31, 2007 | Change | |
|---------------------------------------|------------------------------|-------------------------|----------------------|----------------|----------------|
| | | | | (a-b) | % |
| Cash and cash equivalents | 35,112 | 44,061 | 5,591 | (8,949) | (20.3%) |
| Other current financial assets | 2,541 | - | 75 | 2,541 | 100.0% |
| Financial debt | - | - | - | - | - |
| Current financial position | 37,653 | 44,061 | 5,666 | (6,408) | (14.5%) |
| Non current financial position | - | - | - | - | - |
| Net financial position | 37,653 | 44,061 | 5,666 | (6,408) | (14.5%) |