PRESS RELEASE

MolMed Board of Directors approves the interim financial report at 31 March 2014

Milan (Italy), 12 May 2014 – The Board of Directors of MolMed S.p.A. (MLM.MI), chaired by Prof. Claudio Bordignon, today reviewed and approved the interim financial report at 31 March 2014. The most important elements were:

- Recent results on the randomised Phase III trial of NGR-hTNF in second line treatment of malignant pleural mesothelioma (NGR015);
- continuation of ongoing clinical trials both for TK and NGR-hTNF.

Financial highlights

Key income statement data

(amounts in € thousand)	1ST QUARTER 2014 (A)	1ST QUARTER 2013 (B)	CHANGE (A-B)	CHANGE %
OPERATING REVENUES	1,405	1,281	124	9.7
REVENUES FROM ACTIVITIES FOR THIRD PARTIES	1,264	1,164	100	8.6
OPERATING COSTS	6,564	6,402	162	2.5
OPERATING RESULT	(5,159)	(5,122)	(37)	(0.7)
NET FINANCIAL INCOME & CHARGES	(40)	-	(40)	(100.0)
RESULT FOR THE YEAR	(5,199)	(5,112)	(77)	(1.5)

Net financial position

(amounts in € thousand)	31 MARCH 2014 (A)	31 MARCH 2013 (B)	CHANGE (A-B)	CHANGE %
NET FINANCIAL POSITION	7,586	7,528	58	0.8

Key achievements in the first three months of 2014

Research & Development activities

In the first three months of 2014, the Company's activities were mainly focused on the clinical development of its two investigational anticancer therapeutics: TK for the treatment of high-risk leukaemia and NGR-hTNF for the treatment of a panel of solid tumours.
With regard to TK, main progress achieved during the first quarter 2014 include:

- filing of a market authorisation application for TK through a specific procedure (Conditional Marketing Authorisation) with the European Medicines Agency (EMA). This request is based on the rarity of the indication (TK obtained Orphan Drug designation), the favourable risk/benefit rate and the

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demonstration of safety and clinical efficacy obtained in more than 120 patients treated so far. EMA validated the submission on March 26th 2014, starting the data review process;

- presentation of cumulative data on more than 130 patients treated with TK in several academic studies, Phase I-II trials and the currently ongoing pivotal Phase III trial at the 40th annual meeting of the European Society for Blood and Marrow Transplantation (EBMT). Data show that the TK treatment is able to provide patients with high-risk leukemia with a rapid immune reconstitution, an anti-leukaemia activity and an effective control of GvHD in the context of haploidentical transplantation. Notably, all this is coupled with the abolition of post transplantation immunosuppression. Overall, these effects led to a relevant increase in survival rates observed in treated patients compared to historical data.

- Data from the first patients treated with TK in the ongoing Phase III study (TK008) were also presented, indicating a further increase in survival rates and an inverse correlation between cell dose administered and the probability of leukemia relapse.

With regard to NGR-hTNF, results from the randomized Phase III study in second line treatment for malignant pleural mesothelioma were recently obtained. For the first time a highly significant clinical benefit was achieved in a large subpopulation with the worst prognosis in this indication, even if the primary endpoint of improving overall survival (OS) in the entire population was not met. In particular results show:

- a statistically significant (unstratified p=0.02; stratified p=0.01) 40% improvement of both overall survival and progression free survival in 50% of patients, characterized by a poorer prognosis and identified by a pre-specified analysis based on prior treatment-free interval;

- a very favourable tolerability profile also in combination with the three chemotherapeutic agents administered in the study (gemcitabine or vinorelbine).

The clinical benefit observed in combination with chemotherapy is consistent with the hypothesized mechanism of action, based on the increased penetration of the chemotherapy agent thanks to the activity of NGR-hTNF on the tumor vasculature. This evidence is particularly relevant as it confirms the efficacy of the combination NGR-hTNF plus gemcitabine reported in the Phase II study in first line treatment of squamous non-small cell lung cancer.

The Company believes that these top line results obtained in high-risk malignant pleural mesothelioma provide a rationale to pursue a conditional marketing authorization and further clinical development.

Development and GMP production for third parties

Development and production activities of new cell and gene therapy treatments performed for third parties are consolidating the company's technological leadership in this field.

During 2013 and the first three months of 2014, work continued under two major agreements signed in 2011, respectively with Telethon Foundation and GlaxoSmithKline, for the development and production of investigational gene therapies for a total of seven rare diseases. In November 2013 MolMed and GSK signed a further agreement for the production of the ADA-SCID investigational gene therapy for compassionate use.

Capital increase completed in the first quarter of 2014

During the first three months of 2014 the share capital increase approved by the Extraordinary Meeting held on March 3, 2014 was successfully completed and implemented. The share capital increase was completed

on April 4, 2014 with the full subscription of the 8,252,092 newly issued MolMed ordinary shares at a subscription ratio of 1 share for every 27 pre-emptive rights held, for a total value of Euro 4,969 thousand, of which € 389 thousand represent share capital and € 4,580 thousand represent share premium.

Comments to financials

MolMed's financials are peculiar to the business model of biotech companies focused on R&D of new biopharmaceutical products and with no products on the market. At this stage high costs must be sustained for the clinical and pharmaceutical development of investigational therapeutics, whose return is deferred to future years. Given the Company's operating activities and the characteristics of trials conducted, research and development costs are fully recorded in the period they are incurred.

First quarter of 2014 – financial results

Operating revenues at March, 31 2014 totalled € 1.4 million and show an increase of 9.7% compared to the same period of the previous year. The increase in revenues is due mainly to the intensification of GMP development and production activities for third parties. Particularly, revenues from these activities increased from € 1.2 million in the first quarter 2013 to € 1.3 million in the first quarter of 2014 (+8.6%) thanks to activities related to the above mentioned agreements with Fondazione Telethon and GlaxoSmithKline (GSK), for development activities and GMP production of new treatment of gene therapies for rare diseases. Operating revenues include other revenues related mainly to public funding of R&D activities.

Operating costs for the first quarter of 2014 amounted to € 6.6 million, slightly higher (+2.5%) respect to the same period of the previous year.

Operating loss for the first quarter of 2014 amounted to € 5.2 million, in line with loss recorded in the same period of the previous year (€ 5.1 million).

Financial result, negative for € 40 thousand in the first quarter of 2014 and in balance in the corresponding period of 2013, mainly reflects the effect of the reduction of financial resources due to the absorption of cash by ordinary operations, even if partially offset by the recent capital increase.

Net result for the first quarter 2014 recorded a loss for € 5.2 million, compared to € 5.1 million recorded in the same period of 2013.

Net financial position

Net financial position at March 31, 2014 is positive for € 7.6 million inclusive of cash and cash equivalents for € 8.6 million in addition to long term period financial debts for € 1.1 million. Net financial position of € 7.5 million at December 31, 2013, showed a decrease of € 4.7 million in the first quarter of 2014 due to the Company's ordinary operations, partially offset by € 4.8 million representing the proceeds of the share capital increase described above, which was completed at 96.64%, as at 31 March 2014.

The official Chief Financial Reporting Manager of MolMed S.p.A., Andrea Quaglino, 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.

In this press release, use is made of "alternative performance indicators" which are not provided for under European IFRS, and whose significance and content - in line with Recommendation CESR/05-178b published on 3 November 2005 - are illustrated below:

- *Operating Result: defined as the difference between sales revenues and other income and costs for materials, costs of services received, costs for use of third-party assets, personnel costs and amortisation, depreciation & write downs. It represents the profit before financial flows and taxes;*
- *Net Financial Position: is the algebraic sum of cash, cash equivalents, financial receivables and other financial assets, and current and non-current financial debt.*

This press release is written in compliance with public disclosure obligations established by CONSOB (Italian securities & exchange commission) resolution no. 11971 of 14 May 1999, as subsequently amended.

About MolMed

MolMed S.p.A. is a biotechnology company focused on research, development and clinical validation of novel anticancer therapies. MolMed's pipeline includes two antitumour therapeutics in clinical development: TK, a cell-based therapy enabling bone marrow transplants from partially compatible donors, in absence of post-transplant immune-suppression, in Phase III in high-risk acute leukaemia; NGR-hTNF, a novel vascular targeting agent, in Phase III in malignant pleural mesothelioma and in Phase II in six more indications: colorectal, lung (small-cell and non-small-cell), liver and ovarian cancer, and soft tissue sarcomas. MolMed also offers top-level expertise in cell and gene therapy to third parties to develop, conduct and validate projects from preclinical to Phase III trials, including scale-up and cGMP production of clinical-grade viral vectors, and manufacturing of patient-specific genetically engineered cells. MolMed is headquartered at the San Raffaele Biomedical Science Park in Milan, Italy. The Company's shares are listed on the main market (MTA) of the Milan Stock Exchange. (Ticker Reuters: MLMD.MI)

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This press release may contain certain forward-looking statements. Although the Company believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties,

including scientific, business, economic and financial factors, which could cause actual results to differ materially from those anticipated in the forward-looking statements. The company assumes no responsibility to update forward-looking statements or adapt them to future events or developments. This document does not constitute an offer or invitation to subscribe or purchase any securities of MolMed S.p.A.

Financial statements at 31 March 2014

Income statement

(amounts in € thousand)	1st quarter 2014	1st quarter 2013
	(a)	(b)
Revenues (from activities from third parties)	1,264	1,164
Other income	141	117
Total operating revenues	**1,405**	**1,281**
Purchases of raw materials and consumables	796	648
Costs for services	3,115	3,044
Costs for use of third-party assets	267	264
Personnel costs	2,249	2,265
Other operating costs	29	31
Amortization, depreciation and write-downs	108	150
Total operating costs	**6,564**	**6,402**
Operating result	**(5,159)**	**(5,122)**
Financial income	6	69
Financial charges	(46)	(69)
Net financial income (charges)	**(40)**	**-**
Pre-tax result	**(5,199)**	**(5,122)**
Income taxes	-	-
Profit (loss) for the period	**(5,199)**	**(5,122)**

Statement of comprehensive income

(amounts in € thousand)	1st quarter 2014 (a)	1st quarter 2013 (b)
Profit (loss) for the period	**(5,199)**	**(5,122)**
Other comprehensive income (not subsequently reclassified to the income statement)	**-**	**-**
Profit (loss) actuarial	**(1)**	**-**
Tax effect on other components of comprehensive income	**-**	**-**
Other comprehensive income, net of taxes (not subsequently reclassified to the income statement)	**(1)**	**-**
Other comprehensive income (subsequently reclassified to the income statement)	**-**	**-**
Gains and losses on available-for-sale financial assets	**-**	(15)
Other comprehensive income, net of taxes (subsequently reclassified to the income statement)	**-**	**(15)**
Total comprehensive income (loss) for the period	**(5,200)**	**(5,137)**

Net financial position

(amounts in € thousand)	March, 31 2014	December, 31 2013
Cash on hand	12	11
Other cash	8,628	8,551
Cash equivalents	-	-
A. Total cash and cash equivalents	**8,640**	**8,562**
B. Current financial receivables and other financial assets	**-**	**1**
Finance lease payables	-	(3)
Current financial debt	-	-
C.Current financial debt	**-**	**(3)**
D. Net current financial position (A+B+C)	**8,640**	**8,560**
Finance lease payables	-	-
Non current financial debt	(1,054)	(1,032)
E. Non-current financial debt	**(1,054)**	**(1,032)**
F. Net financial position (D+E)	**7,586**	**7,528**