

MoImed Board of Directors approves the interim financial report at 30 September 2011

- Updates on four clinical trials of NGR-hTNF presented at the European Multidisciplinary Cancer Congress included promising data with evidence of clinical improvement in terms of disease control and duration of progression-free survival, particularly in patients with squamous lung cancer and relapsed ovarian cancer
- Growth in revenues as a result of the agreements signed with Telethon Foundation and GlaxoSmithKline for the development of new gene therapy treatments
- Positive net financial position of € 45.3 million, consisting mainly of cash and other current financial assets

Milan (Italy), 14 November 2011 - The Board of Directors of MoImed S.p.A. (Milan:MLM), chaired by Professor Claudio Bordignon, today approved the interim financial report at 30 September 2011.

Claudio Bordignon, Chairman of the Board and CEO of MoImed, comments: "As for developments in the last quarter, we received confirmation of the promising clinical activity of NGR-hTNF in lung cancer with new preliminary randomised data particularly in patients with squamous cell histology, as well as in patients with relapsed ovarian cancer. Regarding TK, our intellectual property was strengthened with the grant of an important new European patent. Finally, the agreement signed with GlaxoSmithKline to develop the production process of a gene therapy represents not only a source of revenues, but also a strong recognition of our know-how in advanced therapies."

FINANCIAL HIGHLIGHTS

Key income statement data

(amounts in thousands of Euro)	3 rd quarter 2011	3 rd quarter 2010	1.1.2011 - 30.9.2011 (a)	1.1.2010 - 30.9.2010 (b)	Change (a-b)	%
Operating revenues	775	420	2,091	1,598	493	30.9
Operating costs	(6,905)	(5,038)	(18,689)	(14,722)	(3,967)	26.9
Operating result	(6,130)	(4,618)	(16,598)	(13,124)	(3,474)	26.5
Net financial income & charges	238	264	919	127	792	623.6
Result for the period	(5,892)	(4,354)	(15,679)	(12,997)	(2,682)	20.6

Net financial position

(amounts in thousands of Euro)	30 September 2011 (a)	30 June 2011 (b)	31 December 2010	Change (a-b)	%
Net financial position	45,288	50,891	60,040	(5,603)	(11.0)

HIGHLIGHTS OF DEVELOPMENT ACTIVITIES

During the first nine months of 2011, MoImed's activities were mainly focused on pursuing the clinical and industrial development of its investigational anticancer products, NGR-hTNF for the treatment of different types of solid tumours, and TK for the treatment of high-risk leukaemia.

For NGR-hTNF, major progress included:

- International expansion of the Phase III trial for the treatment of malignant pleural mesothelioma, with the involvement of several clinical centers in Europe. To date, a first clinical center has been activated at one of the most prestigious US universities in New York. The trial

will be further extended to involve more than 40 centers worldwide. So far a total of 101 patients have been enrolled and results are expected in 2013.

- Updated interim results of a randomised Phase II trial in non-small cell lung cancer as first-line treatment in combination with cisplatin-based chemotherapy. Interim data on the first 100 patients enrolled are promising, with evidence of clinical improvement in terms of disease control and duration of progression-free survival, particularly in patients with squamous cell histology. Patient recruitment is continuing beyond the initially planned population in order to ensure the inclusion of an adequate number of patients with squamous cell histology. Trial results are expected in 2012 and will be one of the key determinants for selection of the second indication to take to Phase III, after mesothelioma. As a consequence, the start of a Phase III trial in a second indication is expected in 2012.
- Very encouraging results of a Phase II trial in combination with doxorubicin in relapsed ovarian cancer, superior to those reported for an anthracycline alone, and with the primary end-point already met after recruitment of less than half of the patients. On the basis of these results, MolMed has started a new randomised Phase II trial of NGR-hTNF plus pegylated liposomal doxorubicin for relapsed ovarian cancer patients resistant/refractory to platinum-based regimens.
- Long-term follow up analysis of a completed Phase II trial in malignant pleural mesothelioma, confirming the efficacy of a more frequent administration in prolonging disease control. Based on this evidence, MolMed has started a new randomised Phase II trial of NGR-hTNF as first-line maintenance therapy for mesothelioma patients who completed chemotherapy.
- Continuation of enrollment in a randomised Phase II trial in soft tissue sarcomas, either as monotherapy or in combination with doxorubicin.

For TK, major progress included:

- New European composition of matter patent (EP1781789), part of an extensive patent family owned by MolMed, granting market exclusivity in 29 countries belonging to the European Patent Convention until 2025, with the possibility of a further 5-year term extension.
- IND by the US FDA to conduct Phase III trial of TK in the United States.
- New long-term data of a completed Phase II trial (TK007), which further clarify the interleukin-7-dependent mechanism through which TK cells stimulate the recovery of a fully functional immune system, effective against infections and leukaemia relapse.

In the area of development and GMP production on behalf of third parties, MolMed entered into two important revenue-generating agreements with:

- GlaxoSmithKline to develop a production process for the investigational gene therapy of a severe form of immunodeficiency (ADA-SCID, the so-called "bubble boy disease"), worth up to € 5.5 million in revenues over a two-year period.
- Telethon Foundation to develop and manufacture novel investigational gene therapy treatments for six rare genetic diseases, worth up to € 8.3 million in revenues over a four-year period.

SUMMARY ON FINANCIAL RESULTS

MolMed's financials are peculiar to the business model of biotech companies developing new therapeutic products and having no products on the market. At this stage high costs must be sustained for the clinical and pharmaceutical development of investigational therapeutics, and return is expected in forthcoming years. In addition, 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 nine months of 2011

MolMed's operating revenues totaled € 2.1 million in the first nine months of 2011. Such revenues were mainly generated from development and GMP production activities on behalf of third parties, and increased (+30.9%) compared to the same period of 2010 as a result of the agreements subscribed in 2011 with Telethon Foundation and GlaxoSmithKline, which will also continue in subsequent periods. These agreements confirm the growing interest of the pharmaceutical industry in cell and gene therapy.

Operating costs in the first nine months of 2011 totaled € 18.7 million, up 26.9% compared to the corresponding period of 2010. The increase reflects the intensification of development activities for MolMed's investigational therapies, and was largely due to rising external costs linked to the NGR-hTNF industrial manufacturing process and to the progress of clinical trials.

The operating result for the first nine months of 2011 was negative for € 16.6 million. The increase in operating loss, up 26.5% compared to the corresponding period of 2010, is due to the expected increase in operating costs resulting from the intensification of development activities for MolMed's investigational therapies.

The net financial income, which rose from € 127 thousand in the first nine months of 2010 to € 919 thousand in the corresponding period of 2011, derives from the management of financial resources through temporary, low-risk investments. The increase in the period was linked to the investment of the financial resources obtained through the share capital increase completed in August 2010.

The bottom-line result of the first nine months of 2011 shows a loss of € 15.7 million, compared to a loss of € 13.0 million in the corresponding period of 2010.

The net financial position at 30 September 2011 totaled € 45.3 million and includes cash and cash equivalents for € 7.3 million and investment in current assets for € 38.3 million, net of € 261 thousand for lease payables connected with lease contracts for laboratory equipment.

Third quarter of 2011

In the third quarter of 2011 operating revenues totaled € 775 thousand, compared to € 420 thousand in the third quarter of 2010. The increase is due to the agreements subscribed with the Telethon Foundation and GlaxoSmithKline.

In the third quarter of 2011 operating costs in the first nine months of 2011 totaled € 6.9 million (€ 5.0 million in the third quarter of 2010). The increase is mainly due to rising external costs linked to the NGR-hTNF industrial manufacturing process and to the progress of clinical trials.

The operating result for the third quarter of 2011 was negative for € 6.1 million, compared to € 4.6 million in the corresponding period of 2010. The increase in operating loss is due to the expected increase in operating costs resulting from the intensification of development activities for MolMed's investigational therapies.

In the third quarter of 2011 the net financial income totaled € 238 thousand, in line with the corresponding period of 2010.

The bottom-line result of the third quarter of 2011 shows a loss of € 5.9 million, compared to a loss of € 4.4 million recorded in the corresponding period of 2010.

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.

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 November 3, 2005 - are illustrated below:

- *Operating Revenues: 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 14.5.1999 as subsequently amended.

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 leukaemia; NGR-hTNF, a novel vascular targeting agent (VTA), 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 is headquartered at the San Raffaele Biomedical Science Park in Milan, Italy. The Company's shares are listed on the Milan Stock Exchange, at the Standard segment (class I) of the MTA managed by *Borsa Italiana*.

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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 30 September 2011

INCOME STATEMENT

<i>(amounts in thousands of Euro)</i>	3rd quarter 2011	3rd quarter 2010	1.1.2011 - 30.9.2011 (a)	1.1.2010 - 30.9.2010 (b)	Change	
					(a-b)	%
Revenues	562	171	1,493	1,123	370	32.9%
Other income	213	249	598	475	123	25.9%
Total operating revenues	775	420	2,091	1,598	493	30.9%
Purchases of raw materials and	(596)	(336)	(1,609)	(1,003)	(606)	60.4%
Costs for services	(3,964)	(2,418)	(9,684)	(6,517)	(3,167)	48.6%
Costs for use of third-party	(267)	(243)	(765)	(744)	(21)	2.8%
Personnel costs	(1,796)	(1,707)	(5,702)	(5,445)	(257)	4.7%
Other operating costs	(28)	(28)	(110)	(106)	(4)	3.8%
Amortization, depreciation	(254)	(306)	(819)	(907)	88	(9.7%)
Total operating costs	(6,905)	(5,038)	(18,689)	(14,722)	(3,967)	26.9%
Operating result	(6,130)	(4,618)	(16,598)	(13,124)	(3,474)	26.5%
Financial income	334	278	1,094	415	679	163.6%
Financial charges	(96)	(14)	(175)	(288)	113	(39.2%)
Net financial income (charges)	238	264	919	127	792	623.6%
Pre-tax result	(5,892)	(4,354)	(15,679)	(12,997)	(2,682)	20.6%
Income taxes	-	-	-	-	-	-
Profit (loss) for the period	(5,892)	(4,354)	(15,679)	(12,997)	(2,682)	20.6%

STATEMENT OF COMPREHENSIVE INCOME

<i>(amounts in thousands of Euro)</i>	3rd quarter 2011	3rd quarter 2010	1.1.2011 - 30.9.2011 (a)	1.1.2010 - 30.9.2010 (b)	Change	
					(a-b)	%
Profit (loss) for the period	(5,892)	(4,354)	(15,679)	(12,997)	(2,682)	20.6%
Other comprehensive income (loss)						
Net change in fair value of available-for-sale assets	(41)	(15)	(207)	147	(354)	(100.0%)
Tax effect relating to components of other comprehensive income (loss)	-	-	-	-	-	0.0%
Other comprehensive income (loss), net of taxes	(41)	(15)	(207)	147	(354)	(100.0%)
Total comprehensive income (loss) for the period	(5,933)	(4,369)	(15,886)	(12,850)	(3,036)	23.6%

Financial Statements at 30 September 2011

NET FINANCIAL POSITION

<i>(amounts in thousands of Euro)</i>	September 30, 2011	December 31, 2010
Cash on hand	7	8
Other cash	7,255	36,909
Cash equivalents	-	-
A. Total cash and cash equivalents	7,262	36,917
B. Current financial receivables and other financial assets	38,287	23,456
Finance lease payables	(107)	(98)
C. Current financial debt	(107)	(98)
D. Net current financial position (A+B+C)	45,442	60,275
Finance lease payables	(154)	(235)
E. Non-current financial debt	(154)	(235)
F. Net financial position (D+E)	45,288	60,040