

Deinove S.A.

Half-year results as of June 30, 2010

- *Strong growth in R&D investments, thanks to progress in the company's development programmes.*
- *A solid financial situation, following the company's recent IPO and the receipt of grants-in-aid from OSEO, the French state innovation agency.*

Paris, September 22, 2010: Deinove (Alternext Paris: ALDEI), the world's leading specialist in the application of deinococci bacteria to biofuels and green chemistry technologies, today published its financial results for the half year ending June 30, 2010.

This first half of the year was marked by the success of the company's stock market listing, the structuring of its key technology and business alliances, the receipt of grants-in-aid from OSEO and continued progress in its R&D programmes. In financial terms, the half-year results highlight the fact that the operating costs (mainly R&D expenditure) and cash reserves are in line with the forecasts made at the time of Deinove's IPO.

Key figures:

	For the 6-month period ending June 30	
(in thousands of euros)	2010	2009
TOTAL OPERATING REVENUES	-	1
TOTAL OPERATING COSTS	1 168	868
<i>R&D expenditure</i>	912	646
RESULTS OF OPERATING ACTIVITIES	-1 168	-868
OPERATING PROFIT (LOSS)	-1 205	-862
Corporate tax (Research Tax Credit)	-271	-260
NET PROFIT (LOSS)	-934	-602
	as of June 30, 2010	as of June 30, 2009
INVESTMENTS, CASH AND CASH EQUIVALENTS	11 471	822

Deinove CEO Jacques Biton commented on the half-year results: *"During the first half of 2010, we reached a number of key technological, financial and collaborative milestones. We are on schedule with the Deinol project and will be able to hand over to BENP Lillebonne (part of the Tereos group) for the industrial scale-up of our bioethanol production process as planned. Thanks to our IPO and the receipt of grants-in-aid from OSEO, we have secured financial resources of around €20 million; we are confident that they will cover the needs of our R&D programmes for the coming 3 to 4 years."*

Highlights from the first half of 2010

During the first half-year, Deinove consolidated its agreements with longstanding technology partners (particularly the CNRS and the INSA) and signed a new, wide-ranging collaboration agreement with VTT Technical Research Centre of Finland - a partner with acknowledged expertise in the discovery and engineering of industrial enzymes and the production of biomass-derived compounds.

Deinove also finalized a technology and business alliance with BENP Lillebonne (a subsidiary of the Tereos group, one of the global leaders in sugar and ethanol production). The contract covers the industrial validation of Deinove's cellulosic ethanol production process in a Tereos plant. Deinove will retain the worldwide, exclusive rights to exploit its technologies and BENP Lillebonne will receive a non-exclusive licence option to operate the latter. The objective is to improve the performance levels and cost-effectiveness of bioethanol production.

On April 27, the company listed on the stock market and raised € 12.1 million, €11.3 million after deduction of listing costs. Sixty-three percent of the shares were purchased by institutional investors and the remaining 37% were subject to an open-price offering. Deinove's industrial partner Tereos invested €1 million in the capital increase. The company's founding shareholder Truffle Capital also invested €2.35 million via two of its innovation-focused venture funds.

In terms of R&D, the 6000 strains of the company's proprietary collection of bacteria are now characterised, all of them appeared to be rare, unexploited and even unknown before Deinove discovered them. At the company's laboratory in Montpellier, the scientists are currently optimising the best candidate strains in each of the three research programmes. These results, all in line with the working plan of the company, are attracting interest from potential industrial partners, with whom Deinove is in preliminary discussions.

Financial results for the first half-year

The operating costs for the accounting period amounted to €1.2 million (a 30% increase on the same period in 2009). This was due to progression of Deinove's R&D expenditure (which accounts for 80% of the operating costs) and thus reflects the intensification and success of the company's development projects.

Given that the company has not yet earned any revenue, the first six months of the year resulted in a loss of €0.9 million (after the registration of a €0.3 million tax credit).

A solid financial situation

At the end of June, the company held €12 million in cash and cash equivalents. Moreover, Deinove has since received (in July) a first, €1.4-million tranche of grants and reimbursable loans for the DEINOL project from OSEO's ISI funding programme.

These liquidities have been invested in a variety of vehicles as a function of the company's cash flow forecast. Most of the funds have been placed in time-deposit accounts and money-market funds. €4.5 million have been placed in higher-yield, blue-chip bond issues due to mature in late 2012 and early 2013.

About DEINOVE

The greentech company DEINOVE is dedicated to the development and commercial exploitation of innovative technological processes for the production of biofuels, and other compounds of industrial or pharmaceutical interest, by exploiting the deinococci's exceptional natural properties. DEINOVE intends to leverage its proprietary bacterial strains, technologies and processes by out-licensing to industrial partners. DEINOVE has partnered with the leading sugar, ethanol and starch company TEREOS, in order to develop the DEINOL project, which aims at producing cellulosic ethanol in an existing plant.

The Paris-based company currently has 20 employees and operates several R&D partnerships with the CNRS (National Center for Scientific Research) in Montpellier and Marseilles, the University of Paris V, INSA Toulouse (National Institute for Applied Sciences) and the VTT (Technical Research Centre) of Finland. It was incorporated in late 2006 under the joint impetus of Philippe Pouletty MD (Managing Partner at the private equity firm Truffle Capital) and Miroslav Radman PhD (Professor of Cell Biology at Paris-Descartes University, a member of the French Academy of Science and winner of the 2003 INSERM Medical Research Prize). Professor Radman elucidated the genetic mechanism behind the extraordinary natural properties of the bacterium *Deinococcus* (biodiversity and robustness) on which DEINOVE's innovative strategy is based. The company also operates a lab at Cap Alpha Technology Park in Montpellier, southern France.

Forward-Looking Statement

Certain information contained in this presentation includes forward-looking statements. Forward-looking statements are not guarantees of future achievements or performance of the Company and its actual achievements, financial condition, actual results of operations and cash flows and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if the Company's financial condition, results of operations and cash flows and the development of the industry in which the Company operates are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in future periods. These statements are based on management's current expectations or beliefs and involve risks and uncertainties that could cause actual results to differ materially from those described in the forward looking statements. The Company does not undertake, nor does it have any obligation, to provide updates or to revise the forward-looking statements contained in this presentation to reflect events that occur or circumstances that arise after the date of this presentation. The Company takes no responsibility for the use of this information by any person.

A detailed description of the business and financial conditions of the Company and a section "Facteurs de risques" ("risk factors") are included in the chapter 4 of documents filed by the Company with the Autorité des marchés financiers ("AMF"), on March 25, 2010 under the number I.10-014.

Updates are available on the website of the company <http://www.deinove.com>

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