BioAlliance Pharma launches a capital increase for an amount of €16 million with maintenance of preferential subscription rights

The subscription period will run from July 4 to July 18, 2011 on the basis of 1 new share for 4 existing shares

Paris, July 1st, 2011 – BioAlliance Pharma SA (Euronext Paris - BIO), a company dedicated to specialty and orphan oncology products today announces, following its Shareholders' meeting of June 29, 2011, the launch of a capital increase for an amount of approximately 16 million Euros with maintenance of preferential subscription rights.

The appointments of Judith Greciet, Patrick Langlois, the company Financière de la Montagne represented by Nicolas Trebouta and David Solomon as Board members have been adopted as expected by the Shareholders' meeting. The Board of Directors has appointed Judith Greciet as Chief Executive Officer and Patrick Langlois as non-executive President of the Board. This new team, together with the Board members, will commit to providing BioAlliance with a dynamics of growth.

"BioAlliance can transform a concept into a high value asset. The Company has thus created two structured portfolios - "Specialty products" and "Orphan oncology products" - with independent risks, which are the two pillars of its current and future revenues", declares Judith Greciet, Chief Executive Officer of BioAlliance Pharma. "*With BioAlliance team, I wish to speed up the development of our most promising products and to consider the best opportunities for external growth. Optimization of our current and future distribution channels also constitutes a key element to BioAlliance"*.

This capital increase with maintenance of preferential subscription rights will enable BioAlliance Pharma:

- To conduct the development program of Livatag® in the treatment of primary liver cancer, in the wake of the significant survival data observed in the phase II trial (17-month increase in the median overall survival as compared to that of chemoembolization). Peak sales of such product can be evaluated between 800 million and 1 billion Euros.
- To complement its orphan products portfolio, in addition to the 3 products already in clinical phase, in order to maximize market access opportunities while benefiting from the Company's know-how in product development.

In the middle term, BioAlliance Pharma will consider strategic options for commercialization and could contemplate direct commercialization of orphan products in some territories. The company thus intends to optimize its revenues on these very high potential products, while being more independent from partners.

Number of shares to be issued:	3,395,943 shares (The number of existing share before this operation is: 13,583,772 shares).
Issue price:	4.90 euros per share.
Gross Proceeds	16,640,120.70 Euros.
Net Proceeds	15.9 millions euros.
Divdend due date:	Immediately fungible with already listed shares.
Subscription under exact process	1 new share for 4 rights.
Subscription rights	The new shares will be reserved in priority: • To the holders of existing shares registered in their accounting securities account at the end of the accounting day from 1 July 2011 which will receive preferential subscription rights; • To the holders of shares resulting from the exercise of stock options before July 12, 2011 , which will receive preferential subscription rights; • To holders of shares resulting from the exercise of BSA and BCE warrants before July 12, 2011, which will receive preferential subscription rights; • To the beneficiaries of the recipients of options to subscribe for shares of stock options not exercisable (exercisable only upon the death of the beneficiaries) who have exercised their options before July 12, 2011 and would be given preferential rights subscription ; • To assignees of preferential subscription rights. Holders of subscription rights may subscribe: • As of right at a rate of 1 new share for four existing shares held. 4 preferential subscription rights will take out a new share at a price of 4.90 Euros per share; • And, as reduced the number of New Shares they wish in addition to their rights as reducible (the one due to them under the exercise of their rights on an irreducible).
Theoretical value of subscription rights	0.24 Euros (based on the closing price of the share BioAlliance as of June 29, 2011: 6.11 Euros).
Listing of new shares	On the Euronext market by NYSE Euronext in Paris, upon issuance scheduled for August 1, 2011, on the same listing line as the existing shares of the Company (ISIN FR0010095596).
Subscription intention of the main shareholers	None.
Guarantee.	The Issue does not constitute an underwriting agreement as per the article L.225-145 of the *Code de commerce*.

Manager and bookkeeper
Invest Securities
Eric d'Aillières
73 bd Haussmann – 75008 Paris
Tél. : 01 44 88 77 99

Order centraliser
Invest Securities
73 bd Haussmann – 75008 Paris
Compensateur teneur de compte:
Parel, affilié EOC N°528 :
Tour Ariane, 5 place de la Pyramide, 92088 Paris La Défense Cedex

Public information:
All guidelines on how to subscribe are available on the internet on this site: www.bioalliancepharma.com

The prospectus comprises the reference document N° D11-0251 submitted on 7th April 2011, and the offering notice number 11-280 dated 30th June 2011 as approved by the French financial market regulator the AMF. The prospectus can be viewed free of charge at the company's head office, on BioAlliance Pharma's website (www.bioalliancepharma.com) and on the AMF website (www.amf-france.org).

BioAlliance Pharma would like to draw investors' attention to the section in the prospectus approved by AMF that relates to risk factors.

About BioAlliance Pharma
Dedicated to cancer and supportive care treatment with a focus on resistance targeting and orphan products — BioAlliance conceives and develops innovative products, for specialty markets especially in the hospital setting and for orphan or rare diseases.
Created in 1997 and introduced to the Euronext Paris market in 2005, BioAlliance Pharma's ambition is to become a leading player in these fields by coupling innovation to patient needs. The company's teams have the key competencies required to identify, develop and register drugs in Europe and the USA; the products' commercialization rights are licensed to international commercial partners invested in the hospital setting. In areas where medical needs are insufficiently met, its targeted approaches help overcome drug resistance and improve patient health & quality of life.

BioAlliance Pharma has developed an advanced product portfolio:
Specialty products
Loramyc®/Oravig® (oropharyngeal candidiasis in immunocompromised patients): Registered in 28 countries (EU US, Korea)
Sitavir® (Acyclovir Lauriad™) (labialis herpes): Positive phase III final results; registration status
Fentanyl Lauriad™ (chronic cancer pain): Positive preliminary Phase I results
Orphan Oncology products
Livatag® (Doxorubicin Transdrug™) in primary liver cancer: Phase II positive results
Clonidine Lauriad™ (mucositis): Phase II on going
AMEP® (invasive melanoma): Phase I on going
For more information, visit the BioAlliance Pharma web site at www.bioalliancepharma.com

BioAlliance Pharma SA
Judith Greciet, CEO
Tel +33 1 45 58 70 61
judith.greciet@bioalliancepharma.com
Nicolas Fellmann, CFO
Tel.: +33 1 45 58 71 00
nicolas.fellmann@bioalliancepharma.com

ALIZE RP
Caroline Carmagnol
Tel.: +33 6 64 18 99 59
caroline@alizerp.com

Disclaimer

This press release includes statements of a forward-looking nature. These statements are, by their very nature, subject to risks and uncertainty as set out in the prospectus approved by the AMF. The information in these statements is therefore not necessarily a reflection of BioAlliance Pharma's performance in the future, which may differ materially.
This press release is not to be published, distributed or sent out directly or indirectly to the USA (including its territories and possessions, any state within the USA and the District of Columbia), Australia, Canada or Japan.
The distribution of this press release may in some countries be subject to relevant rules and regulations. Persons who are located in these countries and to whom this press release has been distributed, published or sent are expected to familiarize themselves with any such restrictions and act accordingly.

The securities to which this press release refers are not registered and will not be registered in accordance with the 1933 US Securities Act as amended (referred to as the "Securities Act") and may not be offered or transferred within the USA without being registered or exempted from the requirement to be registered in conformity with the Securities Act. BioAlliance Pharma does not intend to register any partial or complete offer within the USA nor does it intend to pursue any public offer of securities within the USA.