PRESS RELEASE

ERYTECH successfully raises €30 million for expanding its therapeutic indications in oncology and accelerating its clinical developments

- **Reserved capital increased with €30 million, of which 68% subscribed by US investors specialized in life sciences**
- **Following its recent success in acute leukemia, ERYTECH intends to speed up its development in the USA and in solid tumors**

Lyon, France, October 23, 2014 - ERYTECH (Euronext Paris: FR0011471135 - ERYP), the French biopharmaceutical company that develops innovative 'tumor starvation' treatments for acute leukemia and other oncology indications with unmet medical need, announces today the successful completion of a capital increase for a total amount of €30 million.

Gil Beyen, Chairman & CEO of ERYTECH, comments: "*Following the good Phase III results of our clinical study on GRASPA® in acute lymphoblastic leukemia, the strategy of ERYTECH Pharma is to further increase the potential of this product toward other indications such as lymphomas and solid tumors and speed up its development in the US. This successful capital increase operation has allowed us to establish the financial basis for this growth strategy while further expanding our shareholder base in the US, the reference market for our sector.*"

Modalities of the operation

A total of 1,224,489 new shares will be issued within a capital increase with suppression of preferential subscription rights, reserved for investors accustomed to investing in the health sector. The new shares represent around 17.8% of the number of shares in circulation (after capital increase).

The issue price has been set at €24.50 per share, in accordance with resolution 10 of the Shareholders' Meeting of June 17, 2014. This price represents a discount of 3.5% compared to the weighted average stock price over the past five trading sessions, which was €25.39.

In total, 80% of the operation was executed internationally, with 68% in the U.S.

Use of proceeds

The proceeds from the issue are to be used by the company as additional means for financing of:

- two new Phase II or Phase III clinical studies on ERY-ASP™/GRASPA® in oncology or hemato-oncology;
- the acceleration of the development of the clinical Phase I/II study with ERY-ASP™/GRASPA® and an additional clinical study in the U.S.;
- the pre-clinical and Phase I clinical development of ERY-MET in a therapeutic indication in oncology and the pharmaceutical production of GMP batches of methioninase (in addition to Bpifrance financing);
- the regulatory and clinical costs for registering ERY-ASP™/GRASPA® in Europe;
- the general costs associated with the completion of the above projects.

The cost of the planned clinical studies has been estimated based on the experience acquired by ERYTECH from conducting various clinical studies with ERY-ASP™/GRASPA® in acute lymphoblastic leukemia, acute myeloid leukemia and pancreatic cancer, and will be in the order of the studies that have already been completed.

Furthermore, ERYTECH will use the proceeds of this capital increase to finance its share, 52%, of the future costs for ERY-MET with the knowledge that Bpifrance will assume 48% of the project costs as defined in the contract.

The Company's current cash position and this additional financing will enable it to see the above-mentioned projects through to their end.

Third quarter revenues and cash position on September 30, 2014

On September 30, 2014, the cash and cash equivalents amounted to 10.0 million euros compared to 12.3 million euros on June 30, 2014.

When including the net proceeds of this financing, the cash position on October 23, 2014 amounts to approximately 38 million euros.

During the third quarter of 2014, ERYTECH Pharma did not report any income from activities.

This financial information as of September 30, 2014 has been communicated in lieu of the quarterly communication initially planned for November 4, 2014.

Listing of the new shares

The new shares have a nominal value of €122,449 and will be in the same category as the company's current shares. They will carry immediate dividend rights and will give the right, as of their issue, to all distributions decided by the Company as of this date. Listing on the Euronext regulated market ("Euronext Paris") will be requested and will be subject to a listing prospectus and the approval of the French Autorité des Marchés Financiers (AMF). The new shares will be listed under the same code as the previous shares (ISIN FR0011471135). The settlement and delivery should occur on October 27, 2014.

Lock-up agreement - shareholders

Upon this issue, the Company has agreed not to issue new shares for a period of 90 days after the date of settlement and delivery, subject to the usual exceptions. For reference, the issue affects the allocation of capital and voting rights of the Company (as of October 17, 2014) as follows:

Shareholders	Situation before capital increase on the basis of the capital structure on October 17 2014			Situation after capital increase before settlement/delivery		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Management	603 290	10,66%	16,37%	603 290	8,77%	13,77%
Idinvest	813 400	14,38%	11,01%	813 400	10,64%	9,53%
Auriga Partners	1 018 212	18,00%	25,09%	1 018 212	14,79%	21,39%
Recordati Orphan Drugs	431 034	7,62%	6,08%	431 034	6,26%	5,18%
Other shareholders < 0,5%	90 584	1,59%	2,17%	90 584	1,32%	1,85%
Bearer shares	2 701 752	43,47%%	39,23%	3 926 241	57,04%	47,21%
TOTAL	**5 658 272**	**100,00%**	**100,00%**	**6 882 761**	**100 %**	**100%**

The transaction was lead by Bryan Garnier as Global Coordinator and LifeSci Capital as placement agent in the U.S.

"This operation confirms the strong appeal of ERYTECH to international investors, particularly with specialized American health care funds. The extensions of the therapeutic indications for ERY-ASP™/GRASPA®, the acceleration of our developments in the U.S. and the new drug candidate ERY-MET will contribute to the growth of the strategic value of our technology and our oncology product portfolio," says Gil Beyen, Chairman & CEO of ERYTECH Pharma.

Information available to the public

Copies of the Reference Document registered by the AMF on June 4, 2014 under the number R.14.038 are available free of charge at the headquarters of ERYTECH Pharma, 60 Avenue Rockefeller, Bâtiment Adénine, Lyon, France, and on the websites of ERYTECH Pharma (www.erytech.com) and the AMF (www.amf-france.org). ERYTECH Pharma would like to refer investors to Chapter 4 'Risk Factors' in the Reference Document and to Chapter 6 'Risk Factors' in the *Document de Base*.

About ERYTECH and ERYASP™/GRASPA®: www.erytech.com

Created in Lyon in 2004, ERYTECH is a French biopharmaceutical company providing new prospects for cancer patients, particularly those with acute leukemia and selected solid tumors.

By encapsulating the asparaginase enzyme in red blood cells, ERYTECH has developed ERY-ASP/GRASPA®, an original and effective treatment that destroys cancerous cells through "starvation" while significantly reducing side effects. ERY-ASP/GRASPA® is currently completing Phase III clinical development in Acute Lymphoblastic Leukemia (ALL) in Europe and is in Phase IIb in Acute Myeloid Leukemia (AML). The product is also in Phase I/II in ALL in the U.S.

Every year about 50,000 patients are diagnosed with ALL or AML in Europe and the U.S. Today, about 80% of these patients, mainly relapsing adults and children, cannot use the current forms of asparaginase due to their toxicity. ERY-ASP is being developed with the goal of improving the tolerability profile in order to treat all patients diagnosed with acute leukemia, even the most fragile ones. The market segment addressed by ERYTECH represents a potential of 1 billion euros.

The Company is also developing treatments for solid tumors and some orphan indications outside oncology. It is currently conducting a Phase II study on pancreatic cancer in Europe and examining other solid tumor indications for ERY-ASP.

The Company has obtained orphan drug designations for ERY-ASP/GRASPA® in ALL, AML and pancreatic cancer in Europe and the U.S. It has its own operational manufacturing sites in Lyon, France and Philadelphia in the U.S.

ERYTECH has concluded two distribution partnership agreements, one in Europe with Orphan Europe (Recordati Group), one of the main actors in orphan drugs, and the other in Israel with the TEVA Group.

ERYTECH is listed on the Euronext regulated market in Paris (ISIN code: FR0011471135, ticker code: ERYP) and is part of the CAC All Shares, CAC Healthcare, CAC Pharma & Bio, CAC Small, CAC Mid&Small, CAC All Tradable and Next Biotech indexes. ERYTECH shares are eligible to PEA-PME (French share savings plan for SMEs).

Contacts

ERYTECH

Gil Beyen
Chairman and Chief Executive Officer
Pierre-Olivier Goineau
Vice President, Chief Operating Officer
Tel.: +33 4 78 74 44 38
investors@erytech.com

NewCap

Julien Perez & Emmanuel Huynh
Investor Relations
Nicolas Mérigeau
Press Contact
Tel.: +33 1 44 71 98 52
erytech@newcap.fr

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- the issue does not give rise to the establishment of a Prospectus subject to the approval of the AMF. On the other hand, the listing of the shares to be issue within the scope of the operation shall give rise to the establishment of a Prospectus approved by the AMF.
- Shares thus subscribed or acquired may only be distributed to the public, directly or indirectly, under the conditions specified in articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the monetary and financial code.

The distribution of this press release in certain countries may be subject to specific regulations. The persons in possession of this press release shall then get knowledge of any local restrictions and shall comply with these restrictions.
Any decision to subscribe to shares of ERYTECH Pharma must be made only on the basis of public information on ERYTECH Pharma.