Press release

From cells to therapeutics **Vivalis**

2009 TARGETS MET:
Year-end net cash: €23.6 million
10 new licenses including 3 commercial

2010: SUSTAINED MOMENTUM FOR SOLID GAINS
Year-end net cash > €15 million
7 new licenses of which 2 commercial on the EB66® cell technology
1 commercial license on the Humalex® technology

Nantes (France) – 27 January 2010 – VIVALIS (NYSE EuronextVLS), a biopharmaceutical company that provides the pharmaceutical industry with innovative cell-based solutions for the manufacture of vaccines and proteins and develops drugs to prevent and treat human diseases, today announces 2009 annual revenues (not including grants) of €4.7 million and a net cash position of €23.6 million at 31 December 2009.

Revenues
(excluding VAT, in thousands of euros, French GAAP)

Fiscal year	**2009**	**2008**	**2007**
First quarter	2,278	165	470
Second quarter	998	766	470
Third quarter	491	2,677	29
Fourth quarter	957	1,836	27
Total	**4,724**	**5,444**	**996**

Total revenues for fiscal year 2009 (excluding grants) amounted to €4.7 million, as compared to €5.4 million for fiscal year 2008. This includes both payments for services and upfront licence fees for new agreements as well as milestone payments from existing agreements. While service revenues posted a steep decline from €2.5 million in 2008 to €0.7 million in 2009, reflecting the end of an important service contract, revenues from licenses and milestones increased significantly from €2.9 million to €4 million. This solid growth is the result of the strong commercial activity and scientific progress achieved by the company in 2009.

It should be noted that revenues originate primarily from upfront and milestone fees under license agreements. On this basis, revenues are irregular from one quarter to the next and consequently do not accurately fully reflect the technological and commercial advances of VIVALIS.

Solid financial position supported by significant capital resources

Cash and cash equivalents amounted to €23.6 million at 31 December 2009, significantly surpassing the objective of more than €20 million set for 2009. For the full year, the cash position in effect increased by close to €1 million from €22.7 million on 1 January 2009. The growth of our R&D expenses has been balanced by payments received within the framework of our operating activities, and, especially the €3 million payment of the research tax credit receivables for the years 2004 to 2008 as well as the first payment of the Oséo grant received early July 2009 for close to €3 million covering the development of production processes for clinical batches of vaccines and proteins based on the EB66® technology.

2009 targets met

2009 was a very dynamic year for VIVALIS in which all its targets were met:

- Signature of 9 new licenses of which 3 commercial and 1 sub-license granted by GSK to Kaketsuken in Japan in 2009;
- Major scientific advances on the validation of the EB66® cell technology both for the production of vaccines and antibodies rewarded by milestones payments and commercial licenses;
- Cash position of €23.6 million at 2009 year-end.

2010 objectives: sustained and strong development

Following the successes achieved in 2009, VIVALIS expects to maintain this momentum with an objective for 7 new licences of the EB66® cell line including 2 commercial in 2010, both in the field of the production of vaccines and therapeutic proteins.

VIVALIS also intends to sign the first partnership agreement for the exploitation of its Humalex® platform within the framework of programs to discover new human monoclonal antibodies in 2010.

With 28 licences signed to date, ongoing scientific advances and the acquisition of Humalys, VIVALIS has set a target for 2010 year-end net cash of more than €15 million.

Franck Grimaud, C.E.O. and Majid Mehtali, C.S.O., co-managers of Vivalis, declare: "*Thanks to the implication and the expertise of all VIVALIS teams, we delivered solid scientific, commercial and financial performances in 2009. Once again, the relevance of VIVALIS business model is validated and its scientific know-how recognized by all the actors of the sector. With these strong foundations, we are looking forward to writing of a new chapter in the history of VIVALIS' development with the integration of the Humalys team and the Humalex® antibody generation platform. We are particularly well prepared to pursue our strategy for sustained growth in 2010 and well beyond.* "

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Next financial press release:
6 April 2010, after NYSE Euronext market closing: 2009 annual results

About the EB66® line

The EB66® cell line, derived from duck embryonic stem cells, presents unique industrial and regulatory characteristics such as long-term genetic stability, immortality and cell growth to high cell densities in suspension in a serum-free medium (>20 millions cells/mL).

The BMF (Biologics Master File) for the registration of the EB66® cell line with the FDA (U.S. Food and Drug Administration) was filed on 27June 2008.

The EB66® cell line is currently used or being tested by 75% of the major players in vaccines. VIVALIS has furthermore demonstrated that the EB66® cell line can be easily genetically modified, permitting the expression of recombinant proteins of potential interest. Moreover the glycosylation profile of monoclonal antibodies produced through EB66® cell lines is similar to the glycosylation profiles of human monoclonal antibodies with the added benefit of being distinguished by reduced fucose content. This latter characteristic is known to be associated with a higher level of antibody cytotoxic activity, particularly useful in the treatment of cancer cells.

About VIVALIS (www.vivalis.com)

VIVALIS (NYSE- Euronext: VLS) is a biopharmaceutical company that provides innovative cell-based solutions to the pharmaceutical industry for the manufacture of vaccines and proteins, and develops drugs for the prevention and treatment of viral diseases. VIVALIS' expertise and intellectual property are exploited in three main areas:

1. VIVALIS offers research and commercial licenses for its EB66® cell line, derived from duck stem cells, to pharmaceutical and biotechnology companies for the production of vaccines and monoclonal and bodies. VIVALIS receives upfront fees, milestone payments and royalties on its licensees' net sales.

2. Through the Humalex® platform, VIVALIS proposes customers solutions for the generation, development and production of human antibodies. VIVALIS receives upfront fees, milestone payments and royalties on its licensees' net sales.

3. The construction of a portfolio of proprietary products in the area of vaccines and anti-viral molecules (hepatitis C).

Based in Nantes (France), VIVALIS was founded in 1999 by the Grimaud group (1,500 employees), the second largest group worldwide in animal genetic selection. VIVALIS has established more than 30 partnerships and licenses with world leaders in this sector, including Sanofi Pasteur, GlaxoSmithKline, Merck, CSL, Kaketsuken, Merial, Intervet, SAFC Biosciences. VIVALIS is a member of the French ATLANTIC BIOTHERAPIES bio-cluster.

VIVALIS
Listed on Euronext Paris – Compartment C of NYSE Euronext
Reuters: VLS.PA – Bloomberg: VLS FP
Included in NYSE Euronext's SBF 250, CAC Small 90 and Next Biotech indexes

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