Press release

From cells to therapeutics **Vivalis**

Vivalis accelerates growth
First half 2010 revenues: + 28% at €1.8 million (IFRS)
Consolidated cash position end of quarter: €14.8 million

Nantes (France) – 21 July 2010 – VIVALIS (NYSE Euronext:VLS), a biopharmaceutical company, today announced its second quarter 2010 revenues (IFRS) of € 1.2 million, up 67% year-on-year, and a consolidated cash position of € 14.8 million as at 30 June 2010.

Following the acquisition of Humalys S.A.S. on 7 January 2010, VIVALIS will publish its financial data according to IFRS accounting standards. VIVALIS' financial statements were already published under French GAAP and IFRS rules in its 2009 *Document de Référence* registered with the AMF on 22 April 2010 under number R.10-026.

This change of rules has no impact on the cash and cash equivalent position. In contrast, the move to IFRS rules impacts the revenue recognition of licensing revenues. According to IAS18, "up-front payment" revenues and "milestone" revenues are recognized over the development period of these programs, whilst under French GAAP they are recognized in full upfront. The impact can be summarized as a "spreading out" of such revenues over the coming years.

Significant increase of revenues

(in thousands of euros, IFRS)

	Second quarter			First half		
	2009	**2010**	***Var.***	2009	**2010**	***Var.***
Revenues from services	106	**468**	*+342%*	409	**507**	*+24%*
Revenues from licensing	596	**703**	*+18%*	977	**1 263**	*+29%*
Total revenues	702	**1,171**	***+67%***	1,386	**1,770**	***+28%***

Total revenues for the second quarter 2010, including revenues from services and licensing activities, increased 67% as compared to revenues for the same period in 2009, and are up 95% as compared to its first quarter 2010 revenues.

Revenues from services increased 342% from € 0.1 million for the second quarter of 2009 to € 0.5 million for the same period in 2010, witnessing new services of process development rendered to clients in 2010, while an important service agreement ended early 2009.

Meanwhile, revenues from licensing activities, comprising of revenues from up-front and milestone payments, increased by 18% as the result of the commercial and scientific progress achieved over the period. It should be noted that the € 3 million upfront from the Sanofi Pasteur contract announced on 8 June 2010 is, under IFRS, recognised over the duration of the contract.

Revenues from licensing activities represented 60% of revenues for the second quarter of 2010 versus 85% for the second quarter 2009.

For the first half of 2010, total revenues increased 28% to € 1.8 million. This progression of revenues is set to continue over the next quarters.

Consolidated cash position at June 30, 2010

Consolidated cash and cash equivalents amounted to € 14.8 million as at 30 June 2010, compared to € 17.0 million at 31 March 2010.

It should be noted that this position does not include the € 3 million up-front payment triggered by the signing of the monoclonal antibody discovery agreement with Sanofi Pasteur, announced by the two companies on 8 June 2010, nor does it include R&D advance service fees included in this agreement. However, this level does include for this quarter the € 2.7 million investment in VIVALIS' Nantes facilities, including its new R&D laboratory. Nonetheless, thanks to the revenues generated by services and licensing activities, and strict cost control, the cash used over the quarter has been limited to € 2.2 million confirming VIVALIS' low cash burn business model.

Commercial and scientific success

VIVALIS has witnessed commercial and scientific progress in all its activities.

A new commercial license for the EB66® cell line has been signed in the animal health field. Regarding the Humalex® technology, validation of the relevance of the Humalys acquisition and its strong potential for value creation was achieved through a collaboration agreement and a commercial license with Sanofi Pasteur for the discovery and development of fully human monoclonal antibodies against several infectious diseases. This agreement is also the cornerstone of a shift in strategy and development model of VIVALIS, as it represents the largest financial agreement ever signed by the Company.

Outlook

With 17 commercial licences and about 10 research licences signed to date on the EB66® cell line technology, the first major agreement signed on the Humalex® technology, ongoing scientific advances, and increased shareholders' equity position, VIVALIS is very confident of its development perspectives and the achievement of its financial and commercial objectives for 2010: 7 new licenses of the EB66® technology, one licensing and collaboration agreement on the Humalex® technology and a 2010 year-end consolidated cash position of more than €15 million (excluding current capital increase).

Franck Grimaud, C.E.O. and Majid Mehtali, C.S.O., co-managers of VIVALIS, said: "*We are very pleased about the progress encountered during the last months. We have achieved significant milestones in the execution of our development plan. This first half has been marked by the acceleration of our growth with the Humalys acquisition that enables us to broaden our offering to the pharmaceutical and biotechnology industry in the monoclonal antibody field. If we had reported revenues under French Gaap, we would have had combined service and licence revenues totalling over € 4.6 million for the first half, as compared to € 4.7 million for VIVALIS for the entire 2009 year. Besides the major financial impact of the Sanofi Pasteur agreement, this collaboration validates, commercially and industrially, this platform. The assets we have generated and the strengthening of our capital that we are in the process to complete put us in a very strong position for a new phase of VIVALIS development, with the building of a portfolio of proprietary products that we will initiate in the coming months.*"

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Next financial press release:
31 August 2010, after NYSE Euronext market closing: Results for first half 2010

About VIVALIS (www.vivalis.com)

VIVALIS (Euronext code: 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 unmet medical needs. VIVALIS' expertise and intellectual property are exploited in three main areas:

1. EB66® Cell Line:
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 therapeutic and prophylactic viral vaccines, virosomes, VLPs and recombinant proteins, especially monoclonal antibodies with enhanced cytotoxic activity. VIVALIS receives upfront payment, clinical stage milestone payments and royalties on its licensees' net sales.

2. Humalex® platform
VIVALIS proposes customized solutions for the discovery, development and production of fully Human monoclonal antibodies. VIVALIS receives upfront payment, clinical stage milestone payments and royalties on its licensees' net sales.

3. 3D-Screen platform
VIVALIS performs discovery and early stage developments of small chemical molecules identified with VIVALIS proprietary screening platform, 3D-Screen, which identifies target protein conformational modulators. VIVALIS is building a portfolio of proprietary products for the treatment of Hepatitis C virus infection..

Based in Nantes (France), VIVALIS was founded in 1999 by the Grimaud group (ca. 1,500 employees), a worldwide leader 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 and LYON BIOPOLE bio-clusters.

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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This document contains forward-looking statements and comments on the company's objectives and strategies. No guarantee can be given as to any of the events anticipated by the forward-looking statements, which are subject to inherent risks, including the risk factors described in the company's document de référence*, changes in economic conditions, the financial markets or the markets in which the company operates.*

PUBLIC INFORMATION:

A French language prospectus including (i) the reference document (*document de référence*) of Vivalis filed with the *Autorité des marchés financiers* (AMF) on 22 April, 2010 under no. R. 10-026 as replaced by the reference document dated 1 July, 2010 and (ii) the securities note (*note d'opération*) (including a summary of the prospectus) approved by the AMF on 1 July 2010 under no 10-215, are available free of charge from Vivalis (6, rue Alain Bombard, 44 821 Saint-Herblain CEDEX), as well as on the websites of Vivalis (www.vivalis.com) and the AMF (www.amf-france.org).

Vivalis draws the attention of the public to the risk factors described in chapter 4 of the reference document and chapter 2 of the securities note.

This Press Release, together with the material set forth herein, does not constitute an offer of securities for sale nor a solicitation to purchase securities in any jurisdiction. Distribution of such Press Release in certain jurisdiction may constitute a breach of applicable laws and regulations.

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