TRANSGENE AND VIVALIS ENTER INTO A COMMERCIAL LICENSE AND COLLABORATION AGREEMENT FOR THE MANUFACTURING OF MVA THERAPEUTIC VACCINES IN THE EB66® CELL LINE

Nantes & Lyon (France) and Strasbourg (France) – 12 July 2011: VIVALIS (NYSE Euronext: VLS), and Transgene (NYSE Euronext: TNG), announced today that the two companies entered into a commercial license and collaboration agreement to develop a process using the VIVALIS EB66® cell line suitable for the manufacturing of Transgene MVA-based therapeutic vaccines.

MVA-based therapeutic vaccines are one of the key technology pillars of Transgene. The company has three vaccine candidates in late stage clinical trials in cancer and infectious disease. These therapeutic vaccines are currently manufactured by Transgene in Chicken Embryo Fibroblasts ("CEF").

Transgene is considering significant investments to expand its manufacturing infrastructure over the coming years. Evaluating alternative manufacturing technology options for its products is part of Transgene'sindustrial strategy.

Philippe Archinard, CEO of Transgene declared, *"In line with our vertical integration strategy, we are looking at means to take optimal advantage of our future investment in manufacturing capacities, among which are processes to maximize the production yields of our vaccines. Vivalis has a proven technology for the manufacturing of prophylactic vaccines with the EB66® cell line with on-going clinical trials. We are pleased to have partnered with them because of their leading position in the field"*.

Franck Grimaud, CEO. and Majid Mehtali, CSO, co-managers of VIVALIS, further commented, *"We are very pleased to enter into this collaboration with Transgene; with products nearing Phase III clinical trials, they are one of the leading companies in the field of therapeutic vaccine development. This confirms the potential of the EB66® cell line to become a reference cell substrate for the industrial manufacture of viral-based vaccines. With about 30 active licenses and four new licenses signed since the beginning of 2011, this provides further evidence that the EB66® cell line has become a dominant standard to replace the traditional production process for the manufacturing of a wide variety of vaccine candidates, world-wide"*.

VIVALIS will receive upfront and development milestone payments as well as royalty payments associated with product sales. VIVALIS will also receive revenue from GMP manufacturing of initial clinical materials.

About Transgene(www.transgene.com)

Transgene, a member of the Institut Mérieux Group, is a publicly traded French bio-pharmaceutical company dedicated to the development of therapeutic vaccines and immunotherapeutic products in oncology and infectious diseases, and has five compounds in clinical development: TG4010 and JX594/TG6006 having completed initial Phase II trials, TG4001 in Phase IIb trial, TG4040 in Phase II trial and TG4023 in Phase I trial. Transgene has concluded strategic agreements for the development of two of its immunotherapy products, an option agreement with Novartis for the development of TG4010 to treat various cancers, and an in-licensing agreement with US-based Jennerex Biotherapeutics, Inc., to develop and market JX594/TG6006, an oncolytic virus.

Transgene has bio-manufacturing capacities for viral-based products. Additional information about Transgene is available on the internet at www.transgene.fr.

About VIVALIS (www.vivalis.com)

VIVALIS (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 unmet medical needs.VIVALIS' expertise and intellectual property are leveragedin three main areas:

EB66®Cell Line

VIVALIS offers research and commercial licenses for its EB66®cell line, derived from duck embryonic stem cells, to pharmaceutical and biotechnology companies for the production of therapeutic and prophylactic viral vaccines, virosomes, VLP's, and recombinant proteins (with a focus on monoclonal antibodies having enhanced cytotoxic activity). EB66®cell line based vaccines are currently in clinical trials in USA and in Japan.Through these programs VIVALIS receives upfront, clinical stage milestone payments along with royalties on licensees' net sales.

VIVA|Screen™ Human Antibody Discovery Platform

Customized solutions for the discovery, development, and production of fully human monoclonal antibodies is now offered by VIVALIS.Through these programs VIVALIS receives upfront, clinical stage milestone payments and royalties on product net sales.

3D-Screen:Drug Discovery Platform

VIVALIS performs discovery and development, up to pre-clinical evaluation, of original small chemical molecules identified with its proprietary platform, 3D-SCREEN. This unique screening platform is designed to identify original molecules that alter the three-dimensional structure of a target protein, thus modulating its biological function through an innovative mode of action.VIVALIS is building a portfolio of proprietary new chemical entities for the treatment of hepatitis-C virus infection.VIVALIS also proposes, on a fee for service basis, to develop ready to use customized 3D-Screen HTS assays directed against client's target protein of interest.

Based in Nantes and Lyon (France), and Toyama (Japan), 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, Pfizer Animal Health, Kaketsuken, Kitasato Daiichi Sankyo Vaccine, Merial, Intervet, SAFC Biosciences.VIVALIS is a member of the French ATLANTIC BIOTHERAPIES and LYON BIOPOLE bio-clusters.

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Cautionary note for Vivalis regarding forward-looking statements

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 registration document (document de référence), changes in economic conditions, the financial markets or the markets in which the company operates

Cautionary note for Transgene regarding forward-looking statements:

This press release contains forward-looking statements referring to the clinical testing, development, and manufacturing of our products. Clinical testing and successful product development, manufacturing and

commercialization depend on a variety of factors, including the timing and success of future patient enrolment, the risk of unanticipated adverse patient reactions, the capacity to manufacture products efficiently in accordance with Good Manufacturing Practices standards, regulatory approval and the level of demand for the product by the medical community. In addition, forward-looking statements regarding product development, testing, manufacturing and marketing costs are by their nature subject to uncertainties as a result of unforeseen difficulties and expenses which may arise, and future product development costs may exceed current expectations. For further information on the risks and uncertainties involved in the testing and development of Transgene's product candidates, see Transgene's Document de Référence on file with the French Autorité des marchés financiers on its website at http://www.amf-france.org and Transgene's website at www.transgene.fr .