

Press release



VIVALIS RAISES OVER EUR 30 MILLION IN SUCCESSFUL RIGHTS ISSUE OVERSUBSCRIPTION OF 113%

Nantes, Lyon (France) – July 26, 2010 – VIVALIS (NYSE Euronext: VLS) announces that it has raised a total of over € 30 million via a rights issue, launched on 2 July 2010. The final gross proceeds amount to € 30.3 million through the issuance of 5,990,532 new ordinary shares.

Total demand for the rights issue amounted to approximately € 34.3 million, reflecting a subscription rate of 113%. 5,788,102 new shares have been subscribed by irrevocable entitlement (*souscription à titre irréductible*), representing 96.6% of the new ordinary shares to be issued. Subscription on a reducible basis (*souscription à titre réductible*) represented a demand for 996,442 new shares and was therefore partially allocated, through the issue of 202,430 new shares.

The proceeds from the rights issue will support Vivalis' objective to develop a portfolio of proprietary monoclonal antibody products as well as to provide Vivalis with the capacity to further industrialise the Humalex® platform. Thus the € 30 million that Vivalis raised with this transaction will principally (at a minimum of two-thirds of proceeds) serve to finance the development of a portfolio of proprietary products, which the Company intends to commence in 2011, and to a lesser extent industrialize the Humalex® technology.

Franck Grimaud, C.E.O. and Majid Mehtali, C.S.O., co-managers of VIVALIS, said: *"We are very pleased about the success of this capital increase despite difficult market conditions. We would like to thank our shareholders that have brought their support in this operation. The fact that ca. 97% of all subscription rights have been exercised demonstrates our shareholders' confidence in the balanced business model put in place at VIVALIS conjugated with a high value potential following the acquisition of the monoclonal antibody discovery platform Humalex® and the development of a portfolio of biologics. Indeed, with 17 commercial licenses of our EB66® cell line technology and the commercial agreement with Sanofi Pasteur for the application of the Humalex® platform to several anti-infectious targets, we keep on developing a balanced business model fed by numerous revenue sources. The technological and human assets we have generated and the strengthening of our capital put us in a very strong position for a new phase of VIVALIS development."*

This successful rights issue is part of a support by an investment by *Fonds Stratégique d'Investissement* (FSI) in the share capital of Groupe Grimaud La Corbière (GLC), for an aggregate amount of €40 million as described in the press announcement published jointly on 2 July by the FSI and GLC. Thus, Groupe Grimaud La Corbière subscribed to this rights issue for an aggregate value of €15.7 million, through the exercise of the totality of its subscription rights. GLC will hold a 51.9% stake in VIVALIS following the settlement of the rights issue.

The delivery and listing on Euronext Paris of the new ordinary shares issued in the rights issue is expected to take place on 28 July 2010. The new ordinary shares will be fungible with existing shares and will be traded on Euronext Paris (ISIN code: FR0004056851). Vivalis' ordinary share capital following the settlement of the rights issue will therefore be composed of 20,966,863 shares.

Natixis and Nomura Code acted as Joint Lead Managers and Joint Bookrunners for the share capital increase. Kempen & Co has been mandated as co-manager of the transaction.

Since it was founded, Vivalis has based its corporate development on the commercialisation of the EB66® cell line in the vaccines and therapeutic proteins fields. So far, the company has signed 17 commercial licenses - a commercial sub-license was also signed -- and around ten R&D licenses for the EB66® cell line. Vivalis will very actively continue the technological and commercial development of this cell line.

To better capture additional value, Vivalis announced the acquisition of Humalys and its discovery platform for human antibodies, Humalex®, in January 2010, which allowed the Company to enter this fast growing market. The success of this strategy has been illustrated through the first commercial license agreement for the discovery of several antibodies in the anti-infectious field, which was signed with Sanofi Pasteur in June 2010.

As owner of the Humalex® platform, the EB66® cell line and suitable bio-manufacturing facilities, Vivalis has an integrated offering spanning from the discovery of antibodies to the production of pre-clinical and clinical batches. By leveraging these assets, Vivalis plans to accelerate its development and capture more value for its shareholders by developing a portfolio of proprietary products as well as industrializing its Humalex® discovery platform.

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

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 antibodies. VIVALIS receives upfront fees, milestone payments and royalties on its licensees' net sales.
2. Through the Humalex® platform, VIVALIS proposes customers solutions for the discovery, 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), 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 ATLANPOLE BIOTHERAPIES and LYON BIOPOLE bioclusters.

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

VLS
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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.

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