Press release

From cells to therapeutics **Vivalis**

VIVALIS AND DELTA-VIR ENTER IN A COMMERCIAL AGREEMENT TO MANUFACTURE NEWCASTLE DISEASE VIRUS (NDV) ON THE EB66® PLATFORM

AS A FIRST STEP TO A BROADER AGREEMENT COMPRISING PROCESS DEVELOPMENT AND MANUFACTURING PHASE 1 CLINICAL BATCH OF ONCOLYTIC NDV VACCINE

Nantes, Lyon (France) and Köln (Germany) – 4 October 2011: VIVALIS (NYSE Euronext: VLS) and DELTA-VIR gmbh, announced today that the two companies entered into a commercial agreement to manufacture GMP grade material of Newcastle Disease Virus (NDV) produced on VIVALIS EB66® cell line. This is a first step of a broader collaboration between the companies to develop an EB66®-based production process of purified NDV virus and to manufacture clinical grade NDV to be used in conjunction with a cell based anti-tumour vaccine for therapeutic treatment of different human neoplasms.

DELTA-VIR has developed a unique immunotherapy incorporating non-human pathogenic oncolytic NDV. This immunotherapy has already been administered to patients as a compassionate anti-cancer treatment in Germany. Because of the promising results obtained so far with over 600 patients, DELTA-VIR wishes to provide this promising treatment to a larger population of patients and it is seeking to get regulatory approval. To do so, DELTA-VIR and VIVALIS will partner to develop and validate a GMP grade process of production of NDV virus to be compliant with regulatory requirements. DELTA-VIR intends to file an IND for an orphan drug-status cancer immunotherapy as soon as 2013.

Ingo Wilke, CEO of DELTA-VIR declared, *"We are looking at means to maximize the production yields of our NDV-based vaccine component and to set up a more consistent and reliable manufacturing process. VIVALIS has a proven technology for the manufacturing of vaccines with the* EB66® *cell line with on-going clinical trials and 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 DELTA-VIR who is a leader in the next generation of anti-tumor vaccines. It is the fifth* EB66® *agreement signed this year. This project is very exciting for VIVALIS since the orphan-drug status could accelerate and shorten the market approval of a human* EB66®*-based vaccine. It is also additional evidence that the spectrum of application of the* EB66® *cell line is very broad. VIVALIS and its partners are working on indications such as flu, measles, cancers, HIV and a wide range of vet vaccines. Furthermore, VIVALIS is convinced that an integrated offer which includes the* EB66® *cell line, the process development, and the preclinical and clinical batches manufacturing can actually help our clients to accelerate their product development"*.

Financial terms were not disclosed.

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Next financial press release: 2011 third-quarter sales
October 20, 2011, after NYSE Euronext market closing

About DELTA-VIR

DELTA-VIR is a biopharmaceutical company founded to progress novel anti-tumor vaccines incorporating oncolytic virus. Based in Köln, Germany DELTA-VIR was initiated in 2011 out of the IOZK (Immunologisches und Oncologisches Zentrum Köln) to build on the promising results observed when the vaccine was used as a compassionate anti-cancer treatment in Germany. The company's objective is to seek regulatory approval for this therapy in order to enable the treatment to be more readily available to a wider range of patients.

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 unmet medical needs. VIVALIS' expertise and intellectual property are leveraged in three main areas:

1. 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.

2. VIVA|Screen™ Human Antibody Discovery Platform

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

3. 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 & Lyon (France) and in 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, Merck Animal Health, SAFC Biosciences. VIVALIS is a member of the French ATLANTIC BIOTHERAPIES and LYON BIOPOLE bioclusters and a member of the Japanese OKURIKU INNOVATION CLUSTER FOR HEALTH SCIENCE in Toyama.

VIVALIS
Listed on Euronext Paris – Compartment B 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 registration document (document de référence), changes in economic conditions, the financial markets or the markets in which the company operates.

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