VIVALIS

A French public limited company (*Société Anonyme*)
with an Executive Board and a Supervisory Board
Share capital: 3,188,687.55 euros
Registered office: La Corbière, 49450 Roussay France
Angers Companies Register (RCS) No.: 422 497 560

INTERIM FINANCIAL REPORT

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2012

A- RESPONSIBILITY STATEMENT

To the best of my knowledge, and in accordance with applicable reporting principles for interim financial reporting, the condensed interim consolidated financial statements of the Company and all consolidated operations provide a fair view of its assets and liabilities, financial position and earnings, and the interim management report on page 2 includes a fair view of material events occurring in the first six months, their impact on the interim financial statements, the main transactions with related parties and a description of the key risks and uncertainties for the remaining six months.

Franck Grimaud
Chairman of the Executive Board of the Company

B- AUDITORS' REPORT ON THE 2012 INTERIM FINANCIAL INFORMATION

To the Shareholders:

In our capacity as Statutory Auditors, and in accordance with Article L.451-1-2 III of the French monetary and financial code, we performed:
- The limited review of the accompanying interim condensed consolidated financial statements of Vivalis for the six-month from 1 January to June 30, 2012;
- A verification of the information given in the interim management report.

These interim condensed consolidated financial statements were prepared under the responsibility of your Executive Board. Our responsibility is to express our conclusion on these financial statements based on our limited review.

I- Conclusion

We have conducted our limited review in accordance with the professional standards applicable in France. A limited review consists mainly in making inquiries with members of management responsible for accounting and financial matters and applying analytical procedures. The scope of such a review is substantially less than for an audit conducted in accordance with generally accepted audit standards in France. As such, it provides a moderate assurance that the financial statements as a whole are free of material misstatements and a lesser assurance than would result from an audit.

Based on our limited review, nothing has come to our attention to suggest that the interim condensed financial statements do not comply in all material respects with IAS 34, the IFRS standard applicable to interim financial statements, as adopted by the European Union.

II- Specific verifications

We have also reviewed the information given in the interim report accompanying the interim condensed consolidated financial statements that were the subject of our limited review. We have nothing to report with respect to the fair presentation of such information and its consistency with the interim condensed consolidated financial statement.

Cholet and Neuilly-sur-Seine, 29 August 2012
The Statutory Auditors
[French original signed by]

Jean-Claude Pionneau
Cabinet Gérard Chesneau & Associés

Christophe Perrau
Deloitte & Associés

C- 2012 INTERIM MANAGEMENT REPORT

I. Review of operations of Vivalis for the 2012 first half

2012 first half highlights:

Significant events in the first half included:

- The commercial success of the EB66® and Viva|Screen™ technology platforms;
- The first antibody discovery platform focusing on oncology;
- The search for partners for the development or sale of rights for anti-hepatitis C molecules.

a) The commercial success of the EB66® and Viva|Screen™ technology platforms;

5 new licenses and research agreements, notably with BioDiem (human), Merck Animal Health (veterinary), Merial (veterinary) and Farvet (veterinary), have been signed since 1 January 2012 to use the EB66® cell line to produce vaccines and monoclonal antibodies, including 2 commercial licenses. In light of the signatures, Vivalis expects to exceed initial targets, namely to reach 8 to 10 licenses for 2012, including 3 commercial licenses

In the field of antibody discovery (Viva|Screen™ technology), early in the year Sanofi Pasteur initiated a third antibody discovery program within the framework of the collaboration agreement signed in June 2010. This agreement was furthermore extended to include an additional target. On that basis, this strategic agreement now represents potential revenue of more than €140 million from milestone payments and royalties and confirms Sanofi-Pasteur's considerable interest in the Viva|Screen™ technology.

b) The first antibody discovery platform focusing on oncology;

Vivalis has launched its first antibody discovery program in oncology using its Viva|Screen™ platform.

c) The search for partners for the development or sale of rights for anti-hepatitis C molecules.

Vivalis is actively searching for partners for the development or sale of rights for its two molecules of interest against hepatitis C.

II. Outlook:

Vivalis has revised its objectives for 2012 as follows:

- **Antibody Discovery: Viva|Screen™**

The Company confirms its target for the signature of 2 new license and collaboration agreements for the Viva|Screen™ antibody discovery technology.

- **EB66® Cell Line for the Production of Vaccines and Antibodies**

Since 1 January 2012, VIVALIS has signed five new EB66® licenses and research agreements, including two commercial licenses, with an initial objective for the year of six licenses, including two commercial. Based on the number of on-going discussions, VIVALIS has now raised this target to eight to ten new EB66® licenses for 2012, including three commercial licenses.

- **2012 year-end cash target**

As a result of delays in certain programs, in particular the bioproduction unit, the Company has lowered its cash target to approximately €14 million at year-end 2012 from €16 million initially.

III. Risks and uncertainties concerning the company's business in the following six months:

Vivalis operates in a rapidly evolving environment subject to significant risks and uncertainties outside of the Group's control. Risks and uncertainties potentially affecting the Group are presented in the French registration document (*document de référence*) filed with the French securities regulator, the AMF (*Autorité des Marchés Financiers*) under No. D 12- 0412 on 25 April 2012, also available at the Group's website: www.vivalis.com.

The Group is notably subject to the following risks. As this list is not exhaustive, consultation of the registration document is recommended for a more precise description of the risks associated with the Group's business:

- Risks of failures or delays in development of the EB66® cell line;
- Risks relating to developing products of Group licensees;
- Risks relating to developing Group products;
- Risks of dependence with respect to the EB66® cell lines out-licensing activities and the Viva|Screen platform.

IV. Management's discussion and analysis of financial condition and results of operations for the six month period ended 30 June 2012

The condensed consolidated financial statements for the six-month period ended 30 June 2012 were prepared in accordance with the provisions of IAS 34 for interim financial reporting authorising the presentation of selected explanatory notes. In consequence, these condensed consolidated financial statements must be read in conjunction with the IFRS annual financial statements for the 2011 fiscal year (registration document filed with the AMF under No. D 12- 0412 on 25 April 2012 available in French at the company's website: www.vivalis.com).

Figures presented in these financial statements are expressed in thousands of euros

Recurring operating income

Current operating income was €2,790,000 in the 2012 first-half, down from €5,654,000 from the same period last year or 51%. Revenue from commercial partners amounted to €1,504,000, declining 68% from €4,688,000 in the 2011 first half. This latter category of revenue now accounts for only 54% of total recurring operating income for the 2012 first half compared with 83% in last year's same period.

Revenue streams from research services are much less irregular mainly because of the different collaboration programs with Sanofi-Pasteur on the antibody discovery platform, with a third collaboration program launched in early 2012. Accordingly, first-half revenue from research services increased 4% from €830,000 in 2011 to €863,000 in 2012.

Revenue from commercial licenses recognised under "licensing income" over the duration of the product's development in which the Group participates declined significantly by 83% to €641,000 in the 2012 first half from €3,859,000 in last year's same period. This decline reflects mainly exceptional items in 2011 (a milestone payment following the transformation of the co-exclusive EB66® license agreement signed between GSK and VIVALIS in 2007 in the field of influenza vaccines into an exclusive license, termination of the CSL and Nobilon co-exclusive licenses and the commercial license of Innate). Furthermore, important commercial contacts in progress both for the EB66 cell lines and antibody discovery have not yet reached conclusions that would allow for the recognition of significant revenues.

Recurring operating income also includes three other categories of income that experienced mixed trends in the 2012 first half.

Capitalised production corresponding to the development expenditures for Vivalis programs that now concerns only patents has remained very marginal since 2009 after they advanced to the commercial deployment phase.

Operating grants represented only €88,000 in the 2012 first half, down from €251,000 from last year's same period. This significant decrease is largely the result of reduced amounts received under the OSEO grant for the VIVABIO program. In effect, for a portion of the program, a transfer of eligible costs from grants to reimbursable loans is recognised. Furthermore, eligible costs for the second part of the program were suspended pending the decision on the admission of the new partner.

Other operating income concerned research tax credits (RTC) amounting to €1,154.000 in 2012 first half compared with €690,000 in the same period last year. The significant 67% increase is mainly due to the decline in public financing receipts budgeted for 2012 in relation to the prior year and that are deducted from the base of all eligible costs. In addition, eligible costs themselves registered a marginal increase.

Recurring operating expenses

Recurring operating expenses came to €9,638,000 at 30 June 2012, up from €8,196,000 year-on-year. This rise that remains significant (+18%) reflects Vivalis' ongoing efforts in the field of antibody discovery (Viva Screen platform both for the Lyon operation and the Japanese subsidiary).

Staff costs remain the main operating expense representing slightly more than 36% of the total, and declined 1% to €3,479,000 in 2012 from €3,518,000 in 2011. The average number of personnel of Vivalis for continuing operations in the 2012 first half amounted to 97.5 FTE (full-time equivalents), up from 92.4 FTE for the same period last year like-for-like or 5%.

Between the first six months of 2011 and 2012, expenditures for raw materials and other supplies rose 44% to €1,255,000 related to the antibody discovery activity. Other purchases and external expenses rose 41% to €2,892,000, mainly from fees.

Depreciation and amortisation expenses continued to increase from €1,516,000 in €2011 to €1,811,000 in 2012. This increase included mainly:

- Amortisation expenses for the acquisition of the antibody discovery technology acquired from the Japanese company SC World at the end of April 2011 for a full six months basis in 2012;
- Depreciation expenses for fixtures and equipment for Lyon and Toyama following investments made in the 2011 second half for the industrialisation of the VivaScreen technology platform.

Net income/(loss) from continuing operations

At 30 June 2012 the loss from continuing operations amounted to €6,847,000, up from €2,541,000 one year earlier. This decline is mainly the result of the significant drop in revenue combined with sustained efforts in pursuing research and development.

Net financial income/(expense)

The 2012 first half had net financial income of €21,000 compared with net financial expense of €19,000 in the same period last year, reflecting an improvement in charges for discounting amounts owed to sellers of Humalys and SCW.

At 30 June 2012, the loss before tax amounted to €6,827,000, up from €2,560,000 one year earlier.

Net income from continuing operations

At 30 June 2012, the loss from continuing operations amounted to €6,845,000, up from €2,560,000 the same period last year.

The net loss from continuing operations per ordinary share amounted to €0.32 for the 2012 first half compared with €0.12 for last year's first half.

Income (loss) from assets held for sale or discontinued operations

In the 2012 first half, the Group recognised a loss of €657,000 for the Drug Discovery business classified as an asset held for sale compared with a loss of €512,000 for the same period in 2011.

Net loss

The net loss at 30 June 2012 came to €7,502,000 compared with €3,072,000 at 30 June 2011.

Capital resources

In the first six months of 2012, the €9.9 million decline in the cash position reflected the following items:

- -€7.4 million for operating activities;
- -€4.6 million for investing activities, including €3.8 for technology acquisitions;
- +€2.1 million for financing activities, mainly from the disposal of current financial assets (fixed deposits), keeping in mind that a 1.5 million credit facility was put into place only in early July.

Assets

Net intangible assets: excluding capital expenditures in the period, more than 60% of the decrease in this line item (from €19,820,000 at 31 December 2011 to €17,929,000 at 30 June 2012) was due to derecognition in accordance with IFRS 5 of intangible assets for Drug Discovery held for sale (€1,080,000), and more than one third allowances for amortisation for technologies required and, to a lesser extent, development expenditures capitalised in the period.

Net property, plant and equipment of €13,315,000 at 31 December 2011 declined to €12,754,000 at 30 June 2012, with depreciation expenses for these assets exceeding amounts for acquisitions.

Other non-current assets increased from €5,957,000 at 31 December 2011 to €7,185,000 at 30 June 2012, mainly from a RTC receivable of €1,348,000 recognised for the period.

Other current assets increased from €1,067,000 at 31 December 2011 to €1,306,000 at 30 June 2012, mainly relating to VAT and prepaid expenses for operating activities.

Current financial assets consist mainly of fixed deposits.

Liabilities and equity

Shareholders' equity at 30 June 2012 was €33.2 million compared to €40.4 million at 31 December 2011. This decline reflects mainly the period's loss.

Bank borrowings (including both the current and non-current portions) rose €0.7 million, with credit facilities for €1.5 million put into place only in July.

The €4.8 million decrease in other payables (current and non-current) included:

- A €2.8 million reduction in debt incurred by Vivalis in favour of the sellers for the acquisition of Humalys;
- €1.3 million for amounts payable to fixed asset suppliers that included mainly a reduction in the debt for the acquisition of antibody discovery technologies;
- A €0.7 million decline in deferred income or grants recognised under income;

Total assets at 30 June 2012 amounted to €60.4 million compared to €73.1 million at 31 December 2011.

V. Related party transactions

No new regulated agreements were signed by Vivalis Group in the 2012 first-half. Related party transactions in 2011 are described in section 19 of the registration document filed with the French financial market authority (*Autorité des Marchés Financiers* or AMF) on 25 April 2012 under No. D 12- 0412: www.vivalis.com.

INTERIM FINANCIAL STATEMENTS AT 30/06/2012

I – Consolidated balance sheet

(in thousands of euros)	*Note No.*	*30/06/2012*	*31/12/2011*
Goodwill		341	341
Intangible fixed assets	5.7.1	17,929	19,820
Property, plant and equipment	5.7.2	12,754	13,315
Non-current financial assets		221	195
Other non-current assets	5.7.3	7,185	5,957
NON-CURRENT ASSETS		**38,429**	**39,629**
Inventories and work in progress		902	951
Trade receivables and related accounts	5.7.4	595	881
Other current assets	5.7.5	1,306	1,067
Current financial assets	5.7.6	17,852	20,648
Cash and cash equivalents	5.7.7	122	9,907
CURRENT ASSETS		**20,776**	**33,455**
Assets held for sale or discontinued operations	5.7.8	**1,240**	
TOTAL ASSETS		**60,444**	**73,083**

Share capital		3,182	3,168
Share premium		62,142	62,117
Retained earnings (accumulated deficit) and reserves		-24,603	-20,420
Net income/(loss) for the year		-7,502	-4,419
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP		**33,219**	**40,445**
Non-controlling interests		-	-
TOTAL SHAREHOLDERS' EQUITY		**33,219**	**40,445**
Provisions		12	12
Provisions for employee commitments		98	98
Bank borrowings	5.7.9	4,606	5,268
Other non-current liabilities	05/07/2010	11,159	13,921
NON-CURRENT LIABILITIES		**15,875**	**19,299**
Provisions		17	
Bank borrowings	5.7.9	1,608	1,528
Trade payables and related accounts	05/07/2011	1,505	1,384
Tax and employee-related liabilities	05/07/2012	1,599	1,817
Other current liabilities	05/07/2010	6,622	8,610
CURRENT LIABILITIES		**11,350**	**13,339**
Liabilities associated with assets held for sale			
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**60,444**	**73,083**

II. – Consolidated income statement

(in thousands of euros)	*Note No.*	*30/06/2012*	*30/06/2011 restated (*)*
Research services		863	830
Licensing income		641	3,859
REVENUE	**5.7.13**	**1,504**	**4,688**
Change in inventory of own production of goods and services			
Own production of goods and services capitalised		44	25
Grants	5.7.14	88	251
Other income	5.7.14	1,154	690
RECURRING OPERATING INCOME		**2,790**	**5,654**
Purchases of raw materials & other supplies		1,207	979
Change in inventory		48	- 105
Other purchases and external expenses		2,892	2,055
Taxes, duties and related amounts		153	123
Staff costs		3,479	3,518
Depreciation, amortisation & impairment of fixed assets	5.7.15	1,811	1,516
Other expenses		48	112
RECURRING OPERATING EXPENSES		**9,638**	**8,196**
NET INCOME/(LOSS) FROM CONTINUING OPERATIONS		**- 6,847**	**- 2,541**
Non-recurring operating income		-	-
Non-recurring operating expenses		-	-
OPERATING PROFIT/ LOSS		**- 6,847**	**- 2,541**
Income from cash and cash equivalents		287	328
Cost of gross borrowings		- 266	- 346
NET BORROWING COSTS		**21**	**- 19**
INCOME BEFORE TAX		**- 6,827**	**- 2,560**
Income tax		19	-
NET INCOME FROM CONTINUING OPERATIONS		**- 6,845**	**- 2,560**
Income (loss) from assets held for sale or discontinued operations	5.7.8	- 657	- 512
NET INCOME		**- 7,502**	**- 3,072**
Basic net earnings from continuing operations per share (in euro)	5.7.16	-0.32	-0.12
Diluted net earnings from continuing operations per share (in euro)		-0.32	-0.12

(in thousands of euros) **Statement of net profit and income and expense recognised directly in equity**	*30/06/2012*	*30/06/2011*
Net income/(loss)	- 7,502	- 3,072
Total income and expense recognised directly in equity	43	-
Total net profit and income and expense recognised directly in equity	**- 7,459**	**- 3,072**

(*) In accordance with IFRS 5 on income from assets held for sale or discontinued operations, the 2011 first half has been restated in the interest of providing a clearer presentation of performance.

III – Consolidated statement of changes in shareholders' equity

a. Change from 1 January 2012 to 30 June 2012

	Share capital	Share premiums	Reserves and retained earnings	Net income	Shareholders' equity attributable to the Group	Non-controlling interests	Total
At 1 January 2012	**3,168**	**62,117**	**-20,420**	**-4,419**	**40,446**	**0**	**40,446**
Capital increase	14	25			39		39
Income appropriation			-4,419	4,419	0		0
Treasury shares			21		21		21
Share-based payments			218		218		218
Net income/(loss) for the period				-7,502	-7,502		-7,502
Translation differences of consolidated subsidiaries			-3		-3		-3
At 30 June 2012	**3,182**	**62,142**	**-24,603**	**-7,502**	**33,219**	**0**	**33,219**

b. Change from 1 January 2011 to 30 June 2011

	Share capital	Share premiums	Reserves and retained earnings	Net income	Shareholders' equity attributable to the Group	Non-controlling interests	Total
At 1 January 2011	**3,149**	**62,111**	**-13,010**	**-7,962**	**44,288**	**0**	**44,288**
Capital increase	2	22			25		25
Income appropriation			-7,962	7,962	0		0
Treasury shares			133		133		133
Share-based payments			356		356		356
Net income/(loss) for the period				-3,072	-3,072		-3,072
At 30 June 2011	**3,151**	**62,133**	**-20,483**	**-3,072**	**41,729**	**0**	**41,729**

IV – Consolidated statement of cash flows

(in thousands of euros)

(in thousands of euros)	Note No.	H1_2012	H1_2011
Cash flow from operating activities:			
Net income/(loss)		-7,502	-3,072
Income and expenses with no impact on cash and unrelated to operating activities, tax and financial expense			
Operating depreciation and amortisation expenses	5.7.15	1,811	1,558
Reversals of operating depreciation and amortisation expenses	5.7.15	0	0
Share-based payment expenses	IV	218	357
Expense reclassifications on capitalised assets		0	0
Share of grant transferred to income		-83	-60
Net borrowing costs		-21	-128
Other non-cash items		0	-38
(Gains)/losses on disposal of assets		0	0
Change in other current assets/liabilities			
Inventories		50	-142
Trade receivables and related accounts		286	190
Trade payables and related accounts		121	230
Other non-current assets		-1,156	-1,297
Other current assets		-239	489
Tax and employee-related liabilities		-218	3
Other non-current liabilities		-712	-1,268
Other current liabilities (excluding payables to fixed asset suppliers)		-159	-79
Net cash from operating activities before tax and financial expense		-7,605	-3,257
Interest income/expense		206	128
Income tax payments		0	0
Net cash from/(used in) operating activities		-7,399	-3,129
Cash flow from investing activities			
Purchase of intangible fixed assets (excl. Humalys)	5.7.1	0	-6,055
Purchase of property plan and equipment	5.7.2	-542	-752
Purchase of long-term investments		-26	-157
Acquisition of Humalys net of cash received		-2753	-2324
Change in working capital requirements with regard to assets		-1,296	5,318
Net capital expenditure		0	2
Net cash used in investing activities		-4,617	-3,968
Cash flow from financing activities			
New borrowings	5.7.9	0	1,200
Repayment of borrowings	5.7.9	-711	-593
Change in other financial assets	5.7.6	2,796	2,005
Subordinated grants received/(repaid)		0	0
Investment grants received		0	0
Other			133
Capital increase	IV	39	25
Net cash from financing activities		2,124	2,770
Effect of foreign exchange rate changes		1	0
Net change in cash and cash equivalents		-9,891	-4,327
Opening cash, cash equivalents and marketable securities		9,792	34,748
Closing cash, cash equivalents and marketable securities		-99	30,420
Net change in cash and cash equivalents		-9,891	-4,328
Change in current financial assets		-2,796	-2,005
Net change in cash, cash equivalents and current financial assets		-12,687	-6,333

V.— Notes to the interim financial statements (In thousands of euros)

5.1 – Significant events and transactions in the first half having an impact on the condensed consolidated financial statements of 30 June 2012.

Significant events in the first half included:

- The commercial success of EB66® and theViva| Screen™ technology platforms
- The first antibody discovery platform focusing on oncology;
- The search for partners for the development or sale of rights for anti-hepatitis C molecules.

a) The commercial success of the EB66® and Viva| Screen™ technology platforms;

5 new licenses and research agreements, notably with BioDiem (human), Merck Animal Health (veterinary), Merial (veterinary) and Farvet (veterinary), have been signed since 1 January 2012 to use the EB66® cell line to produce vaccines and monoclonal antibodies, including 2 commercial licenses. In light of these signatures, Vivalis expects to exceed initial targets, namely to reach 8 to 10 licenses for 2012, including 3 commercial licenses

In the field of antibody discovery (Viva|Screen™ technology), early in the year Sanofi Pasteur initiated a third antibody discovery program within the framework of the collaboration agreement signed in June 2010. This agreement was furthermore extended to include an additional target. On that basis, this strategic agreement represents potential revenue of €140 million from milestone payments and royalties, confirming Sanofi-Pasteur's considerable interest in the Viva|Screen™ technology.

b) The first antibody discovery platform focusing on oncology;

Vivalis has launched its first antibody discovery program in oncology using its Viva| Screen™ platform.

c) The search for partners for the development of anti-hepatitis C molecules

Vivalis is actively searching for partners for the development or sale of rights for its two molecules of interest against hepatitis C.

5.2 - Changes in the Group structure

There were no changes in the Group structure of consolidated operations at 30 June 2012 that consequently includes Vivalis Toyama Japan and Smol Thérapeutics, wholly-owned subsidiaries of Vivalis SA.

5.3- Accounting policies and statement of compliance

Preliminary comments:

Amounts presented in the Group's condensed consolidated financial statements are expressed in thousands of euros, except when indicated otherwise;

The closing date for the condensed consolidated interim financial statements is 30 June of each year. The separate financial statements included in the condensed consolidated financial statements are established on the closing date for the condensed consolidated financial statements, i.e. 30 June and cover the same period.

The condensed consolidated financial statements of 30 June 2012 were established on 27 August 2012 by the Management Board.

Main accounting policies and statement of compliance

In compliance with European regulation 1606 / 2002 of 19 July 2002 adopted by the European Parliament and Council, the financial statements of the Group at 31 December 2009 were prepared in accordance with IFRS (*International Financial Reporting Standards*) as approved by the European Union on the date these financial statements were produced.

IFRSs as adopted by the European Union differ in certain respects with those published by the International Accounting Standards Board (IASB). Nevertheless, the Group has ensured that the financial information presented for the periods presented does not materially differ from financial information presented on the basis of the IASB version of IFRS.

International accounting standards are comprised notably of IFRS (*International Financial Reporting Standards*), IAS (*International Accounting Standards*) as well as SIC (*Standing Interpretations Committee*) and IFRIC (*International Financial Reporting Interpretations Committee*).

The condensed consolidated financial statements for the period ended 30 June 2012 were prepared in accordance with the provisions of IAS 34 on interim financial reporting as adopted by the European Union that authorises the presentation of selected explanatory notes.

As the notes to these financial statements do not include all information required for complete annual financial statements they must consequently be read in conjunction with the 2011 annual financial statements.

All IAS/IFRS standards and interpretations adopted by the European Union may be consulted at the European Commission's website at the following address:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

International Financial Reporting Standards (IFRS) applied as of 30 June 2012:

The condensed financial statements have been prepared in accordance with the accounting methods and policies applied by the Group for the annual financial statements of fiscal 2011 (described in note 5.2 of the financial statements of 31 December 2011). The new texts and amendments whose application became mandatory as of 1 July 2012 presented in note 5.2.1 of the consolidated financial statements of 31 December 2011 are not applicable or do not have a material effect on the Group's consolidated financial statements at 30 June 2012.

The Group has not opted to apply in advance those standards and interpretations that were not mandatory effective 1 January 2012.

In light of the decision to proceed with the disposal of the Drug Discovery business, IFRS 5 "non-current assets held for sale or discontinued operations" became applicable for the first time in the condensed consolidated financial statements for the six-month period ending 30 June 2012. For improved clarity to evaluate performance, the 2011 interim consolidated income statement has been restated on the same basis of application as the 2012 first half.

5.4 - Seasonal business trends

The Group is not subject to seasonal business trends though revenue streams from commercial contracts may fluctuate significantly.

5.5 - Operating segments

Since 2010, Vivalis Group has identified three operating segments for the purpose of analysing its business and results:

- Cell line platform (EB66);
- Platform for the development of small molecules (3DScreen);
- Antibody discovery platform (Viva|Screen).

In light of the decision for the disposal of the Drug Discovery business, as of 2012 this operating segment no longer exists and the relevant items have been consequently reclassified in accordance with IFRS 5.

a – Income statement aggregates by segment

(in thousands of euros)	First half 2012	First half 2011 Restated (*)	% Change
Revenue by business sector	**1,504**	**4,688**	**-67.9%**
EB66 cell line	529	3,585	-85.2%
Drug Discovery (3DScreen technology) (*)			
Viva | screen technology	975	1,103	-11.6%
Other income by business sector	**1,286**	**966**	**33.2%**
EB66 cell line	816	786	3.9%
Drug Discovery (3DScreen technology) (*)			
Viva | screen technology	427	133	220.7%
Income not attributed to an operating segment	43	47	-8.5%
Net income/(loss) from continuing operations	**-6,847**	**-2,541**	**169.4%**
EB66 cell line	-2,748	166	-1759.5%
Drug Discovery (3DScreen technology) (*)			
Viva | screen technology	-1,113	-524	112.5%
Income not attributed to an operating segment	-2,986	-2,183	36.8%

(*) In accordance with IFRS 5 for the probable disposal on 30 June 2012 of the Drug Discovery business (3DScreen technology). For improved clarity about performance, the 2011 first half has been restated on an identical basis.

b – Balance sheet aggregates by operating segment

Segment analysis at 30 June 2012

(in thousands of euros)	*Global*	*EB66*	*3DS (1)*	*VivaScreen*	*Unallocated*
Goodwill	341			341	
Intangible fixed assets	17,929	2,887		14,915	127
Property, plant and equipment	12,754	4,026		1,514	7,214
Non-current financial assets	221				221
Other non-current assets	7,185	1,274			5,911
NON-CURRENT ASSETS	**38,429**	**8,187**		**16,770**	**13,473**
Inventories and work in progress	902	514		388	
Trade receivables and related accounts	595	266		246	83
Other current assets	1,306				1,306
Current financial assets	17,852				17,852
Cash and cash equivalents	122				122
CURRENT ASSETS	**20,776**	**780**		**634**	**19,363**
Assets held for sale or discontinued operations	1,240		**1,240**		
TOTAL ASSETS	**60,444**	**8,967**	**1,240**	**17,404**	**32,836**

Provisions	12				12
Provisions for employee commitments	98	32	8	39	19
Bank borrowings	4,606				4,606
Other non-current liabilities	11,159	4,099		4,565	2,495
NON-CURRENT LIABILITIES	**15,875**	**4,131**	**8**	**4,604**	**7,132**
Provisions	17	17			
Bank borrowings	1,608				1,608
Trade payables and related accounts	1,505				1,505
Tax and employee-related liabilities	1,599				1,599
Other current liabilities	6,622	686		5,031	905
CURRENT LIABILITIES	**11,350**	**703**		**5,031**	**5,617**
Liabilities associated with assets held for sale					
TOTAL CURRENT/NON-CURRENT LIABILITIES	**27,226**	**4,834**	**8**	**9,635**	**12,749**

Segment analysis at 31 December 2011

(in thousands of euros)	*Global*	*EB66*	*3DS*	*VivaScreen*	*Unallocated*
Goodwill	341			341	
Intangible fixed assets	19,820	3,166	1,036	15,464	154
Property, plant and equipment	13,315	4,255	182	1,431	7,447
Non-current financial assets	195				195
Other non-current assets	5,957	1,274	108		4,575
NON-CURRENT ASSETS	39,629	8,695	1,327	17,236	12,371
Inventories and work in progress	951	526	59	366	
Trade receivables and related accounts	881	199		678	4
Other current assets	1,067		271		796
Current financial assets	20,648				20,648
Cash and cash equivalents	9,907				9,907
CURRENT ASSETS	33,455	726	330	1,044	31,355
TOTAL ASSETS	73,083	9,420	1,657	18,280	43,726

Provisions	12				12
Provisions for employee commitments	98	32	8	39	19
Bank borrowings	5,268				5,268
Other non-current liabilities	13,921	4,548	126	6,907	2,340
NON-CURRENT LIABILITIES	19,299	4,580	134	6,946	7,639
Provisions					
Bank borrowings	1,528				1,528
Trade payables and related accounts	1,384			104	1,280
Tax and employee-related liabilities	1,817	907	151	188	572
Other current liabilities	8,610	830	260	7,208	312
CURRENT LIABILITIES	13,339	1,737	411	7,500	3,692
TOTAL CURRENT/NON-CURRENT LIABILITIES	32,638	6,317	545	14,446	11,331

5.6 – Other information

With respect to interim consolidated financial statements, the method used for the valuation of the 2012 Research Tax Credit (RTC) is based on a calculation of the fiscal 2012 year-end value according to estimated inflows of grants and repayable loans. 50% of this amount is then applied to the interim financial statements ending 30 June 2012, with expenses on which the RTC is based estimated on a straight-line basis over the full year period.

Otherwise, with the exception of IFRS 5 (see above), there have been no other changes in presentation, accounting methods or estimates in relation to 31 December 2011.

5.7 - NOTES TO THE BALANCE SHEET, INCOME STATEMENT AND STATEMENT OF CASH FLOWS

5.7.1 - Net intangible fixed assets

a. Change from 1 January 2012 to 30 June 2012

In thousands of euros	At 1 January 2012	Changes in the period: Increase: Total	internally generated	separately acquired	Decrease	Change in Group structure	Other changes (2)	30 June 2012
Development expenditure	7 003	47	47				-1 100	5 950
Acquired technology	17 186	0						17 186
Concessions, patents and licences	532	13	13		-310			235
Intangible assets under development	0	0						0
Gross intangible fixed assets	**24 721**	**60**	**60**	**0**	**-310**	**0**	**-1 100**	**23 371**
Development expenditure (1)	2 800	283	283				-20	3 063
Acquired technology	1 723	548		548				2 271
Concessions, patents and licences	378	0			-270			108
Total amortisation and impairment	**4 901**	**831**	**283**	**548**	**-270**	**0**	**-20**	**5 442**
Net intangible fixed assets	**19 820**	**-771**	**-223**	**-548**	**-40**	**0**	**-1 080**	**17 929**
(1) of which depreciation	149	0	0	0	0	0	0	149

(2) Relating to the Drug Discovery business reclassified under assets held for sale or discontinued operations (see note 5.7.8 -a)

b. Change from 1 January 2011 to 31 December 2011

In thousands of euros	At 1 January 2011	Changes in the period: Increase: Total	internally generated	separately acquired	Decrease	Change in Group structure	At 31 December 2011
Development expenditure	6 915	88	88				7 003
Acquired technology	11 067	6 119		6 119			17 186
Concessions, patents and licences	462	70		70			532
Intangible assets under development	0	0					0
Gross intangible fixed assets	**18 444**	**6 277**	**88**	**6 189**	**0**	**0**	**24 721**
Development expenditure (1)	2 238	562	562				2 800
Acquired technology	738	985		985			1 723
Concessions, patents and licences	310	68		68			378
Total amortisation and impairment	**3 286**	**1 615**	**562**	**1 053**	**0**	**0**	**4 901**
Net intangible fixed assets	**15 158**	**4 662**	**-474**	**5 136**	**0**	**0**	**19 820**
(1) of which depreciation	149	0	0	0	0	0	149

5.7.2 - Net property, plant and equipment

a. Change from 1 January 2012 to 30 June 2012

In thousands of euros	At 1 January 2012	Changes in the period: Increase	Decrease	Change in Group structure	Other changes (1)	30 June 2012
Land	1,010					1,010
Buildings on own land	4,682	21				4,703
Buildings on land of third parties	568	4				572
Building installations and improvements	3,878	2				3,880
Plant, machinery and equipment (*)	7,855	488	-1		-392	7,950
General installations, miscellaneous improvements	532	5			6	543
Vehicles	27					27
Office, IT equipment, furniture	926	22	-1			947
Recoverable packaging	5					5
Tangible fixed assets under construction	29				-6	23
Prepayments	15					15
Gross intangible fixed assets	**19,527**	**542**	**-2**	**0**	**-392**	**19,675**
Land	87	18				105
Buildings on own land	669	103				772
Buildings on land of third parties (2)	24	31				55
Building installations and improvements	1,150	174				1,324
Plant, machinery and equipment	3,691	525			-231	3,985
General installations, miscellaneous improvements	121	22				143
Vehicles	27	3				30
Office, IT equipment, furniture	438	64				502
Recoverable packaging	5	0				5
Total depreciation and amortisation	**6,212**	**940**	**0**	**0**	**-231**	**6,921**
Impairment	0					0
Net intangible fixed assets	**13,315**	**-398**	**-2**	**0**	**-161**	**12,754**

(*) including biomanufacturing materials

(1) Of which mainly the Drug Discovery business reclassified as assets held for sale or discontinued operations (see note 5.7.8 -a)

a. Change from 1 January 2011 to 31 December 2011

In thousands of euros	At 1 January 2011	Changes in the period: Increase	Decrease	Change in Group structure	Other changes	At 31 December 2011
Land	1,010	0				1,010
Buildings on own land	4,672	10				4,682
Buildings on land of third parties	28	540				568
Building installations and improvements	3,862	20	-4			3,878
Plant, machinery and equipment (*)	6,797	985	-209	282		7,855
General installations, miscellaneous improvements	517	38	-23			532
Vehicles	27	0				27
Office, IT equipment, furniture	733	201	-8			926
Recoverable packaging	5	0				5
Tangible fixed assets under construction	13	1,054			-1,038	29
Prepayments	0	15				15
Gross intangible fixed assets	**17,664**	**2,863**	**-244**	**282**	**-1,038**	**19,527**
Land	52	35	0			87
Buildings on own land	462	207	0			669
Buildings on land of third parties (2)	16	8	0			24
Building installations and improvements	849	303	-2			1,150
Plant, machinery and equipment	2,754	934	-49	52		3,691
General installations, miscellaneous improvements	81	45	-5			121
Vehicles	18	9	0			27
Office, IT equipment, furniture	342	104	-8			438
Recoverable packaging	5	0	0			5
Total depreciation and amortisation	**4,579**	**1,645**	**-64**	**52**	**0**	**6,212**
Impairment	0					0
Net intangible fixed assets	**13,085**	**1,218**	**-180**	**230**	**-1,038**	**13,315**
(1) of which depreciation for	0	0				0

(*) including biomanufacturing materials

5.7.3. Other non-current assets

In thousands of euros	At 30 June 2012	At 31 December 2011
Income tax and RTC	5,539	4,195
VAT		0
Grants	1,604	1,712
Prepaid expenses	42	46
Personnel and related accounts		4
Other non-current assets	**7,185**	**5,957**

In thousands of euros	At 30 June 2012	At 31 December 2011
2009 RTC	0	0
2010 RTC	2,145	2,145
2011 RTC	2,046	2,046
2012 RTC	1,348	0
Miscellaneous tax reductions		4
Total corporate income and RTC receivables (non-current p	**5,539**	**4,195**

At 30 June 2012, receivables in respect of grants break down as follows:

In thousands of euros	Allocated	Paid	Balance	non-current portion	current portion
OSEO (2006)	30	30	0	0	0
MINEFI (2006)	954	954	0	0	0
REGION (2007)		0	0	0	0
REGION (2008)	231	231	0	0	0
DIACT (2008)	550	220	330	330	0
ANR (2010)	541	162	379	0	379
REGION (2009)	894	894	0	0	0
OSEO (2009)	6,016	4,742	1,274	1274	0
NANTES (2009)	894	715	179	0	179
DEPT 44 (2009)	87	87	0	0	0
Other	27	27	0	0	0
Total grants	**10,224**	**8,062**	**2,162**	**1,604**	**558**

At 31 December 2011, receivables in respect of grants break down as follows:

In thousands of euros	Allocated	Paid	Balance	non-current portion	current portion
OSEO (2006)	30	30	0	0	0
MINEFI (2006)	954	954	0	0	0
REGION (2007)		0	0	0	0
REGION (2008)	231	231	0	0	0
DIACT (2008)	550	220	330	330	0
ANR (2010)	541	162	379	108	271
REGION (2009)	894	894	0	0	0
OSEO (2009)	6,016	4,742	1,274	1274	0
NANTES (2009)	894	715	179	0	179
DEPT 44 (2009)	87	87	0	0	0
Other	27	27	0	0	0
Total grants	**10,224**	**8,062**	**2,162**	**1,712**	**450**

5.7.4. Trade receivables and related accounts

a. At 30 June 2012

In thousands of euros	Gross	Impairment	Net
Trade receivables	264		264
Doubtful trade receivables	25	-21	4
Trade receivables – sales invoice :	327		327
Total receivables and related acco	**616**	**-21**	**595**

b. At 31 December 2011

In thousands of euros	Gross	Impairment	Net
Trade receivables	662		662
Doubtful trade receivables	25	-21	4
Trade receivables – sales invoice :	215		215
Total receivables and related acco	**902**	**-21**	**881**

5.7.5. Other current assets

In thousands of euros	At 30 June 2012	At 31 December 2011
Income tax, business tax and RTC	0	0
VAT	496	373
Grants (*)	558	450
Social security and related receivables	19	43
Sundry debtors	24	119
Prepaid expenses	209	82
Total other current assets	**1,306**	**1,067**

(*) See note 5.7.4 on the breakdown between current and non-current portion for grants

5.7.6. Current financial assets

In thousands of euros	**At 30 June 2012**	**At 31 December 2011**
Marketable securities pledged	0	2,750
Negotiable certificates of deposit	1,000	3,000
Fixed deposits	16,852	14,898
Total current financial assets	**17,852**	**20,648**

a. Change from 1 January 2012 to 30 June 2012

In thousands of euros	**At 1 January 2012**	**Acquisitions**	**Disposals**	**Other changes**	**At 30 June 2012**
Marketable securities pledged	2,750		-2,750		0
Negotiable certificates of deposit	3,000		-2,000		1,000
Fixed deposits	14,898	8,054	-6,100		16,852
Total	**20,648**	**8,054**	**-10,850**	**0**	**17,852**

b. Change from 1 January 2011 to 31 December 2011

In thousands of euros	**At 1 January 2011**	**Acquisitions**	**Disposals**	**Other changes**	**At 31 December**
Marketable securities pledged	6,750			-4,000	2,750
Negotiable certificates of deposit	1,005	3,000	-1,005		3,000
Fixed deposits	0	6,000	-10,000	18,898	14,898
Total	**7,755**	**9,000**	**-11,005**	**14,898**	**20,648**

5.7.7. Net cash flow

a. Cash flow items

In thousands of euros	At 30 June 2012	At 31 December 2011
Cash at bank and in hand (1)	90	162
Cash equivalents	32	9,745
Open-ended investment funds (SICAV)	*32*	*6,155*
Mutual funds	*0*	*3,590*
Cash assets	**122**	**9,907**
Bank facilities	221	115
Net cash flow	**-99**	**9,792**

(1) Fixed deposits are classified as current financial assets

B. Cash equivalents

*** Change from 1 January 2012 to 30 June 2012**

In thousands of euros	At 1 January 2012	Acquisitions	Disposals	Change in Group	Other changes (1)	At 30 June 2012
Open-endeinvestment fund (SICAV)	6,155	5,939	-12,062			32
Mutual funds	3,590		-3,590			0
TOTAL	**9,745**	**5,939**	**-15,652**	**0**	**0**	**32**

*** Change from 1 January 2011 to 31 December 2011**

In thousands of euros	At 1 January 2011	Acquisitions	Disposals	Change in Group	Other changes (1)	At 31 December
Open-endeinvestment fund (SICAV)	10,353	23,911	-32,109		4,000	6,155
Mutual funds	5,602	4,592	-6,604			3,590
TOTAL	**15,955**	**28,503**	**-38,713**	**0**	**4,000**	**9,745**

5.7.8. Assets held for sale or discontinued operations

a. Breakdown of assets held for sale or discontinued operations

In thousands of euros	At 30 June 2012	At 31 December 2011
Intangible assets - gross amounts	1,100	
Intangible assets - amortisation	-21	
Intangible assets - net amounts	**1,079**	**0**
Property, plant and equipment - gross amounts	392	
Property, plant and equipment - amortisation	-231	
Property, plant and equipment - net amounts	**160**	**0**
Total assets held for sale	**1,240**	**0**

b. Liabilities associated with assets held for sale or discontinued operations

There are no liabilities associated with assets held for sale or discontinued operations

c. Income (loss) from assets held for sale or discontinued operations

In thousands of euros	At 30 June 2012	At 30 June 2012
Revenue	0	0
Own production of goods and services capitalised	3	13
Operating grant	133	47
Other income (share of RTCs)	194	112
Total recurring operating income	**330**	**172**
Purchases of raw materials & other supplies	67	65
Change in inventory	0	0
Other purchases and external expenses	499	284
Taxes, duties and related amounts	5	4
Wages and salaries	265	187
Social charges	90	84
Allowances for depreciation and amortisation of fixed assets	47	42
Other expenses	14	18
Total recurring operating expenses	**987**	**684**
Income (loss) from assets held for sale or discontinued oper:	**-657**	**-512**

5.7.9. Borrowings

In thousands of euros		At 30 June 2012	At 31 December 2011
CA 1000 of 31/01/05	3-month Euribor floating rate + 0.65%	276	326
CA 800 of 31/12/2009	3-month Euribor floating rate + 1.10%	601	641
CM 890 of 31/01/2005	3-month Euribor floating rate + 0.60%	245	290
CM 450 of 16/06/2005	3-month Euribor floating rate + 0.50%	0	32
CM 400 of 25/04/2006	3.60% fixed rate	57	87
CM 400 of 10/08/2007	3-month Euribor floating rate + 0.70%	129	158
CM 1200 of 08/08/08	5.45% fixed rate	618	704
CM 600 of 23/12/2009	3-month Euribor floating rate + 1.25%	451	481
CM 1,030 of 18/06/2010	2.70% fixed rate	737	811
CM 1,200 of 05/05/2011	3-month Euribor floating rate + 0.70%	1030	1118
CE 940 of 10/01/2005	CODEVI + 1% floating rate	293	343
CE 250 of 20/04/2006	CODEVI + 0.90% floating rate	40	59
CE 400 of 10/08/2007	3-month Euribor floating rate + 0.70%	144	174
CE 300 of 25/07/08	5.40% fixed rate	194	189
CE 600 of 23/12/2009	1-month Euribor floating rate + 1.20%	450	480
LCL 500 of 23/12/2009	1-month Euribor floating rate + 1.25%	375	400
LCL 470 of 30/07/2010	3-month Euribor floating rate + 0.80%	353	388
Current bank facilities, bank credit balances		221	115
Total		**6,214**	**6,796**
- current portion		1,608	1,528
- non-current portion		4,606	5,268

a. At 30 June 2012

In thousands of euros		Gross	Up to 1 year	More than 1 year	More than 5 years
Total borrowings		6,214	1,608	3,793	813
of which loans secured during the period	*0*				
of which loans repaid during the period	*711*				

b. At 31 December 2011

In thousands of euros		Gross	Up to 1 year	More than 1 year	More than 5 years
Total borrowings		6,796	1,528	4,137	1,131
of which loans secured during the year	*1,200*				
of which loans repaid during the year	*1,315*				

Dates indicated are those for the beginning of the repayment schedule.

No covenants exist under loans used to finance a portion of the work related to the construction of the laboratories of VIVALIS and their equipment.

An allocation agreement with respect to an interest rate swap was established on 11 June 2010 between Grimaud Group and Vivalis, following the conclusion by Grimaud Group and Crédit Agricole Corporate and Investment Bank (CACIB) of an interest rate swap agreement for three years.

Under the terms of this allocation agreement, the amount hedged for Vivalis' outstanding variable-rate debt was €1,856,000 at 31 December 2011. At 30 June 2012, this amount was reduced to €1,479,000.

This interest rate swap agreement provides for payment to GLC each quarter at 3-month Euribor plus a fixed-rate amount of 1.31%.

A new allocation agreement with respect to an interest rate swap was established on 26 September 2011 between Grimaud Group and Vivalis, following the conclusion by Grimaud Group and Crédit Agricole Anjou-Maine (CRCAM) of an interest rate swap agreement for four years.

Under the terms of this allocation agreement, 11.27% of the total contract amount for Vivalis' outstanding variable-rate debt is hedged for the first year that represented €800,000 at 31 December 2011. This hedge for Vivalis will be readjusted on loan agreement anniversary dates to €1,500,000 at 1 September 2012, to €2,300,000 at 1 September 2013 and €1,650,000 at 1 September 2014.

This interest rate swap agreement provides for payment to GLC each quarter at 3-month Euribor plus a fixed-rate amount of 1.82%.

5.7.10. Other non-current and current liabilities

	Non current portion		Current portion	
In thousands of euros	At 30 June 2012	At 31 December 2011	At 30 June 2012	At 31 December 2011
Investment grants	725	815	152	145
Subordinated grants	4,201	4,380	358	179
Research services (deferred income)	0	0	94	348
Up-front and milestones payments	2,498	2,961	1,271	1,229
Operating grants (deferred income)	340	320	291	424
Amounts payable on fixed assets	2,173	2,407	2,318	3,380
Debt on the acquisition of a subsidiary	1,222	3,038	2,128	2,895
Other trade payables	0	0	10	10
Total other liabilities	**11,159**	**13,921**	**6,622**	**8,610**

5.7.11. Trade payables and related accounts

In thousands of euros	30 June 2012	31 December 2011
Operating payables	954	840
Notes payable	7	28
Operating payables – purchase invoice accruals	544	516
Total receivables and related accounts	**1,505**	**1,384**

5.7.12. Tax and employee-related liabilities

In thousands of euros	30 June 2012	31 December 2011
VAT due	56	143
Other tax payables	151	120
Wages and salaries	643	672
Social charges	749	882
Total tax and employee-related liabilitie	**1,599**	**1,817**

5.7.13. Revenue

In thousands of euros	30 June 2012	30 June 2011
Research services	863	830
Licensing income	641	3,858
Total	**1,504**	**4,688**

In thousands of euros	30 June 2012	30 June 2011
Sales in France	1,224	1,729
Export sales	280	2,959
Total	**1,504**	**4,688**

5.7.14. Other recurring operating income

a. Operating grants

In thousands of euros	30 June 2012	30 June 2011
DIACT	-20	0
OSEO	23	185
ANR	133	47
TONIO (Toyama New Industry Organization)	23	0
MENRT	10	10
Pays de Loire Region	48	50
Loire-Atlantique Department	2	2
Other	2	4
Subtotal of operating grants	**221**	**298**
Reclassification of business disposal (1)	-133	-47
Total	**88**	**251**

b. Other income

In thousands of euros	30 June 2012	30 June 2011
RTC	1,348	802
Other	0	0
Subtotal of operating grants	**1,348**	**802**
Reclassification of business disposal (1)	-194	-112
Total	**1,154**	**690**

(1) Relating to the Drug Discovery business reclassified under income/(loss) from assets held for sale or discontinued operations (see note 5.7.8 -c)

5.7.15. Depreciation and amortisation, provisions and impairment

In thousands of euros	30 June 2012	30 June 2011
Amortisation of intangible fixed assets	918	751
Depreciation of property, plant and equipment	940	807
Impairment of non-current assets	0	0
Total fixed assets	**1,858**	**1,558**
Impairment of current assets	0	0
Allowance for contingencies and expenses	0	0
Reclassification of business disposal (1)	-47	-42
Total fixed assets - net	**1,811**	**1,516**

(1) Relating to the Drug Discovery business reclassified under income/(loss) from assets held for sale or discontinued operations (see note 5.7.8 -c)

5.7.16. Earnings per share

		30 June 2012	30 June 2011
Basic net loss from continuing operations (in thousands of euros	(a)	-6,845	-2,560
Number of ordinary shares at the beginning of the period:		21,117,443	20,993,647
- Capital increases (weighted average number)		37,596	13,167
- Treasury shares (weighted average number)		50,273	36,690
Weighted average number of shares outstanding in the period:	(b)	21,205,312	21,043,504
Diluted net earnings from continuing operations per share	**(a) / (b)**	**-0.32**	**-0.12**

In light of the net loss, diluted earnings per share are considered as identical to basic earnings.

5.8 – Information concerning related parties

No new related-party agreements were concluded between Vivalis and its parent company or its subsidiaries.

5.9 – Commitments and contingent liabilities

No commitments or contingent liabilities have been incurred in relation to 31 December 2011.

5.10 – Subsequent events

On the date this half-year report was issued, no material events had occurred that require disclosure