

2008 revenue multiplied by 5 to €5.4 million
Net cash at December 31, 2008: €22.7 million, up €1.3 from the first half
4 years of financial visibility

Nantes (France) – January 27, 2009

VIVALIS (NYSE Euronext Paris: VLS – ISIN: FR0004056851), a biopharmaceutical company that provides the pharmaceutical industry innovative cell-based solutions for the manufacture of vaccines and proteins and develops drugs to prevent and treat viral diseases, announces annual revenue of €5.4 million (including €1.8 million in the last quarter) and net cash of €22.7 million at 31 December 2008.

Sustained fourth quarter growth

Growth momentum that began in the 2008 second quarter continued in the last quarter with revenue of €1.8 million (compared with a nonmaterial amount for the same period last year). This includes both payments for services and upfront license fees from new agreements in the quarter and an important milestone payment, highlighting significant progress in validating the EB66® cell line platform with certain partners.

Full year revenue totalled €5.4 million, a 5.5 fold increase over 2007. Performances in 2008 have thus confirmed the ability of VIVALIS' business model to generate revenue from both new agreements and technological advances through existing agreements.

It should be noted that revenue originates primarily from upfront and milestone fees under license agreements. On this basis, revenue is irregular from one quarter to the next and consequently does not accurately reflect the technological and commercial advances of VIVALIS.

(Excluding VAT, in thousands of euros, French GAAP)

Fiscal year	2008	2007
First quarter	165	470
Second quarter	766	470
Third quarter	2 677	29
Fourth quarter	1 836	27
Annual revenue	5 444	996

Solid capital resources with 4 years of visibility

For the second consecutive quarter, VIVALIS had a net cash surplus of €0.7 million in the 2008 fourth quarter, following a surplus of €0.6 in the third quarter. This was achieved despite the significant increase in research and development efforts. As a result, the number of staff (with 80% dedicated to research) expanded by more than one third from the end of the prior year to December 31, 2008 from 49 employees to 66 employees. The increase in expenditures related to R&D was offset by payments for services and upfront fees from new agreements.

Accordingly, at 31 December 2008, VIVALIS had cash and cash equivalents of €22.7 million, an increase of €1.3 million over 30 June 2008. In addition, this amount does not include €3.4 million from the €6 million OSEO ISI financing granted in July 2008. These funds should be paid in the 2009 first half.

As a result, VIVALIS has a solid financial position and financing for its operations independent of the financial markets to pursue its development over the coming four years with confidence and serenity.

For the year, net cash burn was only €2.2 million despite the significant acceleration in research and development advances and capital investments in equipment, confirming the efficiency of VIVALIS' low cash burn model.

New commercial successes

Following 7 new licenses added in 2008, VIVALIS announced last week its first commercial license for the EB66® cell line platform in the field of therapeutic proteins with Innate Pharma, one year ahead of target. This major breakthrough highlights the potential of the EB66® technology in a market four times larger than that of vaccines.

Franck Grimaud, VIVALIS CEO, declares: "VIVALIS confirmed its ability in 2008 to combine major commercial successes illustrated by the signature of 7 new licenses, ongoing efforts to reinforce R&D notably through the recruitment of 17 new employees and a particularly low cash burn of €2.2 million. In effect, VIVALIS received major payments throughout the year in response to significant advances by our unique and innovative EB66® cell line platform for the production of vaccines and therapeutic proteins. This commercial, technological and financial momentum is expected to continue in 2009."

Next financial press release:

March 31, 2009 after NYSE Euronext market closing: 2008 annual results

About VIVALIS (www.vivalis.com)

VIVALIS (NYSE - Euronext: VLS) is a biopharmaceutical company that provides to the pharmaceutical industry innovative cell-based solutions for the manufacture of vaccines and proteins, and develops drugs to prevent and treat viral diseases. VIVALIS' know-how and proprietary technologies are commercially exploited in three main areas:

1. The development and manufacturing of vaccines. VIVALIS offers research and commercial licenses for its EBx® cell line, derived from duck embryonic stem cells, to pharmaceutical and biotechnology companies for the production of viral vaccines. VIVALIS receives up front, milestones, and royalties on its licensees net sales.
2. The development of production systems for recombinant proteins and monoclonal antibodies. VIVALIS licenses to pharmaceutical and biotechnology companies its EBx® cell line for the production of recombinant proteins to biotechnology and pharmaceutical companies. VIVALIS receives up front, milestones, 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 created in 1999 by Group Grimaud (1,450 employees), the n°2 group worldwide in animal genetic breeding. VIVALIS has established several partnerships with worldwide leaders in their respective fields, including Sanofi Pasteur, GlaxoSmithKline, Novartis Vaccines, Kaketsuken, Merial, SAFC Biosciences. VIVALIS is a member of the French Atlantic Biotherapies cluster.

VIVALIS

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