

Significant 2009 first quarter revenue of €2.4 million

Continued positive cash flow in first quarter: +€2.1 million

Net cash at 31 March 2009: €24.8 million

Nantes (France) – 29 April 2009

VIVALIS (NYSE Euronext Paris: VLS), 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, presents its revenue and net cash for the 2009 first quarter ending 31 March.

Strong growth in first-quarter revenue to €2.4 million

VIVALIS achieved sustained growth in the 2009 first quarter revenue, continuing the positive trend of the previous two quarters. Revenue in the period totalled €2.4 million compared to marginal revenue in the first quarter of 2008 (€0.2 million). In relation to the last quarter of 2008, revenue expanded nearly 30%, notably from a major milestone payment by a VIVALIS partner, highlighting the rapid progress of work on the EB66[®] platform in line with customer expectations.

First-quarter revenue also included income from services as well as the contributions from the biomanufacturing activity.

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	2009	2008
First-quarter	2,373	165

Growth in net cash to €24.8 million at 31 March 2009

Sustained growth in revenue combined with effective containment of operating expenses and research tax credits received for the fiscal years 2005 to 2007 generated positive net cash flow of €2.1 million in the 2009 first quarter.

On this basis, VIVALIS had net cash at 31 March 2009 of €24.8 million, virtually at the same level as at the end of 2007. This amount moreover does not include the €3.4 million advance from the €6 million funding granted by OSEO ISI in July 2008 or the research tax credit for fiscal 2008.

As a result, the Company's solid balance sheet and visibility have been further reinforced, and with net cash of close to €25 million, VIVALIS has the resources to pursue its development over the coming four years with serenity.

Sustained commercial and R&D activity in the quarter

In the first three months, VIVALIS has already met more than half its commercial targets for the year. The Company has in effect signed 4 new licenses including 2 commercial licenses (for antibodies with Innate Pharma and for veterinarian vaccines with Fort Dodge (Wyeth). The full year objective for 2009 is 6 to 7 licenses including 2 commercial licenses.

Efforts to further strengthen the R&D organization have continued with the recruitment of 4 new team members including Martin Clarkson, as Director for Up Stream Development. Martin was previously responsible for the process development at Maxigen (NASDAQ: MAXY) and based in California.

VIVALIS has also achieved significant technological advances on the EB66[®] line both in the areas of vaccines and proteins as well as in the development of proprietary products.

With significant cash of €25 million, very encouraging technological results and a solid foundation of 24 licenses to date, VIVALIS is confident that it will achieve its commercial, financial and technological objectives for 2009.

Franck Grimaud, VIVALIS CEO, commented: "This sustained growth in revenue in the first quarter is a confirmation of VIVALIS' significant advances in R&D and their positive financial impact. With its low cash burn model, VIVALIS today has the resources needed to finance the next four years of its development."

Financial press release:

22 July, after NYSE Euronext market closing: 2009 first-half sales

About VIVALIS (www.vivalis.com)

VIVALIS (NYSE - Euronext: VLS) is 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. 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 EB66[®] cell line, derived from duck embryonic stem cells, to pharmaceutical and biotechnology companies for the production of viral vaccines. VIVALIS receives upfront fees, milestone payments 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 EB66[®] cell line for the production of recombinant proteins. 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 created in 1999 by Group Grimaud (1,450 employees), the n² group worldwide in animal genetic breeding. VIVALIS has established more than 30 partnerships with worldwide leaders, including GSK, Sanofi Pasteur, Merck, CSL, Kaketsuken, Merial, or Intervet, in the sector. VIVALIS is a member of the French Atlantic Biotherapies cluster.

VIVALIS

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Reuters: VLS.PA – Bloomberg: VLS FP

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