

Vivalis confirms healthy financial situation
First quarter 2010 revenues: €0.6 million (IFRS)
Consolidated cash position end of quarter: €17 million

Nantes (France) – 4 May 2010 – VIVALIS (NYSE EuronextVLS), a biopharmaceutical company, today announces first quarter 2010 revenues (IFRS) of € 0.6 million and a net consolidated cash position of € 17.0 million at March 31st, 2010.

Following the acquisition of Humalys S.A.S. on January 7, 2010, VIVALIS will publish its financial data according to the IFRS accounting standards. VIVALIS financial statements are already published under the French Gaap and IFRS rules in its 2009 *Document de Référence* registered with the AMF on April 22nd, 2010 under number R.10-026.

This change of rules has no impact on the cash and cash equivalent position. Nonetheless, the move to IFRS rules impacts the revenue recognition of licensing revenues. According to IAS8, “up-front payment” revenues and “milestone” revenues are recognized over the development period of these programs, while recognized one-shot under French Gaap. The impact can be summarized as a “smoothing out” of such revenues over the coming years.

Revenues

(in thousands of euros, IFRS)

| First quarter | 2009 | 2010 |
|-------------------------|-------------|-------------|
| Revenues from services | 303 | 39 |
| Revenues from licensing | 381 | 560 |
| Total revenues | 684 | 599 |

As a reminder, VIVALIS reported revenues for the first quarter 2009 under French Gaap of 2.3 million euros vs 0.7 million euros under IFRS.

Total revenues for first quarter 2010, including revenues from services and licensing activities, decreased 12% as compared to revenues for the same period in 2009 to 0.6 million euros.

Revenues from services decreased from 0.3 million euros for the first quarter of 2009 to 0.04 million euros for the same period in 2010, following the completion of a service agreement with one client. Meanwhile, revenues from licensing activities, comprised of revenues from up-front and milestone payments, increased by 47% as the result of the commercial and scientific progress achieved over the period. Revenues from licensing activities represented 93% of revenues for the first quarter of 2010 vs 55% for the first quarter 2009.

Consolidated cash position at March 31st, 2010

Consolidated cash and cash equivalents amounted to € 17.0 million at March 31st, 2010.

This level takes into account the first payment of € 3.7 million made for the acquisition of Humalys and the Humalex® platform for the identification of fully human monoclonal antibodies as well as € 1.2 million incurred in the construction of the new R&D laboratory that is going to be operational before the summer.

This position does not include the payment of the 2009 Research Tax Credit receivable of (€ 1.1 million) nor the payment of the milestone achieved in the GSK collaboration announced on April 7th.

Commercial and scientific success

A new licence has been signed with KYOTO BIKEN for the use of VIVALIS' proprietary EB66® cell line for the production of veterinary vaccines. In addition, a significant milestone has been achieved in the collaboration with GlaxoSmithKline Biologicals (Belgium) to develop new influenza vaccines based on the EB66® cell line technology.

VIVALIS has acquired Humalys on January 7th, 2010, and its proprietary platform for the identification of human monoclonal antibodies. As a consequence, VIVALIS has an integrated offer from the discovery of novel human monoclonal antibodies to the production of preclinical and clinical batches. Humalys has not generated any revenues for the first quarter of 2010.

Work related to the accounting integration of Humalys is still ongoing.

Outlook

With 28 licences signed to date, ongoing scientific advances and the acquisition of Humalys, VIVALIS is very confident on its development perspectives and the achievement of its financial and commercial objectives for 2010: 7 new licenses of the EB66® technology, one licensing and collaboration agreement on the Humalex® technology and a 2010 year-end consolidated cash position of more than €15 million.

Franck Grimaud, C.E.O. and Majid Mehtali, C.S.O., co-managers of VIVALIS, declare: *"We are very pleased about the progress encountered during the first quarter of 2010 in the execution of our development plan. This first quarter has been marked by the acceleration of our growth with the Humalys acquisition that gave us access to a discovery platform of human monoclonal antibodies and enables us to broaden our offering to the pharmaceutical and biotechnology industry in the monoclonal antibody field. This technology will also be the base on which we will build our portfolio of proprietary monoclonal antibodies in targeted applications. In parallel, we have continued to increase the penetration of our EB66® cell line with the signature of a new license in Japan, and the achievement of a significant milestone with our partner GSK in influenza vaccines. With these strong foundations, we are well prepared to execute our strategy and accelerate our development in the coming months."*

Next financial press release:

21 July 2010, after NYSE Euronext market closing: Seceond quarter 2010 revenues

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 generation, 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), the second largest group worldwide 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, SAFB Biosciences. VIVALIS is a member of the French ATLANTIC BIOTHERAPIES and LYON BIOPOLE bio-cluster.

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



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