



VIVALIS STRENGTHENS ITS ANTIBODY DISCOVERY PLATFORM: ACQUISITION OF A BREAKTHROUGH SINGLE-CELL ANTIBODY DISCOVERY TECHNOLOGY FROM SC WORLD

Nantes, Lyon (France) and Toyama (Japan) – April 26, 2011 - VIVALIS (NYSE Euronext : VLS) and SC WORLD, a privately held company based in Toyama, Japan, today announced the acquisition by VIVALIS of SC WORLD's high-throughput screening (HTS) single-cell antibody discovery technology.

The assets transferred by SC WORLD include intellectual property (including various patents co-owned with Toyama Prefecture), know-how, and physical assets enabling VIVALIS to utilize the HTS single-cell technology for human monoclonal antibody discovery. Concurrent with the agreement with SC WORLD, VIVALIS has obtained an exclusive license agreement with the Toyama Prefecture, co-owner of certain single cell technology patents, thereby granting to VIVALIS an exclusive world-wide license to these patents.

To further improve the HTS single cell technology and expand its commercial activities in Japan and throughout Asia, VIVALIS will establish a fully owned subsidiary, VIVALIS TOYAMA JAPAN, in Toyama. VIVALIS TOYAMA JAPAN will begin operations on May 2nd, 2011, with a team of seven, including one person in charge of the business development for Asian markets. Four researchers from SC WORLD will join the laboratory located on the campus of Toyama University and VIVALIS intends to collaborate with research teams at Toyama University to pursue the development of the single-cell technology acquired from SC WORLD.

With this new acquisition, VIVALIS will further strengthen its unique fully integrated offering, from antibody discovery to clinical development. From discovery, clone generation, and up through Phase II production (with CHO or EB66[®] cell lines), VIVALIS provides a full portfolio of antibodies discovery and production capabilities in the human antibody therapeutic field.

Financial terms include up front, milestones and earn out based on revenues. Taking into account this investment, VIVALIS confirms its cash guidance at the end of 2011 of approximately 30 M€.

Sueoka Munehiro, CEO of SC WORLD, stated,

"The antibody discovery technology of SC World. is a technology developed with research organizations in Toyama and supported by the government in the cluster business. By utilizing such technology, SC World strongly wishes that VIVALIS will succeed in antibody discovery business globally, that VIVALIS TOYAMA JAPAN will become a centre of Asian business for VIVALIS and that the antibody discovery technology will contribute to the bio- business both in France and Japan. "

Takakazu Ishii, Governor of the Toyama Prefecture, declared,

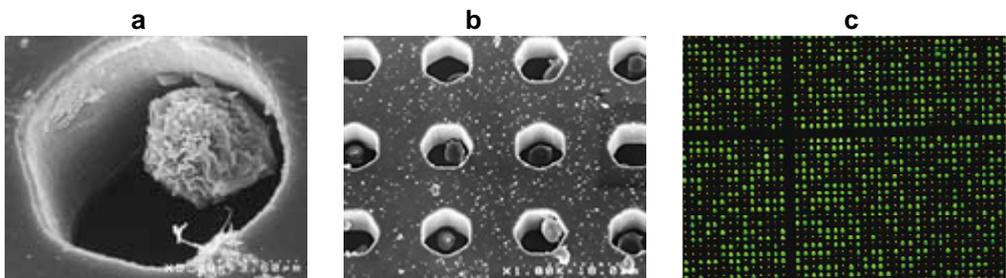
"We believe that SC WORLD possesses the most rapid and sensitive HTS antibody discovery technology in the world. The VIVALIS – SC WORLD agreement will help facilitate the development of novel antibody drug candidates and bring the Toyama Prefecture the recognition as a center for biotechnology research and discovery. We welcome the establishment of VIVALIS TOYAMA JAPAN and hope it continues to contribute to the Toyama Prefecture as the "Drug Discovery Capital of Japan," building both the technological and economic activity of Toyama as a whole."

Franck Grimaud, CEO and Majid Mehtali, CSO, co-managers of VIVALIS, jointly stated, “VIVALIS is very pleased to conclude this agreement with SC WORLD and the TOYAMA PREFECTURE. We have been continually impressed by what SC World, Toyama University, and the Toyama Prefecture biocluster have achieved over the last years. The SC World HTS technology has an extraordinary market potential and VIVALIS looks forward further development of the platform. We also continue to develop our relationship with the Toyama biocluster and we welcome the SC WORLD researchers to VIVALIS. This technology will be instrumental in achieving VIVALIS’ objective to build a world-wide, first-in-class, rare fully human monoclonal antibody discovery platform. The addition of this platform will further accelerate VIVALIS’ own commercial development through partnering and therapeutic discovery, becoming one of the recognized leaders in the field.”

The SC World HTS Single cell technology

The HTS patented technology developed by SC WORLD has been under development since 2000 at Toyama University by the research team of Dr. Muraguchi and Dr. Kishi. Since 2005, it has been further improved by SC WORLD to effectively manage single cells in a micro-well array format.

The microarray system developed by SC WORLD can capture up to 250,000 lymphocytes, individually in single wells, at a time in one micro-array chip. The technology was recognized as a world first achievement in Technology White Paper in 2004 and *Nature Medicine* in 2009 (Jin *et al*, 2009, vol.15,n°9, pp 1088-1093).



Captions a and b: a single B-lymphocyte bound within a microarray well.
Caption c: partial view of the microarray chip with screened B lymphocytes

The single cell technology allows a rapid and very precise mass screening of millions of B-lymphocytes. This technology, combined with the VIVALIS own antibody discovery technology, will allow the identification of extremely rare monoclonal antibodies across multiple indications, including oncology, anti-inflammatory conditions, and infectious diseases.

A fully integrated offering

With its technologies, VIVALIS will be able to identify and isolate a large number of therapeutically relevant fully human monoclonal antibodies from over 200 million peripheral B-lymphocytes. Today, Vivalis is able to offer:

- The access to a very large pool of human donors,
- A first-in-class antibody platform,
- Process development and bio-manufacturing capabilities.

A high growth target market with significant prospects for added commercial value

The world-wide market for therapeutic monoclonal antibodies has consistent strong growth since its inception nearly 20 years ago. In 2009, world-wide sales of antibody-based therapeutics were US\$40 billion and are expected to reach US\$58 billion by 2014. A shift toward fully-human antibodies from traditional chimeric molecules represents a significant improvement in antibody design. This in turn guarantees a lower immunogenicity for the patient combined with better pharmacokinetics properties. Through leveraging two antibody discovery platforms, along with cell-based manufacturing technologies, VIVALIS is positioning itself to be a partner of choice and develop its own therapeutic candidates.

**Next Financial Press Release: 2011 First Quarter Sales
4 May 2011, After NYSE Euronext Market Closing**

About VIVALIS (www.vivalis.com)

VIVALIS (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:

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). Through these programs VIVALIS receives upfront, clinical stage milestone payments along with royalties on licensees' net sales.

Humalex®: Human Antibody Discovery Platform

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

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 (France), 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 Co., LTD, Meril, Intervet, SAFC Biosciences. VIVALIS is a member of the French ATLANTIC BIOTHERAPIES and LYON BIOPOLE bio-clusters.

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



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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