

Growth momentum remains strong**2011 nine-month revenue: +150%****Consolidated cash at 9/30/2011: €34.0m**

Nantes & Lyon (France) – October 20, 2011: VIVALIS (NYSE Euronext Paris: VLS), a biopharmaceutical company, announced revenue (IFRS) for the first nine months of 2011 of €7.4 million, up 150% from last year's same period with a consolidated cash position of €34.0 million at September 30, 2011.

Sharp increase in revenue for the first nine months of 2011

(in € thousands - IFRS)	3 rd quarter			9 months		
	2010	2011	Change (%)	2010	2011	Change (%)
Revenue from services	424	358	-16%	931	1,188	+28%
Licensing income (upfront & milestones payments)	777	2,395	+208%	2,040	6,253	+206%
Revenue	1,201	2,753	+129%	2,971	7,441	+150%
<i>Of which EB66[®] and Biomanufacturing</i>	796	2,307	+190%	2,381	5,893	+148%
<i>VIVA Screen[™] and 3D-Screen[™]</i>	405	446	+10%	590	1,549	+163%

Nine month revenue including both payments for services and licensing income increased 150% from the same period in 2010 at €7.4 million. Growth in the 2011 third quarter remained sustained with revenue up 129% over last year's same quarter.

Revenue from services for the first nine months grew 28% from €0.9 million for the same period last year to €1.2 million in 2011. This expansion was driven mainly by services for the discovery and production of antibodies (VIVA|Screen[™]).

Licensing income for this same period that includes upfront and milestone payments rose 206%, reflecting principally commercial and scientific developments achieved by VIVALIS in recent months on the EB66[®] platform.

Licensing income accounted for 87% of 2011 third quarter revenue, up from 65% for the same period last year.

A strong consolidated cash balance at September 30, 2011

Consolidated cash at September 30, 2011 was €34.0 million compared with €36.2 million at September 30, 2010 and €42.5 million at December 31, 2010.

This cash balance includes a new payment received in connection with OSEO/ISI financing granted in 2008.

Based on revenue generated by services and licensing income, combined with tight control of operating expenses, cash burn in the quarter was limited to €2.2 million, confirming the low cash burn model of VIVALIS.

VIVALIS has a strong financial position to successfully pursue its program for developing proprietary products with significant potential for creating value.

Scientific and commercial successes

VIVALIS has continued to make commercial and scientific advances in each of its activities.

For its EB66[®] technology, five additional licenses have been signed since the beginning of the year including three commercial licenses (Kyoto Biken in Japan, Transgene in France and Delta-Vir in Germany). As a result, annual targets announced at the start of the year have already been exceeded. Furthermore, agreements with Transgene and Delta-Vir also provide for the production of materials for these clients at our bio-manufacturing unit.

For the human monoclonal antibody discovery technology, VIVA|Screen[™], VIVALIS has significantly strengthened the competitive position of its platform after acquiring the ISAAC technology from SCWorld that is now integrated into our laboratories in both Toyama, Japan and Lyon, France.

Outlook

With 18 commercial licenses and around 10 research licenses to date for the EB66[®] technology, the first major agreement signed for the VIVA|Screen[™] antibody discovery technology, new agreements for vaccine production, ongoing scientific advances and a solid financial position, VIVALIS remains very optimistic about prospects for development.

Franck Grimaud, C.E.O. and Majid Mehtali, C.S.O., co-managers of VIVALIS, commented: "*We remain on track in executing our roadmap and are very pleased with progress achieved since the start of the year. Performances in the first nine months reflected accelerating growth and the consolidation of our technological leadership. The launch of the second clinical trial for a vaccine using the EB66[®] cell lines by Kaketsuken in Japan, the signature of three new commercial licenses and progress achieved in our collaboration with GSK have further strengthened the leadership of the EB66[®] platform worldwide. In addition, the acquisition of the ISAAC technology from SC World in Japan and its integration in the VIVA|Screen[™] high-throughput screening (HTS) single-cell antibody discovery platform has strengthened our comprehensive offering for pharmaceutical and biotechnology manufacturers in the field of human monoclonal antibodies. We are confident in our prospects for signing a new commercial agreement for this technology within the coming six months and will launch our first proprietary product discovery program before year-end. Good financial performances supported by the quality asset base we have built provide VIVALIS with solid foundations for advancing to the next phase of its development.*"

Next financial press release:

January 24, 2012, after NYSE Euronext market closing: 2011 fourth-quarter sales

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 unmet medical needs. VIVALIS' expertise and intellectual property are leveraged in three main areas:

1. 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). EB66[®] cell line based vaccines are currently in clinical trials in USA and in Japan. Through these programs VIVALIS receives upfront, clinical stage milestone payments along with royalties on licensees' net sales.

2. VIVA|Screen[™] Human Antibody Discovery Platform

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

3. 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 & Lyon (France) and in Toyama (Japan) 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, Transgene, Pfizer Animal Health, Kaketsuken, Kitasato Daiichi Sankyo Vaccine, Merial, Merck Animal Health, SAFC Biosciences. VIVALIS is a member of the French ATLANTIC BIOTHERAPIES and LYON BIOPOLE bioclusters and a member of the Japanese OKURIKU INNOVATION CLUSTER FOR HEALTH SCIENCE in Toyama.

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



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Contacts

VIVALIS

Franck Grimaud, CEO

Email: investors@vivalis.com

NewCap

Communication financière

Axelle Vuillermet / Pierre Laurent

Tél.: +33 (0) 1 44 71 94 91

Email : vivalis@newcap.fr