

Quarterly report: 1st Quarter 2008
Cash position of € 22, 8 million
Objectives for 2008: Signing of 7 to 9 new EBx[®] licenses, including 2 commercial licenses

Nantes (France) – April 16, 2008

VIVALIS (Euronext Paris: VLS) is a public biopharmaceutical company that provides innovative cell-based solutions for the industrial manufacture of viral vaccines and therapeutic proteins, and develops vaccines and drugs to prevent and treat viral diseases. VIVALIS announces a cash position of € 22, 8 million, providing the company with 4 years of financial visibility, and its objectives for 2008: Signing of 7 to 9 new EBx[®] licenses agreements, including 2 commercial licenses.

Highlights of the 1st quarter 2008

VIVALIS announced a new step in the partnership with VIRBAC. VIRBAC has exercised its option for a commercial license to use VIVALIS' EBx[®] platform for the production of companion animal vaccines. This agreement confirms the growing interest of pharmaceutical industry for EBx[®] cellular platform for the production of biological products, either vaccines or therapeutic proteins. The license is world-wide and non-exclusive. The financial terms of the agreement, which remain confidential, include milestone payments and royalties.

Strengthened by the advances made in 2007, VIVALIS intends to continue its developments and its strategy with new concrete initiatives in 2008 and a reiteration of its objectives for 2009/2010.

Objectives for 2008: signing of 7 to 9 new licenses EBx[®]

- In the vaccines market, VIVALIS will accelerate the diffusion of EBx[®] technology as the worldwide industrial standard, and foresees the signing of new commercial and research licenses. The other significant step which should take place during the first semester of 2008 is the filing of a BMF (Biological Master File) to the American Food and Drug Administration (FDA) for the registration of its EBx[®] cell line. Finally, from an industrial perspective, VIVALIS will continue its efforts to optimise bioreactor production process, the aim being to provide a turnkey solution to its licensees, including the EBx[®] cell line, the culture media, the intellectual property, the BMF, the production and purification process, and the capacity to produce clinical lots.
- In the proteins market, VIVALIS will accelerate its efforts in order to optimise the bioreactor production output, thus accelerating the licensing of this technology on the extremely flourishing anti-cancer antibodies market. Development will also focus on commercial policy, in order to sign new research licenses in addition to the 3 agreements already concluded in 2007.
- For proprietary products, VIVALIS intends to strengthen its research on anti-hepatitis C molecules to identify the best anti-polymerase and anti-protease candidates.

Objectives for 2009/2010:

- In the vaccines market, the strategy will continue. VIVALIS has reiterated its objective of obtaining its first authorisation for human injection in 2009-2010.
- In the proteins market, VIVALIS confirms its wish to sign its first commercial license in 2009-2010.
- In the anti-hepatitis C molecules market, VIVALIS intends to develop candidate molecules until the beginning of Phase I, and then sign out-licensing agreements. The objective is to have identified the first drug candidates in 2009 and to sign the first commercial license by 2010. Several recent transactions on molecules similar to those which could be developed by VIVALIS led to milestone payments in the region of several dozen million euros, plus royalties.

As of January 1st, 2008 VIVALIS has concluded 26 partnerships (8 commercial licenses, 14 research licenses and 4 research collaborations contracts) with 22 among the most notorious pharmaceutical companies in the world, representing M€ 57.6 of potential payments in the coming years, and not including royalties payments.

Financial Information

Revenues of K€ 165 have been registered by the company during the 1st quarter 2008, to be compared to K€ 470 for the same period in 2007, including licensing and services revenues. The current revenues, coming mainly from the initial up front payments and milestones payments under the EBx[®] platform license agreements, are bound to vary from one quarter to another and are not representative of VIVALIS technological advances.

Due to the strengthening of Research and Development efforts and the company's active recruitments policy, net cash consumption amounted to M€ 2.1 for the 1st quarter 2008. As of March 31, 2008, VIVALIS presents cash position of M€ 22, 8 which enable financing the company development in the coming years.

Next press release:

13 August 2008, after closure of the Euronext Paris market: Turnover for the 2nd quarter of 2008

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's expertise and intellectual property are exploited in three main areas:

1. The development and manufacturing of vaccines. VIVALIS offers research and commercial licenses for its EBx[®] embryonic stem cell lines to pharmaceutical and biotechnology companies for the production of viral vaccines.
2. The development of production systems for recombinant proteins and monoclonal antibodies. VIVALIS licenses its EBx[®] embryonic stem cell lines for the production of recombinant proteins to biotechnology and pharmaceutical companies.
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 (1,450 employees), the second largest group worldwide in animal genetic selection. VIVALIS has established numerous partnerships with world leaders in this sector, including Sanofi Pasteur, GlaxoSmithKline, Novartis Vaccines, Kaketsuken, Merial and SAFB Biosciences. VIVALIS is a member of the French ATLANTIC BIOTHERAPIES cluster of competitive excellence.

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Reuters: VLS.PA – Bloomberg: VLS FP

Investor relations:

VIVALIS
Franck Grimaud, C.E.O.
Email: investors@vivalis.com

NewCap
Financial Communication Agency
Steve Grobet / Emmanuel Huynh
Tel.: +33 (0) 1 44 71 94 91
Email: vivalis@newcap.fr