



PRESS RELEASE • PRESS RELEASE • PRESS RELEASE

Closing of capital increase

Paris, 24th June 2011 – Neovacs (Alternext Paris : ALNEV), a biotech company focused on an active immunotherapy technology platform (Kinoids) with applications in the treatment of autoimmune diseases, inflammatory diseases and cancer, announces the close of a private capital increase undertaken on 23rd June. This capital increase was in response to new demand from institutional investors, notably from outside France.

The capital increase was undertaken in the context of the authority granted to the Board of Directors under the 12th resolution of the general meeting of shareholders, held on the 4th of May 2011.

Summary of the capital increase

Gross amount: 420,000 euros, via the issuance independent of preemption rights of **105,500 shares**.

Issue price : 4 euros (3.85 euros over par value), fully paid in cash upon subscription.

Investors : The capital increase took place via a private placing under the provisions of Article L411-2 of the Financial Code, with qualified investors as defined in the Code and in conformity with Articles L. 411-2 and D. 411-1 to D. 411-3. The shares were placed with 3 investors.

Timetable : Delivery and settlement in respect of the new shares is expected on Tuesday 28th June.

The newly issued shares rank pari passu with existing equity. They will be tradeable on Alternext on the same quotation line as the existing shares (ISIN Code: FR0004032746). The number of the Company's shares outstanding will therefore be increased by 105,500 shares and the total outstanding will rise from 15,454,264 to 15,559,764.

Shareholders' funds : Shareholders' funds are increased from 13.0 M to 13.4 M€ based on the consolidated figures as at 30th April 2011 (unaudited).

Dilution : The table below shows the impact of the placing on a shareholder owning 1% of the company and who did not participate in the placing :

Illustrative impact of the placing	Shareholding, %	
	Undiluted	Fully Diluted
Before issuance of the new shares in the placing	1.00%	0.94%
After issuance of 105,500 shares	0.99%	0.93%

About Neovacs

Neovacs is a biotechnology company focused on an active immunotherapy technology platform (Kinoids) with applications in autoimmune, inflammatory diseases and other chronic conditions. Neovacs proprietary technology, protected by five patent

families, aims to induce a polyclonal immune response from the patient's own immune system targeting an over-expressed cytokine. Neovacs' current portfolio consists of 3 drug candidates: TNF-Kinoid, IFN α -Kinoid and VEGF-Kinoid. The company's lead immunotherapy program (TNF-Kinoid) targets TNF-mediated chronic inflammatory diseases. For TNF-Kinoid, a Phase I/II clinical trial in Crohn's disease has been completed and Phase II trials in rheumatoid arthritis (RA) and Crohn's Disease are ongoing. The RA clinical study is also the focus of collaboration with the French diagnostics company BMD, with the goal of developing theranostic tools in RA for patients who have become resistant to anti-TNF monoclonal antibodies. Patient recruitment is complete in a Phase I/II trial of Neovacs' second product candidate (IFN α -Kinoid, an immunotherapy targeting interferon alpha) in the treatment of lupus and preliminary data was presented at the European Lupus Meeting on April 8, 2011 in Porto (Portugal).

For more information, visit the Neovacs website at: www.neovacs.com

Contacts :

Press - MS&L

Audrey Saluzzo
+33 (0)1 58 47 78 56
audrey.saluzzo@mslgroup.com

Neovacs

Florence Hocdée - Leroy
+33 (0) 1 53 10 93 14
fhocdeeleroy@neovacs.com

Investors – Actifin

Nicolas Meunier
+ 33 (0) 1 56 88 11 11
nmeunier@actifin.fr