



PRESS RELEASE • PRESS RELEASE • PRESS RELEASE

Completion of private placing

Paris, 13th 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 completion of its private placing initiated on June 7th. This capital increase is being 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.

Reasons for the capital increase

The funds raised strengthen the Company's financial position and allow it to continue the development of the two Kinoid product candidates on which Neovacs is focused, the TNF-Kinoid and the IFN α -Kinoid. This capital increase is in addition to the 2.25 million euros raised in April 2011 from Debioinnovation, Truffle Capital et OTC Asset Management at a price of 4 euros a share, as well as the support received for the TRACKER program (1.448 million euros) from Oséo and the Research Tax Credit (1.3 million euros).

Significant progress has been made on both Neovacs' product candidates since April 2010 when Neovacs went public via an IPO:

☒ Two Phase II studies are currently ongoing with TNF-Kinoid in two indications, rheumatoid arthritis and Crohn's Disease, with patient recruitment continuing in both studies. The Company expects to have first results from both these studies before the end of 2011.

☒ Regarding the IFN α -Kinoid, the results from the Phase I/II study will be available in the third quarter, and a development plan laying out Phase II and/or Phase IIb/III studies should be in place by early 2012. As previously announced, the poster of the preliminary results of the Phase I/II study was selected as the best in the Chemokines and Cytokines category by the Scientific Committee of the 10th World Congress on Inflammation which will take place in Paris from June 25th to June 29th 2011.

Summary of the capital increase

Gross amount: 7.6M euros, via the issuance independent of preemption rights of **1,900,091 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 37 investors.

Timetable : Delivery and settlement in respect of the new shares is expected on Wednesday 15th 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 from 15th June 2011 (ISIN Code : FR0004032746). The number of the Company's shares outstanding will therefore be increased from this date by 1,900,091 shares and the total outstanding will rise from 13,554,173 to **15,454,264**.

Shareholders' funds : Shareholders's funds are increased from 5.4 M to 13.0 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 1 900 091 shares	0.88%	0.83%

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

Actifin

Audrey Saluzzo

Meunier

+33 (0)1 58 47 78 56

88 11 11

audrey.saluzzo@mslgroup.com

Neovacs

Florence Hocdée - Leroy

+33 (0) 1 53 10 93 14

fhocdeeleroy@neovacs.com

Investors –

Nicolas

+ 33 (0) 1 56

nmeunier@actifin.fr