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Neovacs increases its capital via a private placing

Paris, 6th 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 launched today a capital increase via a private placing without preemption rights under the provisions of Article L411-2 of the French Financial Code. The placing will be conducted as a book-building exercise and will only be open to qualified investors.

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.

The indicative price range for the offer is 4€- 4.40€. The definitive price will be set by matching the number of shares offered for sale with the number bid for by investors, using the book-building technique.

2,357,247 shares are being offered in the placing, representing 17.4% of the shares outstanding and 11.8% of the voting rights before the offer. Assuming a price in the middle of the range, the gross amount raised by the placing will be approximately 10 million Euros. The number of shares offered may be increased if demand justifies it.

The placing is being managed by CM-CIC Securities. The order book will open on 7th June 2011; the definitive terms for the placing will be set upon closure of the order book. The manager of the order book reserves the right to end the book-building process without notice.

A request will be made for the new shares to be listed on Euronext on the same basis as the shares currently outstanding.

The capital raised by the offer will strengthen the finances of the Neovacs and enable it to pursue the further development of the two Kinoid product candidates upon which it focuses its efforts: the TNF-Kinoid and IFN α -Kinoid. Significant progress has been made on both these candidates since last April when Neovacs went public via an IPO. Specifically, the TNF-Kinoid has achieved initial proof of concept in Crohn's Disease, and clinical testing has started with the IFN α -Kinoid.

As of mid 2011, Neovacs has three clinical trials running :

Two Phase II studies are being conducted with TNF-Kinoid in two indications, rheumatoid arthritis and Crohn's Disease, with patient recruitment ongoing in both studies. The market for biological TNF inhibitors, the leading treatment for these conditions, exceeded \$20 billion in 2010. The Company

expects to have first results from both these studies before the end of 2011. Depending on the results in each indication, Neovacs would expect to initiate Phase IIb or Phase III studies in 2012.

The Phase I/II study IFN α -Kinoid in lupus patients is approaching completion : initial results in the last patient cohort will be known this summer, and full results in all 28 patients are expected in September. Planning for a Phase IIb study could start before the end of the year.

By way of reminder, Neovacs reported very encouraging preliminary results for the first three patient cohorts on 8th April. These results from this Phase I/II study showed a good safety profile, an immune response and very importantly a pharmacogenomic effect of the IFN α -Kinoid in lupus patients.

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).

On April 1st, Neovacs announced a capital increase of 2.25M €, via the issuance of shares at 4€ per share: Debioinnovation SA, subsidiary of the Swiss Debiopharm Group, subscribed for 1 million euros; Truffle Capital, the lead institutional investor in the Company and OTC Asset Management also subscribed to the capital increase in the amount of 1.25 million euros, also at 4 euros per share.

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

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