



**Neovacs receives milestone payment from Debiopharm
for TNF-alpha Kinoid® in cancer cachexia and autoimmune
diseases**

Paris, France, July 11 2006 - Neovacs, a leading biotechnology company developing anti-cytokine and anti-viral regulatory protein vaccines, today announced the achievement of its first milestone under a license and equity agreement signed with the Debiopharm Group (Debiopharm) for the development of TNF (tumor necrosis factor) alpha Kinoid® for the treatment of wasting syndromes such as cancer cachexia and autoimmune diseases. This milestone triggers an undisclosed payment by Debiopharm to Neovacs.

“Kinoids will ensure major advances in the immunologic treatment of cancer and auto-immune diseases through the concept of active immunisation against cytokines,” said Guy-Charles Faneau de La Horie, Chief Executive Officer of Neovacs. “We are proud of this milestone in the development of our innovative anti-TNF-alpha compound based on the kinoid technology. It validates our company’s technology and strategy. We are confident that this program and our other proprietary anti-cytokine kinoid programs will soon reach new milestones.”

The mechanism of action of the TNF-alpha Kinoid® is that of active immunisation against an endogenous cytokine. Administration of human TNF-alpha coupled with a T helper carrier protein is expected to induce the generation of anti-TNF polyclonal antibodies by the patient himself. Unlike currently used monoclonal antibodies that risk generating anti-idiotypic antibodies that can block the therapeutic effect, the administration of TNF-alpha Kinoid®, which induces the production of endogenous antibodies is expected to avoid generating anti-idiotypic antibodies.

About Neovacs

Neovacs is a worldwide pioneer in therapeutic vaccines against human cytokines (Kinoids) and immunosuppressive viral proteins (Toxoids). Neovacs was founded in 1993 by Professor Daniel Zagury, M.D., as a spin-off from Pierre and Marie Curie University, Paris. Truffle Venture is the lead investor in Neovacs and is represented on the Board by its managing Director, Philippe Pouletty MD. The company has invested more than €25 million in R&D since its inception and has notably received support from OSEO ANVAR (the French state's Innovation Agency). The company holds 16 broad patents covering its Toxoid and Kinoid technologies and is developing several drug candidates for the treatment of AIDS, cancer and autoimmune diseases. Neovacs has signed development and licensing agreements with Sanofi Pasteur (for one of its first promising products, Tat Toxoid - a leading candidate for treatment of AIDS) and Debiopharm (for the development of a TNF-alpha kinoid for potential indications such as cancer cachexia and autoimmune diseases). Neovacs was recently recognized as one of the most promising biotechnology companies in the EMEA region by the Red Herring in its prestigious "Red Herring 100 Europe" listing.

For more information on Neovacs, please visit our website at www.neovacs.com

About The Debiopharm Group

The Debiopharm Group is a global biopharmaceutical development company that in-licenses promising biologics and small molecule drug candidates. Debiopharm develops its products for global registration and maximum commercial potential for out-licensing to pharmaceutical partners for sales and marketing.

Debiopharm independently funds the worldwide development of all of its products while providing expertise in pre-clinical and clinical trials, manufacturing, drug delivery and formulation, and regulatory affairs.

Founded in 1979 and headquartered in Lausanne, Switzerland, Debiopharm has developed three products with global combined sales in excess of \$2.2 billion in 2005.

For more information on the Debiopharm Group, please visit: www.debiopharm.com.

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