



Cytheris Receives €1.5 million (\$2.3 million) from OSEO for HCV Clinical Development Program

Highly Competitive Government Award for Paris Region Recognizes Potential of Interleukin-7 as an Immunotherapy

Paris – July 15 2008 – Cytheris SA, a clinical stage biopharmaceutical company focused on research and development of new therapies for immune modulation, today announced that OSEO, France's national agency for industrial innovation, has awarded the company with a no interest loan of €1.5 million, or \$2.3 million, to support its ongoing clinical development program in hepatitis C (HCV).

The OSEO award will provide partial funding for the HCV clinical development program of the Company's lead product, recombinant human Interleukin-7 (r-hIL-7), a critical growth factor for immune T-cell recovery and enhancement. Clinical trials conducted on more than 75 patients in Europe, the United States and Canada have demonstrated the potential of r-hIL-7 to expand and protect CD4+ and CD8+ T-cells. Cytheris is currently conducting multiple international clinical studies of IL-7 in HCV, HIV and cancer.

"These awards are highly competitive and we are delighted that OSEO has singled out Cytheris, not only because of the financial implications but also because the stringent criteria applied in selecting the small number of award winners bring added credibility to our innovative IL-7 investigative product and its potential therapeutic application," said Michel Morre, DVM, President and CEO of Cytheris. "OSEO funding previously played an instrumental role at the Company's foundation in the form of a now fully reimbursed loan to support the initial IL-7 studies which allowed us to reach the credibility needed to attract venture capital. This new OSEO support provided for our HCV study will partially cover the manufacturing, clinical studies and personnel costs associated with the program as well as its expansion to include additional clinical sites in Asia."

About OSEO

Established by the French Government to support the growth and development of innovative small and medium enterprises (SMEs) throughout France, OSEO aids and funds SMEs at the riskiest phases of their development. Its subsidiary, OSEO Innovation provides aid for technology-driven research projects with genuine potential for commercialization. Support is provided in the form of loans to be reimbursed if a project is commercially successful.

About Cytheris – www.cytheris.com

Cytheris SA is a privately held clinical-stage biopharmaceutical company focused on research and development of new therapies for immune modulation. These drugs aim at reconstituting and enhancing the immune system of patients suffering from cancer, chronic viral or bacterial infections such as HCV and HIV, or lympho-depleting treatments such as chemotherapy, radiotherapy, bone marrow transplantation (BMT) and hematopoietic cell transplantation (HCT).

The company operates from its headquarters and laboratories in Issy-les-Moulineaux, a suburb of Paris, and its U.S. subsidiary in Rockville, Maryland.

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