



Press Release

For immediate release

Collectis and Regeneron sign an agreement over the use of homologous recombination technology.

Biocitech, France - July the 3rd, 2008 - Collectis SA today announced the signature of an agreement with Regeneron Pharmaceuticals, Inc. over the use of Collectis' patents covering certain uses of homologous recombination for the generation of innovative human therapies, including the development of fully human monoclonal antibodies. As part of the agreement, Collectis will receive an upfront of 12,450,000\$ from Regeneron. In addition, Regeneron will invest in Collectis' equity.

The agreement resolves a dispute between the two companies related to the interpretation of a license agreement entered into by and between Collectis and Regeneron in December 2003 pursuant to which Regeneron licensed certain patents and patent applications relating to a process for the specific replacement of a copy of a gene in the receiver genome by homologous recombination. Pursuant to the agreement, Regeneron will make an up-front payment to Collectis in the amount of \$12,450,000. In addition, Regeneron will pay Collectis a low single-digit royalty based on revenue received by Regeneron from any future licenses or sales of Regeneron's VelociGene® or VelocImmune® products and services. No royalties are payable with respect to Regeneron's VelocImmune license agreements with AstraZeneca UK Limited and Astellas Pharma Inc. or Regeneron's November 2007 collaboration agreement with sanofi-aventis. Moreover, due to other considerations in the agreement, no royalties are payable on any revenue from commercial sales of antibodies from Regeneron's VelocImmune technology.

Regeneron and Collectis also entered into a Subscription Agreement pursuant to which Regeneron will acquire 368,301 ordinary shares of Collectis, par value EUR 0.05 per share, at a price of EUR 8.63 per share, for a total of EUR 3,178,437.63. The subscription is contingent upon the prior approval of the board of directors of Collectis and by the shareholders of Collectis at an extraordinary general meeting to be held no later than October 30, 2008.

About the licensed patents:

The agreement relates to Institut Pasteur's patents covering certain uses of homologous recombination (US patents #6 528 313, 6 638 768 and 6 528 314, Japanese patents #3059481, #3298842 and #3298864 and European patents EP #419 621 and #682 112). As the exclusive licensee of these patents, Collectis has access to the process of targeted integration of DNA sequences.



About the patented technology:

The pharmaceutical industry has been seeking to industrialize the production and commercialization of human proteins for therapeutic purposes. Biotechnology brought the ability to produce human proteins in cells or animals instead of having to extract them from humans. These products are called “recombinant proteins” or “biotherapeutics” and have been the main driver of the pharmaceutical market for the last 10 years. The biotherapeutics developed by such technologies must be perfectly similar to human proteins. This is achieved by creating humanized mice that have a mouse gene replaced by its human counterpart. These animal models, key to develop biotherapeutics, are engineered by the process of homologous recombination. Homologous recombination relies on the natural cellular DNA maintenance and repair mechanisms present in all living cells and organisms. It is the technological basis for rational genome engineering - Collectis' core expertise. This robust technology platform, the worldwide standard for generating animal models for pharmaceutical and biotechnology industries, is being widely used in life sciences, for drug target validation and drug screening for over a decade.

About Collectis

Collectis SA (www.collectis.com) is a world-leading company in genome engineering and genome surgery. The company is focused on developing and producing custom meganucleases for *in vivo* DNA surgery and also provides new tools for rational reverse genetics and targeted recombination. Collectis' products induce unique, site-directed, double-strand DNA breaks in living cells and can be used in a wide range of biotechnological and therapeutic applications.

A strong patent portfolio

Collectis holds a 148 patent and patent application portfolio, providing the company with a strong position in the field of homologous recombination (3 issued US patents) and meganucleases and uses thereof (18 issued US patents), both naturally-occurring and with engineered specificity. A significant part of this portfolio has been exclusively licensed by Institut Pasteur, which spun off the company in 2000.

Institut Pasteur has a long history in exploiting methods of homologous recombination with groups pioneering the field - a major scientific breakthrough (Nobel Prize 2007) and is today the assignee of cornerstone patents from the late 1980s in this field. The group which discovered meganucleases and published founding works on the I-SceI homing endonucleases (leading to the constitution of Collectis proprietary patent portfolio) is from Institut Pasteur.

A strong scientific background

Research groups involved in the discovery of meganucleases at Institut Pasteur and Collectis have published tens of founding publications in prestigious peer-review papers such as *Cell*, *Nature*, *Science*, *PNAS*, *JBC* and *JMB*. In 2007 alone, Collectis published 5 important scientific publications in peer-review journals, with a further 2 papers since the beginning of 2008.

A technology that delivers

Collectis currently holds an incremental pipeline of 18 meganucleases with modified specificity (derived from the I-Crel meganuclease), with applications in:

- Therapeutics - major indications are severe inborn genetic diseases, DNA virus infections, transplantation and cancer.
- Agricultural biotechnology - the major targets are crop improvement, biofuels and biofibers.
- Biomanufacturing - the major indications are cell line and recombinant protein improvement.
- BioTools - the major indication is research kit development for pharmacogenomic studies in general and drug screening in particular.



A partner-oriented strategy

The company has formed 48 industrial partnerships with pharmaceutical companies (Astra-Zeneca, GSK, Shire), agricultural biotechnology groups (Limagrain, Bayer, BASF, DuPont-Pioneer HiBred) and healthcare-focused biotech firms (Genentech, Trans Genic, Lexicon). Collectis contributes to over 20 academic partnerships, including those with the Institut Gustave Roussy cancer research centre, the Paris Children's Hospital (France), Children's Hospital Boston and the Harvard Gene Therapy Initiative (USA).

Financing

The company raised over €24m in an IPO on NYSE-Euronext Alternext (in February 2007), in order to increase its annual meganuclease production capacity to 20 by the end of 2008. To date, the company has raised over €40m in both private and public rounds of financing.

Collectis is listed on the NYSE-Euronext Alternext market (ticker code: ALCLS). For more information on Collectis, visit our web site: www.collectis.com.

Practical information:

ISIN Code FR0010425595

Ticker code ALCLS

Collectis' Forward-Looking Statements

This communication expressly or implicitly contains certain forward-looking statements concerning Collectis SA and its business. Such statements involve certain known and unknown risks, uncertainties and other factors, which could cause the actual results, financial condition, performance or achievements of Collectis SA to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Collectis SA is providing this communication as of this date and does not undertake to update any forward-looking statements contained herein as a result of new information, future events or otherwise.

For a discussion of risks and uncertainties which could cause actual results, financial condition, performance or achievements of Collectis SA to differ from those contained in the forward-looking statements please refer to the Risk Factors (Facteurs de Risque) section of the prospectus approved by the French Autorité des Marchés Financiers ("AMF") on January 22nd, 2007 under visa number 07-023, available on the websites of the AMF (<http://www.amf-france.org>) and Collectis (<http://www.collectis.com>).

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