Full-year financial results for 2010

- ***The company posts a profit as a result of an exceptional revenue***
- ***High potential for further growth***

Paris, March 3, 2011 – BioAlliance Pharma SA (Euronext Paris-BIO), a company dedicated to the supportive care and treatment of cancer patients, today published its consolidated financial results for the fiscal year ending December 31, 2010.

Consolidated accounts (IFRS-compliant) in thousands of euros	**31/12/2010**	31/12/2009
Revenues	**22, 532**	7,536
Operating profit (loss)	**2,593**	-15,478
Financial profit	**217**	95
Net profit (loss)	**2,809**	-15,383
End-of-year cash reserves	**20,947**	14,710

2010 was marked by the successful achievement of several key milestones for the company's most advanced products:
- In March, signature of a strategic alliance in Europe with the Therabel group - a well-established European company that has focused its development on the hospital market;
- In April, US registration of Oravig® (miconazole Lauriad™), BioAlliance Pharma's first treatment for oropharyngeal candidiasis (already sold in France as Loramyc®). In September launch of the product by the commercial partner for the USA, the specialty pharmaceutical company Par/Strativa.

"*These two events earned BioAlliance Pharma a total of €22.5 million in milestone payments, marking our completion of the international commercialization process"*, stated BioAlliance Pharma CFO Nicolas Fellmann.

Furthermore, the company has also confirmed with the regulatory agencies in the United States and Europe that the pivotal Phase III clinical trial of Sitavir® (acyclovir Lauriad™) would serve as the basis of a marketing authorization application in the second half of 2011. The single Sitavir® tablet is a novel approach to the treatment of recurrent herpes labialis, with the specificity of both a short-term effect on vesicules and lesions and a long-term effect on recurrence.
In parallel, BioAlliance Pharma has started recruitment in two clinical trials of two very promising products in severe or rare diseases: clonidine Lauriad™ (clonidine formulated with

the company's proprietary Lauriad™ muco-adhesive technology) in the treatment of mucositis (a very invalidating inflammation of the buccal mucosa that can occur after cancer chemotherapy and radiotherapy) and the targeted biotherapy AMEP® in the treatment of metastatic melanoma, a severe and invasive cancer.

"After having reached regulatory milestones for our most advanced innovative products, we have started to reap the rewards of our investment efforts. Thanks to our solid alliances with commercial partners worldwide, we have excellent fundamentals for generating additional recurrent revenues", commented BioAlliance Pharma CEO Dominique Costantini. She added that "*in 2010, we were able to demonstrate our mastery of all the steps in the drug value chain - from research through to the market. We leveraged our drug targeting technologies and our pipeline has significant potential for delivering continued business growth".*

Analysis of the financial results for 2010

Turnover amounted to €22.5 million - three times the previous year's figure. This spectacular growth resulted from exceptional, non-recurrent milestone payments received from the company's partners for Loramyc®/Oravig® and which are fully accounted for as revenue: €4.5 million upon signature of the licensing agreement with Therabel (who also made a share contribution of €3 million) and €14.7 million ($20 million) paid by Par/Strativa following registration of the product in the United States. Direct sales in France (€2 million in 2009) were taken over by Therabel in April 2010 and thus contribute less to BioAlliance Pharma's 2010 turnover, since the revenues consisted of royalties from April onwards. These royalties and purchase of product by the company's partners in Europe and the United States form a solid core of recurrent revenue that should increase significantly in the years to come.

BioAlliance Pharma's R&D expenses (including the initiation of clinical trials for clonidine Lauriad™ and AMEP® and the continuation of industrial developments for Loramyc® and Sitavir®) are under control and totaled €8.5 million for the 2010 fiscal year. The company is eligible for a €1.5 million research tax credit and has requested its reimbursement for 2011.
General operating costs amounted to €18.7 million (a 19% decrease on the 2009 figure of €23.4 million and a direct consequence of the company's cost-control measures). In addition to R&D expenditure, the operating costs include:
- The marketing costs for Loramyc® in France for Q1 2010, as well as strategic marketing and business development costs;
- Legal fees related to the management of litigation with Eurofins and SpePharm. As was the case in 2009, the company has not set aside a provision for this litigation as of December 31, 2010, because the risk cannot be reliably evaluated;
- General and administrative costs, including salary costs for non-R&D staff.

The company made an operating profit of €2.6 million in 2010, compared with a loss of €15.5 million for 2009.

The financial result is essentially constituted of exchange rate gains and losses and amounts to €217,000 (vs. €95,000 the year before).

BioAlliance Pharma made a net profit of €2.8 million in 2010. By carrying over previous losses, BioAlliance Pharma will not be required to pay corporate tax in this fiscal year.

The company's available cash reserves amounted to €20.9 million as of December 31, 2010 - a clear increase on the previous year's closing figure of €14.7 million. Thanks to its licensing agreements, BioAlliance Pharma has been able to fully self-fund its R&D programs. In 2011, Therabel has committed to paying an additional €4 million (including €3 million in a reserved share capital increase, if approved at the 2011 General Shareholders' Meeting).

Perspectives for 2011

"After Loramyc®/Oravig®, we are now actively working on the marketing authorization application for Sitavir® in Europe and the United States. This product should also yield revenue-generating agreements", stated Dominique Costantini.

In addition to this work on its second in-house product, BioAlliance will continue its ongoing clinical development programs - particularly for AMEP® and clonidine Lauriad™. Both products target potentially high-margin orphan or severe disease markets. Given the significant survival data observed with doxorubicin Transdrug® in hepatocellular carcinoma (primary liver cancer, orphan disease), BioAlliance Pharma is also considering filing a new clinical trial authorization request with the French Drug Agency (AFSSAPS).

With a newly strengthened management team thanks to the arrival of Judith Greciet as Chief Operating Officer in charge of Operations and R&D, and experienced teams in the development, registration and marketing of innovative drugs, BioAlliance Pharma will continue to exploit its assets by organic or external growth in the area of severe and orphan diseases.

Analyst meeting and conference call (in English)

BioAlliance Pharma will hold a meeting at 9 am on Friday March 4, 2011, at its corporate headquarters (49 boulevard Martial Valin, Paris, France). A conference call in English will be organized at 11:30 am Paris time (GMT+1). Access numbers and codes are given below.

Dialing from France or abroad: +33 (0)1 70 77 09 39

For conference call replay, go to wip.arkadin.com

(username: 135272492 - code: 569710)

The annual accounts have been audited by the company's statutory auditors and were approved by the Board of Directors on March 3, 2011.

About BioAlliance Pharma

Dedicated to cancer and supportive care – cancer related pathologies, chemotherapy and radiotherapy-induced complications and opportunistic infections in immunocompromised patients – BioAlliance conceives and develops innovative products, especially in the hospital setting and for orphan or rare diseases.

Created in 1997 and introduced to the Euronext Paris market in 2005, BioAlliance Pharma's ambition is to become a leading player in these fields by coupling innovation to patient needs. The company's teams have the key competencies required to identify, develop and register drugs in Europe and the USA; the products' commercialization rights are licensed to international commercial partners invested in the hospital setting. In areas where medical needs are insufficiently met, its targeted approaches help overcome drug resistance and improve patient health & quality of life.

BioAlliance Pharma has developed an advanced product portfolio:

Loramyc®/Oravig® (oropharyngeal candidiasis in immunocompromised patients): Registered in 26 European countries, in Korea and in the United States

Setofilm® (prevention and treatment of -chemotherapy, radiotherapy and post operative- induced nausea and vomiting in adults and children): Registered in 16 European countries

Sitavir ®（Acyclovir Lauriad ™) (labialis herpes): Positive phase III final results; registration status

Fentanyl Lauriad™ (chronic cancer pain): Positive preliminary Phase I results

AMEP® (invasive melanoma): Phase I

Clonidine Lauriad™ (mucositis): Phase II

Doxorubicin Transdrug® (liver cancer): Phase II

For more information, visit the BioAlliance Pharma web site at www.bioalliancepharma.com

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For a discussion of risks and uncertainties which could cause actual results, financial condition, performance or achievements of BioAlliance Pharma SA to differ from those contained in the forward-looking statements, please refer to the Risk Factors ("Facteurs de Risque") section of the 2009 Reference Document filed with the AMF on June 29, 2010, which is available on the AMF website (http://www.amf-france.org) or on BioAlliance Pharma SA's website (http://www.bioalliancepharma.com).

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