Key milestones and consolidated accounts for the first semester of 2012

- ***Key achievements in the clinical development programs and especially:***
  - ***Livatag®: Phase III study opened in France in June 2012, 10 patients already recruited in the study as of August 31, 2012***
  - ***Validive™: Expansion of the study to 4 additional European countries, more than 35% of patients recruited with positive feedbacks from the centers***
- ***Registration process of Sitavig®: Receivability of the registration dossier validated by the FDA and a first license agreement with TEVA in Israel***
- ***Signature of a license agreement term sheet with Vestiq for Oravig® in the United States***
- ***Controlled cash position and expenses***

Paris, September 13, 2012 - BioAlliance Pharma SA (Euronext Paris - BIO), an innovative Company dedicated to the development of orphan oncology products and to supportive care products, today publishes its consolidated half-year accounts as of June 30, 2012, and the major key milestones recently achieved.

During this semester, BioAlliance Pharma has actively conducted the development programs of its high potential « Orphan Oncology Products » portfolio and has achieved the key milestones as they were planned.

- The Phase III clinical study with Livatag® (ReLive) in the primary liver cancer was implemented and effectively initiated in France in June 2012. Since then, about 10 patients have been recruited in the study. The assessment of the first 25 patients included by the international independent Monitoring Board should be conducted at the end of the year or at the beginning of next year, as scheduled.

- An expansion to 4 additional new European countries is ongoing for the phase II clinical trial with Validive™, developed in the treatment of severe radio- and chemotherapy induced mucositis in patients with head and neck cancer. The initiation of new sites should help accelerate patient recruitment in this study in which more than 35% of patients have already been included, thus making it possible to anticipate the end of recruitment for the second semester of 2013.

- The application for a phase I/II clinical trial with the AMEP® biotherapy in the metastatic melanoma received the approval from the French drug agency (Agence Nationale de Sécurité du Médicament) in June 2012. The product has also obtained the grant of two patents reinforcing its US industrial property.

Moreover, the Company is conducting a registration procedure at the same time in Europe and in the United-States for its specialty product Sitavig®. The receivability of the US registration dossier for substantial evaluation by the FDA was obtained in May 2012, whereas a first international license agreement was signed in June 2012 with TEVA for Israel.

Finally, at the beginning of the second semester, BioAlliance Pharma has announced the signature of a license agreement term sheet with the Company Vestiq for the commercialization of Oravig® in the United-States for a global amount up to $44 million. Its launch, expected in a few months in the world's largest market, will complete the commercialization that has already begun in Europe.

« This year's challenges will focus on the progress of programs creating considerable value for our company, and the achieved steps in the first semester that are putting us in a very positive perspective of evolution for the future », says Judith Greciet, the company's CEO.

"Our commitments regarding the implementation of the Livatag® study that was highly expected by the medical and financial community have been met, and the already active recruitment on this study shows the expectation of investigating doctors for our product. The implementation of elements to take up the commercialization of Oravig® in the United-States as well as the admissibility of the Sitavig® file by the FDA were key factors for us this year. Our teams have once again shown their mobilization capacity and their know-how in these domains ».

« In terms of results, we mastered our operating conditions throughout the first semester by reducing our operating costs by almost 13% whereas at the same time our R&D investments were reinforced to accelerate our programs » comments Nicolas Fellman, CFO of BioAlliance Pharma. *« This is thanks to a healthy budget of €20.4 million at 30 June 2012 ».*

Analysis of the H1 2012 accounts

Consolidated accounts (IFRS-compliant) *In thousands euros*	30/06/2012 (6 months)	30/06/2011 (6 months)
Recurring revenues from license agreements **Non recurring** revenues from license agreements Other revenues*	393 418 30	1.019 151 10
Operating expenses *R&D investments*	*(8.705)* *(4.849)*	(9.936) *(4.017)*
Operating profit/loss	(7 864)	(8 757)
Net profit/loss	(7 834)	(8 750)

**Mostly direct sales in France in 2011*

The recurring revenues are generated by sales and royalties on sales linked to the Company's license agreements whereas the non recurring revenues from the license agreements include a share from staggered upfront payments received from these agreements.

Operating expenses amounted to €8.7 million over the semester, decreasing by 13% as compared with 2011. This trend is notable while the Company has strengthened its R&D investments to sustain the progress of its programs with an international Clinical Research Organization (CRO) to implement and follow-up Validive™ and ReLive clinical studies and the production of clinical batches for the ReLive (Livatag®) study, and taxes linked to the Sitavig® registration dossier by the FDA.

The net income as of June 30, 2012 totaled -7.8 million Euros, improving as compared with -8.8 million Euros in 2011.

Cash reserves at the end of June 2012 amounted to €20.4 million, compared with €28.6 million as of December 31, 2011.

Analyst meeting and audio/web-conference call (in English)

BioAlliance Pharma will hold a meeting at 8:45 am on Friday September 14, 2012, at its corporate headquarters (49 boulevard Martial Valin, Paris, France). An audio/web-conference in English will be organized at 11:30 am Paris time (GMT+1). Access numbers and codes are given below.

1) Audio connexion from France or abroad : **+33 (0)1 70 77 09 34**

2) Webconference connexion : https://bioalliancepharma-en.webex.com/bioalliancepharma-en/j.php?ED=223577562&UID=0&PW=NMmRiNmU1N2Mx&RT=MiMyMw%3D%3D

3) Meeting Number: 709 706 290
Meeting Password: BioAlliance

For Conference call replay : **+33(0)1 72 00 15 00** (in English)

Conference reference : **278087#**

BioAlliance Pharma today announced the filing of its financial report for the half-year ended June 30, 2012. The half-year financial report, including the consolidated accounts as of June 30, 2012, can be viewed in the "Investor" section of the Company's website (http://www.bioalliancepharma.com).

The half-year accounts have been verified by the statutory auditors and approved by the Board of Directors on September 13, 2012.

About BioAlliance Pharma

Dedicated to cancer and supportive care treatment with a focus on resistance targeting and orphan products, BioAlliance conceives and develops innovative products, for specialty markets 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.

BioAlliance Pharma has developed an advanced product portfolio:

Specialty products

Loramyc®/Oravig® (oropharyngeal candidiasis in immunocompromised patients): Registered in 28 countries (EU, US, Korea)
Sitavir®/Sitavig® (Acyclovir Lauriad™) (labialis herpes): Positive phase III final results; registration status
Fentanyl Lauriad™ (chronic cancer pain): Positive preliminary Phase I results

Oncology Orphan products
Livatag® (Doxorubicin Transdrug™) (primary liver cancer): Phase III on going
Validive® (Clonidine Lauriad™) (mucositis): Phase II on going
AMEP® (invasive melanoma): Phase I on going
For more information, visit the BioAlliance Pharma web site at www.bioalliancepharma.com

Disclaimer

This communication expressly or implicitly contains certain forward-looking statements concerning BioAlliance Pharma 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 BioAlliance Pharma SA to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. BioAlliance Pharma 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 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 2011 Reference Document filed with the AMF on April 24, 2012, 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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