



Vical

2010 Annual Report

HIGHLIGHTS

- **Phase 3 pivotal trial of Allovectin-7[®] as front-line therapy in metastatic melanoma**
 - Completed minimum 1-year follow-up in early 2011 on last of 390 enrolled subjects
 - Pursuing potential partnering opportunities
- **Phase 2 trial of TransVax[™] vaccine to prevent cytomegalovirus (CMV) reactivation in transplant patients**
 - Presented excellent safety, immunogenicity, and clinical efficacy results
 - Preparing for pivotal Phase 3 trial
 - Pursuing potential partnering opportunities
- **Phase 1 program for emerging infectious diseases**
 - Conducted Phase 1 trial of H1 pandemic influenza vaccine with U.S. government funding
 - Extended relationship with Naval Medical Research Center in early 2011 for development of emerging disease vaccine platform
- **Preclinical program for CyMVectin[™] vaccine to prevent CMV infection in adolescent women**
 - Phase 1 investigational new drug application (IND) allowed by FDA
 - Pursuing potential partnering opportunities
- **Preclinical program for herpes simplex vaccine**
 - Developing therapeutic and prophylactic HSV-2 vaccines with U.S. government funding
 - Exploring opportunities for additional development funding and potential partnering
- **Phase 3 angiogenesis program**
 - AnGes preparing to conduct pivotal Phase 3 trial in U.S., Europe and Japan
- **Approved DNA vaccines for animal health applications**
 - Novartis Aqua Health's Apex[®]-IHN DNA vaccine for farm-raised salmon marketed in Canada since 2005
 - Merial's ONCEPT[™] canine melanoma DNA vaccine approved in United States in 2009

CONDENSED FINANCIAL INFORMATION (Unaudited)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
	<i>(in thousands, except per share data)</i>		
Statement of Operations Data (for full year)			
Revenues	\$ 8,711	\$ 12,686	\$ 7,956
Operating expenses	39,926	41,272	45,299
Loss from operations	(31,215)	(28,586)	(37,343)
Net investment income	830	28	447
Net loss	(30,385)	(28,558)	(36,896)
Net loss per common share (basic and diluted)	\$ (0.51)	\$ (0.61)	\$ (0.93)
Weighted average shares used in per share calculation	60,084	47,086	39,856
Balance Sheet Data (at end of year)			
Cash, cash equivalents, marketable securities, and long-term investments, including restricted	\$ 60,702	\$ 52,562	\$ 41,676
Working capital	49,874	38,424	30,144
Total assets	72,907	67,372	59,057
Long-term obligations, less current portion	2,211	2,380	2,469
Stockholders' equity	64,362	54,982	48,614

Board of Directors

**R. Gordon Douglas, M.D.,
Chairman**

Retired President
Merck Vaccine Division

Robert H. Campbell

Retired Chairman and
Chief Executive Officer
Sunoco, Inc.

Gary A. Lyons

Former President and
Chief Executive Officer
Neurocrine Biosciences

Robert C. Merton, Ph.D.

School of Management
Distinguished Professor of
Finance

MIT Sloan School of
Management

Vijay B. Samant

President and
Chief Executive Officer
Vical Incorporated

Executives

Vijay B. Samant

President and
Chief Executive Officer

Jill M. Broadfoot

Senior Vice President,
Chief Financial Officer and
Secretary

Alain P. Rolland, Pharm. D., Ph.D.

Executive Vice President,
Product Development

Igor P. Bilinsky, Ph.D.

Senior Vice President,
Corporate Development

Richard T. Kenney, M.D.

Vice President,
Clinical Development

Larry R. Smith, Ph.D.

Vice President,
Vaccine Research

Contact

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Transfer Agent

BNY Mellon Shareowner Services

P.O. Box 358015

Pittsburgh, PA 15252-8015

Tel: (877) 419-8539

TDD for Hearing Impaired:
(800) 231-5469

Foreign Shareowners:

(201) 680-6578

TDD for Foreign Shareowners:

(201) 680-6610

Website: [www.bnymellon.com/
shareowner/equityaccess](http://www.bnymellon.com/shareowner/equityaccess)

Attorneys

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Independent Registered

Public Accounting Firm

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San Diego, CA 92122-1249

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Website: www.ey.com

Annual Meeting of Stockholders

Woodfin Suites

10044 Pacific Mesa Boulevard
San Diego, CA 92121-4386

Thursday, May 26, 2011

8:00 a.m.

Directions: (858) 597-0500

Corporate Information

Vical's common stock is traded on the Nasdaq Global Market under the symbol VICL.

Vical's Annual Report on Form 10-K contains additional information about our business, including our full financial statements and related notes, and is therefore an integral part of this report. In addition, this report contains statements that discuss our future expectations, contain projections of our results of operations and financial condition and include other forward-looking information within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Our actual results may differ significantly and materially from those expressed in these forward-looking statements as a result of risks and uncertainties, including those detailed in our Annual Report on Form 10-K. We disclaim any intent or obligation to update these forward-looking statements, and you should not unduly rely on them.

SEC Form 10-K

A copy of the exhibits to Vical's Annual Report on Form 10-K filed with the Securities and Exchange Commission is available, upon payment of our reasonable expenses in furnishing such exhibits, upon written request to:

Investor Relations

Vical Incorporated

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San Diego, CA 92121-4340

