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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934

Date of report (Date of earliest event reported): October 17, 2006

**VICAL INCORPORATED**

(Exact name of registrant as specified in charter)

**Delaware**  
(State or other  
jurisdiction of  
incorporation)

**000-21088**  
(Commission File  
Number)

**93-0948554**  
(I.R.S. Employer  
Identification No.)

**10390 Pacific Center Court**  
**San Diego, California**  
(Address of principal executive offices)

**92121-4340**  
(Zip Code)

Registrant's telephone number, including area code: (858) 646-1100

**Not Applicable.**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01 Entry into a Material Definitive Agreement.**

On October 17, 2006, Vical Incorporated entered into a common stock purchase agreement with an institutional investor relating to a registered direct offering of 4,980,079 shares of Vical's common stock. Under the terms of the transaction, Vical will sell the common stock at \$5.02 per share to the institutional investor for gross proceeds of approximately \$25.0 million. The closing of the offering took place on October 19, 2006.

The common stock was issued pursuant to a prospectus supplement filed with the Securities and Exchange Commission on October 19, 2006, in connection with a shelf takedown from Vical's registration statement on Form S-3 (File No. 333-131307) which became effective on March 31, 2006. A copy of the opinion of Cooley Godward Kronish LLP relating to the legality of the issuance and sale of the shares in the offering is attached as Exhibit 5.1 hereto.

Proceeds from the transaction will be used for further development of Vical's pandemic influenza DNA vaccine candidate, including funding of Phase 1 human clinical testing, as well as for other general corporate purposes.

On October 19, 2006, Vical issued a press release announcing the offering. A copy of the press release is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.****(d) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
5.1	Opinion of Cooley Godward Kronish LLP.
23.1	Consent of Cooley Godward Kronish LLP (included in its opinion filed as Exhibit 5.1 hereto).
99.1	Press release of Vical Incorporated dated October 19, 2006.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 19, 2006

**VICAL INCORPORATED**

By: /s/ JILL M. CHURCH

Jill M. Church  
Vice President, Chief Financial Officer  
and Secretary

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**INDEX TO EXHIBITS**

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October 19, 2006  
Vical Incorporated  
10390 Pacific Center Court  
San Diego, CA 92121

Frederick T. Muto  
T: (858) 550-6010  
[mutoft@cooley.com](mailto:mutoft@cooley.com)

Ladies and Gentlemen:

You have requested our opinion with respect to certain matters in connection with the offering by VICAL INCORPORATED, a Delaware corporation (the "**Company**"), of an aggregate of 4,980,079 shares of the Company's common stock, par value \$0.01 (the "**Shares**"), pursuant to a Registration Statement on Form S-3 (Registration Statement No. 333-131307) (the "**Registration Statement**"), filed with the Securities and Exchange Commission (the "**Commission**") under the Securities Act of 1933, as amended (the "**Act**"), the prospectus included within the Registration Statement (the "**Base Prospectus**"), and the supplemented form of prospectus relating to the Shares dated October 17, 2006 and filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations of the Act (the "**Prospectus Supplement**"). (The Base Prospectus and Prospectus Supplement are collectively referred to as the "**Prospectus**.")) All of the Shares are to be sold by the Company as described in the Registration Statement and Prospectus.

In connection with this opinion, we have examined and relied upon the Registration Statement, the Prospectus, the Company's Restated Certificate of Incorporation, as amended, its Amended and Restated Bylaws, and the originals or copies certified to our satisfaction of such records, documents, certificates, memoranda and other instruments as in our judgment are necessary or appropriate to enable us to render the opinion expressed below. We have assumed the genuineness and authenticity of all documents submitted to us as originals, and the conformity to originals of all documents where due execution and delivery are a prerequisite to the effectiveness thereof.

On the basis of the foregoing, and in reliance thereon, we are of the opinion that the Shares, when sold in accordance with the Registration Statement and Prospectus, will be validly issued, fully paid and nonassessable.

We consent to the reference to our firm under the caption "Legal Matters" in the Prospectus and to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,

Cooley Godward Kronish LLP

By: /s/ FREDERICK T. MUTO  
Frederick T. Muto

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858•646•1100, FAX: 858•646•1150  
www.vical.com

**FOR IMMEDIATE RELEASE**  
**October 19, 2006**

**Contacts:**  
Investors:  
Alan R. Engbring  
Vical Incorporated  
(858) 646-1127  
Website: www.vical.com

**Media:**  
Kim Richards  
Porter Novelli Life Sciences  
(619) 849-5377

**Temasek Holdings to Invest \$25 Million in Vical**

SAN DIEGO—October 19, 2006—Vical Incorporated (Nasdaq:VICL) today announced that it has received a commitment from an investment fund of Temasek Holdings (Private) Ltd, an Asia investment firm headquartered in Singapore, to purchase \$25.0 million of its common stock in a registered direct offering, under which Vical will sell approximately 5.0 million shares pursuant to an effective shelf registration statement at a price of \$5.02 per share, with no commissions. The transaction is expected to be completed on October 19, 2006. Proceeds from the transaction will be used for further development of Vical’s pandemic influenza DNA vaccine candidate, including funding of Phase 1 human clinical testing, as well as for other general corporate purposes.

Vijay B. Samant, Vical’s President and Chief Executive Officer, said, “We are pleased that Temasek Holdings has selected Vical as an addition to its investment portfolio. We look forward to the benefits of Temasek’s substantial resources and international perspective as we progress in our program to develop a DNA vaccine against pandemic influenza.”

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. The shares of common stock may only be offered by means of a prospectus. Copies of the final prospectus supplement and accompanying base prospectus can be obtained from the Corporate Secretary, Vical Incorporated, 10390 Pacific Center Court, San Diego, CA 92121-4340.

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**About Vical**

Vical researches and develops biopharmaceutical products based on its patented DNA delivery technologies for the prevention and treatment of serious or life-threatening diseases. Potential applications of the company's DNA delivery technology include DNA vaccines for infectious diseases or cancer, in which the expressed protein is an immunogen; cancer immunotherapeutics, in which the expressed protein is an immune system stimulant; and cardiovascular therapies, in which the expressed protein is an angiogenic growth factor. The company is developing certain infectious disease vaccines and cancer therapeutics internally. In addition, the company collaborates with major pharmaceutical companies and biotechnology companies that give it access to complementary technologies or greater resources. These strategic partnerships provide the company with mutually beneficial opportunities to expand its product pipeline and address significant unmet medical needs. Additional information on Vical is available at [www.vical.com](http://www.vical.com).

This press release contains forward-looking statements subject to risks and uncertainties that could cause actual results to differ materially from those projected, including: whether the offering will be completed on October 19, 2006, if at all; whether Vical or others will continue development of the pandemic influenza DNA vaccine candidate; whether the company will conduct Phase 1 human clinical testing of the influenza vaccine; whether the company's DNA vaccine candidate will be effective in protecting humans against influenza; whether Temasek's resources will assist in the development of Vical's pandemic influenza vaccine candidate; whether any product candidates will be shown to be safe and efficacious in clinical trials; the timing of clinical trials; whether Vical or its collaborative partners will seek or gain approval to market any product candidates; the dependence of the company on its collaborative partners; and additional risks set forth in the company's filings with the Securities and Exchange Commission. These forward-looking statements represent the company's judgment as of the date of this release. The company disclaims, however, any intent or obligation to update these forward-looking statements.

**About Temasek Holdings (Private) Limited**

Incorporated in 1974, Temasek Holdings (Private) Limited (Temasek) is an Asia investment firm headquartered in Singapore. Temasek is an active shareholder and investor that aims to create and maximise sustainable shareholder value. It manages a diversified S\$129 billion (US\$80 billion) portfolio, concentrated principally in Singapore, Asia and the OECD economies. Temasek's total shareholder return since 1974 has been 18%

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compounded annually. Temasek has a corporate credit rating of AAA/Aaa by Standard & Poor's and Moody's respectively.

Its portfolio spans various industries including telecommunications & media, financial services, real estate, transportation & logistics, energy & resources, infrastructure, engineering & technology as well as bioscience & healthcare. Companies in its portfolio include Singapore Airlines, Singapore Telecommunications and DBS Group Holdings, ICICI Bank, Mahindra & Mahindra and the Apollo Hospital Group; Bank of China and China Construction Bank; Bank Danamon and Bank Internasional Indonesia; as well as Hana Financial Group.

Temasek's investments in bioscience & healthcare services consist of Quintiles (USA), Asia Pacific Pharmaceutical Holdings (Singapore), Matrix Labs (India), Bumrungrad Hospital (Thailand) and Intercell (Austria).

For more information on Temasek, please visit [www.temasekholdings.com.sg](http://www.temasekholdings.com.sg).

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