
**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): June 16, 2005

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 (see General Instruction A.2. below):

- 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 June 16, 2005, Vical Incorporated issued a press release announcing the receipt of approximately \$12.1 million in orders for multiple production lots of DNA vaccines against HIV for the Vaccine Research Center at the National Institute of Allergy and Infectious Diseases of the National Institutes of Health, under a subcontract managed by SAIC-Frederick, Inc., with production scheduled to begin in the second half of 2005, and shipments anticipated in 2005 and 2006 in support of planned Phase 2 studies. A copy of the press release is attached as Exhibit 99.1 to this Current Report.

The information in this Item 1.01, and Exhibit 99.1 attached hereto, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits.

Press release dated June 16, 2005.

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: June 16, 2005

VICAL INCORPORATED

By: /s/ JILL M. CHURCH

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

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Press release issued by Vical Incorporated on June 16, 2005.

Vical Receives \$12 Million HIV Vaccine Production Order to Support NIH Phase 2**Trials**

SAN DIEGO, June 16 /PRNewswire-FirstCall/ -- Vical Incorporated (Nasdaq: VICAL) announced today the receipt of approximately \$12.1 million in production orders for multiple clinical lots of DNA vaccines against HIV for the Vaccine Research Center (VRC) at the National Institute of Allergy and Infectious Diseases of the National Institutes of Health, under a subcontract managed by SAIC-Frederick, Inc.

Production is scheduled to begin in the second half of 2005, with shipments anticipated in 2005 and 2006 in support of planned Phase 2 studies. The company has produced multiple DNA vaccines for the VRC against infectious disease targets including Ebola, severe acute respiratory syndrome (SARS), and West Nile virus.

“We are pleased to provide manufacturing support for the VRC’s DNA vaccine development programs,” said Vijay B. Samant, Vical’s President and Chief Executive Officer, “and we are particularly encouraged with their plans to advance to Phase 2 studies of their six-plasmid, multi-antigen, multi-clade HIV DNA vaccine.”

The production orders are expected to impact revenues beginning in the second half of 2005 and the company continues to forecast a full-year net loss of \$23 million to \$26 million for 2005.

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 has retained all rights to its internally developed product candidates. 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 serve significant unmet medical needs. Additional information on Vical is available at 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. Forward-looking statements include statements about the term and scope of the company's manufacturing agreement as well as the company's focus, collaborative partners, and product candidates. Risks and uncertainties include whether SAIC-Frederick will extend or terminate the agreements or any existing production orders, whether SAIC-Frederick will issue any additional production orders under the agreements, whether Vical will produce and deliver production lots as specified in the order, whether Vical will receive timely payment for delivery of such production lots, whether any product candidates will be shown to be safe and effective in clinical trials, the timing, nature and cost of clinical trials, whether Vical or its collaborative partners will seek or gain approval to market any product candidates, whether Vical or its collaborative partners will succeed in marketing any product candidates, 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.

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