Jennerex and Transgene Present Positive JX594/TG6006 Randomized Phase 2 Clinical Data Showing Promising Survival Benefit in Patients with Advanced Liver Cancer

—Global Phase 2b Trial in Preparation—

San Francisco, USA, and Illkirch, France, May 19, 2011 –Jennerex Biotherapeutics, Inc., a private clinical-stage biotherapeutics company focused on the design, development and commercialization of first-in-class targeted oncolytic products for cancer, and Transgene (NYSE Euronext Paris: FR0005175080), a bio-pharmaceutical company specialized in the development of immunotherapeutic products, announced the presentation of preliminary data from a randomized dose-ranging Phase 2 trial of JX594/TG6006 in patients with advanced liver cancer showing a benefit in overall survival for the high dose group. The preliminary data from the study HEP007 indicated that the risk of death for patients who received JX594/TG6006 at the high, therapeutic dose was markedly reduced by more than 50 percent ("hazard ratio" < 0.5) when compared to patients randomized to a low, control dose (one-tenth of the high dose). Clinical investigators enrolled approximately 30 patients at sites in the United States, Canada and South Korea.

The data were presented by David Kirn, M.D., President and Chief Executive Officer of Jennerex, today in an oral presentation in the Presidential Symposium of the American Society of Gene and Cell Therapy (ASGCT) Annual Meeting in Seattle, Washington. These data were also chosen for inclusion in ASGCT's Media Event to be held during the annual meeting. Jennerex and its partners expect to present further follow-up on the complete trial data set at a medical conference later this year.

A randomized, placebo-controlled Phase 2b clinical trial of JX594/TG6006 in patients with hepatocellular carcinoma (HCC) having failed sorafenib (Nexavar®) treatment is in preparation. This trial (TRAVERSE), conducted globally with Jennerex's partners, will evaluate survival in advanced HCC patients who have either progressed or exhibited intolerance after treatment with sorafenib, the current standard of care.

"We are encouraged by the promising overall survival results presented today. Given the large global unmet need in the patient population with advanced liver cancer, the clinical benefit observed gives us confidence in proceeding into larger late-stage trials" stated Dr. Kirn, President and CEO of Jennerex.

"We look forward to initiating a global Phase 2b trial, the TRAVERSE study, in HCC later this year. If we are able to show that JX594/TG6006 can achieve a statistically-significant survival benefit in larger randomized trials, JX594/TG6006 could represent an important new treatment option for HCC patients" said Philippe Archinard, Chairman and CEO of Transgene.

JX594/TG6006: A Multi-Mechanistic Approach To Targeting Cancer:
JX594/TG6006 is a proprietary, engineered oncolytic virus that is designed to selectively target and destroy cancer cells. JX594/TG6006 is designed to attack cancer through three diverse mechanisms of action: 1) the lysis of cancer cells through viral replication, 2) the reduction of the blood supply to tumors through vascular targeting and destruction, and 3) the stimulation of the body's immune response against cancer cells, i.e., active immunotherapy. Phase 1 and Phase 2 clinical trials in multiple cancer types to date have shown that JX594/TG6006, delivered either directly into tumors or systemically, induces tumor shrinkage and/or necrosis and is well-tolerated by patients (over 100 treated to date). Objective tumor responses have been demonstrated in a variety of cancers including liver, colon, kidney, lung and melanoma. JX594/TG6006 has a favorable safety profile with predictable and generally mild side effects that typically include flu-like symptoms that resolve in 48 to 72 hours.

The poxvirus strain backbone of JX594/TG6006 has been used safely in millions of people as part of a worldwide vaccination program. This strain naturally targets cancer cells due to common genetic defects in cancer cells. JX594/TG6006 was engineered to enhance this natural safety and cancer-selectivity by deleting its thymidine kinase (TK) gene, thus making it dependent on the cellular TK expressed at persistently high levels in cancer cells. To enhance product efficacy, JX594/TG6006 is also engineered to express the GM-CSF protein. GM-CSF complements the cancer cell lysis work of the product candidate, leading to a cascade of events resulting in tumor necrosis, tumor vasculature shutdown and an anti-tumoral immune attack.

Hepatocellular Carcinoma: A Global Unmet Need:
Hepatocellular carcinoma is the fifth most common cancer worldwide and the third leading cause of cancer death, with over 600,000 new cases diagnosed annually resulting in more than 90 percent mortality. The annual incidence rate in the U.S., Europe, Japan and China are estimated to be 20,000, 55,000, 40,000 and 350,000 patients, respectively. Currently, there is only one approved agent for HCC, a drug called sorafenib (Nexavar®), which is associated with moderate efficacy (tumor response rate of <5%) and a side effect profile that has resulted in discontinuation of use in some patients.

About Transgene:
Transgene, a member of the Institut Mérieux Group, is a publicly traded French bio-pharmaceutical company dedicated to the development of therapeutic vaccines and immunotherapeutic products in oncology and infectious diseases, and has five compounds in clinical development: TG4010 and JX594/TG6006 having completed initial Phase 2 trials, TG4001 in Phase 2b trial, TG4040 in Phase 2 trial and TG4023 in Phase 1 trial. Transgene has concluded strategic agreements for the development of two of its immunotherapy products, an option agreement with Novartis for the development of TG4010 to treat various cancers, and an in-licensing agreement with US-based Jennerex Biotherapeutics, Inc., to develop and market JX594/TG6006, an oncolytic virus.

Transgene has bio-manufacturing capacities for viral-based products. Additional information about Transgene is available on the internet at www.transgene.fr

About Jennerex:
Jennerex Biotherapeutics, Inc. is a clinical-stage biotherapeutics company focused on the development and commercialization of first-in-class, breakthrough targeted oncolytic products for cancer. The Company's lead product JX594 is currently in two Phase 2 clinical trials in patients with primary liver cancer—an international, randomized, Phase 2 clinical trial, and a Phase 2 study of JX594 in combination with sorafenib. Published studies designed to establish optimal dose levels and the safety profile of JX594 have shown its ability to selectively target and cause destruction of a variety of common cancer types. JX594 and other product candidates under development are designed to attack cancer tumors through three diverse mechanisms of action: the lysis of cancer cells through viral replication, the ablation of the blood supply to tumors through vascular targeting and destruction and the stimulation of the body's immune response against the cancer. Jennerex is headquartered in San Francisco and has related research and development operations in Ottawa, Canada and Pusan, South Korea. For more information about Jennerex, please visit www.jennerex.com.

Cautionary note for Transgene regarding forward-looking statements:
This press release contains forward-looking statements referring to the joint clinical testing and development and commercial potential of JX594/TG6006. Clinical testing and successful product development and commercialization depend on a variety of factors, including the timing and success of future patient enrolment, the risk of unanticipated adverse patient reactions, regulatory approval and the level of demand for the product by the medical community. Results from future studies with more data may show less favorable outcomes than prior studies, and there is no certainty that product candidates will ever demonstrate adequate therapeutic efficacy or achieve regulatory approval or commercial success. In addition, forward-looking statements regarding product development, testing and marketing costs are by the nature subject to uncertainties as a result of unforeseen difficulties and expenses which may arise, and future product development costs may exceed current expectations. For further information on the risks and uncertainties involved in the testing and development of Transgene's product candidates, see Transgene's Document de Référence on file with the French Autorité des marchés financiers on its website at http://www.amf-france.org and Transgene's website at www.transgene.fr .

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