Transgene and Jennerex Announce the First Patient Randomized in Phase IIb Clinical Trial of JX594/TG6006 in Liver Cancer

The TRAVERSE study should recruit 120 patients in 45 sites globally

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Strasbourg, France, and San Francisco, California, November 4, 2011 – Transgene (Euronext Paris: FR0005175080) and Jennerex, Inc. today announce that enrollment has been initiated and the first patient has been randomized in a Phase IIb clinical trial called TRAVERSE. The trial is evaluating the use of JX594/TG6006 to treat patients with advanced liver cancer, also known as hepatocellular carcinoma (HCC), who failed prior therapy with Nexavar® (sorafenib), the only approved drug for HCC. The randomization of the first patient in the TRAVERSE study triggers an undisclosed milestone payment from Transgene to Jennerex.

"JX594/TG6006, with its targeted, multi-mechanistic approach, could offer liver cancer patients a distinct therapeutic alternative, even after they have failed all approved treatment options" stated David H. Kirn, M.D., President and Chief Medical Officer of Jennerex, Inc. the US-based licensor of the product. He added: *"We are building on the positive results of our recent Phase II clinical trials evaluating JX594/TG6006 in advanced liver cancer both as a single agent and as followed by sorafenib (Nexavar®)."*

"The start of this trial, achieved on a tight schedule, reflects our committment to the clinical advancement of this promising product" said Philippe Archinard, Chairman and CEO of Transgene, who added: *"It also reflects the very productive cooperation among the JX594/TG6006 partners in the medical, clinical and regulatory operations."*

The TRAVERSE Phase IIb clinical trial is designed to enroll 120 patients with advanced liver cancer who have failed sorafenib therapy. The randomized study will be conducted at approximately 45 sites worldwide including North America, South Korea, Taiwan, Hong Kong, and Europe. The primary objective of the trial is to determine the overall survival benefit for patients receiving JX594/TG6006 with best supportive care, compared to best supportive care alone in patients with refractory advanced liver cancer.

For more information about the trial, please visit www.clinicaltrials.gov.

Recent Clinical Data for JX594/TG6006 in Liver Cancer:

Data from two Phase II clinical trials using JX594/TG6006 to treat liver cancer were announced earlier this year. In the first trial, preliminary data from 30 patients 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 control low dose (one-tenth of the high dose). Final data from this trial will be released during the upcoming AASLD meeting in San Francisco (November 3-8, 2011).

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In a second Phase II trial which sequentially combined intravenous and intratumoral administration of JX594/TG6006 and sorafenib treatment, interim data from 15 patients, including a subgroup of 10 who have failed previous treatment with sorafenib, demonstrated tumor responses by Choi criteria (a measure of tumor necrosis) in both injected and non-injected tumors in 8 of 11 evaluable patients. Tumor responses were maintained for up to 15 months post JX594/TG6006 treatment initiation. Significant tumor necrosis following JX594/TG6006 and sorafenib was observed in 6 of 7 evaluable sorafenib resistant patients (86 percent).

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 ~2%) and a side effect profile that results in treatment discontinuation in one fourth to one third of patients.

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 shutdown 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 I and Phase II 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 120 treated to date). Objective tumor responses have been demonstrated in a variety of cancers including liver, colon, kidney, lung cancer 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 24 to 48 hours.

About Transgene:

Transgene, a member of the Institut Mérieux Group, is a publicly traded French biopharmaceutical company dedicated to the development of therapeutic vaccines and immunotherapeutic products in oncology and infectious diseases and has four compounds in Phase II clinical development: TG4010 and JX594/TG6006 having already completed initial Phase II trials, TG4001 and TG4040. 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, 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 at www.transgene.fr.

About Jennerex:

Jennerex, 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/TG6006 is currently in an international, randomized Phase IIb clinical trial (TRAVERSE) in patients with advanced primary liver cancer who have failed sorafenib therapy. In addition, JX594/TG6006 is being tested in the same patient population in combination with sorafenib. JX594/TG6006 is also in a Phase I clinical trial in patients with treatment-refractory

colorectal cancer. Published studies designed to establish optimal dose levels and the safety profile of JX594/TG6006 have shown its ability to selectively target and cause destruction of a variety of common cancer types. JX594/TG6006 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.

Disclaimer:

This press release contains certain forward-looking statements. Although the company believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated. In particular, the Company's ability to commercialize its first product depends on the continuing success of clinical studies, ongoing financing for further product developments and marketing launch, a positive response from the medical community regarding the product's costs and effectiveness. For a discussion of risks and uncertainties which could cause the company's actual results, financial condition, performance or achievements to differ from those contained in the forward-looking statements, please refer to the Risk Factors ("Facteurs de Risque") section of the Document de Reference prospectus, which is available on the AMF website (http://www.amf-france.org) or on Transgene's website (www.transgene.com). This press release and the information contained herein do not constitute an offer to sell or a solicitation of an offer to buy or subscribe to shares in Transgene in any country.

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