Transgene and Jennerex Announce First Patient Treated in Phase 2a Clinical Trial of JX594/TG6006 in Colorectal Cancer Patients

Product to be used as neoadjuvant therapy to patients undergoing surgery

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Strasbourg, France and San Francisco, California, December 21, 2011- Transgene (Euronext Paris: FR0005175080) and Jennerex, Inc. today announced that the first patient has been treated in a Phase 2a clinical trial of JX594/TG6006 as a neoadjuvant therapy in patients who are undergoing surgery to treat colorectal cancer that has spread to the liver.

The study is being led by Rebecca Auer, M.D., surgical oncologist at The Ottawa Hospital, associate scientist at the Ottawa Hospital Research Institute and assistant professor of surgery at the University of Ottawa in Ottawa, Canada. The clinical trial is being supported by funding from the Ontario Institute for Cancer Research.

"This trial will allow us to evaluate the use of JX594/TG6006 in patients with surgically resectable disease, potentially expanding the role of this therapy in the treatment continuum," said David H. Kirn, M.D., president and chief medical officer of Jennerex. *"We continue to believe that JX594/TG6006 could play an integral role in the treatment of cancers and look forward to the results of this trial along with data from the larger Phase 2b study, called TRAVERSE, that is under way in patients with advanced hepatocellular carcinoma."*

"In addition, this study will allow us to expand our analysis of the multi-mechanistic therapeutic activity of JX594/TG6006 through the examination of tumor specimens collected during surgery following JX594/TG6006 administration," said John C. Bell, Ph.D., senior scientist, cancer therapeutics, Ottawa Hospital Research Institute, and professor of medicine, University of Ottawa. Dr. Bell is also the program leader of the Ontario Institute for Cancer Research's Immuno- and Bio-therapies Program.

This Phase 2a clinical trial will enroll approximately 20 patients with colorectal cancer metastases to the liver. Patients will receive a single injection of JX594/TG6006 intravenously or intratumorally two weeks prior to surgical resection. Tumors will be evaluated for evidence of JX594/TG6006 replication and pathologic response. Patients will subsequently be followed for progression-free survival and overall survival. For more information about the trial, please visit www.clinicaltrials.gov.

About Colorectal Cancer :

Colorectal cancer is the second leading cause of cancer-related deaths in the United States and according to the World Health Organization, it accounts for approximately 639,000 deaths worldwide each year. Approximately one in 20 people in the United States will develop CRC during their lifetime, with the risk increasing with age. Ninety percent of all CRC cases are diagnosed in people over the age of 50. The exact cause of colorectal cancer is not known, although there are certain known risk factors that increase the chance of developing colorectal cancer. These risk factors include inflammatory bowel disease, family history of CRC, certain genetic syndromes, smoking, low fruit and vegetable intake and a sedentary lifestyle.

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 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 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 2 clinical development: TG4010 and JX594/TG6006 having already completed initial Phase 2 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 2b 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 1 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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