Transgene Announces a Follow-on Investment in Jennerex, Inc.

Strasbourg, France, May 28, 2013 — Transgene SA (Euronext Paris: TNG), a biopharmaceutical company that develops immunotherapy products to treat major unmet medical needs in cancer and chronic infectious diseases, today announces an additional $2.5 million investment in the equity capital of Jennerex, Inc. The investment was made in the context of a $21.6 million private placement of shares to existing shareholders of the Company. The proceeds will notably be used for the financing of ongoing clinical studies with Pexa-Vec (JX549/TG6006), developed in collaboration with Transgene.

Pexa-Vec is an oncolytic immunotherapy in phase 1 and 2 clinical trials in various cancers, including advanced liver cancer (hepatocarcinoma). To date, the product has been injected to 250 patients in North America, Asia and Europe, with promising data in terms of survival, tumor response and tolerability.

"Our follow-on investment in Jennerex, Inc. reflects our confidence in Pexa-Vec, which should start its first phase 3 trial in the first part of 2014" said Philippe Archinard, Chairman and CEO of Transgene. He added: *"Transgene is one of the world leaders in viral-based immunotherapy. Oncolytic immunotherapy is therefore core to our strategy".*

Transgene owns approximately 10% of Jennerex, Inc.

About Pexa-Vec:
Pexa-Vec (JX-594/TG6006, pexastimogene devacirepvec) was derived from vaccinia, which has been used for decades as a vaccine in healthy individuals, and was engineered to selectively target cancer cells. Pexa-Vec was also engineered to express GM-CSF, a white blood cell growth factor, which activates a systemic immune response to kill tumor cells throughout the body. Pexa-Vec exploits the unique characteristics of vaccinia, including its stealth extracellular enveloped form, which allows the virus to survive in the bloodstream in the presence of neutralizing antibodies, leading to its ability to be administered both intravenously (IV) and intratumorally (IT). Unlike many targeted therapies that rely on a single target, Pexa-Vec is applicable to multiple solid tumor types.

In addition to TRAVERSE, Pexa-Vec is currently being evaluated as monotherapy in sorafenib-naïve HCC patients and in combination with sorafenib. Pexa-Vec is also being evaluated in a phase 1/2 clinical trial in patients with treatment-refractory colorectal cancer as monotherapy and in combination with irinotecan, and in a phase 2a clinical trial in treatment-refractory kidney cancer patients.

Phase 1 and phase 2 clinical trials in multiple cancer types to date have shown that Pexa-Vec, delivered either directly into tumors or intravenously, induces tumor shrinkage and/or necrosis and is well-tolerated (250 patients treated to date). Objective tumor responses have been demonstrated in a variety of cancers including liver, colon, kidney, lung cancer and melanoma. Pexa-Vec has had a predictable and manageable safety profile to date which includes flu-like symptoms that resolve in 24 hours.

Pexa-Vec is developed by Jennerex, Inc. of San Francisco, California in collaboration with Transgene SA, Green Cross Corporation and Lee's Pharmaceutical Holdings, each with exclusive rights to its territories. Transgene has development and commercialization rights in Europe, CIS and certain North African and Middle Eastern countries, a total of 54 countries.

About Transgene:
Transgene (NYSE-Euronext: TNG), a member of the Institut Mérieux Group, is a biopharmaceutical company. We create, develop and manufacture targeted immunotherapeutics for the treatment of cancers and infectious diseases. Our products are major technological breakthroughs that use well tolerated viruses to indirectly or directly kill infected or cancerous cells. Our four most advanced products have generated proof of concept data in randomized clinical studies: in lung cancer (TG4010), liver cancer (Pexa-Vec), hepatitis C (TG4040) and HPV-related cervical lesions (TG4001). We have concluded strategic agreements for the development of three of these products: an option agreement with Novartis for the development of TG4010, an in-licensing agreement with US-based Jennerex, Inc. to develop and market Pexa-Vec and a strategic collaboration with EORTC to develop TG4001 in cancer of the oropharynx. We also have a non-exclusive agreement with Sanofi/Genzyme for the future commercial production of our products. Most of our 280 employees are based in Strasbourg, France, and we have operations in Lyon, China and the USA. Additional information about Transgene is available at www.transgene.fr.

Transgene Forward Looking Statements:
This press release contains forward-looking statements notably referring to the development of Pexa-Vec as a treatment against certain cancers. Such anticipated development is based on the results obtained thus far in clinical trials. These results are not necessarily predictive of the results that we may obtain in ongoing or future clinical testing. We could never be able to develop, manufacture or sell Pexa-Vec in the future. 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 on Transgene's website at www.transgene.fr.

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