



## Transgene Reports 2013 Half Year Results

- €72 million (above \$90 million) in cash at end of June 2013
- Important news-flow in Q4 for the two lead programs, TG4010 and Pexa-Vec

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**Strasbourg, France, September 12, 2013** – Transgene (Euronext Paris: TNG) announces today its financial results for the six-month period ended June 30, 2013. The Interim Financial Report is available on the Company's website at <http://www.transgene.fr>.

Revenue amounted to €6.7 million in the first six months of 2013, compared to €6.1 million in the first six months of 2012. Research and development expenses were €25.5 million in the first six months of 2013, compared to €23.8 million in the first six months of 2012. This increase was mainly due to increased expenses on clinical trials. G&A expenses were €3.3 million in the first six months of 2013, unchanged.

In the first six months of 2013, net loss and net loss per share amounted respectively to €23.2 million and €0.73 (vs. respectively €21.8 million and €0.68 in the first six months of 2012).

Cash consumption amounted to €20.9 million in the first half of 2013. Transgene had €72 million in cash as of June 30, 2013. The Company confirmed its guidance of cash burn of approximately €50 million for the full year 2013.

*"R&D expenses, net loss and cash consumption for the first six months of 2013 are in line with our guidance" said Stéphane Boissel, EVP and CFO of Transgene. He added: "We anticipate R&D expenses to increase going forward as we hope to enter our most advanced programs into late-stage clinical development and expect to continue to advance and grow our R&D pipeline".*

*"Over the last 24 months, we have expanded and enhanced our clinical operations to aggressively drive forward TG4010 and Pexa-Vec, our two lead product candidates, in clinical development. We look forward to reporting key clinical data in non-small cell lung cancer with TG-4010, as well as announcing our decision on the further development of Pexa-Vec in liver cancer, in the fourth quarter of this year" said Philippe Archinard, Chairman and CEO of Transgene. He added: "In addition to these advanced programs, Transgene continues to build its pipeline using its core technologies in viral vectors to develop future immunotherapy breakthroughs to treat cancer and infectious diseases".*

**Key news since January 2013:**

**Research and development:**

- TG4010: Phase 2b TIME trial in non-small cell lung cancer 90% recruited as of June 2013.
- Pexa-Vec: Phase 2b TRAVERSE trial in advanced hepatocellular carcinoma (HCC) - trial does not meet primary endpoint of overall survival; additional analyses ongoing.
- TG4040: Phase 2 data presented at European Association for the Study of the Liver Conference (EASL).
- TG1050: Encouraging pre-clinical data in chronic hepatitis B and TG1050 presented at EASL.

**Corporate and business development:**

- Agreement signed with Sanofi/Genzyme for the future commercial production of Transgene's products.
- Investments made in ElsaLys Biotech, a therapeutic antibody company started by former Transgene executives, and in Jennerex, Inc., co-developer of Pexa-Vec.
- Two new members appointed to Board of Directors: Laurence Zitvogel, MD, professor of immunology and biology at Paris University and Jean-Luc Bélingard, Chairman and Chief Executive Officer of bioMérieux S.A.
- TG1042: License granted to immunotherapy company Ascend Biopharmaceuticals for development and commercialization in basal cell carcinoma and two other cancer indications.

**Expected key news flow:**

- Top-line data from Phase 2b TIME trial evaluating TG4010 in patients with non-small cell lung cancer (Q4 2013).
- Decision to move Pexa-Vec into Phase 3 in HCC. (Q4 2013).
- Novartis decision re: TG4010 development and commercialization option (Q1 2014).

**English conference call numbers – First Half Results – 18:45 CEST:**

**Webcast link:**

<http://www.media-server.com/m/p/dymgqjm8>

**Webcast access on mobile devices - QR code:**

For access to the live and on demand webcast from any IOS apple or Android mobile devices:



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**Confirmation Code: 5907501**

***Participants will have to quote the above code when dialing into the conference.***

Duration of this call in English is 45 minutes.

**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 generally 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](http://www.transgene.fr).

**Disclaimer:**

*This press release contains forward-looking statements notably referring to the anticipated cash consumption for 2013. The Company's anticipated cash consumption for 2013 is based on currently anticipated costs for on-going and planned product development and testing, but may increase in the event of unanticipated expenses. 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.amffrance.org> and on Transgene's website at [www.transgene.fr](http://www.transgene.fr).*

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**Consolidated interim balance sheet, IFRS**  
(in thousands of euros)

<b>ASSETS</b>	<b>30.06.2013</b>	<b>31.12.2012*</b>
<u>Current assets:</u>		
Cash and cash equivalents	8,243	6,137
Other current financial assets	63,801	86,778
<b>Cash, cash equivalent and other financial assets:</b>	<b>72,044</b>	<b>92,915</b>
Receivables	898	2,012
Inventories	897	1,107
Other current assets	9,296	2,340
<b>Total current assets</b>	<b>83,135</b>	<b>98,374</b>
<u>Non-current assets:</u>		
Property, plant and equipment	24,374	24,805
Intangible assets	1,468	1,497
Financial assets	10,171	7,382
Equity consolidated affiliates	4,307	3,932
Other non-current assets	20,243	24,474
<b>Total non-current assets</b>	<b>60,563</b>	<b>62,090</b>
<b>Total assets</b>	<b>143,698</b>	<b>160,464</b>
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<b>EQUITY and LIABILITIES</b>	<b>30.06.2013</b>	<b>31.12.2012*</b>
<u>Current liabilities:</u>		
Payables	10,279	9,587
Financial liabilities	8,848	961
Provisions for risks	1	2
Other current liabilities	6,045	8,853
<b>Total current liabilities</b>	<b>25,173</b>	<b>19,402</b>
<u>Non-current liabilities:</u>		
Financial liabilities	38,101	38,006
Defined benefit obligations	4,828	4,584
Other non-current liabilities	-	252
<b>Total non-current liabilities</b>	<b>42,929</b>	<b>42,842</b>
<b>Total liabilities</b>	<b>68,102</b>	<b>62,244</b>
<u>Equity:</u>		
Share capital	72,886	72,886
Share premiums	427,629	427,258
Retained earnings	(399,849)	(356,655)
Net loss for the period	(23,166)	(43,194)
Other comprehensive income	(1,904)	(2,075)
<b>Total equity and reserves attributable to equity holders of the Company</b>	<b>75,596</b>	<b>98,220</b>
<b>Total equity and liabilities</b>	<b>143,698</b>	<b>160,464</b>

\* 2012 accounts as modified in accordance with the new IAS19, retroactively applicable (Note 1.8.3)

**Consolidated interim income statement, IFRS**  
(in thousands of euros, except for per share data)

	30.06.2013	30.06.2012*
Revenue from collaborative and licensing agreements	1,401	1,593
Government financing for research expenditures	5,313	4,481
<b>Revenue</b>	<b>6,714</b>	<b>6,074</b>
Research and development expenses	(25,458)	(23,811)
General and administrative expenses	(3,265)	(3,313)
Other income and (expenses), net	(226)	(424)
<b>Net operating expenses</b>	<b>(28,949)</b>	<b>(27,548)</b>
<b>Operating income / (loss)</b>	<b>(22,235)</b>	<b>(21,474)</b>
<b>Interest income and (expenses), net</b>	<b>(805)</b>	<b>(81)</b>
<b>Income / (loss) before tax</b>	<b>(23,040)</b>	<b>(21,555)</b>
Income tax expense	-	-
Income from equity consolidated affiliates	(126)	(200)
<b>Net income/ (loss)</b>	<b>(23,166)</b>	<b>(21,755)</b>
Net income per share (€)	(0.73)	(0.68)
Diluted earnings per share (€)	(0.73)	(0.68)

\* 2012 accounts as modified in accordance with the new IAS19, retroactively applicable (Note 1.8.3)

**Comprehensive income (IFRS)**  
(in thousands of euros)

	30.06.2013	30.06.2012*
<b>Net income / (loss)</b>	<b>(23,166)</b>	<b>(21,755)</b>
Foreign exchange gains / (losses)	3	24
Reevaluation of hedging instruments	168	(126)
<b>Other comprehensive income</b>	<b>171</b>	<b>(102)</b>
<b>Comprehensive income</b>	<b>(23,337)</b>	<b>(21,857)</b>
Of which, equity holder of the parent	(23,337)	(21,857)
Of which, minority interests	-	-

\* 2012 accounts as modified in accordance with the new IAS19, retroactively applicable (Note 1.8.3)

**Consolidated interim cash flow statement, IFRS**  
(in thousands of euros)

	30.06.2013	30.06.2012*
<b>Cash flow from operating activities:</b>		
Net income	(23,166)	(21,755)
Elimination of financial elements	1,121	83
<b>Elimination of non-cash elements:</b>		
Income from equity consolidated affiliates	126	200
Changes in provisions	461	130
Depreciation and amortization of tangible and intangible assets	1,386	1,368
Payments in shares	371	436
Others	182	-
<b>Net cash generated from / (used in) operating activities before change in working capital and other operating cash flow:</b>	<b>(19,796)</b>	<b>(19,538)</b>
<b>Changes in operating working capital:</b>		
Receivables	1,280	(416)
Inventories	210	(82)
Research tax credits	(3,688)	(3,992)
Other current assets	616	(190)
Payables	831	(2,081)
Prepaid income	(2,316)	(401)
Accrued employee benefits expense	(564)	(316)
Other current liabilities	(180)	(242)
<b>Net cash generated from / (used in) operating activities:</b>	<b>(23,607)</b>	<b>(27,068)</b>
<b>Cash flow from investing activities</b>		
(Purchase) / disposal of property, plant and equipment	(1,122)	(827)
(Purchase) / disposal of intangible assets	(126)	(148)
Other (purchases) / disposals	(2,442)	-
<b>Net cash generated from / (used in) investing activities:</b>	<b>(3,690)</b>	<b>(975)</b>
<b>Cash flow from financing activities</b>		
Net cash interest	(394)	240
Gross proceeds from issuance of share capital	-	110
Fees paid in relation to capital increase	-	-
Conditional subsidies	-	3,116
(Acquisition) / disposal of current financial assets	22,678	26,878
Research tax credit financing	7,418	6,500
Repayment of finance lease liabilities	(301)	138
<b>Net cash generated from / (used in) financing activities</b>	<b>29,401</b>	<b>36,982</b>
Effect of changes in exchange rates on cash and cash equivalents	3	24
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,107</b>	<b>8,963</b>
Cash and cash equivalents at beginning of period	6,137	1,733
<b>Cash and cash equivalents at end of period</b>	<b>8,244</b>	<b>10,696</b>
Investments in other financial assets	63,800	110,726
<b>Cash, cash equivalents and other financial assets</b>	<b>72,044</b>	<b>121,422</b>

\* 2012 accounts as modified in accordance with the new IAS19, retroactively applicable (Note 1.8.3)