



Transgene Reports that the Acquisition of Jennerex, Inc. by SillaJen has Closed

Strasbourg, France, March 18, 2014 – Transgene SA (NYSE-Euronext: TNG) announced today the closing of the acquisition of Jennerex, Inc. by SillaJen.

Philippe Archinard, Chairman and Chief Executive Officer of Transgene, said: *“We are very pleased that the acquisition of Jennerex, Inc. by SillaJen has successfully closed in the first quarter of 2014 as planned. Importantly, with our partner for Pexa-Vec now well funded, we will be able to effectively advance our shared ambitious development plan for this promising immunotherapy candidate, including a Phase 3 trial in liver cancer”.*

Transgene owns approximately 8.5% of Jennerex, Inc. on a fully diluted basis. Under the terms of the acquisition agreement, Transgene will receive approximately \$3.8 million in cash at closing. This will be booked in the first quarter of 2014. Transgene is also eligible to receive an additional \$8.9 million in cash if all future clinical and regulatory milestones are achieved.

The development and commercialization agreement for Pexa-Vec oncolytic virotherapy between Transgene and Jennerex, Inc., now a wholly owned subsidiary of SillaJen, remains intact, and the partners are moving forward with the development plan for this program. As previously announced, the development plan is expected to include a global Phase 3 trial in first-line hepatocellular carcinoma (liver cancer), as well as exploratory and supportive Phase 2 studies in a variety of cancer types and with various other therapies, including immune checkpoint inhibitors.

About Pexa-Vec:

Pexa-Vec (JX594/TG6006 pexastimogene devacirepvec) is an engineered oncolytic vaccinia virus armed with a GM-CSF gene that promotes an anti-tumor immune response. Pexa-Vec is designed to selectively target and destroy cancer cells through three different mechanisms of action: the lysis (breakdown) of cancer cells through viral replication, the reduction of the blood supply to tumors through vascular targeting and disruption, and the stimulation of the body's immune response against cancer cells. Clinical trials are ongoing or planned in hepatocellular carcinoma (liver cancer), renal cell carcinoma (kidney cancer), colorectal cancer, as well as other tumor types.

Hepatocellular carcinoma, the lead indication for Pexa-Vec, 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.ⁱ 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.ⁱⁱ Currently, there are few approved treatment options for advanced HCC patients.

Transgene has exclusive rights to develop and commercialize Pexa-Vec for the treatment of solid tumors in Europe, the Commonwealth of Independent States and the Middle East.

About Transgene:

Transgene (NYSE-Euronext: TNG), a member of the Institut Mérieux Group, is a publicly traded French biopharmaceutical company focused on discovering, developing and manufacturing targeted immunotherapies for the treatment of cancer and infectious diseases. Transgene's programs utilize well-tolerated viruses with the goal of indirectly or directly killing infected or cancerous cells. The Company's four clinical-stage programs are: TG4010 for non-small cell lung cancer; Pexa-Vec for liver cancer; TG4001 for oropharyngeal cancer (under a collaboration agreement with the EORTC) and TG4040 for chronic Hepatitis C. Transgene has concluded corporate strategic agreements for the development of two of its immunotherapy products: an exclusive option agreement with Novartis for the development and commercialization of TG4010 and an in-licensing agreement with U.S.-based Jennerex, Inc. for the development and commercialization of Pexa-Vec in certain territories. The Company also has several programs in research and pre-clinical development that are based on its core viral vector technology.

Transgene is based in Strasbourg, France, and has additional operations in Lyon, as well as satellite offices in China and the U.S. Additional information about Transgene is available at www.transgene.fr.

Disclaimer:

This press release contains forward-looking statements about Transgene's expectations of payments from the acquisition of Jennerex by SillaJen as well as the future development of the Pexa-Vec program. 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. The Company's ability to commercialize its products depends on but is not limited to the following factors: positive pre-clinical data may not be predictive of human clinical results, the success of clinical studies, the ability to obtain financing and/or partnerships for product development and commercialization, and marketing approval by government regulatory authorities. 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 Référence, which is available on the AMF website (<http://www.amf-france.org>) or on Transgene's website (www.transgene.fr).

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ⁱ <http://www.who.int/mediacentre/factsheets/fs297/en/>

ⁱⁱ Ferlay J, Shin HR, Bray F, Forman D, Mathers C and Parkin DM. GLOBOCAN 2008 v2.0, Cancer Incidence and Mortality Worldwide: IARC CancerBase No. 10 [Internet]. Lyon, France: International Agency for Research on Cancer; 2010. Available from: <http://globocan.iarc.fr>