Transgene Announces Third Quarter 2013 Financial Results

Strasbourg, France, October 21, 2013 – Transgene SA (NYSE-Euronext: TNG) today announced its financial results as of September 30, 2013 (third quarter and first nine months of 2013).

Operating Revenue:

The following table summarizes the operating revenue for the third quarter and first nine months of 2013 compared to the same periods in 2012:

Unaudited[1]	Third quarter		First nine months	
In million euros	**2013**	**2012**	**2013**	**2012**
Revenue from collaborative and licensing agreements	1.4	1.2	2.8	2.8
Government financing for research expenditures	3.4	2.0	8.7	6.5
Operating revenue	**4.8**	**3.2**	**11.5**	**9.3**

During the first nine months of 2013, revenue from collaborative and licensing agreements was mainly composed of: (i) manufacturing services for Jennerex, Inc., Transgene's strategic partner for the development of Pexa-Vec (JX594/TG6006) (1.5 million euros); (ii) revenue recognized from the payment made in 2010 by Novartis for an exclusive option agreement for TG4010 (0.8 million euros); and (iii) royalties from licensed technologies and products (0.4 million euros).

As of September 30, 2013, government financing for research expenditures included: (i) an estimate of the income accrued during the period for subsidies received and to be received (2.9 million euros) and (ii) 75% of the research tax credit for 2013, estimated as of June 30, 2013 (5.8 million euros).

Cash, Cash Equivalents, Available-for-sale Financial Assets and Other Financial Assets:

Cash, cash equivalents, available-for-sale financial assets and other financial assets amounted to 63.0 million euros as of September 30, 2013, compared to 72.0 million euros as of June 30, 2013. In the first nine months of 2013, Transgene's cash[2] burn was 29.9 million

[1] Unaudited and not subject to approval by the Board of Directors.
[2] Cash, cash equivalents, available-for-sale financial assets and other financial assets.

euros, with cash burn of 12.8 million euros in the first quarter, 8.1 million euros in the second quarter, and 9.0 million euros in the third quarter of 2013. Transgene confirmed its previous guidance of approximately 50 million euros in total cash burn for fiscal year 2013. Cash burn for the fourth quarter of 2013 compared to previous quarters is expected to increase due to the timing of cash receipts and an increase in clinical trial costs.

About Transgene:

Transgene, 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 oncology 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 US-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 certain forward-looking statements, including statements about cash burn. 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 but is not limited to the following factors: 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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