Transgene Announces Option for TG4010 Not Exercised

Moving forward with preparations for Phase 3 part of TIME trial as planned

Transgene to seek alternative development and commercialization partner

Conference call scheduled for April 29 at 9 AM CET

Strasbourg, France, April 28, 2014 – Transgene SA (NYSE-Euronext: TNG) today announced that Novartis has informed the Company that it will not exercise its option for the global development and commercialization rights to TG4010 MUC1 targeted cancer immunotherapy. As a result, Transgene retains all rights to the program.

"We regret that Novartis has chosen not to use its exclusivity period to opt-in and become our global partner for TG4010," said Philippe Archinard, Chairman and Chief Executive Officer of Transgene. He added: "*We are committed to start a Phase 3 trial in advanced lung cancer as rapidly as possible as the data obtained with this cancer immunotherapy are compelling, and we are well financed to move our plans forward. In parallel, we will now be actively looking for a partner to co-develop and commercialize TG4010. A variety of global players active in the field of cancer immunotherapy have already expressed interest in the program."*

Plans for the Phase 3 part of the TIME trial in MUC1+ patients with Stage IV non-small cell lung cancer (NSCLC) are well advanced, and Transgene is working to move into Phase 3 in the second half of this year, contingent on discussions with regulatory authorities.

The data from the Phase 2b part of the TIME trial continue to mature; Transgene expects detailed results to be presented at a major medical meeting later this year.

Conference call scheduled:

Transgene will host a conference call and webcast in English on Tuesday, April 29 at 9 AM CET. The dial-in numbers are:

France: +33 (0)1 76 77 22 28
United Kingdom: +44 (0)20 7138 0815
United States: +1 646 254 3366

Confirmation Code: 8578379

The weblink for the webcast is: http://www.media-server.com/m/p/hq3ahhfb

The replay will be available on Transgene's website at www.transgene.fr following the live webcast.

For access to the live and on demand webcast from any IOS apple or Android mobile devices, please use the following QR code:

About TG4010:

TG4010, a novel MUC1 targeting immunotherapy, is in development for the treatment of metastatic NSCLC in combination with first-line chemotherapy. TG4010 is a recombinant vaccinia virus of the Ankara strain (MVA) expressing the coding sequences of the MUC1 antigen and of the cytokine, Interleukin-2 (IL2). In healthy cells, the MUC1 protein is normally found on the surface of epithelial cells in many types of tissue and works to protect these cells. In tumor cells, several modifications of MUC1 can occur: over expression, hypo-glycosylation and changes in cellular localization. These changes transform the MUC1 protein into a highly immunogenic tumor associated antigen (TAA) and make it an attractive target for cancer immunotherapy. Thus, the strategy is to induce MUC1 antigen expression in a non-tumor environment, i.e., where the immune system is fully functional, in order to induce both innate and MUC1 specific adaptive immunity. In addition to NSCLC, the MUC1 TAA is expressed in many other solid tumor types, such as lung, breast, colorectal, kidney and prostate cancers.

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 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 two lead clinical-stage programs are: TG4010 for non-small cell lung cancer and Pexa-Vec for liver cancer. The Company has several other programs in clinical and pre-clinical development that are based on its core viral vector technology; this includes clinical-stage TG4001 for oropharyngeal cancer and TG1050 for hepatitis B in advanced pre-clinical development. 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 the future development of TG4010. 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. There can be no guarantee that (i) the results of the Phase 2b part of the TIME trial will be predictive of future results with TG4010, (ii) regulatory authorities will agree with the Company's plans for the Phase 3 part of the trial, or (iii) the Company will find a development and commercialization partner for TG4010 in a timely manner and on satisfactory terms and conditions, if at all. The occurrence of any of these risks could have a significant negative outcome for the Company's activities, perspectives, financial situation, results and development. 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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