

First Quarter 2012 Financial Report

Strasbourg, France, April 19, 2012 – Transgene (Euronext Paris: FR0005175080) today issues its quarterly financial report as of March 31, 2012 (first quarter of 2012).

Revenue:

The following table summarizes the first quarter operating revenue¹ for 2012 compared to the same period in 2011:

In thousands of euros	Q1	
	2012	2011
Revenue from collaborative and licensing agreements	801	1,210
Government financing for research expenditures	2,828	2,351
Operating revenue	3,629	3,561

During the first quarter of 2012, revenue from collaborative and licensing agreements were principally composed of: (i) manufacturing services for Jennerex, Inc., strategic partner of Transgene for the development of JX594/TG6006, (ii) revenue from the payment made in 2010 by Novartis for the exclusive option agreement on TG4010, and (iii) royalty from technologies or products licensed by Transgene.

As of March 31, 2012, government financing for research expenditures corresponds to: (i) an estimate of the income accrued during the period for subsidies received and/or to be received (328 thousands of euros), and (ii) a quarter of the research tax credit expected for 2012 (2,500 thousands of 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 123.8 million euros as of March 31, 2012, compared to 139.5 million euros as of December 31, 2011. Consumption of cash² amounted to 15.7 million euros in the first quarter of 2012, to be compared with 10.6 million euros in the first quarter of 2011. Transgene expects a cash consumption of around 50 million euros in 2012.

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.

About Transgene:

Transgene, a member of the Institut Mérieux Group, is a publicly traded French biopharmaceutical company dedicated to the development of therapeutic vaccines and immunotherapeutic products in oncology and infectious diseases and has four compounds in phase 2 clinical development: TG4010 and JX594/TG6006 having already completed initial phase 2 trials, TG4001 and TG4040. Transgene has concluded strategic agreements for the development of two of its immunotherapy products: an option agreement with Novartis for the development of TG4010 to treat various cancers and an in-licensing agreement with US-based Jennerex, Inc. to develop and market JX594/TG6006, an oncolytic virus. Transgene has bio-manufacturing capacities for viral-based products. Additional information about Transgene is available at www.transgene.fr.

Disclaimer:

This press release contains forward-looking statements notably referring to the anticipated cash consumption for 2012. The Company's anticipated cash consumption for 2012 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.

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