

TRANSGENE ANNOUNCES ITS INTENT TO RAISE FUNDS

Following this morning's press reports, Transgene (Euronext Paris: FR0005175080) wishes to clarify its position and announces today the intent to strengthen the Company's equity capital structure to finance its strategy to become an integrated biopharmaceutical company by 2015.

At this stage the characteristics envisaged for the fund-raising are as follows:

- The fund raising would take the form of a rights issue
- The major shareholder, Institut Mérieux which holds 55.2% of Transgene's capital, intends to subscribe pro-rata
- The precise amount of the rights issue is yet to be defined but is likely to be in the range of €100m to €150m

In light of its net cash position at December 31, 2009, of €64.7m, the Company is able to determine the timing of the fund raising and its announcement when it deems the conditions most appropriate.

The full and final characteristics of the issue have yet to be finalized and are subject to approval by the French market authorities (*Autorité des Marchés Financiers - AMF*).

About Transgene

Transgene is a France-based biopharmaceutical company dedicated to the development of therapeutic vaccines and immunotherapeutic products in oncology and infectious diseases. The company has four compounds in clinical development: TG4010 having completed phase II trials, TG4001/RG3484 in phase IIb trial, TG4040 having completed phase I studies and TG4023 in phase I trial. Transgene has concluded strategic agreements for the development of two of its immunotherapy products with:

- Roche for the development of TG4001/RG3484 to treat HPV-mediated diseases, and
- Novartis for the development of TG4010 to treat various cancers.

Transgene has bio-manufacturing capacities for viral-based products. Additional information about Transgene is available on the Internet at www.transgene.fr.

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Cautionary remarks regarding forward-looking statements:

This press release contains forward-looking statements referring to the preparation of a fund-raising project. The actual size, timing and terms of such a fund-raising remain to be definitively determined, and may differ from the principles announced above in light of market, financial, commercial and other factors. For a detailed description of the risks and uncertainties involved in the clinical testing and development of Transgene's product candidates, see Transgene's Document de référence filed with the French Autorité des Marchés Financiers.

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