

Third Quarter 2012 Financial Report

Strasbourg, France, October 18, 2012 – Transgene SA (Euronext Paris: FR0005175080) today issues its quarterly financial report as of September 30, 2012 (third quarter and first nine months of 2012).

Operating revenue:

The following table summarizes the operating revenue for third quarter and first nine months operating revenue of 2012 compared to the same periods in 2011:

<i>Unaudited</i> ¹ In million euros	Third quarter		First nine months	
	2012	2011	2012	2011
Revenue from collaborative and licensing agreements	1.2	1.3	2.8	5.0
Government financing for research expenditures	2.0	2.1	6.5	6.4
Operating revenue	3.2	3.4	9.3	11.4

During the first nine months of 2012, revenue from collaborative and licensing agreements were principally composed of: (i) manufacturing services for Jennerex, Inc., Transgene's strategic partner for the development of JX594/TG6006 (0.9 million euros), (ii) revenue from the payment made in 2010 by Novartis for the exclusive option agreement on TG4010 (1.3 million euros) and (iii) royalties from technologies or products licensed by Transgene (0.5 million euros).

As of September 30, 2012, government financing for research expenditures corresponded to: (i) an estimate of the income accrued during the period for subsidies received and/or to be received (0.9 million euros), and (ii) 75% of the research tax credit for 2012 as estimated as of June 30, 2012 (5.6 million euros).

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¹ Unaudited and not subject to approval by the Board of Directors.

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 108.9 million euros as of September 30, 2012, compared to 121.4 million euros as of June 30, 2012. Consumption of cash² amounted to 12.5 million euros in the third quarter of 2012. In the first nine months of 2012, Transgene's consumption of cash amounted to 30.6 million euros. Transgene expects a cash consumption of around 50 million euros in 2012, with notably significant expenses on clinical trials in the last quarter.

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 certain forward-looking statements. 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 the continuing success of clinical studies, ongoing financing for further product developments and marketing launch, a positive response from the medical community regarding the product's costs and effectiveness. 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 Reference prospectus, which is available on the AMF website (<http://www.amf-france.org>) or on Transgene's website (www.transgene.fr). This press release and the information contained herein do not constitute an offer to sell or a solicitation of an offer to buy or subscribe to shares in Transgene in any country.

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² Cash, cash equivalents, available-for-sale financial assets and other financial assets.