Transgene Reports Progress with its Proprietary Oncolytic Immunotherapy to Treat Solid Tumors

Strasbourg, France, May 15, 2014 – Transgene SA (Euronext Paris: TNG), a French biopharmaceutical company focused on discovering, developing and manufacturing targeted immunotherapies for the treatment of cancer and infectious diseases, today provided an update on TG6002, Transgene's proprietary oncolytic immunotherapy being developed for the treatment of solid tumors. TG6002 was discovered and designed by Transgene, which owns all development and commercialization rights to the program. TG6002 is currently in pre-clinical testing and has shown activity in several human tumor mouse models. The Company currently plans to initiate human clinical testing in 2015.

TG6002 (VV-TK-RR-FCU1) is a replicative and propagative viral vector (Vaccinia virus) expressing the FCU1 gene. Resulting from modifications of the viral vector, the propagation of TG6002 is restricted to the tumors, reducing toxicity to normal cells while inducing the breakdown of cancer cells, called oncolysis. The expression of the FCU1 gene in cancer cells infected by TG6002 enables the transformation of the non-cytotoxic pro-drug, flucytosine (5-FC), into 5-FU, a widely used chemotherapy. Thus, TG6002 combines oncolytic immunotherapy with localized and targeted chemotherapy. The mechanisms of action are different from standard therapies such as chemotherapy, tyrosine kinase inhibitors, antibodies and radiotherapy, and TG6002 holds the potential to be used in combination with such treatments.

Pre-clinical testing of TG6002 is ongoing and includes toxicity testing, as well as evaluating combinations with other novel therapies such as immune checkpoint inhibitors.

Upon conclusion of pre-clinical studies and regulatory submission, a Phase 1, first-in-humans dose-escalation study is expected to be initiated in patients with advanced solid tumors during 2015.

"We are excited to have two oncolytic immunotherapies in our development pipeline" said Philippe Erbs, Senior Manager, Head of Oncolytic Virus Laboratory. *"With our proprietary program TG6002 expected to enter the clinic next year, we continue to innovate, strengthen and diversify our pipeline as we develop novel technologies with the potential to address unmet medical needs in oncology as well as infectious diseases."*

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 TG6002. 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 TG6002 will enter clinical testing in 2015 or 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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