

Parc d'Innovation d'Illkirch, France, 10<sup>th</sup> May 2010

## **TRANSGENE ANNOUNCES THE LAUNCH OF A CAPITAL INCREASE WITH PREFERENTIAL SUBSCRIPTION RIGHTS**

Transgene (Euronext Paris: FR0005175080) announced today the launch of a capital increase with preferential subscription rights for an amount of approximately €152 million.

Each shareholder of the Company will receive one preferential subscription right per share held at midnight at the close of business on 10<sup>th</sup> May 2010. New shares may be subscribed at the price of €16 per share on the basis of 3 new shares for 7 existing shares.

The subscription period for new shares will start on 11<sup>th</sup> May 2010 and end on 25<sup>th</sup> May 2010 at the close of trading. During this period, the preferential subscription rights will be listed and traded on Euronext Paris (ISIN code FR0010895664).

Settlement and delivery and start of trading of the new shares on Euronext Paris are planned for 7<sup>th</sup> June 2010. They will be immediately fully fungible with the Company's existing shares and will be traded on the same quotation line under ISIN code FR0005175080.

### **Notice**

*This press release and the information herein do not constitute an offer to sell or purchase or a solicitation of a sale or purchase of Transgene's shares or preferential subscription rights.*

### **European Economic Area**

*The offer will be open to the public in France.*

*With regard to the Member States of the European Economic Area other than France (the "Member States") that have transposed Directive 2003/71/EC (the "Prospectus Directive"), no action has been undertaken nor will be undertaken to allow an offer to the public of securities that requires the publication of a prospectus in any of the Member States. Therefore, the preferential subscription rights, new shares or other securities indicated in the present press release can be offered in Member States only:*

- *to legal entities accredited or regulated as financial market operators, and entities that are not accredited or regulated and whose corporate object is exclusively to invest in securities;*
- *to any legal entity that fulfills at least two or three of the following criteria: (1) a workforce of at least 250 employees in the prior fiscal year, (2) a balance sheet total that exceeds €43 million, and (3) net annual sales in excess of €50 million as stated in the Company's most recent corporate financial statements or its annual consolidated financial statements;*
- *to less than 100 individuals or legal entities (other than qualified investors, as defined by the Prospectus Directive), subject to the prior approval of the underwriters; or*
- *in circumstances that do not require the publication by the Company of a prospectus pursuant to the terms of Article 3(2) of the Prospectus Directive.*

*For the purposes of the present paragraph, the expression “offer to the public of securities” in a given Member State means any communication sent to persons in any form or by any means whatsoever, that presents sufficient information on the conditions of the offer and the securities the subject of the offer to allow an investor to decide whether to purchase these securities, as this definition has been varied, if applicable, in the relevant Member State.*

*These sales restrictions related to the Member States apply in addition to any other restriction on sales applicable in the Member States that have implemented the Prospectus Directive.*

### ***United Kingdom***

*This press release does not include and does not constitute an invitation, inducement or solicitation to invest. This press release is directed only at persons (1) who are outside of the United Kingdom; (2) who are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “Order”); (3) who are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order; or (4) other persons to whom an invitation or inducement to engage in investment activity (within the meaning of the Financial Services and Markets Act 2000) in connection with the issue or sale of securities may be lawfully communicated or caused to be communicated (all such persons in (1), (2), (3) and (4) together being referred to as “Relevant Persons”). This press release must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this present press release relates is available only to Relevant Persons and will be engaged with only with Relevant Persons.*

### ***Switzerland***

*This document does not constitute a prospectus within the meaning of Article 652a of the Swiss Code of Obligations. Neither the present offer nor the new shares or preferential subscription rights have been or will be approved by any regulatory authority in Switzerland. The Company has not asked for the listing of the new shares or preferential subscription rights on the SIX Swiss Exchange and, therefore, the information included in the present Prospectus does not necessarily comply with the standards required by the applicable listing rules. The new shares and preferential subscription rights cannot be offered or sold in Switzerland. The new shares and the preferential subscription rights can only be offered in or sold in Switzerland to a limited number of individual investors in conditions that do not constitute a public offer within the meaning of Article 652a of the Code of Obligations.*

### ***United States***

*Transgene’s shares and preferential subscription rights may not be offered, sold or exercised in the United States unless they are registered or exempt from registration under the US Securities Act of 1933, as amended. There has not been, nor will there be, a registration of all or part of the securities referred to in this press release in the United States, nor any public offer or sale of securities in the United States.*

### ***Canada, Australia and Japan***

*The new shares and the preferential subscription rights may not be offered, sold or purchased in Canada, Australia or Japan.*