

PRESS RELEASE
MARCH 20, 2008

TiGenix gives business update and announces the full year 2007 financial results

Leuven (BELGIUM) – March 20, 2008 – TiGenix (EURONEXT: TIG) gives an update of its business activities and announces its financial results for the full year ending December 31, 2007.

Business Highlights

- ChondroCelect (TGX001) three-year clinical data strengthen 12 and 18 months pivotal phase III trial results
- TGX002 clinical trial in preparation
- Organisation strengthened in anticipation of the ChondroCelect launch

Financial Highlights

- Net loss of EUR 12 million reflects the planned increased activity level
- Cash and cash equivalents of EUR 39 million at year end

“2007 has been a pivotal year for TiGenix. Next to completing one of the most successful biotech IPOs, we announced the successful outcome of our ChondroCelect pivotal phase III trial, and submitted the first dossier for central approval of a cell-based medicinal product in the EU. We are now very excited that the diverging trend in clinical outcome between ChondroCelect and microfracture, first demonstrated in the 12 and 18 month data, is confirmed by the positive three-year results for ChondroCelect.” said Gil Beyen, CEO of TiGenix. *“We also managed to strengthen our organisation significantly which puts us in a solid position to launch our first product later this year as well as build our product pipeline further.”*

BUSINESS UPDATE 2007

ChondroCelect (TGX001) three-year clinical data strengthen 12 and 18 months pivotal phase III trial results

In February 2007, TiGenix announced the successful completion of a unique multi-centre prospective randomized controlled trial, comparing ChondroCelect treatment of cartilage defects in the knee to microfracture, the current standard of care. This landmark trial, in which a total of 118 patients have been treated, was designed to prove superior structural repair and an improvement of clinical outcome as good as with microfracture in the short-term. At 12 and 18 months, the combined structural and clinical primary endpoint was met.

These results were included in the Marketing Authorisation Application (MAA) submission at the European Medicines Agency (EMA) in June and were recently published in the American Journal of Sports Medicine, one of the highest ranked peer-reviewed orthopaedic and sport sciences journals. In this article¹ it was concluded that 'the superior structural outcome may result in long-term clinical benefit', and that 'long-term follow up is needed to confirm these findings'. Patients in the trial will continue to be followed up for five years.

The recent initial analysis of the three year data of the pivotal phase III trial continues to confirm a clear continued improvement of the clinical outcome of the ChondroCelect patients. A responder analysis shows that 83% of the ChondroCelect patients experience clinically relevant improvement in clinical outcome at 36 months, versus 61% of the microfracture patients. A further, detailed analysis of the three-year data set is still ongoing and the full results will be presented on April 24 at the AANA-meeting (Arthroscopy Association of North America) in Washington DC, USA, by Dr. Daniël Saris (UMC Utrecht, The Netherlands) and on May 21st at the ESSKA meeting in Porto, Portugal, by Dr. Johan Vanlauwe (UZ Leuven, Belgium).

Upon reviewing the initial 3-year data, Dr. Daniël Saris and Dr. Johan Vanlauwe, representing the TIGACT-01 Study Group, noted: "*These valuable trial data provide a unique opportunity for the field of regenerative medicine. Additional analysis will allow further insight and increase our understanding of the positive three year results.*"

The registration procedure at EMA is currently ongoing and TiGenix maintains the target of second half of 2008 for EU approval. Upon approval, ChondroCelect will be the first cell therapy product for cartilage regeneration with a central marketing authorisation (MA) in Europe.

Preparation of the Biologics License Application (BLA) is ongoing and filing to the US Food and Drug Administration (FDA) is planned for the second half of 2008. The Memphis-based US production facility, which was acquired in May 2007, has been qualified for aseptic processing and manufacturing activities have started.

TiGenix is now focusing on preparing a core value dossier based on health economical data and the long term patient data to support reimbursement in Europe and the US.

¹ "Characterized chondrocyte implantation results in better structural repair when treating symptomatic cartilage defects of the knee in a randomized controlled trial versus microfracture" by D. Saris, J. Vanlauwe *et al.* AJSM, Vol. 36, No. 2, pp. 235-246.

TGX002 trial in preparation

TiGenix' second generation product for cartilage regeneration (TGX002) is a 3D combination product combining ChondroCelect with Hyalograft C, a biocompatible and biodegradable three-dimensional cell culture matrix, developed by Fidia Advanced Biopolymers (FAB, Italy). Based on a pre-IND meeting with the US-FDA, TiGenix has updated the clinical development plan for TGX002. The preclinical development of TGX002 is currently ongoing, and the company aims to file an Investigational New Drug (IND) application for a phase II study in the US before the end of 2008.

Organisation strengthened in anticipation of ChondroCelect launch

Over the past year, TiGenix has considerably strengthened its regulatory, manufacturing and commercial team in the anticipation of the commercial launch of ChondroCelect later this year. The organisation has grown from 44 employees at the end of 2006 to 65 employees at the end of 2007.

The regulatory team has been strengthened with Wilfried Dalemans, Vice President Regulatory Affairs and Corporate Quality. Before joining TiGenix, Wilfried held several senior management positions at GlaxoSmithKline Biologicals, Belgium. As Director Regulatory Strategy and Development, he was responsible for the worldwide registration activities of GlaxoSmithKline's flu franchise.

After the acquisition of the manufacturing facility in Memphis, a core manufacturing and QA/QC team consisting of six people was hired and trained. The team is fully operational and working on preparing the Memphis facility for the production of ChondroCelect and TGX002.

The key hires in the Marketing and Sales team include an International Marketing Director and a Regional Sales Director for Germany.

In addition to preparing the pre-commercial activities, also the Clinical and R&D teams have been strengthened to ensure the development of the product pipeline. A US based director clinical development was hired to coordinate the clinical development in the USA, and different scientists and project leaders were added to the R&D team in Belgium. They are focusing on accelerating the development of a product for meniscal repair (TGX003) and the strengthening of the adult stem cells platform.

In order to better accommodate the growing team, TiGenix will relocate its Belgian operations to a new and bigger location in Leuven. The move of the Company headquarters is planned for mid of this year.

TiGenix also announces the departure of Heico Breek, VP Commercial Development (as representative of Breek Management Consultancy bv). Heico has been offered the position of CEO of the Dutch biotech company Cavadis. A search for a VP Commercial Development has been initiated and is ongoing. François Meurgey, former Senior Vice President of Global Commercialization at UCB Pharma and managing director of Oukelos bvba will take charge of the Commercial Development in the interim period.

"Heico has offered a major contribution to the company, especially in building the sales and marketing team in anticipation of the ChondroCelect launch. I would like to thank Heico for his contribution and wish him all the best for his future career." comments Gil Beyen.

FINANCIAL RESULTS FOR 2007

Net loss of EUR 12 million reflects the planned increased activity in TGX001 and TGX002

The net loss for the fiscal year 2007 amounted to EUR 12.0 million compared to EUR 8.3 million in the previous year. This 45% increase reflects the planned increased activity level for its lead product ChondroCelect (TGX001) and its research and development activity for TGX002 and other pipeline products.

Total research and development expenses for 2007 were EUR 8.1 million compared with EUR 5.8 million for 2006. This increase of 41% is mainly attributable to the MAA filing of ChondroCelect in Europe and the subsequent activities in the registration process, the first milestone payment to FAB and the subsequent pre-clinical work done on TGX002, and the hirings in the cell manufacturing facility in the US and in the R&D, clinical and regulatory functions.

Selling, general and administrative expenses increased by 63% to EUR 5.2 million, mainly due to the costs related to prepare the launch and the pricing & reimbursement file of ChondroCelect in Europe, together with the increase of the personnel cost both in the Marketing & Sales and in the administrative functions.

Cash and cash equivalents of EUR 39 million at year end

The net use of cash in operating and investing activities for the year 2007 was EUR 12.2 million. This was slightly less than expected as the final decision on the extension of the cell manufacturing capacity in Europe could be delayed.

The financing activities, mainly the net proceeds of EUR 42.7 million from the successful IPO in March, resulted in a net increase of the cash position by EUR 43.5 million. Taking into account the net cash used, a net increase of EUR 31.3 million in cash and cash equivalents was recorded in 2007.

As a result, TiGenix had a strong balance sheet with cash and cash equivalents of EUR 39.1 million at the end of 2007 compared to 7.7 million at the end of 2006.

OUTLOOK FOR 2008

- Presentation of the full three-year follow-up data at AANA on April 24
- Move office and R&D operations to new facilities in Leuven
- Finalisation of manufacturing comparability testing of US production facility
- Filing of BLA for ChondroCelect in the US
- Preparation core value dossier for pricing & reimbursement discussions in EU and US
- Expansion of the cell manufacturing capacity in Europe
- Approval and launch of ChondroCelect in selected European countries
- IND application for TGX002 phase II trial in the US

CONSOLIDATED INCOME STATEMENT
FOR 12 MONTHS ENDED DECEMBER 31, 2007 AND 2006

<i>Thousands of Euro (€)</i> <i>According to IFRS and fully audited by BDO</i>	December 31 2007	December 31 2006
Sales	0	0
Other revenues	227	416
Revenues	227	416
Research and development expenses	8,139	5,765
Selling, general and administrative expenses	5,232	3,201
Other operating income	0	0
Other operating expenses	0	0
Total operating charges	13,371	8,966
Operating Result (EBIT)	(13,144)	(8,550)
Financial result	1,175	304
Profit/(Loss) before taxes	(11,969)	(8,246)
Income taxes	0	0
Net Profit/(Loss)	(11,969)	(8,246)
Net Profit/(Loss) per share – basic	(0.50)	(0.60)
Number of outstanding shares – basic	23,851,079	13,836,493

CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2007 COMPARED TO DECEMBER 31, 2006

ASSETS		
<i>Thousands of Euro (€)</i>	December 31	December 31
<i>According to IFRS and fully audited by BDO</i>	2007	2006
Intangible assets	474	311
Tangible assets	1,374	437
Other non current assets	46	32
Non-current assets	1,894	780
Inventories	81	0
Receivables	523	444
Cash and cash equivalents	39,101	7,738
Deferred charges & Accrued income	448	117
Current assets	40,153	8,299
TOTAL ASSETS	42,047	9,079

EQUITY AND LIABILITIES		
<i>Thousands of Euro (€)</i>	December 31	December 31
<i>According to IFRS and fully audited by BDO</i>	2007	2006
Share capital	18,879	13,044
Share premium	52,240	15,335
Accumulated profit/(loss)	(21,912)	(13,665)
Result of the year	(11,969)	(8,246)
Share-based compensation	1,438	693
Translation Reserves	38	(3)
Equity attributable to equity holders	38,714	7,158
Total equity	38,714	7,158
Subordinated loan	391	391
Financial loan	680	0
Finance lease obligations	4	8
Non-current liabilities	1,075	399
Current portion of lease debt	4	5
Current portion of financial loan	80	0
Trade payables	1,267	749
Other current liabilities	907	768
Current liabilities	2,258	1,522
TOTAL EQUITY AND LIABILITIES	42,047	9,079

CONSOLIDATED STATEMENT OF CASH FLOWS FOR 12 MONTHS ENDED DECEMBER 31, 2007 AND 2006

<i>Thousands of Euro (€)</i>	December 31	December 31
<i>According to IFRS and fully audited by BDO</i>	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Result	(13,144)	(8,550)
Depreciation, amortization and impairment results	416	226
Share-based compensation	745	277
Other financial result	(172)	(6)
Income taxes	0	0
Increase/(decrease) in Trade payables	457	(39)
Increase/(decrease) in Other current liabilities	139	441
(Increase)/ decrease in Stock	(82)	
(Increase)/ decrease in Receivables	(79)	(107)
(Increase)/ decrease in deferred charges & accrued income	(331)	15
Total Adjustments	1,094	807
Net cash provided by/(used in) operating activities	(12,050)	(7,743)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,372	311
Interest paid	(25)	(1)
Purchase of tangible assets	(1,150)	(203)
Purchase of intangible assets	(306)	(332)
Net cash provided by/(used in) investing activities	(109)	(225)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments cash deposits	(13)	2
Payments on long-term leases	(5)	(5)
Payments on short-term leases	0	0
Proceeds of subordinated loan	0	391
Proceeds of financial loan	760	0
Proceeds from long-term leases	0	0
Proceeds from issuance of shares (net of issuance cost)	42,740	422
Net cash provided by/(used in) financing activities	43,482	810
Net increase/(decrease) in cash and cash equivalents	31,323	(7,158)
Cash and cash equivalents at beginning of year	7,738	14,899
Effect on exchange rate changes	40	(3)
Cash and cash equivalents at end of period	39,101	7,738

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY **CHANGES DURING THE 12 MONTHS ENDED DECEMBER 31, 2007**

<i>Thousands of Euro</i> (€)	Attributable to equity holders of the Company							
	Number of shares	Issued capital	Issuance cost	Share premium	Retained loss	Share-based compensation	Translation reserves	Total Equity
Balance at 31/12, 2006	14,157,014	14,115	(1,071)	15,335	(21,911)	693	(3)	7,158
Issuance of shares	9,694,065	9,173	(3,339)	36,905				42,740
Net Profit/(Loss)					(11,969)			(11,969)
Share-based compensation						745		745
Translation reserves							40	40
Balance at 31/12, 2007	23,851,079	23,288	(4,410)	52,240	(33,880)	1,438	38	38,714

Conference call

Tomorrow, March 21, at 14:30 Central European Time (13:30 GMT), the management of TiGenix will conduct a conference call.

To participate in the conference call, please register at:

<https://eventreg2.conferencing.com/webportal3/reg.html?Acc=733304&Conf=185859>

Following an update of the business activities and presentation of the financial results, the participants will be able to ask questions during a question and answer session.

This press release, the presentation and the annual financial report together with the complete version of the statutory accounts, the annual report of the board of directors and the auditors report on the statutory accounts will be made available in the Investor and Newsroom sections on our website.

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About TiGenix

TiGenix NV (Euronext: TIG) is a late-stage biomedical company that focuses on innovative local treatments for damaged and osteoarthritic joints. The Company is exploiting the power of regenerative medicine to develop durable treatments, validated through controlled clinical trials, for these indications. Based in Leuven, Belgium, TiGenix was founded as a spin-off from the Katholieke Universiteit Leuven and the Universiteit Gent.

TiGenix is developing a portfolio of products that address specific musculoskeletal problems. The lead indication among these is cartilage damage, which is a debilitating affliction affecting the mobility and functioning of patients. Western societies are characterised by ageing populations that place an increasing emphasis on high quality of life and life-long mobility, and, as such, cartilage problems represent a large and growing unmet medical need. Current therapies do not provide satisfying, long-term durable repair and TiGenix therefore believes there is a need for more effective treatments for cartilage damage.

About ChondroCelect (TGX001)

ChondroCelect[®] is the lead product for TiGenix that is in late stage development for applications in cartilage repair. ChondroCelect consists of characterised cultured chondrocytes derived from the patient's own cartilage and is used for autologous chondrocyte implantation (ACI), a surgical procedure to treat cartilage defects. Cartilage defects of the knee are very common, and the spontaneous healing capacity of cartilage is limited. The objective of the ChondroCelect technology is to facilitate the regeneration of hyaline-like cartilage that more closely approximates the structure of healthy normal cartilage. TiGenix has successfully completed a randomised Phase III clinical trial comparing ChondroCelect to the present standard-of-care surgical intervention called microfracture. The results of this study have formed the basis of a submission in the EU for regulatory approval which will be followed by a submission in the U.S. The results of this pivotal clinical trial have also been published in the February 2008 issue of the American Journal of Sports Medicine.

Forward-looking information

This document contains forward-looking statements and estimates with respect to the anticipated future performance of TiGenix and the market in which it operates. Certain of these statements, forecasts and estimates can be recognised by the use of words such as, without limitation, "believes", "anticipates", "expects", "intends", "plans", "seeks", "estimates", "may", "will" and "continue" and similar expressions. They include all matters that are not historical facts. Such statements, forecasts and estimates are based on various assumptions and assessments of known and unknown risks, uncertainties and other factors, which were deemed reasonable when made but may or may not prove to be correct. Actual events are difficult to predict and may depend upon factors that are beyond the Company's control. Therefore, actual results, the financial condition, performance or achievements of TiGenix, or industry results, may turn out to be materially different from any future results, performance or achievements expressed or implied by such statements, forecasts and estimates. Given these uncertainties, no representations are made as to the accuracy or fairness of such forward-looking statements, forecasts and estimates. Furthermore, forward-looking statements, forecasts and estimates only speak as of the date of the publication of this document. TiGenix disclaims any obligation to update any such forward-looking statement, forecast or estimates to reflect any change in the Company's expectations with regard thereto, or any change in events, conditions or circumstances on which any such statement, forecast or estimate is based, except to the extent required by Belgian law.