TiGenix

REGULATED INFORMATION
AUGUST 26, 2009

Business Update and Financial Results for First Half of 2009

Leuven (BELGIUM) – August 26, 2009 – TiGenix (NYSE EURONEXT: TIG) gives an update of the business activities and announces the financial results for the half year ending June 30, 2009.

Business Highlights

- Positive CHMP opinion on the European Marketing Authorization Application for ChondroCelect
- Location and financing for new EU cell expansion facility secured
- Pipeline development progressing

Financial Highlights

- Cash & cash equivalents of more than EUR 25 million
- EUR 5.4 million raised at a price of EUR 5 per share through a private placement
- Net loss decreased with 15% compared to the first half of 2008

Key Figures

Thousands of Euro (€) *According to IFRS and based on limited review procedures by BDO*	June 30 2009	June 30 2008
Revenues	**716**	**129**
Research and development expenses	4,158	5,073
Selling, general and administrative expenses	3,131	2,986
Other operating income	0	0
Other operating expenses	0	0
Operating Result (EBIT)	**(6,572)**	**(7,930)**
Financial result	308	529
Profit/(Loss) before taxes	**(6,264)**	**(7,402)**
Income taxes	0	(1)
Net Profit/(Loss)	**(6,264)**	**(7,403)**
Net Profit/(Loss) per share – basic	**(0.25)**	**(0.31)**
Weighted average number of outstanding shares – basic	24,596,912	24,099,943
Cash and cash equivalents	**25,154**	**32,344**

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BUSINESS UPDATE FIRST HALF 2009

Positive CHMP opinion on European Marketing Authorization Application for ChondroCelect

In June TiGenix received a positive opinion from the Committee for Advanced Therapies (CAT) and the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMEA) on the European Marketing Authorization Application (MAA) for its lead product ChondroCelect. The adoption of the final community Marketing Authorization by the European Commission (EC) is expected in the coming weeks.

ChondroCelect is the first cell-based product to obtain a central marketing authorization under the new Advanced-Therapy Medicinal Products (ATMP) legislation. This legislation, which was implemented on January 1st, 2009, stipulates that all cell-based products need central EMEA approval to be allowed on the market. For existing tissue engineered products a transition period is foreseen until end 2012.

After obtaining formal marketing approval, TiGenix will start the commercialization of ChondroCelect in selected countries. Meanwhile, TiGenix is preparing negotiations with local health insurance bodies related to product pricing and reimbursement. The health economic dossier has been developed based on the long-term patient data and an in-depth analysis of the health-economic benefit of ChondroCelect, to support these reimbursement discussions.

The first phase of the launch of ChondroCelect will focus on Germany, the Netherlands, United Kingdom and Belgium. In these markets the core commercial teams are in place and most of the targeted orthopaedic reference centres have been trained.

The manufacturing comparability testing between the European and US cell expansion facilities has been completed. A summary of the ChondroCelect regulatory data package is being compiled to clarify the steps towards the submission of a Biological License Application (BLA) for ChondroCelect in the US.

Location and financing for new EU cell expansion facility secured

In a first stage, ChondroCelect will be produced in TiGenix' GMP production facility located in Leuven, Belgium. This facility has sufficient capacity to supply the European market for the next two years.

In anticipation of the growing demand for ChondroCelect and the expansion of the product pipeline, TiGenix has secured additional production capacity in Europe. After carefully evaluating a number of options throughout Europe, taking into consideration technical, logistical, regulatory and financial criteria, TiGenix has selected a building on the Chemelot Campus in Sittard-Geleen, the Netherlands, to locate its new cell expansion facility. The site is located close to TiGenix' headquarters in Leuven and centrally in its key European markets, in a region that is strong in distribution and (bio)logistics and that is highly committed to develop as a transnational centre of excellence for life sciences and regenerative medicine.

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Progress in pipeline development

During the first half of this year, the company's R&D activities were primarily focused on answering the outstanding questions on the ChondroCelect product and process validation that were raised by the regulatory authorities in the 4th quarter of 2008.

In parallel, the development of the follow-on products, combining ChondroCelect with a biocompatible and biodegradable matrix to further increase the ease of use is progressing.

The preclinical testing of the 3D product TGX002, that was required by the US FDA during a pre-IND meeting, is now close to completion. The data are being analysed and will be the basis for the submission of clinical trial applications in the US and Europe.

In the meantime, the company is continuing the development work on a stem cells based product for meniscus repair and the research efforts on novel diagnostics and treatments for osteoarthritis.

FINANCIAL UPDATE FIRST HALF 2009

Cash & cash equivalents of more than EUR 25 million

The net cash used in operating and investing activities amounted to EUR 5.4 million. The net cash used was completely compensated by the net cash provided by financing activities of EUR 5.4 million. There was no net change of the cash & cash equivalents in the first half of 2009, resulting in a cash position of EUR 25.2 million.

The net cash used in operating activities of EUR 5.8 million consists of the operating result of EUR (6.6) million and total adjustments of EUR 0.8 million. Since no commercial sales of ChondroCelect have yet taken place, the operating result is based on grant revenues of EUR 0.7 million and operating charges of EUR (7.3) million.

The research and development expenses as part of the operating charges reached EUR 4.2 million. In the first half of 2009, the company's main focus has been the execution of the additional assays as requested by EMEA and the subsequent filing of the answers to obtain a CHMP opinion on ChondroCelect together with the timely execution of the meniscus and osteoarthritis projects for which the company has received the grant revenues.

The selling, general and administrative expenses as part of the operating charges reached EUR 3.1 million. In anticipation of the CHMP opinion, the company continued its marketing and sales efforts with a team of 10 people in place.

The net cash provided by investing activities amounted to EUR 0.4 million. There were no important investments in tangible and intangible assets required in the first half of 2009 and the company could realise a positive financial result given its cash position.

EUR 5.4 million raised at a price of EUR 5 per share through a private placement

TiGenix has secured the necessary financing to fund the set-up of the its new European GMP manufacturing facility through a private placement for a total amount of EUR 5.4 million.

The capital increase was executed following the signing of a long term lease agreement in June 2009 for a production facility located on the Chemelot Campus in Sittard-Geleen, the

Netherlands. The capital increase was subscribed by NV Industriebank LIOF, Particon BV, Limburg Ventures BV and LRM NV.

TiGenix has issued 1,080,000 new shares at EUR 5 per share.

Net loss decreased with 15% compared to the first half of 2008

Main drivers of the decrease of 15% in net loss compared to the first half of 2008 were the significant increase in grant revenues and the decrease in the research and development expenses.

The grant revenues were EUR 0.7 million in the first half of 2009 compared to EUR 0.1 million in the first half of 2008. The significant increase was the result of the contributions that TiGenix received for its research and development activities into meniscus as part of the IWT grant and into osteoarthritis as part of the European Treat OA project for which a grant was awarded by the European Union under the 7th framework programme.

The research and development expenses were EUR 4.2 million in the first half of 2009 compared to EUR 5.1 in the first half of 2008. In the first half of 2008, there were costs incurred related to the comparability testing for the cell expansion facility in Memphis US, to the outsourcing of preclinical work with respect to the 3D product, to the further development of our targeted therapeutics platform and to certain clinical services that were not incurred in the first half of 2009 given the focus of the company.

OUTLOOK

- Approval and launch of ChondroCelect in selected European countries
- Publication of 3-year data of ChondroCelect trial
- Pre-BLA meeting and subsequent filing of BLA for ChondroCelect in the US
- Start of clinical development of the 3D product

CONFERENCE CALL

Today, August 26 at 11:00 Central European Time (10:00am GMT), the management of TiGenix will conduct a conference call.

To participate in the conference call, please dial-in at:

+32 2 404 03 34

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

This press release and the presentation will be made available in the Investor and Newsroom sections on our website.

The conference call will be recorded. A replay will be available shortly after the conference call and will be accessible via:

Access Number: **+32 2 401 89 89**
Conference reference: **287609#**

For more information, please contact

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CONDENSED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME FOR SIX MONTHS ENDED JUNE 30 2009 AND 2008

INCOME STATEMENT

Thousands of Euro (€) *According to IFRS and based on limited review procedures by BDO*	**June 30 2009**	**June 30 2008**
Sales	0	0
Other revenues	716	129
Revenues	**716**	**129**
Research and development expenses	4,158	5,073
Selling, general and administrative expenses	3,131	2,986
Other operating income	0	0
Other operating expenses	0	0
Total operating charges	**7,289**	**8,060**
Operating Result (EBIT)	**(6,572)**	**(7,930)**
Financial result	308	529
Profit/(Loss) before taxes	**(6,264)**	**(7,402)**
Income taxes	0	(1)
Net Profit/(Loss)	**(6,264)**	**(7,403)**
Attributable to:		
• *Equity holders of TiGenix NV*	(6,264)	(7,403)
• *Non-controlling interests*		

Net Profit/(Loss) per share – basic	**(0.25)**	**(0.31)**
Weighted average number of outstanding shares – basic	24,596,912	24,099,943

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Thousands of Euro (€) *According to IFRS and based on limited review procedures by BDO*	**June 30 2009**	**June 30 2008**
Net Profit/(Loss)	**(6,264)**	**(7,403)**
Exchange difference on translation of foreign operations	32	96
Other comprehensive income/(loss)	**32**	**96**
Total comprehensive income/(loss)	**(6,232)**	**(7,307)**
Attributable to:		
• *Equity holders of TiGenix NV*	*(6,232)*	*(7,307)*
• *Non-controlling interests*		

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT JUNE 30 2009 COMPARED TO DECEMBER 31 2008

ASSETS *Thousands of Euro (€)* *According to IFRS and based on limited review procedures by BDO*	June 30 2009	December 31 2008
Intangible assets	309	441
Tangible assets	2,354	2,484
Other non current assets	34	34
Non-current assets	**2,698**	**2,959**
Stock	149	158
Receivables	654	792
Cash and cash equivalents	25,154	25,162
Deferred charges & Accrued income	95	335
Current assets	**26,052**	**26,447**
TOTAL ASSETS	**28,749**	**29,406**

EQUITY AND LIABILITIES *Thousands of Euro (€)* *According to IFRS and based on limited review procedures by BDO*	June 30 2009	December 31 2008
Share capital	20,544	19,484
Share premium	56,988	52,633
Accumulated profit/(loss)	(49,045)	(33,881)
Result of the period	(6,264)	(15,165)
Share-based compensation	2,930	2,369
Translation Reserves	(54)	(86)
Equity attributable to equity holders	**25,099**	**25,355**
Total equity	**25,099**	**25,355**
Subordinated loan	326	391
Financial loan	560	600
Finance lease obligations	26	40
Non-current liabilities	**912**	**1,031**
Current portion of lease debt	28	28
Current portion of financial loan	80	80
Current portion of subordinated loan	65	0
Trade payables	1,234	1,498
Other current liabilities	1,332	1,414
Current liabilities	**2,738**	**3,020**
TOTAL EQUITY AND LIABILITIES	**28,749**	**29,406**

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR SIX MONTHS ENDED JUNE 30 2009 AND 2008

Thousands of Euro (€) *According to IFRS and based on limited review procedures by BDO*	June 30 2009	June 30 2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Result	(6,572)	(7,930)
Depreciation, amortization and impairment results	408	294
Share-based compensation	561	464
Other financial result	(48)	(181)
Income taxes	0	(1)
Increase/(decrease) in Trade payables	(265)	(110)
Increase/(decrease) in Other current liabilities	(82)	717
(Increase)/decrease in Stock	9	21
(Increase)/decrease in Receivables	109	(472)
(Increase)/decrease in deferred charges & accrued income	74	78
Total Adjustments	766	810
Net cash provided by/(used in) operating activities	**(5,807)**	**(7,120)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	564	733
Interest paid	(12)	(23)
Purchase/sale of tangible assets	(130)	(999)
Purchase of intangible assets	(16)	(105)
Net cash provided by/(used in) investing activities	**406**	**(395)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments cash deposits	0	(1)
Payments of financial loan	(40)	(40)
Payments on long-term leases	0	0
Payments on short-term leases	(14)	(4)
Proceeds of subordinated loan	0	0
Proceeds of financial loan	0	0
Proceeds from long-term leases	0	0
Proceeds from issuance of shares (net of issuance cost)	5,415	707
Net cash provided by/(used in) financing activities	**5,361**	**662**
Net increase/(decrease) in cash and cash equivalents	**(40)**	**(6,853)**
Cash and cash equivalents at beginning of year	25,162	39,101
Effect on exchange rate changes	32	96
Cash and cash equivalents at end of period	**25,154**	**32,344**

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY DURING THE SIX MONTHS ENDED JUNE 30 2009

Thousands of Euro (€)	Attributable to equity holders of the Company							
	Number of shares	Issued capital	Issuance Cost	Share premium	Retained loss	Share-based compen-sation	Trans-lation reserves	Total Equity
Balance at 31/12, 2008	**24,564,489**	**24,002**	**(4,518)**	**52,633**	**(49,045)**	**2,369**	**(86)**	**25,355**
Issuance of shares	1,086,790	1,065	(5)	4,355				5,415
Net Profit/(Loss)					(6,264)			(6,264)
Share-based compensation						561		561
Other comprehensive income/(loss)							32	32
Balance at 30/06, 2009	**25,651,279**	**25,067**	**(4,523)**	**56,988**	**(55,310)**	**2,930**	**(54)**	**25,099**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

TiGenix NV, the parent company, (hereafter "TiGenix" or "the Company") is a limited liability company incorporated and domiciled in Belgium. These condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2009 (hereafter the interim period) comprise the financial statements of TiGenix NV/SA (Belgium legal entity), TiGenix Inc. (United States legal entity) and TC CEF LLC (United States legal entity). TiGenix is in the process of incorporating a legal entity in the Netherlands, TiGenix BV, that has entered into a long term lease agreement for a building on the Chemelot Campus in Sittard-Geleen, the Netherlands. This building will become, once designed and improved, the new European cell expansion facility of the Group.

2. Summary of significant accounting policies

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 (Interim Financial Reporting) as adopted by the European Union. These interim consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2008.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2008, except for the adoption of new Standards and Interpretations as of 1 January 2009, noted below:

IAS 1 (Revised), Presentation of financial statements.

The revised standard requires the statement of comprehensive income in one or two statements. TiGenix has opted to present two statements: an income statement and a statement of comprehensive income. The standard also revises the presentation of the statement of changes in equity and a new terminology has been introduced: "balance sheet" is now called "statement of financial position".

IFRS 2 (Amendment), Share-based payment – vesting conditions and cancellations

The Extraordinary General Shareholders' Meeting of 13 May 2009 approved a five year extension of the warrant exercise period for the warrants issues in 2004 and 2005 in accordance with article 583 of the Belgian Code of Companies and in accordance with article 21 of the Economic Recovery Law of March 27, 2009. The impact of this extension of EUR 0.2 million is recognised as an expense in the income statement.

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AUDITOR'S LIMITED REVIEW OPINION ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION OF TIGENIX NV FOR THE SIX MONTH PERIOD ENDING 30 JUNE 2009

To the Board of Directors

We have performed a limited review of the attached condensed consolidated statement of financial position, condensed consolidated income statement, condensed statement of comprehensive income, changes in equity and cash flow of the company TIGENIX NV and its subsidiaries, with total assets of 28.749 KEUR and a net loss of 6.264 KEUR for the six months ended 30 June 2009. The Board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information, based on our limited review.

Our limited review has been performed in accordance with the recommendations on limited review engagements as issued by the "Instituut van de Bedrijfsrevisoren". A limited review consists mainly of making inquiries of management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the Auditing Standards on consolidated financial statements as issued by the "Instituut van de Bedrijfsrevisoren" and accordingly we do not express an audit opinion.

Our review did not reveal any matters requiring correction of the condensed consolidated interim financial information for it to have been prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union.

Zaventem, August 24, 2009

About TiGenix

TiGenix NV (NYSE 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.

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.