REGULATED INFORMATION
AUGUST 26, 2010

TiGenix gives business update and announces financial results for the first half of 2010

Paving the way to become a European leader in regenerative medicine and cell therapy

Leuven (BELGIUM) – August 26, 2010 – TiGenix (NYSE EURONEXT: TIG) gives an update of its business activities, announces its financial results for the half year ending June 30, 2010 and provides guidance for the full year.

Business Highlights

- Commercialization of ChondroCelect®
  - European core sales team in place and first pre-reimbursement patients treated
  - Pricing and reimbursement applications filed in key countries and discussions advancing
  - 5-year ChondroCelect data confirm long-term clinical benefit
  - ChondroCelect product and implantation procedure improved
  - Partnering discussions for (co)development in the US and commercialization outside Europe ongoing
- Commercialization of ChondroMimetic™
  - ChondroMimetic on track for launch in September 2010
- Pipeline and technology development
  - Leveraging biomaterials platform into new projects
  - Development of a proprietary adult stem cell platform progressing
  - Drug discovery assets leveraged through spin-out into newco Arcarios
- Growth strategy
  - Implementing value creation and leadership strategy

Financial Highlights

- Group revenue of EUR 1 million, including EUR 0.3 million ChondroCelect sales
- Cash and cash equivalents of EUR 14.1 million
- Net loss of EUR 7.0 million

"Notwithstanding the setback in our US activities, we have in the first half of this year made considerable progress toward our long-term objectives." said TiGenix' CEO, Gil Beyen. "TiGenix now has two approved and marketable products, for which we expect to reach important commercial milestones soon. We have a fully operational sales team in place in key target markets and we are on track to deliver as sales will gradually take up. The Orthomimetics acquisition has proven to be an excellent addition to our cell based platform. It added a leading biomaterials platform, the second commercial product and a promising pipeline.

Gil Beyen continued: "We are implementing an aggressive growth strategy with the objective to become a focused leader in the rapidly growing field of regenerative medicine and cell therapy. This strategy is built on three pillars: maximizing the commercial success of our lead products ChondroCelect and ChondroMimetic; building a commercial franchise in regenerative and sports medicine through the addition of complementary products; and leveraging our (stem) cell and biomaterials platforms by focused in house development and the acquisition of complementary technologies. In order to achieve these objectives we are evaluating a number of possible partnering and acquisition targets."

Conference call webcast

On August 27, at 14:30 Central European Time (CET), TiGenix will conduct a conference call webcast.

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

+32 2 400 6006 (Belgium)
+44 203 365 3207 (UK)

The online live webcast can be followed via the link:

http://pulse.companywebcast.nl/Playerv1_0/default.aspx?id=6526

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

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

A replay of the webcast will be available shortly after the conference call.

For more information, please contact

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BUSINESS UPDATE

Commercialization of ChondroCelect®

European sales team in place and first pre-reimbursement patients treated

While preparing for reimbursement in its key target markets, TiGenix has expanded its direct sales team, covering a significant part of the market in Western Europe. TiGenix now has a commercial presence in the Benelux, the United Kingdom, Germany, Austria, Switzerland, France, Spain and Portugal. This specialized core team will primarily focus on the direct sales of ChondroCelect and the support of local distributors of ChondroMimetic.

Following the European approval of ChondroCelect, TiGenix gradually started with the "pre-reimbursement" commercial roll out of ChondroCelect through a number of key reference centers. Patients have so far been treated in Belgium, Germany, the United Kingdom and the Netherlands under a variety of payment and reimbursement mechanisms. This includes self-pay, private insurances, workers compensation, payments from hospital or primary care trust budgets in the UK, and reimbursement by German health insurance funds. Additional patients with cartilage lesions have been identified in centers throughout Europe and have been put on waiting lists in anticipation of reimbursement decisions. In the first half of 2010, TiGenix generated ChondroCelect sales of EUR 0.3 million.

Pricing and reimbursement applications filed in key countries and discussions advancing

Reimbursement dossiers were submitted in Belgium, the Netherlands and France. Being the first approved cell-based therapeutic product in Europe, ChondroCelect is pioneering the reimbursement track for Advanced Therapy Medicinal Products and timelines may vary from currently known pharmaceutical product reimbursement timelines. Nevertheless, negotiations on pricing and reimbursement with the local health insurance authorities and payers are progressing well and we expect decisions in Belgium and the Netherlands as of the end of this year followed by France in the first half of next year.

In Germany, ChondroCelect has been awarded "innovative new treatment method" status ("Neue Untersuchungs und Behandlungsmethode" or "NUB") by the German Institute for the Hospital Remuneration System (InEK Gmbh). The NUB status has been approved in thirty hospitals and gives them the right to negotiate reimbursement of ChondroCelect with their health insurance funds ("Krankenkassen"). A number of these hospitals have completed negotiations and 6 centers obtained a positive decision. Further negotiations will continue and we expect 8 to 10 German centers to be up and running by the end of the year.

In the United Kingdom, TiGenix experienced some early reimbursement successes, both with the National Health System (NHS) and private insurers. In the NHS, two primary care trusts (PCT) have agreed to fund ChondroCelect treatment for well indicated patients. In the private sector, four of the largest health insurance companies have given their approval for selected patients to be treated with ChondroCelect in various centers.

Reimbursement dossiers for Austria, Switzerland, Spain, Italy, Portugal and the Scandinavian countries will be submitted in the coming 6 to 9 months.

5-year ChondroCelect data confirm long term clinical benefit

The commercial roll-out as well as the pricing and reimbursement discussions are supported by long term follow-up data for ChondroCelect, the highlights of which have been presented at the ESSKA Congress in Oslo in June. The results confirm the durability of the therapeutic effect of ChondroCelect and demonstrate the importance of early intervention. Early treatment with ChondroCelect resulted in a superior clinical benefit over microfracture and a lower failure rate. Conversely, patients who had experienced symptoms for five years or more prior to treatment did not derive substantial long-term benefit from either treatment.

ChondroCelect product and implantation procedure improved

TiGenix has been focusing on further improving the ChondroCelect procedure. Different aspects have been optimized and standardized making the implantation procedure more user-friendly for the surgeon and the patient.

An important step in improving the implantation procedure has been the approval for the use of a biodegradable collagen membrane to seal the defect. This has allowed further improvement of the surgical techniques and increased the ease of use to levels comparable to so-called 3D products that are currently in development, while maintaining optimal conditions for integration of the implant in surrounding tissues. This advancement significantly improves the competitive advantage of ChondroCelect and makes the development of TiGenix' 3D product candidate obsolete. In line herewith and also due to new strategic directions for Fidia Advanced Biopolymers after the acquisition by Anika Therapeutics at the end of last year, TiGenix and Anika Therapeutics decided in mutual agreement to stop the development of TGX002/FAB002 and terminate the license and collaboration without further obligations for both parties.

A further improvement has been the introduction of a proprietary biopsy tool in the ChondroCelect procedure kit. This tool, the ChondroCelect Harvester, allows the surgeon to harvest the cartilage biopsy in an easy and consistent manner which contributes to the standardization and quality of the overall procedure.

Progress has also been made towards a validated cryopreservation method and storage for ChondroCelect. The ability to freeze and store ChondroCelect prior to implantation will substantially increase the flexibility of the entire treatment procedure.

These product and procedure enhancements are all part of ensuring the consistent supply of a high-quality, easy-to-use product, with standardized and robust handling steps from the taking of the biopsy to the final implantation and beyond. They are expected to strengthen the competitive edge of ChondroCelect at the leading edge of regenerative medicine and support the sales potential of this product.

Partnering discussions for co-development in the US and commercialization outside Europe ongoing

In March of this year, TiGenix was informed by the US Food and Drug Administration (FDA) that a new confirmatory study would be required before the filing of a Biologic License Application (BLA). In view of the additional investment associated with a new clinical trial in the US, TiGenix decided to pursue corporate partnering opportunities for the further development and commercialization of ChondroCelect in the US. Meanwhile the US development activities have been put on hold, with the exception of the preparations to seek Special Protocol Assessment (SPA). A US study protocol, based on the design of the planned European confirmatory trial and including additional recommendations of the FDA is being finalized. The timing of submission will be dependent on the outcomes of the co-development partnering discussions.

In view of extending the geographic scope for its lead products, TiGenix is also actively exploring partnering options in other territories. An external advisor has been appointed to assist TiGenix in identifying suitable development and commercialization partners. The primary focus goes to the US, Asia and the Middle-East. Discussions with a number of potential partners have been initiated and are ongoing.

Commercialization of ChondroMimetic™

ChondroMimetic ready for official launch in September 2010

Through the acquisition of Orthomimetics (now TiGenix Ltd) in November 2009, TiGenix added a second approved (CE-marked in Europe) product to its pipeline. ChondroMimetic is an off-the-shelf, bi-layer collagen based implant for the treatment of small osteochondral (cartilage and underlying bone) defects. The pre-commercial activities are on track for the launch of ChondroMimetic at the 9th World Congress of the International Cartilage Repair Society (ICRS) in Barcelona starting on September 26, 2010.

ChondroMimetic will be marketed as a procedure pack with the collagen implant preloaded in an accurate, easy to use arthroscopic delivery device. ChondroMimetic will be launched by TiGenix' specialist sales team, after which sales activities will be strengthened by working with carefully selected distributors in Europe and the rest of the world. Discussions with regional distributors are ongoing and the first orders for ChondroMimetic are expected in the coming weeks.

Pipeline and technology developments

Leveraging biomaterials platform into new projects

In biomaterials, TiGenix focuses on the extension of the ChondroMimetic technology to expand its commercial product offering in the short term. The ChondroMimetic procedure pack that will be launched in September is specifically designed for the treatment of small osteochondral defects in the knee. By developing a broader range of implant sizes (length and diameter) and shapes (blocks, wedges, granules) the application field is being expanded to other indications such as cartilage defects in foot and ankle, bone defects and meniscus, ligament and tendon tears. An extension of the ChondroMimetic technology to bone repair is expected to be the first additional application.

Development of proprietary adult stem cell platform progressing

TiGenix is making significant progress in the development of its proprietary adult stem cell platform. This platform forms the basis for the development of new allogeneic, off-the-shelf cell-based products for cartilage repair and broadens our scope to other musculoskeletal indications, such as meniscus, tendon and bone repair, and the major area of arthritic diseases.

Stem cell populations have been identified that showed promising results in preclinical models for treating meniscal tears and cartilage lesions. These cell populations are being further characterized and TiGenix aims to start a clinical proof of concept study in the first half of 2011. The research and development of the stem cells platform and products is supported by a EUR 1.8 million grant from the Flemish Government (IWT).

Together with our biomaterials platform, the (stem) cell-based platforms provide additional opportunities for the development of new and innovative combination products.

Drug discovery assets leveraged through creation of Arcarios

In order to maximize the long-term value of its expertise and know-how in cartilage and joint biology outside its core competence in regenerative medicine, TiGenix has spun out its small molecule drug discovery platform (see press release 25/08/2010) in a merger with the Dutch start-up company Therosteon to form a unique and promising drug discovery company Arcarios.

Arcarios will have operations in the Netherlands and Belgium and will focus on the development of novel disease-modifying therapeutics in the field of bone and joint diseases. This new venture is financially supported by an international consortium of specialist life science venture capital funds.

By spinning out its small molecule drug discovery program, TiGenix will be able to leverage these assets without deviating resources from its core activities. TiGenix has a significant equity stake (but below consolidation threshold) in this new company and retains certain rights to drug candidates developed by Arcarios for *ex vivo* applications and the local treatment of arthritic diseases. This transaction will have no net impact on the cash position of TiGenix.

Growth strategy

In the first half of 2010, TiGenix has been preparing the implementation of an aggressive growth strategy that is expected to lead to short, medium and long term value creation and allow TiGenix to build a critical mass and leadership position in the regenerative medicine space.

TiGenix has been able to develop a frontrunner position in this fast growing and promising new field medicine. With two commercial products, a proven ability to develop, register and manufacture advanced therapies, an operational commercial team, and strong technology platforms in (stem) cells and biomaterials, TiGenix believes it is well positioned to develop a sustainable leadership position.

TiGenix growth strategy builds on two value creation pillars: (1) the development of a leading commercial franchise in regenerative and sports medicine, building on our two lead products and the distribution network we have set up over the past period, and (2)

leveraging our development and manufacturing expertise on a well focused development pipeline.

A European specialist sales team is in place for the commercial roll out of our two lead products ChondroCelect and ChondroMimetic. In order to leverage this team and orthopedic key opinion leader network, TiGenix aims to broaden its commercial product portfolio by acquiring and licensing a number of “ready to sell” products in the area of regenerative and sports medicine. Discussions with a number of possible acquisition and partnering candidates are ongoing and we expect some of these deals to materialize over the coming quarters. This partnering and acquisition strategy will allow TiGenix to develop a specialist commercial franchise that will increase the company’s revenue potential in the short to medium term.

The product development efforts of TiGenix are building on the company’s proprietary (stem) cell and biomaterials platforms to develop innovative regenerative medicine products for structural repair of skeletal tissues such as cartilage, bone, meniscus and tendon, and cell-based therapies addressing large markets with high unmet medical needs. To complement and accelerate the internal developments, TiGenix is looking to partner certain programs and/or acquire complementary technologies and product candidates, and will continue to attract grant funding.

TiGenix

FINANCIAL RESULTS FOR THE FIRST HALF OF 2010

Group revenues of EUR 1 million, including EUR 0.3 million ChondroCelect sales

Revenues for the first half of 2010 came in at EUR 1 million, representing an increase of 33% above the same period last year. The revenues comprise EUR 0.3 million commercial sales and EUR 0.7 million grant revenues. For the full year, TiGenix expects total revenues of EUR 2.9 to 3.2 million, comprising commercial sales of EUR 1.2 million to EUR 1.5 million.

Net loss of EUR 7 million

The net loss for the first half of 2010 amounted to EUR 7 million. This represents an increase of ca 11% compared to the same period last year (EUR 6.2 million in H1 2009). This increase is mainly related to the full period impact of operational costs and amortizations of the Orthomimetics Ltd. acquisition. The cost increase is partially offset by increased revenues and exchange rate differences.

Total operating charges amounted to EUR 9.1 million, resulting in an operating loss of EUR 8.2 million.

The research and development expenses increased by 22% to EUR 5.1 million as compared to EUR 4.2 million in H1 2009. This cost increase includes the full period impact of operating costs related to last year's acquisition of Orthomimetics, the amortization of intangible assets also related to this acquisition, the capitalization of ChondroCelect and ChondroMimetic development expenditures, and operational costs related to the new manufacturing facility at Sittard-Geleen.

Selling, general and administration costs increased by 29% to EUR 4.0 million, as compared to EUR 3.1 million for H1 2009. The increase is a result of the expansion of the commercial sales team in H2 2009 and the additional S, G & A costs associated with the acquisition of Orthomimetics Ltd.

Net financial income amounted to EUR 1.2 million, the majority relates to exchange rate differences.

The increase in revenues and financial income compared to the first half year of 2009 partially offsets the cost increase.

Cash and cash equivalents of EUR 14.1 million

Net cash used in operating activities amounted to EUR 7.9 million which is the result of the operating loss of EUR 8.2 million and net adjustments of EUR 0.3 million, reflecting changes in working capital and non-cash cost items.

The cash used in investing activities, EUR 1.6 million, essentially relates to the installment and refurbishment of the manufacturing facility in the Netherlands (in Sittard-Geleen).

Cash flows used in financing activities amounted to EUR 0.2 million.

The management and board of TiGenix are aware that the current cash balance may not be sufficient to further implement the leadership strategy during the next 12 months. Different strategic and financial options are being considered and the

company is confident that it can find solutions for this possible cash issue. Therefore, the valuation rules are maintained in the assumption of going concern.

OUTLOOK

- ChondroCelect pricing and reimbursement decisions and launches in key target countries
- European launch of ChondroMimetic
- Start of patient enrollment for ChondroCelect confirmatory study in Europe
- Start of exploratory trial with stem cells product
- Extension of the ChondroMimetic product range
- Commercial and technology partnerships and acquisitions

TiGenix

CONDENSED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME FOR SIX MONTHS ENDED JUNE 30 2010 AND 2009

INCOME STATEMENT

Thousands of Euro (€) *According to IFRS and based on limited review procedures by BDO*	June 30 2010	June 30 2009
Sales	286	0
Other revenues	668	716
Revenues	**954**	**716**
Research and development expenses	5,089	4,158
Selling, general and administrative expenses	4,039	3,131
Other operating income	0	0
Other operating expenses	0	0
Total operating charges	**9,128**	**7,289**
Operating Result (EBIT)	**(8,174)**	**(6,572)**
Financial result	1,211	308
Profit/(Loss) before taxes	**(6,963)**	**(6,264)**
Income taxes	0	0
Net Profit/(Loss)	**(6,963)**	**(6,264)**
Attributable to:		
• *Equity holders of TiGenix NV*	(6,963)	(6,264)
• *Non-controlling interests*		

Net Profit/(Loss) per share – basic	**(0.23)**	**(0.25)**
Weighted average number of outstanding shares – basic	30,867,418	24,596,912

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Thousands of Euro (€) *According to IFRS and based on limited review procedures by BDO*	June 30 2010	June 30 2009
Net Profit/(Loss)	**(6,963)**	**(6,264)**
Exchange difference on translation of foreign operations	(906)	32
Other comprehensive income/(loss)	**(906)**	**32**
Total comprehensive income/(loss)	**(7,869)**	**(6,232)**
Attributable to:		
• *Equity holders of TiGenix NV*	***(7,869)***	*(6,232)*
• *Non-controlling interests*		

TiGenix

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT JUNE 30 2010 COMPARED TO DECEMBER 31 2009

ASSETS *Thousands of Euro (€)* *According to IFRS and based on limited review procedures by BDO*	June 30 2010	December 31 2009
Intangible assets	20,681	20,562
Tangible assets	4,802	2,856
Other non-current assets	271	130
Non-current assets	**25,753**	**23,548**
Stock	194	156
Receivables	1,700	1,315
Cash and cash equivalents	14,072	24,745
Deferred charges & Accrued income	301	282
Current assets	**16,266**	**26,497**
TOTAL ASSETS	**42,019**	**50,045**

EQUITY AND LIABILITIES *Thousands of Euro (€)* *According to IFRS and based on limited review procedures by BDO*	June 30 2010	December 31 2009
Share capital	24,957	24,956
Share premium	72,517	72,480
Shares to be issued	3,377	3,377
Accumulated profit/(loss)	(63,144)	(49,045)
Result of the period	(6,963)	(14,098)
Share-based compensation	3,902	3,509
Translation Reserves	(885)	21
Equity attributable to equity holders	**33,761**	**41,199**
Total equity	**33,761**	**41,199**
Subordinated loan	195	260
Financial loan	480	520
Finance lease obligations	1	12
Deferred tax liability	3,886	3,886
Non-current liabilities	**4,562**	**4,679**
Current portion of lease debt	26	28
Current portion of financial loan	80	80
Current portion of subordinated loan	130	130
Trade payables	2,044	2,045
Other current liabilities	1,416	1,884
Current liabilities	**3,695**	**4,167**
TOTAL EQUITY AND LIABILITIES	**42,019**	**50,045**

TiGenix

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR SIX MONTHS ENDED JUNE 30 2010 AND 2009

Thousands of Euro (€) *According to IFRS and based on limited review procedures by BDO*	June 30 2010	June 30 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Result	(8,174)	(6,572)
Depreciation, amortization and impairment results	1,118	408
Intangible assets development product	(886)	0
Share-based compensation	393	561
Other financial result	1,155	(48)
Interest paid	(37)	(12)
Income taxes	0	0
Increase/(decrease) in Trade payables	(525)	(265)
Increase/(decrease) in Other current liabilities	(565)	(82)
(Increase)/decrease in Stock	(38)	9
(Increase)/decrease in Receivables	(298)	109
(Increase)/decrease in deferred charges & accrued income	(13)	74
Total Adjustments	304	754
Net cash provided by/(used in) operating activities	**(7,870)**	**(5,819)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	107	564
Purchase/sale of tangible assets	(1,716)	(130)
Purchase of intangible assets	(9)	(16)
Net cash provided by/(used in) investing activities	**(1,618)**	**418**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments rent deposits	(138)	0
Payments of financial loan	(40)	(40)
Payments on long-term leases	0	0
Payments on short-term leases	(14)	(14)
Payments on subordinated loan	(65)	0
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)	38	5,415
Net cash provided by/(used in) financing activities	**(219)**	**5,361**
Net increase/(decrease) in cash and cash equivalents	**(9,707)**	**(40)**
Cash and cash equivalents at beginning of year	24,745	25,162
Effect on exchange rate changes	(966)	32
Cash and cash equivalents at end of period	**14,072**	**25,154**

TiGENIX

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
CHANGES DURING THE SIX MONTHS ENDED JUNE 30 2010

Thousands of Euro (€)		Attributable to equity holders of the Company							
	Number of shares	**Issued capital**	**Issuance Cost**	**Share premium**	**Shares to be issued**	**Retained loss**	**Share-based compen-sation**	**Trans-lation reserves**	**Total Equity**
Balance at 31/12, 2009	**30,866,168**	**30,178**	**(5,222)**	**72,480**	**3,377**	**(63,144)**	**3,509**	**21**	**41,199**
Issuance of shares	2,500	2	(1)	37					38
Net profit/loss						(6,963)			(6,963)
Shares to be issued									
Share-based compensation							393		393
Translation reserves								(906)	(906)
Balance at 30/06, 2010	**30,868,668**	**30,180**	**(5,223)**	**72,517**	**3,377**	**(70,107)**	**3,902**	**(885)**	**33,761**

TiGenix

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 2010 (hereafter the interim period) comprise the financial statements of TiGenix NV/SA (Belgium legal entity), TiGenix Inc. (United States legal entity), TC CEF LLC (United States legal entity), TiGenix BV (legal entity in the Netherlands) and TiGenix Ltd (UK legal entity).

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 2009.

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 2009.

The following International Standards and Interpretations have been adopted during the year:

- IFRS 2 Share-based Payment — Amendments resulting from April 2009 Annual Improvements to IFRSs;
- IFRS 2 (Amendment), Share-based payment – Group cash-settled share based payments;
- IFRS 8 Operating Segments — Amendments resulting from April 2009 Annual Improvements to IFRSs;
- IAS 1 Presentation of Financial Statements — Amendments resulting from April 2009 Annual Improvements to IFRSs;
- IAS 7 Statement of Cash Flows — Amendments resulting from April 2009 Annual Improvements to IFRSs;
- IAS 27 Consolidated and Separate Financial Statements — Consequential amendments arising from amendments to IFRS 3;
- IAS 31 Interests in Joint Ventures — Consequential amendments arising from amendments to IFRS 3;
- IAS 36 Impairment of Assets — Amendments resulting from April 2009 Annual Improvements to IFRSs;
- IAS 38 Intangible Assets — Amendments resulting from April 2009 Annual Improvements to IFRSs;
- IAS 39 Financial Instruments: Recognition and Measurement — Amendments for eligible hedged items;

- IAS 39 Financial Instruments: Recognition and Measurement — Amendments resulting from April 2009 Annual Improvements to IFRSs;
- IAS 17 Leases — Amendments resulting from April 2009 Annual Improvements to IFRSs.

Finally the following International Standards became effective, but are not relevant and thus not applicable for the company:

- IFRS 1 First-time Adoption of International Financial Reporting Standards — Revised and restructured;
- IFRS 1 First-time Adoption of International Financial Reporting Standards — Amendments relating to oil and gas assets and determining whether an arrangement contains a lease;
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations — Amendments resulting from May 2008 Annual Improvements to IFRSs;
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations — Amendments resulting from April 2009 Annual Improvements to IFRSs;
- IAS 28 Investments in Associates — Consequential amendments arising from amendments to IFRS 3;
- IFRIC 9 Reassessment of Embedded Derivatives — Amendments resulting from April 2009 Annual Improvements to IFRSs;
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation — Amendments resulting from April 2009 Annual Improvements to IFRSs;
- IFRIC 17 Distributions of Non-cash Assets to Owners;
- IFRIC 18 Transfers of Assets from Customers.

TiGenix has not adopted and does not intend to early adopt the amended standards as issued by the IASB, and endorsed for use by the EU, but not yet mandatory for the accounting period.

3. Segment information

TiGenix does not distinguish different segments, neither business nor geographical segments.

4. Risks and uncertainties

The principal risks and uncertainties for the remaining months of the financial year 2010 are mainly the same as the principal risks and uncertainties as described in the annual report on the financial year 2009:

- It is not certain that the future revenues of ChondroCelect and ChondroMimetic will offset the accumulated deficit or even the future operating charges in the years to come as the Company wants to advance its product pipeline and wants to broaden its IP portfolio in the promising field of regenerative medicine. As a result TiGenix may require access to additional funding in the future;
- TiGenix may fail in successfully commercializing ChondroCelect and ChondroMimetic in Europe. Despite European approval received for ChondroCelect and ChondroMimetic, there may be uncertainty about reimbursement from third parties for these innovative healthcare products;
- Despite the actual GMP certification of TiGenix' cell expansion facility in Leuven, there can be no assurance that this certification will not be suspended because of a

failure to maintain compliance or for any other reason. There can also be no guarantee that TiGenix' new facility in Europe will achieve compliance with these standards in time;

- As part of the market authorization of ChondroCelect in Europe, a risk management plan was required with a series of measures, including further studies to ensure that the efficacy and the safety are followed up in a robust manner once in the market. TiGenix cannot guarantee that it will continue to meet the required requests for ChondroCelect and hence that it would maintain its European Marketing Authorization;
- Based on data available, ChondroCelect and/or ChondroMimetic demonstrate no safety concerns. Product liability risks are, however, inherent to the development and use of any medicinal product, and cannot be excluded;
- TiGenix is keeping a careful watch on the activities of its competitors, but cannot rule out that there may be product developments that could be or become potential competitors to ChondroCelect and/or ChondroMimetic;
- In common with most smaller companies, TiGenix' success depends on its key people, and on its ability to attract and retain qualified management, scientific, technical and commercial personnel;
- The Company's ability to compete effectively with other companies is dependent, among other things, on the protection of its proprietary technology. Notwithstanding the issued patents and other efforts taken to protect its intellectual property, there can be no assurance that TiGenix' property rights cannot be affected by new patents or technologies of third parties.

I, the undersigned, Gil Beyen BVBA, represented by Gil Beyen, CEO, declare to the best of my knowledge, that:

1) The set of condensed financial statements prepared in accordance with the applicable accounting standards gives a true and fair view of the assets, liabilities, financial position and results of TiGenix NV and the undertakings included in the consolidation;

2) The interim report is giving a true overview of the important events and the most important transactions with related parties that have occurred during the first six months of the accounting year, and the effect thereof on the condensed financial overviews, as well as a description of the most important risks and uncertainties for the remaining months of the accounting year.

Done on August 24, 2010,

TiGenix

AUDITOR'S LIMITED REVIEW OPINION ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION OF TIGENIX NV FOR THE SIX MONTH PERIOD ENDING 30 JUNE 2010

To the Board of Directors

We have performed a limited review of the attached condensed consolidated interim financial statements of the company TiGenix NV and its subsidiaries, with total assets of 42.019 KEUR and a net loss of 6.963 KEUR for the six months ended June 30th, 2010. The condensed consolidated interim financial statements include the condensed consolidated interim statement of financial position, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of other comprehensive income, the condensed consolidated interim statement of changes in equity, the condensed consolidated interim statement of cash flow and selected explanatory notes thereto. The condensed consolidated interim financial statements have been approved by the directors and have been prepared in accordance with IAS 34, *"Interim Financial Reporting"* as adopted by the EU.

The preparation of the condensed consolidated interim financial statements and the assessment of its content, are within the responsibility of the Board of Directors. This responsibility includes amongst others: set up, implement and maintain appropriate internal controls over the preparation and the true and fair view of the condensed consolidated interim financial statements, which does not contain material errors, as a result of fraud or errors; select and apply appropriate valuation rules for financial reporting and make accounting estimates which are reasonable in the given circumstances. Our responsibility is to issue a judgment on these condensed consolidated interim financial statements on the basis of 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.

On the basis of our review, we can inform you as follows:

- As mentioned in the report of the Board of Directors, the current cash position may not be sufficient to consistently continue the actual and planned activities for the next twelve months. However, the valuation rules are maintained in the assumption of going concern, since the Board of Directors is confident that the different strategic and financial options which are actually considered, will lead to a solution for this possible cash issue. This assumption of going concern is only justified if these strategic and financial options will be successful on short term.

- Except for the possible impact of what is mentioned in the previous paragraph, our limited review did not reveal any material modifications that should be made to the condensed consolidated interim financial statements for the six months ended June 30th, 2010.

Zaventem, August 24th, 2010

BDO Bedrijfsrevisoren Burg. CVBA (B023)
Statutory auditor
Represented by Gert Claes

About TiGenix

Based in Leuven, Belgium, TiGenix NV (NYSE Euronext Brussels: TIG) is a public biomedical company that focuses on 'Regenerating Motion'. The company is exploiting the power of Regenerative Medicine to develop durable treatments, validated through controlled clinical trials, for damaged and diseased skeletal tissues. TiGenix now has two products approved for marketing and sales in Europe:

ChondroCelect®, the company's lead product for cartilage regeneration in the knee, is the first cell-based product that successfully completed the entire development track from research, over clinical development to central European registration as a medicinal product. ChondroCelect consists of characterized cultured chondrocytes derived from the patient's own cartilage and is used for autologous chondrocyte implantation (ACI), a surgical procedure to treat cartilage defects. ChondroCelect received European Marketing Authorization as the first Advanced Therapy Medicinal Product.

ChondroMimetic™ is an off-the-shelf, collagen based implant for the treatment of small osteochondral (cartilage and underlying bone) defects. ChondroMimetic received CE-mark approval for the treatment of small chondral and subchondral lesions. It will be marketed as a procedure pack with the collagen implant preloaded in an accurate, easy to use delivery device.

The company exploits a proprietary (stem) cell and biomaterials platform, which will continue to generate candidate products that address specific musculoskeletal problems.

With a fully operational sales team in place, TiGenix is ready for commercial expansion and reinforcement of its leading position in Europe in the regenerative medicine field.

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 recognized 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.