

Business and Financial Update for the First Quarter of 2010

Leuven (BELGIUM) – May 19, 2010 – TiGenix (NYSE Euronext: TIG) gives a business and financial update as of March 31, 2010.

Business Update

Commercial roll-out of ChondroCelect® in Europe

During the first quarter of 2010, TiGenix has begun the commercial launch of its lead product, ChondroCelect, in Germany, Belgium, the United Kingdom and the Netherlands. While working towards reimbursement in our key target markets, the first “pre-reimbursement” ChondroCelect patients have been treated in these countries under a variety of payment and reimbursement mechanisms, including self-pay, private insurance, workers compensation, payment from hospital or primary care trust budgets in the UK, and reimbursement by German health insurance funds.

Reimbursement dossiers have been submitted in Belgium, the Netherlands, France and Spain. Negotiations on pricing and reimbursement with the local health insurance authorities and payers are ongoing and we expect a gradual treatment uptake in the second half of the year as reimbursement decisions are confirmed in the target markets.

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 in Germany and gives these hospitals the right to negotiate reimbursement of ChondroCelect with their health insurance funds (“Krankenkassen”). In the meantime, the first negotiations have taken place and some of these hospitals have reached an agreement with their health insurance funds. Among them is the Freiburg University Hospital, one of the largest cartilage repair centers in Germany. Further negotiations will continue in the second and third quarter of this year.

Regulatory path for ChondroCelect in the US

The US Food and Drug Administration (FDA) requested a new study before the filing of a Biologics License Application (BLA) for ChondroCelect and invited TiGenix to seek Special Protocol Assessment.

Due to the delay and additional investment associated with such an additional trial, TiGenix is pursuing corporate partnering opportunities and other strategic options for the further development of ChondroCelect in the US. Meanwhile the US development activities have been put on hold and the Memphis facility has been closed.

Commercial launch of ChondroMimetic™

Through the acquisition of Orthomimetics (now TiGenix Ltd) in November 2009, TiGenix added a second approved (CE-Mark in Europe) product to its pipeline. ChondroMimetic is an off-the-shelf, collagen based implant for the treatment of small osteochondral (cartilage and underlying bone) defects. All pre-commercial activities are on track for the launch of ChondroMimetic in September of this year.

Commercial strategy

TiGenix will further leverage the commercial potential of ChondroCelect and ChondroMimetic outside its core European markets through out-licensing and distribution agreements. In several markets, partnering discussions have been initiated.

Meanwhile, the Company will also continue to focus on leveraging its commercial platform and privileged access to key opinion leaders in Europe by expanding its product portfolio through the in-licensing and acquisition of complementary products.

Development strategy

Parallel to expanding its commercial platform, TiGenix continues to progress its internal development pipeline, building on the unique combination of its core cell technology know-how and its acquired biomaterials platform.

Significant progress has been made with the development of the adult stem cell platform through establishing proof of concept for meniscus repair. The adult stem cell platform opens the perspective to move to allogeneic, one-step cell-based products and to broaden the company's product offering to other skeletal tissues.

In the shorter term, an important source of new proprietary products is the collagen-based biomaterials platform from Orthomimetics. The novel cell-free scaffolds are being developed for the treatment of bone, meniscus, and tendon.

The company will further focus on the development of novel and innovative products by combining both technology platforms.

Financial Update

Cash position of EUR 18.7 million on March 31, 2010

Net cash used in the first quarter was EUR 6.0 million. Close to EUR 2.0 million hereof are CAPEX investments linked to construction of the manufacturing facility in Sittard-Geleen. On March 31 2010, TiGenix had cash and cash equivalents of EUR 18.7 million on the balance sheet.

Revenues in the first quarter amounted to EUR 0.6 million and consist mainly of grant funding for meniscus and osteoarthritis research.

OUTLOOK

- ChondroCelect pricing and reimbursement decisions in key target countries
- Publication of 5 year follow-up data from TIGACT01 study
- European Launch of ChondroMimetic
- Start of patient enrollment for ChondroCelect confirmatory study
- Start of clinical development of MeniscoCelect

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About TiGenix

Based in Leuven, Belgium, TiGenix NV (NYSE Euronext Brussels: TIG) is a 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 osteoarthritic joints.

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®

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 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. On October 5, 2009 ChondroCelect® received European marketing authorisation as the first Advanced Therapy Medicinal Product, indicated for repair of single symptomatic cartilage defects of the femoral condyle of the knee (International Cartilage Repair Society [ICRS] grade III or IV) in adults.

About Chondromimetic™

Chondromimetic is a porous, resorbable implant which is designed to support the regenerative repair of damaged joint surfaces and bony defects caused by trauma or disease. Chondromimetic contains three readily-absorbed, non-synthetic biomaterials: collagen, glycosaminoglycan and calcium phosphate in a dual-layer porous implant. The product allows pre-hydration with sterile fluids and autologous blood products and provides optimum environmental conditions for cell infiltration and tissue regeneration via its unique materials composition and scaffold architecture. The product is supplied sterile and ready to use, and is compatible with open and minimally invasive implantation methods. The product received CE-mark approval for the treatment of small chondral and subchondral lesions.

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.