



Intercell and GSK form strategic alliance to develop and commercialize innovative needle-free patch-based vaccines

Vienna (Austria) / London (UK), December 11, 2009 – Intercell and GlaxoSmithKline Biologicals SA (GSK) today announced an agreement to form a strategic alliance to accelerate the development and commercialization of needle-free, patch-based vaccines. The agreement will include Intercell's candidate vaccine for travelers' diarrhea (TD) and an investigational single application pandemic influenza vaccine, as well as the use of the patch technology for other vaccines in GSK's portfolio.

Under the terms of the agreement, GSK will make an up-front cash contribution of EUR 33.6 (USD 49.4) million, in addition to an equity investment of up to EUR 84 (USD 123.5) million through a staggered shareholding purchase option of up to 5 % in Intercell. Included in the agreement are Intercell's investigational TD vaccine, currently in Phase III, and an investigational single application pandemic influenza vaccine in Phase II, as well as other potential future patch vaccines.

“This new partnership is combining the forces of Intercell's innovative needle-free vaccination program and technologies with a vaccine leader's strength in development and commercialization. In addition, we can pursue our business strategy of creating significant shareholder value as an independent company whilst continuing to develop one of the most innovative product pipelines in the industry,” says Gerd Zettlmeissl, Chief Executive Officer of Intercell.

“This novel technology has real potential to change the way vaccines are delivered in the future. GSK has an extensive portfolio of vaccines and we believe needle-free vaccination could offer benefits such as simplified administration and increased compliance.” said Jean Stephenne, President of GSK Biologicals. “This agreement demonstrates how, as an integral part of our R&D program, we not only look at new vaccines but also at alternative approaches to oral and intramuscular administration.”

Each year, approximately 20 million international travelers develop TD while visiting endemic areas in Asia, Africa, and South America. Currently, there is no vaccine available to address this medical need. GSK and Intercell will collaborate on the TD Vaccine Patch, currently in phase III, to commercialize this vaccine once it has gained regulatory approval. The agreement will also include a collaboration between the two companies to further develop and co-market an innovative pandemic influenza vaccination approach.



About the Patch Vaccine Technology

The patch technology opens up a new way of vaccine delivery that could make the vaccines easier to administer, faster to deliver, and can result in lower or fewer doses. The Vaccine Patch is a new and needle free delivery technology which can be used to:

- » Enhance the effect of injected vaccines: **Vaccine Enhancement Patch (VE Patch)**
- » Develop new vaccines which require transcutaneous administration because the antigen can not be delivered safely through other routes of administration: **Vaccine Patch**

Compared with standard immunization via needles, the patch technology could offer certain benefits, e.g. easy administration and direct delivery of the antigen and adjuvant to the immune system through natural defense pathway, which could make vaccination more efficient.

In studies, the patch was shown to boost cellular immunity to a diverse range of antigens and to stimulate both B-cell and T-cell responses. It contains the heat labile enterotoxin from *E. coli* (LT), one of the most potent stimulators of the immune system.

About Intercell's investigational Travelers' Diarrhea Vaccine

Intercell's investigational vaccine against Travelers' Diarrhea (TD) is easily administered by a novel needle-free vaccine patch. The vaccine candidate has entered Phase III clinical development including 1,800 subjects travelling from Europe to Mexico and Guatemala. If approved, it will be the first vaccine delivered with a patch and the first to prevent TD.

The late-stage TD vaccine is based on a needle-free vaccine patch technology and is designed to confer protection against the most prevalent causative agents of diarrheal diseases. Analysis of a Phase II field study of 170 travelers verified that the vaccine patch reduced the risk of moderate to severe TD by 75 percent. The positive results from the field study were published in *The Lancet* in June 2008. In addition, clinical testing has shown a strong immune response directed against ETEC bacteria.

About Intercell's single application Pandemic Influenza vaccine

Intercell is developing a pandemic influenza patch that is designed to enhance the immune response to existing injected pandemic influenza vaccines. If successful, the patch will expand the limited vaccine supplies by allowing fewer or lower doses of vaccine.

When used in a combination with an injected pandemic Influenza vaccine (H5N1), the VE Patch enhanced the immune response to the vaccine after only a single dose, resulting in a seroconversion rate of 70 percent, meeting the FDA and EMEA standard for approval of a pandemic Influenza vaccine. The development of a pandemic Influenza vaccine patch has been funded in part by the U.S. Department of Health and Human Services.



About GlaxoSmithKline

GlaxoSmithKline – one of the world's leading research-based pharmaceutical and healthcare companies – is committed to improving the quality of human life by enabling people to do more, feel better and live longer. For further information please visit www.gsk.com

About Intercell AG

Intercell AG is an innovative biotechnology company that develops novel vaccines for the prevention and treatment of infectious diseases with substantial unmet medical needs. Intercell's vaccine to prevent Japanese Encephalitis is the Company's first product on the market.

The Company's technology platforms include an antigen-discovery system, adjuvants and a novel patch-based delivery system (Vaccine Patch, Vaccine Enhancement Patch). Based on these technologies, Intercell has strategic partnerships with a number of global pharmaceutical companies, including Novartis, GSK, Merck & Co., Inc., Wyeth, and Sanofi Pasteur.

The Company's pipeline of investigational products includes a Travelers' Diarrhea Vaccine Patch (Phase III), a *Pseudomonas* vaccine candidate (Phase II), a Vaccine Enhancement Patch to prevent Pandemic Influenza in combination with an injected vaccine (Phase II), a vaccine program for *S. aureus*, which is being developed with Merck & Co., Inc. (Phase II/III), as well as a vaccine candidate for *Pneumococcus* (Phase I). In addition, three other products focused on infectious diseases are in pre-clinical development.

Intercell is listed on the Vienna stock exchange under the symbol "ICLL" (U.S. level one ADR symbol "INRLY").

For more information, please visit: www.intercell.com

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