



Intercell AG Launches IPO

The Austrian based vaccine company Intercell AG announced today the launch of its initial public offering (IPO) of newly issued common stock.

- » Up to 8,500,000 newly issued shares of Intercell AG will be offered at a price range of € 6.75 to € 8.50 per share.
- » The Offering period will last from February, 14th to 25th 2005.
- » The first trading day on the Vienna Stock Exchange is planned for February 28th 2005

Vienna, February 14th 2005 – Intercell AG, a leading developer of next generation vaccines for the prevention and treatment of major infectious diseases with a state-of-the-art manufacturing facility in Livingston, Scotland, announced today the launch of its global offer of shares of its common stock and its listing on the Vienna Stock Exchange. The offer will consist of an initial public offering in Austria and private placements to institutional investors in certain other jurisdictions.

Intercell expects to raise between € 57.4 million and € 72.3 million and intends to use the net proceeds of this offering for the further development and commercialization of its product candidates, the further development of its technologies in order to create additional business opportunities, and for general corporate purposes.

Goldman Sachs has been appointed global coordinator and bookrunner with Lehman Brothers as the lead manager and Bank Vontobel, DZ Bank and Erste Bank as co-lead managers.

Intercell AG has two late stage product candidates in development, including a Japanese Encephalitis vaccine (JEV) expected to enter Phase III trials towards the middle of this year and a Hepatitis C therapeutic vaccine (HCV) in ongoing Phase II trials. The company's robust early stage pipeline of five products in preclinical studies is based on its proprietary technology platform. The technology has been validated through revenue generating strategic partnerships with some of the top vaccine players including Sanofi Aventis and Merck & Co, Inc.

Alexander von Gabain, CEO of Intercell, commented on the listing: "The IPO is an important milestone for Intercell. It is exciting to be part of a story that started with a vision at a University department six years ago and that has now developed into a fully integrated vaccine company with advanced products and partnerships with blue chips of the industry. The proceeds of the offering will fund our prophylactic JEV vaccine up to its registration and they will enable us to further accelerate the development and commercialization of our broad

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portfolio of vaccine candidates and technologies. The proceeds will also provide us with the flexibility to evaluate further growth opportunities.”

The offering at glance

Up to 8,500,000 new shares of Intercell AG stemming from a capital increase will be offered at a price range of € 6.75 to € 8.50 per share. Intercell AG and certain existing shareholders have granted the underwriters a 30-day option purchase up to an additional 1,275,000 shares. Intercell’s common stock is expected to begin trading on the Prime Market segment of the Vienna Stock Exchange on February 28th, 2005 under the symbol “ICLL”.

Upon completion of the offering and assuming that the over-allotment option is fully exercised, there will be 33,018,138 shares outstanding and new shareholders will hold approximately 29.6 % of the company.

Offer size:	Up to 8,500,000 shares of newly issued common stock of Intercell AG
Price Range:	€ 6.75 to € 8.50 per share
Offering period:	February, 14 th to 25 th 2005 Exact issue price will be determined at the end of the offering period
First trading day:	On or about February 28 th , 2005
Allocation:	It is intended that preferential allocation criteria will be applied to the first 1,500 shares of any Austrian retail order placed no later than 3:00 pm CET on February, 25 th , 2005
Settlement date:	on or about March 3 rd , 2005
ISIN:	AT0000612601
Vienna Stock Exchange ticker symbol:	ICLL
Lock-up:	Generally, 12 months for the management board, 6 months for the supervisory Board and other existing shareholders.

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About Intercell AG

Intercell AG is a biotechnology company focused on developing, manufacturing and commercializing prophylactic and therapeutic vaccines against infectious diseases. Through proprietary research and development programs and technologies, the company develops novel prophylactic vaccines that protect the human body against future infections and therapeutic vaccines that enhance the human immune system's response to existing infections.

Intercell's Advanced Products

IC 51 - Japanese Encephalitis Prophylactic Vaccine

IC 51, Intercell's most advanced product candidate, is a prophylactic vaccine against the Japanese Encephalitis virus, or JEV, which has completed phase II clinical trials. The U.S. Food and Drug Administration, or FDA, has recently approved the initiation of phase III pivotal clinical trials for this vaccine, which Intercell expects to commence in mid-2005.

IC 51 offers significant benefits compared to existing vaccines against JEV, including significantly fewer side effects, primarily due to the state-of-the-art manufacturing process for this vaccine. IC 51 is manufactured using tissue culture rather than live organisms and does not contain any stabilizers or preservatives in its formulation.

Intercell believes its JEV vaccine, which is an improved version of a currently available vaccine against JEV, to involve less development risk than a novel vaccine and to reach the market significantly earlier than other JEV vaccines currently being developed by competitors.

IC 41- Hepatitis C Therapeutic Vaccine

IC 41, Intercell's second most advanced product candidate is a therapeutic vaccine against the Hepatitis C virus, or HCV, which completed a phase II clinical trial in July 2004 involving HCV patients who had not responded to the current standard HCV therapy. The HCV vaccine is also in a parallel phase II clinical trial in combination with the current standard HCV therapy and is scheduled to enter additional clinical trials in 2005 to determine the optimal method and frequency of vaccination.

Pre-Clinical Product Pipeline

Intercell has a robust pre-clinical pipeline of five internally developed product candidates which address a high unmet medical need in attractive markets. The company aims to develop some of these in-house and others through additional strategic partnerships.

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Intercell's Proprietary Technologies

The company's core technologies utilize innovative processes to identify antigens that are recognized by the human immune system. In addition, Intercell develops proprietary adjuvants, or "immunizers," which stimulate the human immune system's response to an antigen and enhance its ability to fight and destroy the associated pathogen. These technologies are organized under two programs: the Antigen Identification Program, or AIP, which identifies novel antigens for a variety of pathogens, and the Vaccine Improvement Program, or VIP, which develops proprietary adjuvants, or immunizers. Intercell selectively in-licenses product candidates for development when those product candidates serve its strategic interests.

Information on the vaccine market

The World Health Organization (WHO) estimates that infectious diseases cause approximately 25 percent of all deaths each year worldwide. According to the market research firm Frost & Sullivan the global market for vaccines amounted to more than \$8 billion in 2003 and primarily consisted of traditional prophylactic vaccines against infectious diseases. Innovation is particularly important for creating new market opportunities in this industry. By 2010, the introduction of novel prophylactic vaccines and therapeutic vaccines for chronic infectious diseases is expected to increase the global market value for vaccines to an amount between \$17 billion and \$22 billion. The growth rate for these novel vaccines is expected to outpace the expected growth rate of the overall pharmaceutical market.

About Japanese Encephalitis

The Japanese encephalitis virus was first identified in 1935 in Japan. It is a mosquito-borne flaviviral infection and the leading cause of viral encephalitis. JEV is still a huge public health problem in countries in Southeast Asia and the Western Pacific. Three billion people live in endemic areas and approximately 30,000 to 50,000 cases occur each year of which approximately 25 percent are fatal. Furthermore the virus is spreading into new areas. The current vaccine available internationally is made from infected mouse brains and has considerable side effects. Because of the sophisticated production technology required, hypersensitivity and side effects upon vaccination with first-generation JEV vaccines, the World Health Organisation (WHO) is encouraging the development of a second generation, safe, tolerant and immunogenic Japanese Encephalitis vaccine.

About HCV

HCV is a major cause of acute hepatitis and chronic liver disease, including cirrhosis and liver cancer. According to the WHO, approximately 170 million people worldwide are chronic HCV carriers. Three to four million individuals are newly infected each year. Currently there is no vaccine against Hepatitis C. At present, Hepatitis C can only be treated with a combination of

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Interferon and Ribavirin – a long term therapy with limited efficacy and significant side effects which result in very high annual costs per patient.

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