



Intercell receives milestone payment from partner Merck&Co., Inc., for bacterial vaccine candidate

Vienna, Austria, November 2, 2005 - Intercell AG (VSE, "ICLL") announced today that it has received a milestone payment of USD 1 million from Merck&Co., Inc., for significant progress made in the development of a bacterial vaccine candidate.

The vaccine candidate, which has the potential to address an unmet medical need in the field of infectious diseases, was licensed from Intercell under a collaboration and license option agreement signed in May 2004. The parties have agreed confidentiality on the indication. The vaccine candidate is expected to enter clinical development in the near future.

"We're pleased that Merck, which has a reputation as a leader and innovator in the field of vaccines, has made significant progress in the development of a vaccine candidate that is fully derived from our bacterial Antigen Identification Program," said Gerd Zettlmeissl, CEO of Intercell AG. "This is an example of the valuable role Intercell technologies can play in developing potential vaccines."

About Intercell

Intercell AG is a fast growing biotechnology company with a clear strategy and focus on the design and development of novel vaccines for prevention and treatment of infectious diseases with substantial unaddressed medical need. The Company's unique position is based on the combination of antigens and immunizers (adjuvants) derived from its proprietary technology platforms and its in-house GMP manufacturing facilities. Intercell's technology has been endorsed by collaborative agreements with a number of global pharmaceutical companies, including sanofi pasteur, Merck&Co., Inc., SciGen Ltd. and the Statens Serum Institut. The Company has a broad development pipeline with a vaccine for Japanese Encephalitis undergoing Phase III clinical trials, a vaccine for Hepatitis C in Phase II trials, and five products focused on infectious diseases in the pre-clinical phase. Intercell is listed on the Vienna stock exchange under the symbol "ICLL".

For more information please visit: www.intercell.com

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