



Intercell Announces Third Quarter 2005 Results
Progress in clinical development and strategic partnerships for further growth

Conference Call regarding the report Q3 2005
Monday, November 14, 2005 - 14.30 CET
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- » Global immunogenicity and safety Phase III trials for Japanese Encephalitis vaccine started
- » Exclusive Agreement with CSL Ltd. for Marketing and Distribution of Japanese Encephalitis Vaccine in Australia
- » Milestone within strategic partnership with Merck&Co., Inc., achieved: USD 1 million milestone payment for bacterial vaccine candidate
- » European Patent for Antigen Identification Program granted
- » Alliance with the Centers for Disease Control and Prevention (CDC) for novel Pneumococcus vaccine
- » Management Board appointed for further growth – Gerd Zettlmeissl - new CEO, Alexander von Gabain - new CSO, Werner Lanthaler – CFO
- » Revenues of € 4.8 million for the first nine months of 2005. Planned net loss of € 17.9 Mio. due to progress within clinical products. Strong cash position with approximately € 60 million in liquid reserves

Vienna (Austria), November 14, 2005 – Vaccine company Intercell AG (VSE: ICLL) today announced its financial results for the first three quarters of 2005.

Intercell's aggregate revenues in the nine months ended September 30, 2005 were € 4.8 million, compared to € 4.2 million in the same period of 2004. The revenues from collaborations and licensing increased to € 3.6 million in the first nine months of 2005 from € 3.4 million in the comparative period of 2004. Revenues from public subsidies increased to € 1.2 million in the first nine months of 2005 compared to € 0.8 million in the first nine months of the previous year. The increase in revenue from public funding is primarily attributable to the start of research and development activities under a \$ 6.6 million grant contract with the National Institute of Health (NIH) of the United States with a total term of three years.

The company's net loss in the nine months ended September 30, 2005 was up 39.7 percent to € 17.9 million from € 12.8 million in the first nine months of 2004. This is almost entirely due to higher research and development costs, which increased by 61.6 percent from € 10.8 million in the first three quarters of 2004 to € 17.5 million in the first three quarters of the current year, reflecting the progress in manufacturing and advancing our JEV vaccine into Phase III clinical trials.





Our sales, general and administration costs increased by 5.0 percent from € 5.7 million in the nine months ended September 30, 2004 to € 6.0 million in the first three quarters in 2005.

In aggregate, our net operating expenses increased by 38.5 percent from € 16.9 million in the first three quarters in 2004 to € 23.4 million in the nine months ended September 30, 2005.

Financial Highlights

€ in thousands	3 months ended – Sept. 30, 2005	9 months ended – Sept. 30, 2005	Year ended – Dec 31, 2004
Revenues	691	4,797	4,581
Net loss	(9,748)	(17,859)	(20,314)
Net operating cash flow	(5,018)	(15,749)	(11,920)
Cash and marketable securities, end of period	59,701	59,701	31,350

Recent Achievement

The European Patent Office has granted a European Patent 1355930 entitled “A method for identification, isolation and production of antigens to a specific pathogen” to protect Intercell’s Antigen Identification Program. The Antigen Identification Technology is used in-house as well as by Merck&Co., Inc. and sanofi pasteur for the discovery of novel vaccine antigens.

Operational and Business Strategy Review Third Quarter 2005

Japanese Encephalitis (JEV)

Within the last months, highest priority was given to the preparations for the **global Phase III clinical trials**, which successfully started on September 19th 2005. The global Phase III Program consists of a series of immunogenicity and safety trials, and will enrol more than 4,900 subjects. Furthermore, a one time vaccination schedule is included in the Phase III program.

The fundamental immunogenicity study takes place in Austria, Germany and the United States. This trial will compare the immune responses of IC51 with JE-VAX[®], which is the only Japanese Encephalitis vaccine approved in the US. An additional series of Phase III trials will gather further immunogenicity and safety data in approximately 4,000 subjects. These subjects will be recruited in Austria, Australia, Bulgaria, Germany, Israel, the Netherlands, New Zealand, Romania, UK and the United States.

Hepatitis C

The development of our therapeutic vaccine against Hepatitis C continues to be fully on track. After completion of our first Phase II clinical study in 2004, the clinical development program has been further extended. A follow-up study has been designed to further increase the T-cell response that is the pivotal arm of the immune system to fight the infection by optimizing the



route and the frequency of vaccinations. Recruitment for the new study, where Intercell's Hepatitis C vaccine is applied to more than 50 healthy volunteers by administering up to 16 vaccinations at weekly intervals, has recently been completed. Results are expected for early 2006. IC41 is also being tested in combination with the Interferon/Ribavirin standard therapy in another Phase II trial. This trial is expected to be completed in 2006.

Research and Pre-clinical Products

Significant progress has been made in our research and pre-clinical programs:

- » We entered into an alliance with the Centers for Disease Control and Prevention (CDC) in Atlanta, US for further development of our protein-based Pneumococcus vaccine as one of our next lead vaccine candidates. There is a high unmet medical need for a novel and safe vaccine especially in the elderly population. The currently approved vaccine against *S. pneumoniae* only covers a fraction of the 90 different *S. pneumoniae* serotypes. With the new vaccine, Intercell is aiming to prevent infection by all serotypes.

Within our preclinical programs we primarily focus on vaccines against Streptococcus Pneumoniae and Group A Streptococcus infections in order to define product candidates in 2005 for future clinical development.

Strategic Alliances & Licensing

All existing strategic alliances which have resulted from our highly successful antigen identification and adjuvant (IC31™) technologies are moving forward according to the intended timelines:

- » Within our strategic alliance with Merck&Co., Inc., Intercell - subsequently to the third quarter - received a USD 1 million milestone payment for significant progress made in the development of a bacterial vaccine candidate fully derived from Intercell's Antigen Identification Program. Merck&Co., Inc. licensed the vaccine candidate, which has the potential to address a very important unmet medical need in the field of infectious diseases, was licensed from Intercell in May 2004. First clinical trials are expected in near future.

In some of these partnerships we expect first clinical trials within this year. Our major strategic partners are: Merck&Co., Inc. (US), sanofi pasteur (France), Statens Serum Institut (Denmark) and SciGen Ltd. (Australia/Singapore). We expect the start of another clinical trial and further technology alliances within the next months.

The full quarterly report including un-audited financial statements can be downloaded at www.intercell.com.

About Intercell AG:



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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