

Intercell AG launches a combined primary and secondary public offering for up to 7.8 million shares

Intercell AG, a vaccine company based in Austria, announced today the launch of a public offering for up to 7.8 million primary and secondary shares. Subject to the approval of the offering prospectus by the Austrian Financial Market Authority (FMA) the offer is expected to launch on Wednesday June 14, 2006:

- » Share capital increase of up to 4.7 million new shares of common stock by way of an at-markets rights issue, entitling existing shareholders to subscribe for one new share for every seven existing shares held
- » Secondary share placement of up to 2.5 million existing shares of common stock by funds managed by private equity firms MPM Capital, TVM Capital, Star Ventures and Alpinvest
- » Secondary share placement of up to 0.6 million shares offered on behalf of management and employees to cover taxes and exercise price in connection with exercises of employee stock options
- » Novartis has committed to invest up to € 30 million in the purchase of common stock in this offering
- » The offering and subscription period will last from June 14 to June 29, 2006
- » Trading of newly issued shares on the Vienna Stock Exchange is expected to start on July 4, 2006.

Vienna, June 13, 2006

Intercell is launching a capital increase to finance the expansion of its operations. This step follows the recent successful progress within the company and the proven breakthrough potential of Intercell's product candidates and technologies, including positive Phase III clinical trial results and the agreement with Novartis for the marketing and distribution of Intercell's leading product candidate, a prophylactic vaccine against Japanese Encephalitis, which was announced today.

The offering will consist of a public offering in Austria and private placements to institutional investors outside Austria.

Intercell intends to use the net proceeds for further organic growth of its promising vaccine pipeline, for the expansion of its manufacturing capacities and for general corporate purposes.

The final subscription and offer price will be determined after the expiry of the subscription and offer periods on or around June 29, 2006. It will be announced in the electronic media on or around June 29, 2006.



Intercell also announced today that the company has agreed to enter into a marketing and distribution partnership with Novartis for Intercell's Japanese Encephalitis Vaccine in the United States, Europe and certain other markets.

In connection with this agreement, Novartis has committed to invest up to € 30 million in the purchase of common stock in this offering, expressing its strategic interest in Intercell's Japanese Encephalitis vaccine and technology platforms.

Merrill Lynch International has been appointed as a global coordinator and the sole bookrunner. Erste Bank and Sal. Oppenheim jr. & Cie. will act as co-lead managers in this offering.

Intercell AG has two late-stage product candidates in development, including the Japanese Encephalitis Vaccine, as well as a vaccine product candidate for Hepatitis C in Phase II, partnered vaccine candidates for tuberculosis and *S. aureus*, which are in Phase I, and more than five other product candidates focused on infectious diseases in pre-clinical development.

Gerd Zettlmeissl, Intercell's CEO, commented on the offering: "We are very happy with the successful progress of our proprietary product candidates through late-stage clinical trials. Together with our leading strategic partners, we are now even more convinced of the enormous potential for new product candidates derived from Intercell's technology platform. The net proceeds from this offering will allow us to maximize shareholder value through the preparation for commercialization of our Japanese Encephalitis Vaccine, the progress of our existing vaccine candidates in development and the further exploitation of our technology platform".

The offering at glance

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| Offer size: | Up to 4,736,835 new shares of common stock and up to 3,068,165 existing shares of common stock |
| Selling Shareholders: | Funds managed by private equity firms, MPM Capital, TVM Capital, Star Ventures and Alpinvest Partners
Members of management board and employees to cover exercise price and tax resulting from the exercise of stock options |
| Novartis participation: | Up to €30 million of common stock in connection with the marketing and distribution partnership for the Japanese Encephalitis Vaccine |
| Offer and subscription period: | June 14, 2006 to June 29, 2006 |
| Preferential Allocation: | In the public offering in Austria, preferential allocation will be given to the first 750 shares of any retail order placed no later than 5:00 pm CEST on June 26, 2006. |



Over – allotment option: Certain of the selling shareholders will grant an option to the initial purchasers to purchase up to 1,142,848 additional shares of common stock at the subscription and offering price solely to cover any over-allotments by Merrill Lynch International as stabilization manager.

Settlement date: July 4, 2006

ISIN: AT 0000612601

Vienna Stock Exchange ticker symbol: ICLL

About Intercell AG

Intercell AG is a biotechnology company focused on the research, development, manufacturing and future commercialization of innovative vaccines for the prevention and treatment of infectious diseases, for which there exists a substantial unaddressed medical need. The Company develops antigens and immunizers (adjuvants), which are derived from its proprietary technology platforms and has in-house GMP manufacturing capability. Intercell has strategic partnerships with a number of global pharmaceutical companies, including sanofi pasteur S.A., Merck & Co., Inc., SciGen Ltd., the Statens Serum Institut and Kirin Brewery Co., Ltd.. The Company has a broad development pipeline with a vaccine product candidate for Japanese Encephalitis in Phase III, a vaccine product candidate for Hepatitis C in Phase II, partnered vaccine candidates for tuberculosis and *S. aureus*, which are in Phase I, and more than five other product candidates focused on infectious diseases in pre-clinical development. Intercell is listed on the Vienna stock exchange under the symbol "ICLL".

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

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This press release is not a prospectus and, to the extent that it may constitute an advertisement, does not constitute an offer to sell or the solicitation of an offer to purchase the shares or other securities of Intercell AG. Subject to the approval of the Austrian Financial Market Authority, it is anticipated that a prospectus will be published on June 13, 2006 and investors will be able to obtain a free copy from Intercell AG and Erste Bank der oesterreichischen Sparkassen AG.

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