



Intercell agrees on a marketing and distribution agreement for its Japanese Encephalitis Vaccine

- » Intercell has agreed to enter into an agreement with **Novartis** for the marketing and distribution of its Japanese Encephalitis Vaccine (IC51) in the United States, Europe and certain other markets in Asia and Latin America. Intercell intends to initially commercialize the vaccine on its own in the armed forces and military personnel market.
- » Under this marketing and distribution agreement, Intercell will be entitled to milestone payments of up to € 37 million from Novartis, depending on final Phase III clinical trial data and US and EU regulatory approvals.
- » Novartis has committed to an equity investment of up to € 30 million in shares of Intercell in a public offering that was announced by Intercell today.

Vienna (Austria), June 13, 2006 – Intercell AG (VSE, “ICLL”) announced today that it has agreed the principle terms of a marketing and distribution agreement with **Novartis** for its Japanese Encephalitis Vaccine in the market for travellers in the United States, Europe and certain other markets in Asia and Latin America where the product is not partnered yet. Intercell’s Japanese Encephalitis Vaccine (IC51) is a modern cell culture based vaccine which is manufactured in Intercell’s manufacturing plant in Scotland. Intercell will retain all development and production rights and will continue to lead the global development and regulatory pathway. Intercell has recently announced positive results for IC51 in a pivotal Phase III clinical trial and expects US and EU approval in 2007 and 2008, respectively.

In connection with the marketing and distribution agreement for IC51, Intercell will receive milestone payments of up to € 37 million from Novartis, depending on final Phase III clinical trial data as well as US and EU regulatory approvals. Furthermore, Novartis will make an equity investment of up to € 30 million in Intercell’s shares, which will also give Novartis the first negotiation rights to certain existing product candidates derived from Intercell’s technology platform. Details of the offering in which Novartis will make the investment were disclosed by Intercell today in a separate ad-hoc announcement.

Intercell intends to initially distribute IC51 in the market for the armed forces and military personnel on its own with the US Army expected to be a key customer.

For the marketing and distribution of the vaccine in Australia, where the disease is endemic, Intercell has partnered with CSL Ltd. For marketing and distribution in certain endemic countries in Asia, Intercell has entered into a strategic partnership with the Indian company Biological E. Ltd.

“Our partnership with Novartis provides another leading industry player that validates our product candidates and technologies, following previous agreements with Merck & Co., sanofi pasteur and Kirin. We believe that the global market potential for a vaccine against Japanese Encephalitis will be expanded significantly with IC51, given its novel and safer product profile. Novartis is an ideal partner for the marketing and distribution of IC51



especially considering its high strategic commitment in the field of vaccines and its excellent travel vaccine portfolio,” states Dr. Werner Lanthaler, Chief Finance Officer and Senior Vice President for Marketing and Sales of Intercell.

About Intercell’s investigational Japanese Encephalitis vaccine

With over 3 billion people living in endemic areas, Japanese Encephalitis, a mosquito-borne flaviviral infection, is the leading cause of childhood encephalitis and viral encephalitis in Asia.

Intercell’s novel investigational Japanese Encephalitis vaccine is a purified, inactivated vaccine for active immunization of adults Japanese Encephalitis. Intercell has just recently released the preliminary results of its pivotal Phase III clinical immunogenicity trials, where the study met its primary endpoint. In a former Phase II head-to-head comparison with the U.S. licensed product JE-VAX®, Intercell’s investigational Japanese Encephalitis vaccine was shown to be:

- » Less reactogenic – both in frequency and intensity
- » More potent – higher antibody levels at all doses studied one month after the immunizations
- » More convenient – 2 doses versus 3 doses and liquid versus freeze-dried format
- » More persistent – higher persistence of antibodies two years after primary immunization

Intercell’s Japanese Encephalitis vaccine, manufactured in the Company’s manufacturing facility in Scotland. Intercell is developing the product in collaboration with the US Walter Reed Army Institute of Research.

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. Intercell 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. Intercell has a broad development pipeline with a vaccine product candidate for Japanese Encephalitis in Phase III clinical trials, 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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