

Intercell's therapeutic Hepatitis C T-cell vaccine (IC41) advances to next Phase II clinical trial

- » Start of a further Phase II clinical trial in chronic Hepatitis C patients using the optimized route and frequency of administration identified in the recent optimization study
- » 50 patients will be vaccinated with IC41 with the aim to achieve a significant reduction of viral load
- » Initial results expected in mid 2007

Vienna (Austria), September 26, 2006 – Intercell AG (VSE; "ICLL") today announced the start of a Phase II – proof of concept – clinical trial for its therapeutic Hepatitis C vaccine (IC41).

In this Phase II clinical trial, chronic Hepatitis C patients who have not received a previous treatment will be vaccinated with Intercell's therapeutic Hepatitis C vaccine using an optimized route and frequency of administration identified in the optimization study completed earlier this year. Results of this optimization study indicated that IC41, given in optimized route and schedule, is considerably more immunogenic and that the T-cell responses were stronger and significantly more frequent than it has been shown previously.

For the current clinical trial, 50 patients will be enrolled in Germany, Poland and Romania. The study aims to show significant reductions of HCV-RNA through IC41 stand-alone therapy. The vaccination regime used in this Phase II study is expected to achieve significantly stronger T-cell responses than it was observed in previous trials. Previous clinical trials showed that T-cell responses were associated with a clinically meaningful decline of HCV-RNA. Initial results of this Phase II study are expected in mid 2007.

Furthermore, Intercell is currently conducting a Phase II clinical trial in 24 patients, testing IC41 in combination with Interferon/Ribavirin standard therapy. Results from this study are expected for end-2006. The primary objectives of this study are safety and the pharmacodynamic interactions of IC41 with standard therapy. Intercell expects the study will further support the potential future development of IC41 in combination therapy settings using the new improved administration scheme of IC41.

"We are following a very straightforward development strategy. By applying our new application scheme of IC41 in chronic patients, we hope to obtain results, which will contribute in making our vaccine approach an attractive element in future Hepatitis C therapies", states Gerd Zettlmeissl, CEO of Intercell.

About Hepatitis C

HCV is a major cause of chronic liver disease, including cirrhosis and liver cancer. According to the World Health Organization (WHO), worldwide, approximately 170 million people are

chronic HCV carriers (3% of the world's population), including about 10 Million Europeans, 3.9 Million Americans and 2 Million Japanese. 35.000 new infections occur in the United States alone each year. The substantial unmet medical need is underscored by the fact that each year 8.000 to 10.000 deaths and 1.000 liver transplantations in the United States are due to HCV.

Currently, there is no vaccine against Hepatitis C and the infection can only be treated with a combination of Interferon and Ribavirin – a long-term therapy with limited efficacy and substantial side effects. It also gives rise to high treatment costs for patients. In 2002, worldwide sales of HCV drugs totaled at around EUR 2.8 bn, and demand has since grown significantly. The market is seen to be expanding to EUR 3.5 bn by 2006.

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 Novartis, Wyeth, Sanofi Pasteur S.A., Merck & Co., Inc., Kirin Brewery Co., Ltd. and the Statens Serum Institut. 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

Contact Intercell AG:

Intercell AG

Katharina Wieser

Head of Corporate Communication

Campus Vienna Biocenter 2 – A-1030 Vienna

P: +43-1-20620-303 – kwieser@intercell.com

This communication expressly or implicitly contains certain forward-looking statements concerning Intercell AG and its business. Such statements involve certain known and unknown risks, uncertainties and other factors which could cause the actual results, financial condition, performance or achievements of Intercell AG to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Intercell AG is providing this communication as of this date and does not undertake to update any forward-looking statements contained herein as a result of new information, future events or otherwise.