



## **Intercell and Merck expand strategic alliance to develop prophylactic vaccine and antibody treatments against Group A Streptococcus**

- » Agreement includes a USD 9.5 million upfront payment, up to USD 76 million milestone payments as well as royalties on future net sales of the product

**Vienna (Austria), October 26, 2006** - Intercell AG (VSE "ICLL") today announced that it has extended its strategic partnership with Merck Sharp & Dohme Research Ltd., an affiliate of Merck & Co., Inc., to include development of a prophylactic vaccine against Group A Streptococcus infections.

The agreement is based on antigens that were discovered and validated by Intercell's proprietary bacterial Antigen Identification Program (AIP®). The agreement also includes an option for Merck to develop human monoclonal antibodies directed against antigens identified by Intercell to treat and protect against severe infections caused by Group A Streptococcus. Infection with Group A Streptococci is responsible for a significant disease burden globally, sometimes causing severe complications, such as necrotizing fasciitis, requiring hospitalization and on occasion resulting in severe disabling consequences to the patient. The pathogen is ubiquitous and highly infectious. Even with uncomplicated infections, most frequently pharyngitis, also known as strep throat, patients often have to go through multiple cycles of antibiotic treatment. Strep throat is one of the most common reasons for visits to the pediatrician and the leading cause of antibiotic treatment in children.

Under the terms of the agreement, Intercell will provide to Merck certain Group A Streptococcus-specific antigens identified by its Antigen Identification Program (AIP®) that have promising profiles in preclinical vaccine models. Intercell will receive an upfront payment of USD 9.5 million and is eligible to receive milestone payments up to USD 76 million over the term of the agreement. Intercell will also receive royalties on future net sales of the product.

"The agreement reinforces the value of our Antigen Identification Program (AIP®)," said Alexander von Gabain, Chief Scientific Officer of Intercell. "The AIP® has become a key source in the development of novel vaccines and monoclonal antibody treatments. We are pleased to broaden our existing relationship with Merck with the addition of this important new target."

"Merck has been a world leader in bringing vaccines to the market to combat diseases that cause significant morbidity and mortality," said John Shiver, Vice President Vaccines and Biologics Research, at Merck. "Our efforts to develop a vaccine against Group A streptococcus infections demonstrate Merck's continuing commitment to combat infectious diseases through innovative vaccines."

### **About Group A *Streptococcus* infections**

Group A streptococci are frequent colonizers of the throats of healthy children and can cause a spectrum of severe infections, including pharyngitis, respiratory infections, rheumatic fever,



nephritis, and skin and soft tissue infections. An important childhood manifestation of the disease is scarlet fever. Group A streptococci are usually transmitted from person to person through direct contact or inhalation of respiratory secretions. Many people are asymptomatic carriers of Group A streptococci and under certain circumstances, up to 70% of children may be colonized by this organism. Thus, Group A streptococci are readily acquired in the community and induce a high disease burden.

#### **About Intercell's AIP®:**

Intercell's Antigen Identification Program® identifies novel vaccine targets from a variety of pathogens. Through the AIP®, a large number of novel proteins relating to a wide variety of infectious diseases have been successfully identified. In addition, certain product candidates identified are currently partnered with either Sanofi Pasteur S.A., or Merck & Co., Inc., and Kirin while others form the basis for development projects that are planned to be either developed in-house or partnered with third parties.

#### **About Intercell**

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](http://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](mailto: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.*