

Intercell announces Q4 and full year 2006 results:

Successful progress in partnerships increased revenues by 176.5 percent – All development programs on track – Strong strategic position for 2007

A strong and solid financial position at year end 2006 for further growth

- » Technologies created significant value - revenues of € 23.5 million, an increase of 176.5 percent - driven by successful progress in existing and new partnerships
- » R&D costs of € 31.0 million enabled to drive all programs forward at full speed to create the maximum value out of the product and technology platforms
- » Strong cash position with € 94.4 million
- » 35.9 percent decrease of net loss from € 25.1 million in 2005 to € 16.1 million in 2006 represents the turnaround of the previous trend of increasing annual losses

A clear strategy to market for the first product - *Intercell's Japanese Encephalitis Vaccine*

- » Pivotal Phase III immunogenicity and safety trials successfully completed
- » US regulatory filing initiated - full BLA submission expected in H2 2007
- » Joint launch activities with Novartis for private markets on track for H1 2008
- » Start of pediatric trials in Asia planned for H1 2007
- » Partnership for Japan expected in 2007

Become a leader in an attractive new market - *Nosocomial Infections*

- » S.aureus Vaccine partnered with Merck: Promising results in Phase I clinical studies – Phase II expected to start in 2007
- » Acquisition of Pelias completed – Pseudomonas Vaccine with promising Phase II data successfully integrated into Intercell's pipeline – Start of Phase II/III planned for end 2007/early 2008

Important milestone ahead – *Intercell's Hepatitis C Vaccine*

- » Phase II “proof – of – concept” study fully recruited - first data expected for mid 2007
- » Forward strategies comprise options for mono- and/or combination therapies

Broaden the pipeline and create business opportunities – Intercell's technologies

- » Data of Intercell's adjuvant (IC31™) in clinical proof of concept study in *Tuberculosis Vaccine* (Phase I) expected in H1 2007
- » AIP® technology geared up to deliver further new product candidates for own development and/or partnering activities in 2007

Vienna (Austria), March 5, 2007 – Vaccine company Intercell AG (VSE: ICLL) today announced financial results for the fourth quarter and the full year 2006:

Q4 2006 Financial review

Intercell's aggregate **revenues** increased from € 3.7 million in the fourth quarter 2005 to € 17.0 million in the fourth quarter 2006. This strong increase was due to outstanding revenues from



collaborations and licensing of € 16.0 million in the three months ended December 31, 2006, compared to € 2.7 million in the same period of the prior year. Revenues resulted primarily from a milestone payment of € 10 million under the marketing and distribution agreement for Intercell's Japanese Encephalitis Vaccine with Novartis, following submission of positive Phase III data, and from an up-front license payment, partially recognized as revenue in the fourth quarter 2006, from Merck&Co., Inc. under a new partnership to develop a prophylactic vaccine and antibody treatment against Group A Streptococcus.

Driven by revenues from collaborations and licensing, Intercell could achieve its first profitable quarterly result ever in the fourth quarter 2006. Net income was € 5.6 million, compared to a net loss of € 7.2 million in the fourth quarter 2005.

Research and development costs decreased from € 11.0 million in the fourth quarter 2005 to € 9.2 million in the same period in 2006 due to a decrease in clinical trial costs.

Full year 2006 Financial Review

Intercell's aggregate annual revenues increased from € 8.5 million in the year ended December 31, 2005 to € 23.5 million in the year ended December 31, 2006, or by 176.5 percent. This strong increase was due to higher revenues from collaborations and licensing resulting from new partnerships with pharmaceutical companies and from significant progress made in the existing collaborations. Revenues from collaborations and licensing were € 21.5 million in 2006, compared to € 6.3 million in 2005, which represents an increase of 241.3 percent.

Intercell's net loss for the year ended December 31, 2006 was € 16.1 million, compared to € 25.1 million in 2005. This decrease by 35.9 percent represents a change in the trend of increasing net losses throughout the previous years. The decrease in net loss was due to the strong increase in revenues, while net operating expenses also continued to increase as a result of the progress of Intercell's development programs. Research and development costs increased from € 28.5 million in 2005 to € 31.0 million in 2006, or by 8.8 percent.

As of December 31, 2006, Intercell had liquid funds of € 94.4 million of which € 28.9 million was cash and cash equivalents and € 65.5 million was available-for-sale securities.

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

About Intercell AG:

Intercell AG is a growing biotechnology company which focuses on the design and development of novel vaccines for prevention and treatment of infectious diseases with substantial unmet medical need. The Company develops antigens and immunizers (adjuvants) which are derived from its proprietary technology platforms, and has in-house GMP manufacturing capability. Based on these technologies, Intercell has strategic partnerships



with a number of global pharmaceutical companies, including Novartis, Merck&Co., Inc, sanofi pasteur, Kirin, Wyeth, and the Statens Serum Institut.

The Company's lead product, a prophylactic vaccine against Japanese Encephalitis has successfully concluded pivotal Phase III clinical trials. The regulatory process towards a Biologics License Application (BLA) to the U.S. Food and Drug Administration (FDA) has been initiated. The broad development pipeline includes a therapeutic vaccine for Hepatitis C in Phase II, a Pseudomonas vaccine in Phase II, partnered vaccines for Tuberculosis and S. aureus which are in Phase I, and five products 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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