



Regulatory approval to start pediatric clinical trials for Japanese Encephalitis (JE) Vaccine in India obtained

- » Development process for vaccine launch in endemic countries accelerated – Approval for start of clinical trials in India obtained
- » First administration of Intercell's JE vaccine to children – Start of Phase II trial is expected within the next weeks
- » Development plan for endemic regions clearly defined – Market launch expected for late 2008/early 2009

Vienna (Austria), April 4, 2007 – Intercell AG and its partner Biological E. Ltd. (Hyderabad, India) announced today that the companies have obtained regulatory clearance to start a pediatric Phase II clinical trial for Intercell's novel Japanese Encephalitis Vaccine in India.

The randomized and controlled study aims to demonstrate the dose, safety and immunogenicity of Intercell's JE vaccine compared to a locally produced mouse-brain Japanese Encephalitis vaccine. The study, which will start in late April/early May, will enroll children at the age of one to three years. It is the first step towards the licensure of a new cell culture derived product in Asia, which is expected for late 2008/early 2009.

"We have clearly defined a straight forward development process for our Japanese Encephalitis vaccine to enter endemic markets. It is our priority to make the vaccine, which is based on proven and safe technology, also available for the population and especially the children in endemic regions", states Gerd Zettlmeissl, Chief Executive Officer of Intercell AG.

Vijay Kumar Datla, Chairman and Managing Director of Biological E. Ltd added: "We believe that this is a very important milestone in our endeavor to bring a safe and efficacious vaccine to endemic regions."

About Intercell's investigational JE vaccine (IC51)

Intercell's novel investigational JE vaccine is a purified, inactivated vaccine for active immunization against the Japanese Encephalitis virus. 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.

In successfully concluded pivotal **Phase III trials**, Intercell's Japanese Encephalitis vaccine (IC51) has demonstrated a favorable safety and immunogenicity profile:

- » The immunogenicity of IC51 was at least as good as the U.S. licensed product, JE-VAX®
- » IC51 demonstrated an overall clinical safety profile similar to placebo
- » Further, IC51 showed an excellent local tolerability profile in this head-to-head study with JE-VAX®.



Intercell's novel JE vaccine, manufactured in the Company's proprietary manufacturing facility in Scotland, is prepared using tissue culture rather than live organisms and, unlike JE-VAX[®], does not contain any stabilizers such as gelatin or preservatives in its formulation.

On June 13, 2006, Novartis and Intercell announced that the companies had reached an agreement for Novartis to acquire marketing and distribution rights for Intercell's Japanese Encephalitis Virus Vaccine in the United States, Europe and certain other markets in Asia and Latin America.

About Biological E. Ltd

Over the last 50 years, Biological E. Ltd. (BE) has been a leading vaccine and pharmaceutical company. The company produces a range of critical vaccines and has been an active partner in the National Immunization Program of India. The company is currently commissioning large scale cGMP facilities in order to increase its capacities and product range to offer these vaccines on a global basis. In addition to its current pipeline of combination vaccines that are entering pivotal trials, BE has R&D programs to develop novel vaccines for both vector borne and enteric diseases. The company has entered into a number of strategic collaborations with leading biotech companies and research institutes for basic R&D. Biological E. is a privately held company. Biological E will manufacture Intercell's JE vaccine for the Asian markets and will exclusively market and distribute the product in India, Nepal, Bhutan and Bangladesh.

For more information please visit: www.biologicale.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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