



**Development of the next generation Flu vaccines commenced –
Phase I for Influenza vaccine adjuvanted with Intercell's IC31™ started**

- » Phase I clinical trial for a superior seasonal Influenza vaccine formulated with IC31™ started
- » The vaccine will be tested in three different dose groups – primary endpoints of the study include safety and immunogenicity with a strong focus on T-cell responses
- » First results of the study are expected in early 2008
- » Currently available vaccines are suboptimal, especially in vulnerable risk groups (elderly and infants) – high market potential for novel, adjuvanted vaccine products with broader protection

Vienna (Austria), June 18, 2007 – Vaccine company Intercell AG (VSE: ICLL) announced today the start of Phase I clinical trials for a seasonal Flu vaccine which is formulated with Intercell's proprietary adjuvant IC31™.

The currently available, mostly non-adjuvanted vaccine products have a suboptimal efficacy profile, especially in the population groups with the highest disease burden (elderly and infants). Furthermore, these vaccines only offer limited cross-protection against other influenza strains, with no or low T-cell responses. Due to these limitations, novel vaccines with improved efficacy and T-cell immunity are needed.

The IC31™ adjuvanted Flu vaccine is expected to overcome these shortcomings, which would be also desired for pre-pandemic vaccines.

Preclinical animal models already showed that the vaccine could increase Haemagglutinin titers and specific T-cell responses significantly. Furthermore, the presence of IC31™ induces very long-lasting and high levels of Flu-specific T-cells as well as IgG2a, both markers for an immune response known to improve and broaden protection from Influenza infections.

In this Phase I trial, a single dose of the IC31™ adjuvanted Flu vaccine will be applied to healthy volunteers. Three different dose groups (no IC31™ – low IC31™ – high IC31™) will be tested. The primary endpoints of the study comprise the safety and immunogenicity of the vaccine at day 21.

“Both the encouraging preclinical data and the outstanding immunogenicity profile in humans have opened a new and attractive market for our adjuvant IC31™ in the development of vaccines. With this study, an important development step for the next generation Influenza vaccines has begun”, stated Gerd Zettlmeissl, CEO of Intercell.



About IC31™

Adjuvants enhance the effectiveness of vaccines. Existing adjuvants on the market induce antibodies but no or little T-cell immunity.

IC31™ is an adjuvant inducing both T-cell and B-cell responses with a unique synthetic formulation, which combines the immunostimulating properties of an anti-microbial peptide, KLK, and an immunostimulatory oligodeoxynucleotide, ODN1a. The two-component solution can simply be mixed with antigens: no conjugation is required.

About Influenza

The flu is a contagious respiratory illness caused by influenza viruses. The infection usually lasts for about a week. It is characterized by sudden onset of high fever, myalgia, headache and severe malaise, non-productive cough, sore throat, and rhinitis. Between 1918-1919, the “Spanish Flu” killed more people in the world-wide pandemic than did the First World War.

Influenza viruses cause disease among all age groups. Rates of infection are highest among children, but rates of serious illness and death are highest among persons aged >65 years and children aged <2 years. Influenza rapidly spreads around the world in seasonal epidemics and imposes a considerable economic burden in the form of hospital and other health care costs and lost productivity.

In annual influenza epidemics 5-15% of the population are affected with upper respiratory tract infections. Hospitalization and deaths mainly occur in high-risk groups. Although difficult to assess, these annual epidemics are thought to result in between three and five million cases of severe illness and between 250 000 and 500 000 deaths every year around the world.

Vaccination is the principal measure for preventing influenza and reducing the impact of epidemics. The currently available, mostly not adjuvanted vaccine products have a suboptimal efficacy profile, especially in the population groups with the highest disease burden (elderly and infants). Furthermore, these vaccines only offer limited cross-protection against other influenza strains, with no or low T-cell responses. Due to these limitations, novel vaccines with improved efficacy and T-cell immunity are needed.

About Intercell AG

Intercell AG is a growing biotechnology company which focuses on the design and development of novel vaccines for the prevention and treatment of infectious diseases with substantial unmet medical need. The company develops antigens and 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., Wyeth, sanofi pasteur, Kirin and the Statens Serum Institut.



The company's leading product, a prophylactic vaccine against Japanese Encephalitis, successfully concluded pivotal Phase III clinical trials in 2006. 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 Pseudomonas vaccine in Phase II, a therapeutic vaccine for Hepatitis C in Phase II, partnered vaccines for Tuberculosis and S.aureus which are in Phase I, and five products focused on infectious diseases in preclinical 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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