

Intercell-Novartis alliance – next EUR 80 million payment received

- » EUR 80 m upfront license and opt-in fee paid by Novartis
- » Development of key products within the Novartis alliance well on track
- » Actual cash position more than EUR 290 m

Vienna (Austria), November 23, 2007 – Intercell AG announced the completion of the next step in implementing the strategic alliance entered into with Novartis in July 2007. EUR 80 m of the upfront license and option fee agreed with Novartis was received by Intercell today. Together with the EUR 150 m equity investment made in September 2007, this payment brings the cash received to date by Intercell under this strategic alliance with Novartis to EUR 230 m. Another unconditional and committed payment out of this alliance of EUR 40 m is due in 2008.

“Only about half of this fee received from Novartis will be booked as revenue in 2007, nevertheless we expect this year to become the first profitable full year of Intercell,” commented Werner Lanthaler, Chief Financial Officer of Intercell, and he added: “Our research and development teams have completed the kick-off for the first key products within this alliance, including a novel Influenza vaccine adjuvanted with IC31® and the co-development for a therapeutic Hepatitis C Virus vaccine.”

Intercell’s cash position is now more than EUR 290 m, which secures the optimal speed of development programs and the strategic growth of the company.

About the Intercell-Novartis cooperation:

In July 2007 Intercell and Novartis signed a major strategic partnership to accelerate innovation in vaccines development in infectious diseases. The partnership includes a co-development and profit-sharing arrangement to bring together both companies’ programs in the field of therapeutic Hepatitis C Virus vaccines with the aim of expanding their combined leadership in this field.

Intercell’s adjuvant IC31® will be **exclusively** licensed to Novartis for the development of improved Influenza vaccines. IC31® will also be **non-exclusively** licensed to Novartis in other areas. Intercell retains the right to continue to enter into partnerships for IC31® with third parties in infectious diseases, cancer, allergies, and other indications.

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., Inc., 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 toward 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 Staphylococcus 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

Contact Intercell AG:

Intercell AG

Lucia Malfent

Head of Corporate Communications

Campus Vienna Biocenter 2, A-1030 Vienna

P: +43-1-20620-303

Mail to: LMalfent@intercell.com

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