

Intercell update on technology partnerships: Intercell outlicenses Group B Streptococcus vaccine

- » Group B Streptococcus vaccine program licensed to Novartis – Intellectual property cross license agreement will allow Novartis to focus on vaccines and Intercell on therapeutic antibodies in this indication
- » Extension of collaboration with Sanofi Pasteur on undisclosed bacterial vaccine towards product development
- » Pre-clinical evaluation of IC31® with Wyeth in multiple infectious vaccine indications progressing well
- » Revenues and revenue recognition from technology partnerships in the fourth quarter 2008 expected to clearly exceed EUR 10 m

Vienna (Austria), December 19, 2008 – Intercell today announced that the Company has transferred on an exclusive basis its pre-clinical Group B Streptococcus (GBS) vaccine program to **Novartis**. At the same time Intercell has kept and received co-exclusive rights for the development of therapeutic antibodies against Group B Streptococcus and has in-licensed additional rights on GBS antibodies from Novartis. The GBS vaccine program was part of the vaccine portfolio for which Intercell had granted license options to Novartis under a strategic partnership closed in 2007. This step will trigger a recognition of revenue from the upfront option fee received under this strategic partnership.

Furthermore, the collaboration with **Sanofi Pasteur**, to discover and develop a vaccine against an un-disclosed bacterial pathogen, has been extended in order to define a vaccine candidate for development.

The collaboration with **Wyeth** to use Intercell's proprietary adjuvant IC31® in various bacterial vaccine targets, which are in pre-clinical development, is progressing well. The collaboration runs under a non-exclusive agreement signed in 2006.

"We are very pleased that all our technology partnerships are progressing very well," states Gerd Zettlmeissl, Chief Executive Officer of Intercell. "This demonstrates that our Antigen Identification Program, our adjuvant IC31® and Intercell's new patch technology are valuable assets of our Company. Given the richness of our pipeline we will even extend our portfolio of product development alliances where we expect new partnerships in the near future," adds Zettlmeissl.

Intercell expects revenues and revenue recognition from existing technology partnerships to clearly exceed EUR 10m in the fourth quarter of 2008.

About Group B Streptococcus

Intercell has identified and validated numerous antigens from Group B Streptococcus (GBS). The most promising antigens will be refined and used to prevent diseases in the most

susceptible neonates (not yet born and newborn with a weight of less than 1,000 g). In addition, antibodies will also be given to neonates who already developed diseases caused by GBS. The vaccine is currently in pre-clinical development.

GBS causes infections of diverse kind in neonates (not yet born), newborns, pregnant women and elderly. An infection can result in lung inflammation (pneumonia), life-threatening systemic inflammatory response syndrome (sepsis) and brain and cerebrospinal fever (meningitis). Newborns are at especially high risk for infections and acquire the infection from their infected mothers, even though the mothers may be without symptoms.

About IC31®

Vaccines, based on antigens alone, are not always sufficient to provide full protection. Adjuvants are needed to educate the immune system to recognize and eliminate the pathogens efficiently.

IC31® is an adjuvant that induces T-cell and B-cell responses by using 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 be simply mixed with antigens; no conjugation is required.

Intercell currently uses IC31® in collaborations with a number of global vaccine companies and biotech companies. These collaborations include amongst others the development of a tuberculosis vaccine in Phase I clinical trials, which has been partnered with the Danish Statens Serum Institut and Sanofi Pasteur.

About Intercell's Antigen Identification Program (AIP®)

The design and development of novel subunit vaccines is highly dependent on the identification and characterization of the proper antigens. Through AIP® we successfully have identified and refined a large number of antigens of numerous bacterial pathogens. The selected antibodies are derived from infected or healthy exposed individuals and therefore directly mirror the presence, accessibility and antigenicity of relevant proteins from the particular microorganism in its human host. The most promising candidates are validated. AIP® has successfully been applied to identify a large number of novel antigens from numerous pathogenic organisms including *S. aureus*, *S. epidermidis*, *S. pneumoniae*, *S. agalactiae*, *S. pyogenes*, *E. faecalis*, *K. pneumoniae*, *Borrelia* spp., ETEC, *Shigella*, *C. jejuni*, non-typeable *H. influenzae* and *M. catarrhalis*. It has resulted in promising in-house product candidates and generated strategic partnerships.

About Intercell's vaccine patch technology

Intercell's Vaccine Patch is a new and needle free delivery technology which can be used to:

- » Enhance the effect of injected vaccines: **Vaccine Enhancement Patch (VE Patch)**
- » Develop new vaccines which require transcutaneous administration because the antigen can not be delivered safely or efficiently through other routes of administration: **Vaccine Patch**

The patch technology opens up a new way of vaccine delivery that is easier to administer, faster to deliver and can result in lower or fewer doses. The patch can boost cellular immunity to a diverse range of antigens and stimulates both B-cell and T-cell responses. It contains the heat labile enterotoxin from *E. coli* (LT), one of the most potent stimulators of the immune system. When the patch is applied on the skin, immune stimulants are delivered at the surface of the skin to Langerhans cells, a major component of the immune systems. The Langerhans cells, activated by the presence of these immune stimulants, take up the vaccine antigen and migrate to the regional draining lymph nodes. There, presentation to the immune system occurs, eliciting a robust immune response.

Compared with standard immunization via needles, the patch technology has significant benefits. It is easily administered, the antigen and adjuvant are directly delivered to the immune system through the natural defense pathway, which makes vaccination efficient and results in less side effects. The patch has shown excellent local tolerability, it is stable at room temperature and strong immune stimulants can be used since there is no systemic exposure.

At present, the Vaccine Patch is used in-house for the development of a novel Travelers' Diarrhea vaccine patch about to enter Phase III trials and the Vaccine Enhancement Patch in the development of a pandemic Influenza vaccine patch. In addition, the technology is used in collaboration with Merck & Co., which uses it to conduct proof-of-principle pre-clinical studies. Intercell is seeking further collaborations with leading industry players interested in developing vaccines where fewer doses are desired, product life-cycle management is needed or use in immune-compromised patients is required.

About Intercell AG

Intercell AG is a growing biotechnology company that designs and develops novel vaccines for the prevention and treatment of infectious diseases with substantial unmet medical needs. Intercell's vaccine to prevent Japanese Encephalitis is the company's first product on the market.

The Company's technology platforms include an antigen-discovery system, two proprietary adjuvants and a novel patch-based delivery system. Based on these technologies, Intercell has strategic partnerships with a number of global pharmaceutical companies, including Novartis, Merck & Co., Inc., Wyeth, Sanofi Pasteur, Kyowa Hakko Kirin and the Statens Serum Institut.

The Company's development pipeline includes Phase II vaccine programs for *Pseudomonas* (in-house development) and *S. aureus*, which is being developed with Merck & Co. Inc. The Company's novel Travelers' Diarrhea vaccine patch will enter Phase III testing in 2009. Intercell is also in clinical trials of a vaccine enhancement patch with injected pandemic influenza vaccines (one shot plus patch). In addition, four other products focused on infectious diseases are 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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