

**FINANCIAL STATEMENTS OF INTERCELL AG
AS OF DECEMBER 31, 2008
ACCORDING TO UGB (AUSTRIAN GAAP)**

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The Financial Statements of Intercell AG for the fiscal year from January 1 to December 31, 2008, the Management Report, and the Audit Opinion thereof have been issued in German language in accordance with Section 193 of the Austrian Commercial Code. We draw attention to the fact that this translation into English is provided for convenience purposes only and that the German wording is the only legally binding version.

//I// BALANCE SHEET

	31.12.2008	31.12.2007
Assets	EUR	TEUR
A. Fixed assets		
I. Intangible assets		
1. Concessions, industrial property and similar rights and assets, and licenses in such rights and assets	345,525.27	305
2. Gain from restructuring	6,092,298.70	6,092
	6,437,823.97	6,397
II. Tangible assets		
1. Leasehold improvements	138,078.51	258
2. Machinery and equipment	2,340,354.18	2,253
3. Other equipments, factory and office equipment	496,254.62	555
4. Prepayments and construction in progress	896,356.72	671
	3,871,044.03	3,737
III. Financial assets		
Shares in affiliated companies	135,057,822.39	6,848
	145,366,690.39	16,982
B. Current assets		
I. Inventory	61,052.74	0
II. Accounts receivable and other current assets		
1. Trade accounts receivable	10,120,884.32	2,842
2. Accounts receivable from affiliated companies	20,832,845.80	1,394
3. Other assets	12,715,131.11	4,740
	43,668,861.23	8,976
III. Securities and shares		
1. Treasury stock	590,142.13	631
2. Other securities	160,054,499.79	127,438
	160,644,641.92	128,069
IV. Cash on hand, checks, bank balances	24,050,934.25	157,773
	228,425,490.14	294,818
C. Prepaid expenses and deferred charges	290,105.72	199
	374,082,286.25	311,999

//I// BALANCE SHEET

	31.12.2008	31.12.2007
	EUR	TEUR
Equity and Liabilities		
A. Shareholders' equity		
I. Share capital	47,234,603.00	45,522
II. Capital reserve		
1. appropriated	304,387,546.76	258,763
2. unappropriated	40,003,942.20	43,257
	344,391,488.96	302,020
III. Stock Option Reserve	8,910,012.14	0
IV. Earnings reserve		
Statutory reserve	12,184.20	12
V. Reserve for treasury stock	590,141.51	631
VI. Cumulative losses		
thereof prior period cumulative losses brought forward		
EUR 92,118,813.38 (prior year: TEUR 95,812)	-86,630,074.95	-92,119
	314,508,354.86	256,066
B. Research and development grants	2,228,336.33	3,479
C. Accruals and provisions		
1. Provision for severance payments	803,709.53	629
2. Other accruals	6,402,145.33	6,653
	7,205,854.86	7,282
D. Liabilities		
1. Liabilities due to banks	614,000.00	983
2. Trade accounts payable	4,581,505.25	2,573
3. Other payables	2,150,525.95	2,070
of which taxes EUR 199,227.51 (prior year: TEUR 149),		
of which social security payables EUR 202,171.95		
(prior year: TEUR 151)		
	7,346,031.20	5,626
E. Deferred income	42,793,709.00	39,546
	374,082,286.25	311,999
Guarantees and contingent liabilities	76,696.67	3,458

///I// INCOME STATEMENT

	2008 EUR	2007 TEUR
1. Revenues	50,978,504.89	47,243
2. Other operating income		
Other	18,123,529.77	10,243
3. Cost of materials and purchased services		
a) Cost of materials	-2,959,977.26	-2,326
b) Cost of purchased services	-15,092,633.68	-18,686
	-18,052,610.94	-21,012
4. Personnel expenses		
a) Salaries	-15,605,325.88	-10,134
b) Expenses for leaving indemnities and contributions to leaving indemnity funds (multiemployer defined contribution plans)	-431,605.07	-492
c) Expenses for statutory social security, payroll-related taxes and mandatory contributions	-2,824,271.57	-3,705
d) Other social benefits	-445,208.65	-319
	-19,306,411.17	-14,650
5. Depreciation and amortization of fixed intangible and tangible assets	-1,601,015.33	-1,026
6. Other operating expenses		
a) Taxes, as not apply under n.15	-673,118.31	0
b) Other	-26,750,155.51	-17,642
	-27,423,273.82	-17,642
7. Subtotal from n.1 to n.6 (Operating result)	2,718,723.40	3,156
8. Income from other long term securities and loans	0.00	36
9. Other interest and similar income, of which from affiliated companies EUR 870,772.67 (prior year: TEUR 473)	9,266,281.97	1,750
10. Income from the disposal and write-up of fixed financial assets and current securities	997,459.47	416
11. Expenses from financial assets and securities from current assets, thereof impairment EUR 6,688,116.23 (prior year: TEUR 1,712)	-7,257,172.85	-1,712
12. Interest and other expenses	-261,434.66	-119
13. Subtotal from n.8 to n.12 (financial result)	2,745,133.93	371
14. Net operating income	5,463,857.33	3,527
15. Income tax	-16,000.00	-30
16. Net income for the period	5,447,857.33	3,497
17. Appropriation to reserve for treasury stock	40,881.10	196
18. Prior period cumulative losses brought forward	-92,118,813.38	-95,812
19. Cumulative losses	-86,630,074.95	-92,119

1. GENERAL PRINCIPLES

These financial statements as of December 31, 2008 have been prepared in accordance with the accounting principles of the Austrian Commercial Code in its currently applicable version.

The financial statements, prepared under Austrian Generally Accepted Accounting Principles, present a true and fair view of the assets and liabilities, the financial situation of the company as of December 31, 2008 as well as of the results of its operations for the year then ended.

Accounting and valuation methods are based on Generally Accepted Accounting Principles. Section 201 (2) UGB was adhered to, as were the provisions on classification and valuation of balance sheet and income statement items under Sections 195 to 211 and 222 to 235 UGB. The income statement was prepared using the total cost format.

2 SUMMARY OF ACCOUNTING AND VALUATION METHOD PRINCIPLES**2.1 Fixed assets****2.1.1 Intangible assets**

The purchased fixed intangible assets are recorded at acquisition cost, minus accumulated amortization.

Amortization is calculated on a pro rata temporis basis.

Computer software is amortized based over its estimated useful life.

2.1.2 Tangible assets

Property, plant and equipment are recognized at cost. No impairment losses were recognized during the fiscal year.

Low value assets with acquisition costs below EUR 400 were fully written-off in the year of acquisition. This depreciation charge was not material during the fiscal year.

Depreciation is based on the estimated useful life of assets and computed using the pro rata temporis method.

Useful lives for the classification of fixed assets:

Intangible assets	3 - 5 years
Leasehold improvements	10 years
Laboratory and office equipment	4 - 10 years
Hardware	3 - 4 years

2.1.3 Financial assets

Financial assets are recognized at acquisition cost. Impairment charge is recognized only in case the decrease in fair value is expected to be permanent.

2.2 *Current assets*

2.2.1 *Accounts receivable and other current assets*

Receivables and other assets are stated at nominal value. Foreign exchange receivables are converted into Euro using the foreign exchange bid rate on the date of the transaction. At the balance sheet date they are revalued using the lower of the foreign exchange bid rate at the transaction date or at the balance sheet date. Valuation allowances are made for individually recognizable risks.

2.2.2 *Securities and shares*

Available-for-sale securities are valued at the lower cost or market principle.

2.2.3 *Cash, checks and cash at bank*

Cash at banks denominated in foreign exchange currencies are stated at the foreign exchange rate on the transaction date or the lower foreign exchange rate at the balance sheet date.

2.3 *Accruals and provisions*

Provisions and accruals are recognized to the amount, which, according to commercial judgement, is necessary at the balance sheet date to cover future payment obligations.

2.3.1 *Provision for severance payments*

All employees whose contracts of employment are not subject to a defined contribution system by law (BMVG) have voluntarily opted for the defined contribution system (§ 47 GMVG) during the year 2003. The provision only covers the four members of the Management Board under contractual obligations. The provision for these future severance payments is calculated according to financial principles using a discount rate of four percent. The calculation was based on the regulation of the expert opinion KFS/RL 2 of the Institute for Business Administration, Taxation and Organization of the Austrian Chamber of Chartered Public Accountants and Tax Consultants.

2.3.2 *Other accruals*

All liabilities for uncertain timing or amount perceptible when financial statements are under preparation are provided for, adhering to the principle of prudence, at the respective amounts required under standard commercial practice.

2.4 *Accounts payable*

In accordance with the principle of prudence, accounts payable were valued at the amount repayable. Liabilities stated in foreign currencies are stated with the foreign exchange rate on the date of the transaction or the higher bid price on the balance sheet date.

2.5 *Changes of valuation methods*

The valuation methods used are in line with the valuation methods of prior years.

3 DETAILS OF THE BALANCE SHEET AND INCOME STATEMENT

3.1 Details of the balance sheet

3.1.1 Fixed assets

The history of the individual items included in fixed assets and the analysis of depreciation and amortization charges is presented in the fixed asset movement schedule, attached to these notes.

The total amount of low-value assets for the fiscal year was EUR 488,035.36.

The following table shows the details of the financial assets:

as of December 31, 2008	Net book value in EUR	Interest held	Currency	Equity	Profit / Loss of the year
Shares in affiliated companies					
Intercell NC, Inc., Mooreville, NC, USA	1.02	100 %	USD	9,349.00	-54,076.08
Intercell USA, Inc., Gaithersburg, MA, USA	125,014,593.83	100 %	USD	183,236,620.71	-10,546,775.06
Intercell Biomedical Ltd., Livingston, UK	3,984,727.54	100 %	GBP	4,188,802.19	-546,685.47
Pelias Beteiligungs GmbH, Vienna, Austria	6,058,500.00	100 %	EUR	6,046,914.66	-2,411.35
Total	135,057,822.39				
as of December 31, 2007	Net book value in EUR	Interest held	Currency	Equity	Profit / Loss of the year
Shares in affiliated companies					
Intercell USA, Inc., Mooreville, NC, USA	1.02	100 %	USD	63,425.08	15,853.69
Intercell Biomedical Ltd., Livingston, UK	3,789,567.54	100 %	GBP	4,735,487.66	1,063,109.10
Pelias Beteiligungs GmbH, Vienna, Austria	3,058,500.00	100 %	EUR	49,326.01	-3,924.68
Total	6,848,068.56				

In August 2008, the Company completed the acquisition of 100 percent of the shares of Iomai Corporation (“Iomai”). In conjunction with the acquisition, Iomai was renamed Intercell USA, Inc.

The acquisition was accomplished through a stock-for-stock exchange of 1,442,819 newly issued Intercell shares (representing approximately 3.1 percent of Intercell’s total outstanding shares after the acquisition) at an issue price of EUR 31.11 per share, totaling a fair value of EUR 44.9 m for approximately 40.4 percent of Iomai’s outstanding shares at closing, and a cash consideration of approximately USD 115.6 m (EUR 74.2 m) to the holders of Iomai’s remaining outstanding shares and warrants and to the holders of certain of the outstanding options. In addition, the Company substituted 2,089,766 Iomai options by issuing 282,342 Intercell options.

Commitments

The company leases parking space, employee living accommodations, cars and equipment under cancelable operating lease agreements, which are not recognized as property, plant and equipment.

	As of December 31, 2008		As of December 31, 2007	
	less than 1 year EUR	less than 5 years EUR	less than 1 year TEUR	less than 5 years TEUR
Commitments from rental contracts	287,000	1,143,000	1,972	9,155
Commitments from lease contracts	2,192,000	10,469,000	34	70
	2,479,000	11,612,000	2,006	9,225

*3.1.2 Current assets**3.1.2.1 Accounts receivable and other current assets*

	As of December	Maturity not	Maturity not	As of December
	31, 2008	later than 1 year	later than 5 years	31, 2007
	EUR	EUR	EUR	EUR
Trade accounts receivable	10,120,884.32	10,120,884.32	0.00	2,842,119.40
Accounts receivable from affiliated companies	20,832,845.80	2,917,463.31	17,915,382.49	1,394,320.25
Other assets	12,715,131.11	2,631,663.28	10,083,467.83	4,739,530.20
	43,668,861.23	15,670,010.91	27,998,850.32	8,975,969.85

Trade accounts receivable are exclusively attributable to revenues from collaborations and licensing. Payment has been received after the balance sheet date.

Accounts receivable from affiliated companies and accounts receivable from associated companies only include other receivables.

3.1.2.2 Securities and shares

The other securities in the current assets include investment funds (money market investment funds and asset-backed security funds), government bonds and floating rate notes.

3.1.3 Share capital

As of December 31, 2008, the company's nominal share capital amounts to EUR 47,234,603.00 and was fully paid in. The nominal share capital is divided into 47,234,603 common shares with no par value. Therefore each share represents a calculated nominal value of EUR 1.00 of the capital stock.

As of December 31, 2007, the company's nominal share capital amounts to EUR 45,521,707.00. In July 2008, the Company issued 242,730 new shares with a calculated nominal value of EUR 242,730.00. In August 2008, the Company issued 1,442,819 new shares to acquire approximately 40.4 percent of the outstanding shares of Iomai Corporation through a stock-for-stock exchange. In December 2008, the Company issued 27,347 new shares with a calculated nominal value of EUR 27,347.00 in connection with the exercise of share options.

Conditional capital

At December 4, 2008 the Management Board resolved and the Supervisory Board approved at December 19, 2008 that authorized conditional capital according to Section 159 (3) Companies Act of EUR 860,000.00 was converted into conditional capital for the issuance of 860,000 additional share options.

The Company has 3,286,398.00 shares of conditional capital according to Section 159 ff Companies Act to serve the exercise of existing stock options. The conditional capital increase will only be consummated to the extent that stock options from the employee share option scheme will be exercised.

During the year 2008 270,077 new shares were issued from conditional capital due to the exercise of employee share options.

The Management Board is authorized by the Shareholder's meeting held on June 15, 2007, subject to the approval of the Supervisory Board, to use 15,000,000 shares of conditional capital for the future issuance of convertible bonds and to determine the terms of such bond issuance.

Authorized capital

The Management Board is authorized by the Shareholders' meeting held on June 15, 2007 subject to approval by the Supervisory Board, to increase the registered share capital of the Company until June 15, 2012 by issuing up to 10,000,000 new shares of common stock – as a whole or in tranches – with a calculated nominal value of EUR 10,000,000.00 against cash or contribution in-kind. In September 2007 the Management Board issued 4,800,000 shares from this authorized capital. In August 2008 the Management Board issued 1,442,819 shares from this authorized capital. The Management Board is authorized by the Shareholders' meeting held on June 13, 2008 subject to approval by the Supervisory Board, to increase the registered share capital of the Company until June 13, 2013 by issuing up to 15,000,000 new shares of common stock – as a whole or in tranches – with a calculated nominal value of EUR 15,000,000.00 against cash or contribution in-kind. The remaining authorized capital is EUR 17,674,546.00 at December 31, 2008.

Treasury stock

The Company holds 360,889 own shares as treasury stock with a calculated nominal value of EUR 360,889.00, which corresponds to a share of 0.76 % of the nominal share capital.

// II // NOTES

From 2000 to 2003, the Company has reacquired a number of its own shares that had been issued under an employee participation program. In addition, a number of shares were transferred to the Company for no consideration in the years 2003 and 2004 as a result of certain agreements between shareholders. The treasury stock is designated for re-issuance to employees, members of the Management Board as well as members of the Supervisory Board upon exercise of share options.

Details to changes in the number of shares held as treasury stock during the fiscal year:

	Number of shares	Calculated nominal value (EUR)	Percentage of total nominal share capital	Sales price (EUR)
As of January 1, 2008	385,889	385,889.00	0.85 %	-
Issuance for exercise of stock options	-25,000	-25,000.00		189,050.00
As of December 31, 2008	360,889	360,889.00	0.76 %	-

The 360,889 own shares held as treasury shares by the Company are recorded in the balance sheet at a value of EUR 590,142.13. The corresponding calculated nominal value was EUR 360,889.00.

3.1.4 Accruals and provisions

The details of the accruals and provisions are as follows:

	As of December 31, 2008 EUR	As of December 31, 2007 EUR
Severance payments	803,709.53	628,680.94
Vacation	794,664.00	499,298.00
Employee bonuses	2,444,223.40	2,859,778.74
Capital transaction tax	1,452,000.00	1,488,161.35
Supervisory Board compensation	184,375.00	84,375.00
Audit	60,000.00	70,000.00
Materials and services for R&D	688,782.68	801,269.87
Miscellaneous	778,100.25	850,521.27
	7,205,854.86	7,282,085.17

3.1.5 Liabilities

	December 31, 2008 EUR	Maturity			December 31, 2007 EUR
		less than 1 year EUR	between 1 and 5 years EUR	over 5 years EUR	
Liabilities due to banks	614,000.00	0.00	614,000.00	0.00	982,659.24
Trade accounts payable	4,581,505.25	4,581,505.25	0.00	0.00	2,573,226.62
Other payables	2,150,525.95	976,138.65	1,174,387.30	0.00	2,069,712.77
	7,346,031.20	5,557,643.90	1,788,387.30	0.00	5,625,598.63

Other payables include EUR 622,149.11 in payables resulting from expenses due for payment after the balance sheet date.

// II // NOTES

3.1.6 Deferred income

The details of the deferred income are as follows:

	January 1, 2008 EUR	Additions EUR	Utilization EUR	December 31, 2008 EUR
Deferred revenues	39,546,422.53	40,000,000.00	36,762,713.53	42,793,709.00

The increase in deferred income up to EUR 42,793,709.00 is due to not-realized revenues in connection with the strategic partnership with Novartis Pharma AG.

3.2 Details of the income statement

The profit and loss statement is presented in total expenditure format.

The revenues of TEUR 50,979 have been mainly generated from collaboration and license agreements (prior year: TEUR 50,152) and the amount of TEUR 827 (prior year: TEUR 47,243 from license agreements) are deliverables of research.

4 OTHER INFORMATION

4.1 Guarantees and contingent liabilities

	As of December 31, 2008 EUR	As of December 31, 2007 TEUR
Bank guarantee	76,696.67	3,458

4.2 Board and employees of the Company

4.2.1 Employees

As of the balance sheet date, Intercell had 215 white-collar workers and 7 blue-collar workers (2007: 174 white-collar workers and 2 blue-collar workers). During the year 2008, an average of 192 white-collar workers and 4 blue-collar workers were employed (2007: 157 white-collar workers and 3 blue-collar workers).

4.2.2 Members of the Management Board and the Supervisory Board

The Management Board consisted of the following members during the 2008 year: Dr. Gerd Zettlmeissl, Univ.-Prof. Dr. Alexander von Gabain, Mag. Dr. Werner Lanthaler as well as Thomas Lingelbach. Any two members of the Management Board are entitled to collectively represent the Company.

Our Supervisory Board currently consists of the following members:

- Michel Gréco (Chairman)
- Prof. DDr. Ernst-Günter Afting (Vice Chairman)
- Dr. David Ebsworth
- Mustapha Leavenworth Bakali
- Hans Wigzell
- James R. Sulat

// II // NOTES

4.2.3 Compensation of the Management Board and the Supervisory Board

The remuneration of the members of the Management Board was EUR 2,520,826.32 (2007: TEUR 2,788) in total.

The remuneration of members of the Supervisory Board was EUR 306,074.48 (2007: TEUR 202) in total.

4.2.4 Granted advances and credits

As of Dec 31, 2008, no granted advances and credits are outstanding. (2007: interest-free loan has been granted by the Company to a member of the Management Board in the amount of TEUR 247).

4.2.5 Share options

The following table sets forth the number of share options and the exercise of the share options in 2008 for the legal representatives and employees of the Company:

	Granted during financial year	Exercised during financial year	Total outstanding as of December 31, 2008
Legal Representatives			
Gerd Zettlmeissl	100,000	12,500	403,250
Alexander von Gabain	80,000	12,500	363,500
Werner Lanthaler		18,750	293,250
Thomas Lingelbach	90,000	-	260,000
Michel Gréco	10,000	6,250	31,250
Ernst Afting	10,000	6,250	31,250
David Ebsworth	10,000	5,000	30,000
James R. Sulat	10,000	5,000	32,500
Hans Wigzell	10,000	2,500	27,500
Mustapha Leavenworth Bakali	10,000	-	30,000
Key Employees	276,200	134,675	803,825
Other Employees	90,900	47,255	246,370
Total sum	697,100	250,680	2.552,695
Employees from affiliated companies	647,680	44,397	668,468
	1,344,780	295,077	3.221,163

In 2008, the share options were granted to members of the Management Board and employees at an exercise price of EUR 23.18 and to the members of the Supervisory Board at an exercise price of EUR 31.35 per option granted. In 2008, in addition due to the acquisition of Iomai Corp. further 440,000 options, partly due to substitution options issued to option holders with an exercise price between EUR 3.99 and EUR 31.30.

In general, options are exercisable for the first time in four equal portions after the Annual General Shareholders' Meeting in the second, third, fourth and fifth year after being granted (the vesting period). Special option packages are offered to members of the Management Board and to key employees upon being hired or as a special incentive vest after three years. Options granted from 2006 onwards only become exercisable if the share price on the exercise date exceeds the exercise price by at least 15%. All options expire no later than five years after being granted. Options are not transferable or negotiable and unvested options lapse without compensation upon termination of employment with the Company (cancellation). In general, options are exercisable in the second, third, fourth and fifth year after being granted. The exercise is only allowed during a four-week period following the Annual General Shareholders' Meeting.

Options are not transferable or tradable. There is no retention period for shares received through the exercise of share options. The Company does, however, have the right to announce special restricted periods according to the compliance code where no share dealing is allowed. To service the exercise of the options, own shares held as treasury stock as well as new shares of conditional capital according to Sections 159 ff Companies Act can be used.

The weighted-average fair value calculated with Black Scholes method of all outstanding options was EUR 5.74 per option as of December 31, 2008.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	December 31, 2008		December 31, 2007	
	number of options	Average exercise price in EUR per share	number of options	Average exercise price in EUR per share
Outstanding at January 1	2,352,525	16.49	2,637,795	7.98
Granted	1,344,780	23.20	826,500	26.02
Forfeited	(181,065)	20.01	(151,775)	5.82
Exercised	(295,077)	6.61	(959,995)	2.99
Outstanding at year end	3,221,163	20.00	2,352,525	16.49
Excerciseable at year end	269,716	9.16	7,075	7.75

Options exercised in 2008 resulted in 270,077 shares being issued (2007: 839,995 shares) at a price of between EUR 1.85 and EUR 16.85 per share. In addition, 25,000 (2007: 120,000) shares of treasury stock (recorded at an average historical price of EUR 0.97 per share) were sold at between EUR 1.85 and EUR 10.72 per share in 2008 for servicing the exercise of stock options. The weighted average value per share at the time of option exercise was EUR 27.90 in 2008 (2007: EUR 28.15). 202,350 options are forfeited due to retirement of the option holder.

Share options outstanding at the end of the period have the following expiry dates and exercise prices:

Expiry Date	Exercise price in EUR per share	Number of options as of December 31,	
		2008	2007
December 2008	1.85	-	80,550
December 2009	2.10	124,325	178,025
December 2010	5.50 - 8.50	368,250	494,750
December 2011	10.72 - 16.85	692,520	772,700
December 2012	23.95 - 26.18	798,300	826,500
December 2013	3.99 - 11.43	86,030	-
December 2013	20.63 - 31.35	1,151,738	-
		3,221,163	2,352,525

The weighted-average grant-date fair value of options granted during the year 2008 was EUR 5.96 (2007: EUR 7.93). The fair value of the granted options was determined using the Black Scholes valuation model. The significant inputs into the models were:

	2008	2007
Expected volatility	26.00 - 38.70	32.59 - 39.07
Expected vesting period (term in years)	0.00 - 5.00	1.50 - 4.50
Risk-free interest rate (%)	1.83 - 4.64	4.06 - 4.58

4.2.6 Expenses for leaving indemnities and contributions to staff provision funds

Expenses for leaving indemnities for the fiscal year were as follows:

Members of the Management Board	EUR	0.00	(2007: TEUR	0)
Key employees	EUR	0.00	(2007: TEUR	0)
Other employees	EUR	8,800.00	(2007: TEUR	0)

The expenses for leaving indemnities and contributions to staff provision funds include payments to staff provision funds of EUR 247,776.48 (2007: TEUR 168).

Vienna, March 5, 2009

The Management Board:



GERD ZETTLMEISSL, CEO



ALEXANDER VON GABAIN, CSO



WERNER LANTHALER, CFO



THOMAS LINGELBACH, COO

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// II // MOVEMENTS IN FIXED ASSETS

	Acquisition/production cost			
	As of 1.1.2008 EUR	Additions EUR	Disposals EUR	
I. Intangible assets				
1. Concessions, industrial property and similar rights and assets, and licenses in such rights and assets	475,924.30	170,286.09	0.00	
2. Book value added by a merger	6,092,298.70	0.00	0.00	
	6,568,223.00	170,286.09	0.00	
II. Tangible assets				
1. Leasehold improvements	887,523.73	0.00	0.00	
2. Machinery and equipment	4,204,346.71	734,462.26	8,731.00	
3. Other equipments, factory and office equipment	1,093,411.26	174,980.69	16,674.17	
4. Prepayments and construction in progress	670,954.81	225,401.91	0.00	
	6,856,236.51	1,134,844.86	25,405.17	
III. Financial assets				
Shares in affiliated companies	6,848,068.56	128,209,753.83	0.00	
	20,272,528.07	129,514,884.78	25,405.17	

As of 31.12.2008 EUR	Accumulated amortization/ depreciation EUR	Net book value		Amortization/ depreciation charge of this year EUR
		As of 31.12.2008 EUR	As of 31.12.2007 EUR	
646,210.39	300,685.12	345,525.27	304,711.68	129,472.50
6,092,298.70	0.00	6,092,298.70	6,092,298.70	0.00
6,738,509.09	300,685.12	6,437,823.97	6,397,010.38	129,472.50
887,523.73	749,445.22	138,078.51	258,141.16	120,062.65
4,930,077.97	2,589,723.79	2,340,354.18	2,253,424.87	641,712.28
1,251,717.78	755,463.16	496,254.62	554,916.16	221,732.54
896,356.72	0.00	896,356.72	670,954.81	0.00
7,965,676.20	4,094,632.17	3,871,044.03	3,737,437.00	983,507.47
135,057,822.39	0.00	135,057,822.39	6,848,068.56	0.00
149,762,007.68	4,395,317.29	145,366,690.39	16,982,515.94	1,112,979.97

1. REPORT ON THE OPERATION ACTIVITIES*Research and Development programs*

Intercell AG is focused on the design and development of novel vaccines for the prevention and treatment of infectious diseases with substantial unmet medical need. Intercell's pipeline of 10 partnered projects and investigational vaccines, as well as the Company's 5 in-house projects, target viruses and bacteria that affect millions of people around the world every year. All projects advanced successfully in 2008.

The novel Japanese Encephalitis (JE) vaccine is Intercell's first product on the market. In January 2009 the Australian Therapeutic Goods Administration (TGA) granted product approval for the Company's Japanese Encephalitis vaccine. The final decision step for the new vaccine followed the positive recommendation provided by Australian Drug Evaluation Committee (ADEC) in December 2008. Intercell's JE vaccine is a purified, inactivated vaccine for active immunization against the Japanese Encephalitis virus. The vaccine virus is additionally attenuated. It is produced using tissue culture rather than live organisms and does not contain gelatin or any other stabilizer, or any preservatives in its formulation. Intercell's novel JE vaccine is manufactured in-house at Intercell Biomedical Ltd, Scotland. The organization operates under a manufacturing license from the MHRA (Medicines and Healthcare products Regulatory Authority), which was successfully obtained in the beginning of 2008. Besides the successful approval processes for its first product, Intercell completed a global distribution and marketing network for the commercialization of this vaccine. Intercell expects revenues from product sales in 2009. Novartis markets and distributes Intercell's JE vaccine under the trade name IXIARO® in the U.S. and Europe and holds commercialization rights for Japan, Korea, and certain defined markets in Latin America and Asia. CSL Biotherapies is Intercell's marketing and distribution partner in Australia, New Zealand, Papua New Guinea, and the Pacific Islands, where the product is marketed as JESPECT®. Biological E. Ltd will manufacture and market the product in India, Bhutan, Nepal, and Bangladesh. 2008 was in many ways dedicated to bringing Intercell's first vaccine to the market. The Company proved its expertise in the development, production, and commercialization of a product. The Japanese Encephalitis vaccine acts as a front runner for further products to enter the global markets.

An additional focus of Intercell's research activities are nosocomial infections. Hospital-acquired infections caused by bacteria are one of the major causes of death and serious illness. Intercell has embarked on a large scale, comprehensive and multi-target antigen identification program to contribute to vaccine efforts in this field. *S. aureus* is the most frequent cause of hospital-acquired infections. Intercell's *S. aureus* vaccine candidate is based on a conserved protein antigen discovered by Intercell and was licensed to Merck & Co., Inc. in 2004 on an exclusive worldwide basis. Merck is responsible for clinical development, manufacturing and marketing. In December 2007, Merck & Co., Inc. initiated a Phase II clinical trial in patients undergoing cardiothoracic surgery. First efficacy data is expected for 2009. The study has a sequential design and can be extended directly into Phase III.

// III // MANAGEMENT REPORT

As of February 2009, more than 3,000 patients have been enrolled in more than 60 study sites. In August 2008, Merck & Co., Inc. initiated a randomized double blind, placebo controlled Phase II study with the aim to evaluate the safety and immunogenicity of the vaccine candidate in patients with end-stage kidney disease on hemodialysis. Intercell's prophylactic Pseudomonas vaccine, which is developed in-house, has shown promising results in completed Phase II trials. The vaccine has shown to be highly immunogenic at all dose levels tested, also when tested in patients with 2nd- and 3rd-degree burns. A next extensive Phase II clinical trial was initiated in December 2008. This aims at investigating immunogenicity and safety in intensive care patients, as well as showing first efficacy data.

Intercell's therapeutic Hepatitis C vaccine met primary endpoints in Phase II in February 2008. The study comprised about 50 patients chronically infected with Genotype 1 of the Hepatitis C virus (HCV), which is the one least treatable with standard therapy. The analysis showed a statistically significant viral load reduction and a good safety profile. Long-term follow-up results announced in September 2008 confirmed and exceeded the positive data, showing that the load reduction was more pronounced at six months after the final vaccination than at the end of the treatment. The vaccine combines five synthetic T-cell peptides and Intercell's first-generation, Poly-L-Arginine adjuvant (IC30). It is designed to stimulate T-cell responses against viral protein structures conserved throughout the major HCV genotypes in order to reduce viral load in the blood of chronically infected patients.

The future development of the vaccine will take advantage of an enlarged antigen portfolio, include our second generation IC31® adjuvant. Intercell's vaccine candidate for Hepatitis C received an award in the category of "Best New Therapeutic Vaccine" at "The Vaccine Industry Excellence Award" held in Washington in April 2008.

The investigational vaccine targeting Tuberculosis combines Intercell's adjuvant IC31® with antigens discovered by the Danish Statens Serum Institut (SSI). In February 2008, the research program between SSI and Intercell was further strengthened with Sanofi Pasteur entering as a third party. The involvement of Sanofi Pasteur has extended the activities into more advanced phases aiming to make a new Tuberculosis vaccine available in the shortest possible time. In March 2007, promising safety and immunogenicity data from an initial Phase I trial was obtained. Based on the positive data, further clinical trials were initiated in December 2007. All these studies are funded by the European TBVAC program and the Aeras Global Tuberculosis Vaccine Foundation. In total, there are five clinical trials with IC31®-formulated vaccines against TB currently ongoing. This is the basis to create a leading franchise to fight this important disease.

The flu vaccine combines Intercell's adjuvant IC31® with the seasonal, trivalent Influenza vaccine from our strategic partner Novartis. The final data from the initial Phase I clinical trial, which was completed in February 2008, show an excellent safety and tolerability profile. In all study groups included, vaccination with the IC31® Influenza vaccine led to the induction of a virus-specific T-cells measured by interferon-gamma ELISpot and proliferation assays and protective levels of antibody responses (HAI titers) against all three included Influenza strains.

// III // MANAGEMENT REPORT

Vaccination is the principal measure for preventing Influenza and reducing the impact of epidemics. Thus, 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). Also, 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 broader protection are needed. The agreement between Intercell and Novartis, signed in 2007, provides Novartis with an exclusive license to utilize IC31® in the development of a seasonal Influenza vaccine targeting improved immunogenicity profiles.

In addition, preclinical vaccine projects against Pneumococcus, Group A Streptococcus, Group B Streptococcus and travelers diarrhea were successfully moved forward. Therapeutic antigens were developed against Group B streptococcus, *S. aureus* and Pneumococcus.

Intercell focuses on the design and development of intelligent vaccines based on two core technologies, the Antigen Identification Program (AIP®) and the Vaccine Improvement Program (VIP).

The design and development of novel subunit vaccines is highly dependent on the identification and characterization of the proper antigens. Intercell has successfully identified and refined a large number of relevant and protective antigens for several bacterial pathogens mostly through its Antigen Identification Program (AIP®). 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. Through AIP®, Intercell's team focuses on antigens that are believed to induce the most protective response from the human immune system, thus providing a viable basis for the development of novel and more powerful prophylactic and therapeutic vaccines, as well as antibody treatments. AIP® has successfully been applied to identify a large number of novel antigens from several pathogenic organisms including *Staphylococcus aureus* and *S. epidermidis*, *Streptococcus pneumoniae*, *Streptococcus agalactiae* and *pyogenes*, *Enterococcus faecalis*, *Klebsiella pneumoniae*, *Borrelia* spp., ETEC, *Shigella*, *Campylobacter jejuni*, non-typable *Haemophilus influenzae*, and *Moraxella catarrhalis*. The technology has resulted in promising in-house product candidates and generated a number of strategic partnerships, e.g. current partnerships are ongoing with Novartis, Merck & Co., Inc. and Sanofi Pasteur. The growing repertoire of well-characterized protein antigens will also open the possibility of developing monoclonal antibodies against bacterial infections.

Through the VIP the Company developed a new generation of adjuvants, which stimulate the human immune system and induce B- and T-Cell responses, resulting in the Company's second generation adjuvant IC31®. The innovation is essential for the development of better and more safe vaccine. In addition, IC31® can be simply mixed with antigens; no conjugation is required. The scientific concept of IC31® has been proven by study results and collaborations, which encourage a broad use in a variety of prophylactic and therapeutic vaccines. IC31® is used in conjunction with several vaccines co-developed with partners, including prophylactic vaccines against Influenza and Tuberculosis, as well as a therapeutic vaccine targeting the Hepatitis C virus. In addition, IC31® is also out-licensed for use in vaccine projects targeting diseases such as Malaria, Meningitis and various sorts of infectious diseases, allergies, and cancer.

Strategic alliances and licenses

Intercell develops products, both independently by itself and in collaboration with partners, using a combination of in-house development and outlicensing, as appropriate for each product. The very selective partnering of Intercell with top-class pharma and vaccine companies considerably improves our progress toward innovative products by balancing development and financial risks. Intercell's strategy is to maximize the value of the product candidates and to ensure the optimal utilization of the technologies and to minimize development and financial risks. In consideration, Intercell receives upfront license and milestone payments. In addition, Intercell is entitled to receive royalty payments on future product sales. In 2008, significant progress was made in existing programs: e.g. Merck & Co., Inc. broadened the Phase II studies for the vaccine to prevent *S. aureus* infections. In addition to an ongoing Phase II/III study aiming to show efficacy in cardiothoracic surgery patients, this study aims to evaluate the safety and immunogenicity of the vaccine candidate in patients with end-stage kidney disease on hemodialysis.

Furthermore, Intercell and Novartis formed a unique world-leading strategic partnership to fuel further innovation in vaccines. In 2007, Intercell and Novartis formed a strategic partnership that set a benchmark for the biotech and pharma industry. The current operational focus of the partnership is the development of an improved Influenza vaccine comprising IC31®. Intercell also granted Novartis opt-in rights for Intercell's non-partnered novel vaccine targets. Upfront payments of EUR 80 m were paid by Novartis in 2007 and additional EUR 40 m were paid in 2008. Another part of the agreement, the subscription of new shares for EUR 150 m by Novartis, was completed in September 2007. This investment increased Novartis' equity stake from 6.1% to 15.3%. Potential milestone and royalty payments under the agreement could result in multi-billion revenues for Intercell in the future.

Currently, Intercell is involved in the development of vaccines under the following partnerships:

<i>INDICATION</i>	<i>STRATEGIC PARTNER</i>
Japanese Encephalitis vaccine	Novartis (marketing and distribution), CSL Ltd. (marketing and distribution), Biological E. Ltd. (production, marketing and distribution)
<i>S. aureus</i> vaccine	Merck & Co., Inc. (license)
Hepatitis C vaccine	Novartis (co-development)
IC31® Seasonal Flu vaccine	Novartis (license)
Pandemic Flu (patch)	HHS (funding)
IC31® Tuberculosis vaccine	Statens Serum Institut (SSI) / Sanofi Pasteur (license)
Pneumococcus vaccine	PATH (funding)
Group A Streptococcus vaccine	Merck & Co., Inc. (license)
Bacterial vaccine (undisclosed indication)	Sanofi Pasteur (license)
<i>S. aureus</i> antibodies	Merck & Co., Inc. (license)
Pneumococcus antibodies	Kyowa Hakko Kirin (license)
IC31® in infectious diseases vaccines	Wyeth Pharmaceuticals (license)
Other vaccine candidates from the Intercell pipeline	Novartis (license option after Phase II)

In addition, the Company has cooperative research and development agreements in place with the Centers for Disease Control and Prevention (Streptococcus pneumoniae vaccine), the PATH Malaria Vaccine Initiative (Malaria vaccine), and the National Institute of Health.

Commitment to environment and our people

Intercell develops new biopharmaceutical products with substantial unmet medical need. The development of vaccines and pharmaceuticals for the prevention and treatment of infectious diseases offers an attractive commercial opportunity but also provides a substantial benefit to society. Intercell intends to develop products, which improve the live of humans, while preserving the environment and safeguarding natural resources. The manufacturing and distribution of the Company's product candidates has minimal effects on the environment and increases the safety of the user. Intercell believes that Companies should pursue their operational targets with responsibility for the environment and should be responsible for their operative activities.

The achievement of Intercell's ambitious goals is strongly relying on the people who work for the Company. Intercell is a knowledge-based company, therefore adequate skills and knowledge combined with the professional experience of our employees are the most important factors regarding the Company's development, growth and success. Our corporate culture reflects and highlights the international and multicultural character of our highly-qualified workforce. At the end of 2008, Intercell AG had 222 employees: Approximately 55 percent of Intercell's staff are university graduates. 47 percent of our key positions are held by women; the overall percentage of female employees is 66 percent. The average age of the employees is 33.6 years.

2. FINANCIAL REVIEW

The aggregate annual revenues increased from EUR 47.2 m in the year ended December 31, 2007 to EUR 51.0 m in the year ended December 31, 2008, or by 8.1 percent. As the Company has never generated revenues from the commercial sale of products, the revenues consist only from collaborations and licensing. The other operating income increased by 77.5 percent to EUR 18.1 m, compared to EUR 10.2 m in the previous year.

Driven by a strong increase in revenues and other income, Intercell could achieve its second positive full year result. Net profit for this year was EUR 5.4 m, compared to a net profit of EUR 3.5 m in 2007.

Financial income, net of expenses, was EUR 2.7 m in the year ended December 31, 2008, compared to EUR 0.4 m in the year ended December 31, 2007. This increase was due to higher interest income from cash and securities.

As of December 31, 2008 the Company holds interests in four subsidiaries, Pelias Beteiligungs GmbH, Austria, Intercell NC, Inc., Intercell USA, Inc. and Intercell Biomedical Ltd. in Scotland. An amount of EUR 8.3 m was paid to Intercell Biomedical Ltd, for the manufacturing of clinical trial materials for the vaccine against Japanese Encephalitis.

In 2008 the acquisition of Iomai Corporation (renamed Intercell USA, Inc) has been completed with a cash consideration of approximately EUR 74.2 m. As of December 31, 2008, liquid funds decreased from EUR 285.2 m in 2007 to EUR 184.1 m.

The Company has no registered branches and the Company has not used any derivative financial instruments in the fiscal year 2008.

3. RISKS

Intercell is committed to develop innovative products based on latest scientific discoveries and novel technologies. Pursuing innovation includes the inherent risk of failure and the Company is therefore exposed to significant risk factors. Management has undertaken considerable efforts to establish a risk management system in order to monitor and mitigate the risks associated to its business. However, the Company remains exposed to significant risk; in particular including the following:

The Company has never generated revenues from the commercial sale of a product and has only recently secured regulatory approval of its first product. Intercell's future profitability will depend on market acceptance of this product. Since the Company expects to make significant investments into its product development pipeline, product sales may not cover expenses and the Company may thus temporarily revert to a loss-making situation.

The Company's research and development activities, and in particular its late stage clinical trial programs, involve substantial expenditure. The result of these research and development activities is inherently uncertain and the Company may experience delays or failures in clinical trials.

The Company will require regulatory approvals from the U.S. Food and Drug Administration (FDA), European Medicines Agency (EMA), and other relevant regulatory agencies in order to continue to develop and commercialize its product candidates. Despite significant effort and expense, regulatory approval for the Company's product candidates may be delayed or denied at any stage of their development. If the Company is unable to gain approval for its novel vaccine candidates it may not be able to recover its investments in product development activities.

The Company's manufacturing facility in Livingston, Scotland, is, and will continue to be, a significant factor in maintaining complete control over its product candidates, development timelines, and production costs. The manufacturing of biological materials is a complex undertaking and technical problems may occur. Biological manufacturing is subject to government regulation and regular inspection. In case of failure to comply with regulatory requirements, the Company's manufacturers' license may be suspended or revoked. The risk of suspension or revocation of a manufacturers' license also applies to third party manufacturers with whom the Company contracts for manufacturing services, and whose facilities the Company does not control. Should external manufacturers fail to perform, the development, manufacture and commercialization of Intercell's products and/or product candidates may be limited or delayed.

// III // MANAGEMENT REPORT

The vaccine industry is highly competitive, and if the Company's competitors commercialize their products more quickly than Intercell or develop alternatives to Intercell's products, the Company might lose a significant share of the expected market.

The Company's ability to commercialize its product candidates or to license its technologies depends on the ability to obtain and maintain adequate protection of its proprietary and intellectual property rights. If the Company's efforts to protect its intellectual property rights are not sufficient, competitors may use their technologies to create competing products, erode the Company's competitive advantage, and capture all or part of its expected market share.

The success of the Company's strategic partnerships depends, in part, on the performance of the strategic partners, over which the Company has little or no control. Partners may elect to delay or terminate one or more of these strategic partnerships, independently develop products that could compete with the Company's product candidates, or fail to commit sufficient resources to the development or commercialization of the product candidates partnered with the Company.

Future business opportunities or a delay or failure in the development or commercialization of one or more of the Company's product candidates may result in the need for additional funding, which may only be available, if at all, with unfavorable consequences or on unfavorable terms.

In addition, the Company's product liability insurance coverage may not be sufficient to cover product liability claims, which Intercell may incur as a result of the use of its product candidates in clinical trials or the sale of products. The development and commercialization of the Company's product candidates may be delayed if Intercell is unable to recruit and retain qualified personnel or if any of the key members of the Management or scientific staff discontinues his or her employment or consulting relationship with the Company. Developments in the financial markets, such as depreciation of currencies, changes in interest rates, or price changes in debt securities could adversely affect the Company's financial condition and the results of its operations.

In order to manage the risks associated with its business activities, the Company maintains a close risk management system and continuously evaluates the risk-reward profile of its research and development programs and other business activities. The Management mitigates the risk inherent to the Company's business as an innovative biotech company by maintaining a broadly diversified mix of development programs in different indications and stages of development, as well as its own and collaborative development activities.

4. DISCLOSURE ACCORDING TO SECTION 243A OF THE AUSTRIAN COMMERCIAL CODE

- As of December 31, 2008, the Company's share capital consists of 47,234,603 shares of common stock with no par value in bearer form. Each share represents the same pro rata amount of the aggregate share capital.
- The Management is not aware of any agreements between shareholders that restrict the voting rights or the transferability of any of the issued shares.
- As of the balance sheet date, entities affiliated with Novartis AG, Switzerland, held 15.3 percent of the voting rights of the Company. The Management is not aware of any other shareholder whose shareholding represents ten percent or more of the share capital of the Company.
- The Company has not issued any shares with special control rights as compared to all other outstanding shares, and there are no controls of voting rights for shares held by employees who do not exercise their voting rights directly.
- The Company's regulations in regard to the appointment and discharge of the members of the Management Board and the Supervisory Board, as well as regulations in regard to the change of the articles follow Austrian legal regulations.
- The Management Board is authorized to increase the registered capital of the Company, pursuant to Section 169 of the Austrian Stock Corporation Act, and with the consent of the Supervisory Board, in one or several tranches by issuing up to 2,674,456 new bearer shares of common stock until June 15, 2012, and by issuing another up to 15,000,000 new bearer shares of common stock until June 13, 2013. The Management Board is further authorized, pursuant to Section 159 subsection 2 of the Stock Corporation Act, to issue convertible bonds by granting the creditors conversion and/or subscription rights for up to 15,000,000 new bearer shares of common stock, and to determine the further details of implementation with the consent of the Supervisory Board until June 15, 2012. The share capital is conditionally increased by up to 2,426,398 bearer shares insofar as the employees and members of the Management Board, who have been granted stock options, exercise their subscription rights. In addition, the Management Board is authorized, pursuant to Section 159 Subsection 3 of the Austrian Stock Corporation Act, and with the consent of the Supervisory Board, to conditionally increase the registered capital of the Company until June 13, 2013 in one or several tranches by issuing up to 1,700,000 new bearer shares of common stock in connection with the grant of new stock options to the employees and members of the Management Board of the Company or an affiliated company.
- The following material Company agreements provide the counterparty with certain rights in the event of the change of control of the Company, which could lead to a termination of the agreement: Research Collaboration and License Agreement with Merck Sharp & Dohme Research Ltd., Strategic Alliance Agreement with Novartis Pharma AG, Marketing and Distribution Agreement with Novartis Vaccine and Diagnostics, Inc., and Supply and Distribution Agreement with CSL Biotherapies Pty Ltd.

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- The vesting of stock options which have been issued under the Employee Stock Option Plan (ESOP) 2008 will be accelerated in case of a change of control and all such options will become immediately exercisable. Other than this provision of the ESOP 2008, no special compensation agreements exist between the Company and the members of its Management and Supervisory Board in case of change of control in the Company.

5. OPERATIONAL AND STRATEGIC OUTLOOK

Based on the success and achievements of 2008, we look ahead an aim at continuing our strategy of creating sustainable growth:

For the Japanese Encephalitis virus vaccine the market approval in US and Europe is expected in 2009. Furthermore an information campaign about Japanese Encephalitis for medicines and travellers is planned. An agreement with the US Army could be concluded for the distribution of the vaccine after market approval in US. Start of Phase III trials in Indian children is planned in 2009.

In the field of research and development of hospital-acquired infections Phase II/III results for *S. aureus* vaccine and results of Phase II for *Pseudomonas* vaccine are expected. In addition, the acceleration of the preclinical candidates *Klebsiella* and *Enterococcus* vaccines are planned.

For the therapeutic Hepatitic C vaccine an initiation of further clinical trails including combination therapy is planned and alliance for combination treatment will be established.

In addition, clinical Phase I studies and data for the Tuberculosis vaccine the start of Phase II studies are planned.

The income from existing and new cooperation and licensing agreements and revenues from sales of the Japanese Encephalitis Vaccine after market launch in the year 2009 should lead to a further increase in revenues and an expansion of profitability.

Vienna, March 5, 2009


The Management Board:



GERD ZETTLMEISSL, CEO



ALEXANDER VON GABAIN, CSO



WERNER LANTHALER, CFO



THOMAS LINGELBACH, COO

//IV// AUDITOR'S REPORT

We have audited the accompanying financial statements including the accounting system of Intercell AG, Vienna, for the fiscal year from January 1 to December 31, 2008. The Company's management is responsible for the accounting, the preparation and content of these financial statements and of the management report in accordance with Austrian regulations. Our responsibility is to express an opinion on these financial statements based on our audit and to state whether the management report corresponds with the financial statements.

We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement and whether we can state that the management report corresponds with the financial statements. In determining the audit procedures we considered our knowledge of the business, the economic and legal environment as well as the expected occurrence of errors. An audit involves procedures to obtain evidence about amounts and other disclosures in the financial statements predominantly on a sample basis. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements are in accordance with legal requirements and present fairly, in all material respects, the financial position of the Company as of December 31, 2008 and the results of its operations for the fiscal year from January 1 to December 31, 2008 in accordance with Austrian Generally Accepted Accounting Principles. The management report corresponds with the financial statements.

Vienna, March 18, 2009

PwC Wirtschaftsprüfung GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft



Dorotea E. Rebmann
Austrian Certified Public Accountant

Disclosure, publication and duplication of the financial statements together with the auditor's report according to Section 281 (2) UGB in a form not in accordance with statutory requirements and differing from the version audited by us is not permitted. Reference to our audit may not be made without prior written permission from us.

We draw attention to the fact that the English translation of these financial statements is presented for the convenience of the reader only and that the German wording is the only legally binding version.

//*.// DECLARATION BY THE MANAGEMENT BOARD

PURSUANT TO SECTION 82 (4) OF THE AUSTRIAN STOCK EXCHANGE ACT


We confirm to the best of our knowledge that the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company as required by the Austrian Code of Commerce and the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, March 5, 2009

The Management Board:



GERD ZETTLMEISSL, CEO



ALEXANDER VON GABAIN, CSO



WERNER LANTHALER, CFO



THOMAS LINGELBACH, COO

We draw attention to the fact that the English translation of this financial statements according to Section 273 of the Austrian Commercial Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

INTERCELL AG

Campus Vienna Biocenter 3
1030 Vienna
Austria



