

Q2 2011 Results and Company Update

AUGUST 16, 2011

Intercell develops *vaccines* 
for the  *prevention and treatment*
of *infectious diseases* .

Forward-looking statements

These materials contain certain forward-looking statements relating to the business of Intercell AG (the “Company”), including with respect to the progress, timing and completion of the Company's research, development and clinical trials for product candidates, the Company's ability to manufacture, market, commercialize and achieve market acceptance for product candidates, its ability to protect its intellectual property and operate its business without infringing on the intellectual property rights of others, the Company's estimates for future performance and its estimates regarding anticipated operating losses, future revenues, capital requirements and its needs for additional financing. In addition, even if the Company's actual results or development are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of the Company's results or developments in the future. In some cases, you can identify forward-looking statements by words such as “could,” “should,” “may,” “expects,” “anticipates,” “believes,” “intends,” “estimates,” or similar words. These forward-looking statements are based largely on the Company's current expectations as of the date of this presentation and are subject to a number of known and unknown risks and uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by these forward-looking statements. In particular, the Company's expectations could be affected by, among other things, uncertainties involved in the development and manufacture of vaccines, unexpected clinical trial results, unexpected regulatory actions or delays, competition in general, the impact of the global credit crisis, and the Company's ability to obtain or maintain patent or other proprietary intellectual property protection. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements made during this presentation will in fact be realized. The Company is providing the information in these materials as of this date, and we disclaim any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

- » **Introduction / Key Highlights**
Thomas Lingelbach
- » Financial Reporting
Reinhard Kandra
- » IXIARO[®] / JESPECT[®] Updates
Staph Bakali
- » R&D Progress Updates
Thomas Lingelbach
- » Summary & Outlook
Thomas Lingelbach

Prepared for new setting – proven track record

MANAGEMENT BOARD



**Thomas Lingelbach,
CEO**

Appointed in May 2011;
COO since 2006;
former Managing Director for Novartis Vaccines Germany, Vice President Industrial Operations Chiron Vaccines,



**Staph Leavenworth
Bakali, CBO**

Appointed in October 2010; former CEO of Genocea, former COO of ID Biomedical and Powder Ject, Global Head Sales and Marketing Chiron Vaccines



**Reinhard Kandra,
CFO**

Appointed in 2009;
10 years with Intercell,
formerly Deutsche Bank

Strategic execution showing clear first results

STATUS / KEY HIGHLIGHTS

1

Revenue Growth

- » JEV sales up 85% (H1/2011 vs H1/2010)
- » Sales growth trend confirmed (expected +60-70% – FY/2011 vs FY/2010)

2

Operational / Financial Discipline

- » Net loss for Q2 reduced to EUR 1.6m
- » Significant progress in cost-cutting*
- » US-site as JEV commercial hub; Vienna site as R&D center

3

Capital efficient Pipeline Investments

- » R&D costs –58% (H1 2011 vs H1 2010)
- » Revise research strategy: completed
- » Refocused pipeline with clear priorities

4

Leverage Partnerships

- » Merck milestone (USD 6m) received / next steps tbd
- » Ongoing discussions with potential partners (eMAB®, Patch, IC31®)

* In addition to 1st restructuring wave

Agenda

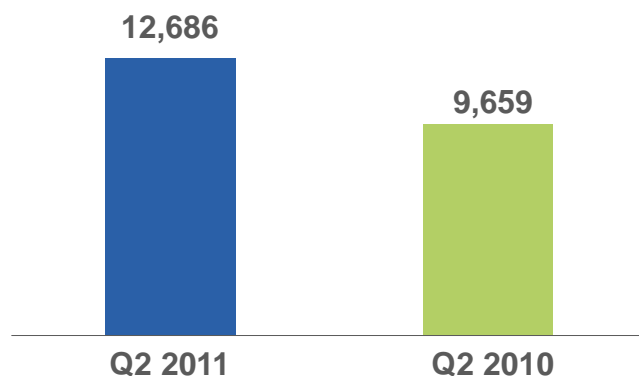
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Q2 2011* Key figures

YEAR ON YEAR COMPARISON

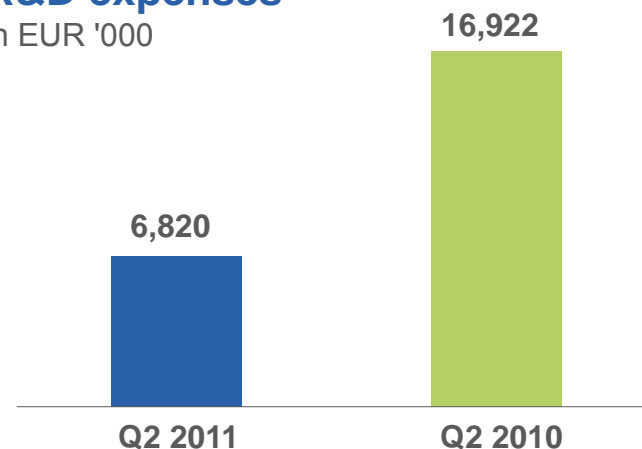
Revenues

in EUR '000



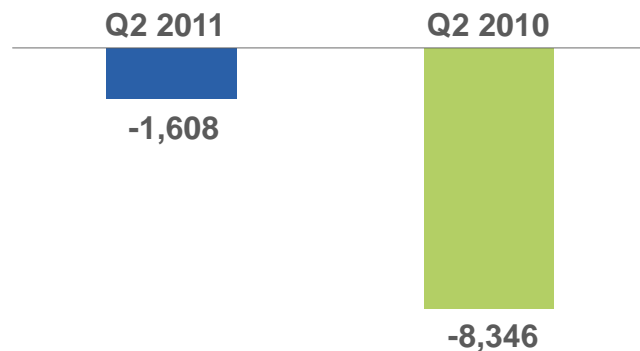
R&D expenses

in EUR '000



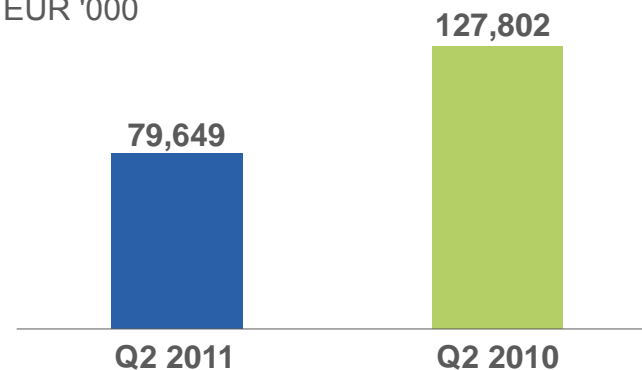
Net profit/loss

in EUR '000



Cash position

in EUR '000



* unaudited

Reduction of net loss and cash outflow

KEY FINANCIAL FIGURES Q2 and H1 2011

in EUR '000	Q2 2011*	Q2 2010*	H1 2011*	H1 2010*	FY 2010
» Revenues	12,686	9,659	18,377	14,414	34,215
» R&D Expenses	(6,820)	(16,922)	(14,756)	(34,861)	(74,740)
» Net loss	(1,608)	(8,346)	(12,866)	(23,048)	(255,182)
» Net operating cash flow	(5,452)	(11,026)	(28,905)	(26,494)	(65,120)
» Cash and marketable securities, end of period	79,649	127,802	79,649	127,802	86,182

* unaudited

Financial result driven by revenue growth and restructuring progress

ANALYSIS Q2 and H1 2011*

- » **Revenues:** EUR 18.4m* revenues in H1 2011 compared to EUR 14.4* in H1 2010 (27.5% increase)
- » **Product sales:** IXIARO®/JESPECT® sales revenues of EUR 7.0m* in Q2 2011 – best quarterly sales since launch
- » **COGS:** COGS of EUR 5.0m* in Q2 2011 again yielding a positive gross margin
- » **R&D expenses:** Year-on-year reduction of EUR 10.1m* or 59.7% in Q2 2011 but fully committed to focused pipeline progression
- » **S,G&A expenses:** Year-on-year reduction of 39.1% in Q2 2011
- » **Restructuring costs:** EUR 1.0m* restructuring provision to complete site consolidation strategy
- » **Net loss** of EUR 1.6m* in Q2 2011 (-80,7%) and of EUR 12.9m* in H1 2011 (-44.2%)

* unaudited

Strong financial position

On track for significant full year improvement

2011 FINANCIAL OUTLOOK

» Revenues:

- Positive sales trend for IXIARO[®]/JESPECT[®] expected to continue
- Upside from partnering and grants

» COGS:

- Gross margin to improve with higher capacity utilization

» R&D expenses:

- Focused, substantially reduced spending
- Commitment to drive pipeline progression & leverage technologies

» S,G&A expenses:

- Tight cost controls in G&A – increase in selling expenses to drive sales growth

» Net loss:

- 2011 net loss expected between EUR 30m and 40m

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IXIARO®/JESPECT® growth continues – Sales up 85% (H1 2011 vs H1 2010)

JEV REVENUES SUMMARY

» Q2 net sales revenues of EUR 7m*

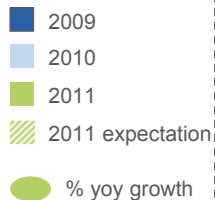
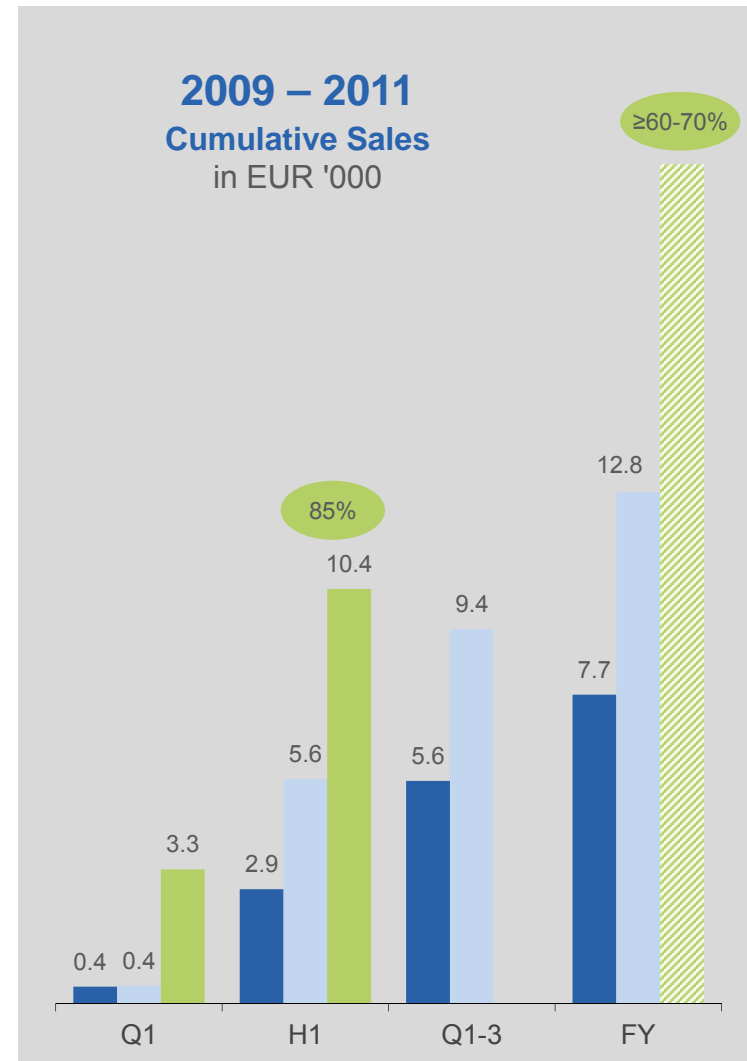
- Record quarter
- Strong uptake in military segment
- Strong growth in key travel markets (US, UK, ...)

» Full year expectation on track

- At least 60-70% year-on-year growth expected

» Key drivers

- Raise disease awareness
- Travelers at risk
- Consult Health Care Professionals
- Vaccination recommendations



* Intercell sales revenues

JEV revenue growth and profitability are key drivers in our strategy

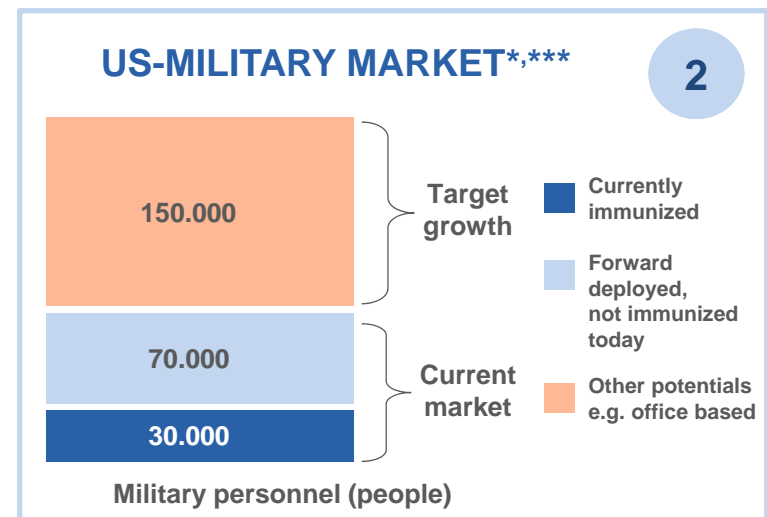
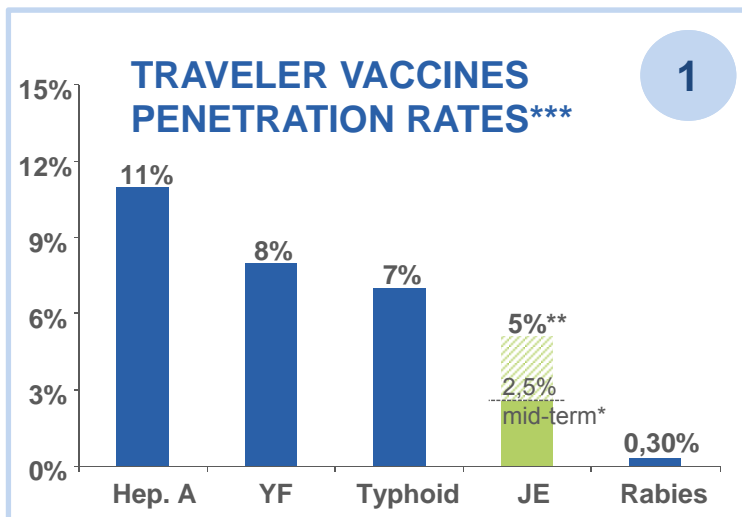
MID-TERM* OBJECTIVES

Revenue goals mid term*

- » Achieve > 50% peak penetration and uptake in travelers **1**
- » Increase vaccination rates in forward deployed military personnel **2**
- » Endemic markets: First Launch in India 2012

Margin improvement mid term*

- » Achieve positive product cash flow in 2012
- » Lower cost of goods through increased capacity utilization and manufacturing efficiency
- » Improve gross margin to >50%



* 3-4 years

** corresponds to total market potential > € 150m

*** source: Intercell

IXIARO[®]/JESPECT[®] growth by life cycle management

SUMMARY

» Progress in territory expansion and global reach

- Hong Kong approval obtained, launch imminent
- Singapore approval expected during H2/2011
- First application for approval in South-America submitted

» Pediatric development program on track

- Phase III study for licensure – enrolment completed
- Submission planned for early 2012
- Label extension expected for end 2012

» Partner Biological E. approaching India submission

- Phase III study nearing completion
- Submission for licensure planned for 2011
- Indian launch expected for 2012

The Company is handling the follow-up actions resulting from Ixiaro's® first re-call diligently and pro-active

SUMMARY ARTICLE 20 PROCEDURE

- » **Following an ,Out of Specification' result for potency of Ixiaro® lot JEV 09L37 at month 11, a batch specific, voluntary re-call was initiated**
 - Canada (03/2011), EU (05/2011), AUS (05/2011)
 - Re-vaccination following “Dear Dr. Letter ...” has been initiated

- » **EMA has initiated Article 20 procedure* (EC/CHMP, 06/2011) to oversee:**
 - Comprehensive investigation & root cause analysis
 - Action plans & preventive measures
 - Clinical implications of Vaccination with a potential „sub-potent“ lot

- » **Intercell and the Authorities** are working closely together to execute against the Article 20 requirements, preventing future recurrence**
 - Correction actions should prevent future recurrence***
 - Procedure should be finalized by end 2011

* Under regulation (EC) No.726/2004

** Rapporteurs/ PEI; EMA

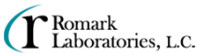



*** Intercell's Management judgement

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Solid progress on our re-focused, diversified and differentiated development programs

ACTIVE DEVELOPMENT PROGRAMS

	PRODUCT CANDIDATE	STATUS	EXPECTED NEXT KEY EVENT	PARTNER	PROGRESS / UPDATE
In-house executed programs	1 Japanese Encephalitis	Phase III	Pediatric licensure	Novartis, CSL, Biological E (Marketing & Distribution)	on track
	2 Pseudomonas	Phase II*	Pivotal efficacy trial start 2012	Novartis option/ co-financing of trial	on track
	3 Pandemic Flu	Phase I	Phase I data 2012	GSK (HHS)	on track
	4 Clostridium difficile	Phase I	Interim data – transition into 2 nd phase 2011	Novartis option	on track
Partner executed programs	5 Hepatitis C	Phase II	Trial start 2011		potential regulatory delays
	6 Tuberculosis (IC31®)	Phase I	Phase II start 2011	 	on track
	7 IC31® adjuvant in different products**	Phase I	Phase I data 2012		on track

* Subject to final regulatory concurrence

** Flu + undisclosed bacterial targets

Pseudomonas aeruginosa infections

A high unmet medical need

Pseudo-
monas

IC43 VACCINE CANDIDATE (PHASE II/III)

- » Causes ~20% of nosocomial infections
- » No.1 cause of ICU-related pneumonia
- » No.2 cause of all nosocomial pneumonia
- » *Pseudomonas aeruginosa* colonization of ventilated patients is associated with increased mortality rate

Our investigational vaccine

- » Recombinant OMP F/I fusion produced in *E. coli*
- » No preservatives
- » Liquid formulation
- » 2 injections (days 0 and 7)

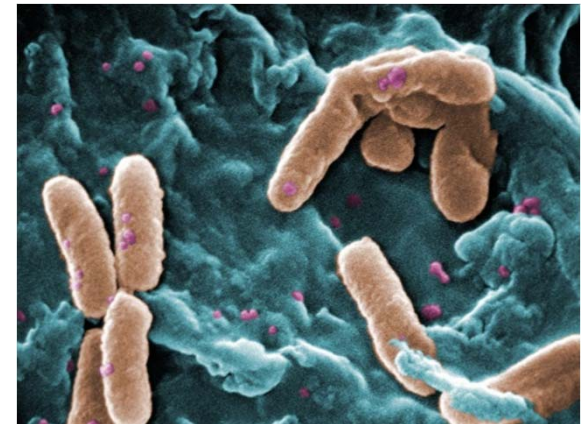


Photo: PHIL –
Public Health
Photo Library

Our lead vaccine candidate against *Pseudomonas aeruginosa* infection is progressing towards Phase II/III efficacy

**Pseudo-
monas**

SUMMARY

Background

- » Phase I and II successfully conducted in ventilated 564 ICU patients
- » Phase II (IC43-201) revealed encouraging clinical findings:
 - Strong immunogenicity after 2nd vaccination (Day 14)
 - Significantly reduced mortality in vaccines group*
 - Reduced mortality in vaccinated patients with infection
- » Novartis/Intercell decided to co-finance pivotal, efficacy trial

* Statistically significant for 100 mg w/o Alum group (p=0,0196 at Day 28)

** National scientific advise obtained. EMA adaptation expected Sep 2011

Status

- » Phase II/III placebo controlled pivotal efficacy study agreed with authorities**
 - 800 subjects
 - Interim (futility) analysis after 400 subjects
 - Trial performed by Intercell
 - Primary endpoint: Day 28 – mortality
 - Trial preparation activities progressing towards study start early 2012

Selected key milestones

- » Trial initiation: **H1/2012**
- » Interim Data: **2013**
- » Final Data: **2014/15**

Pandemic Flu + Vaccine Enhancement Patch

Pursuing confirmatory mode of action trial with GSK antigen

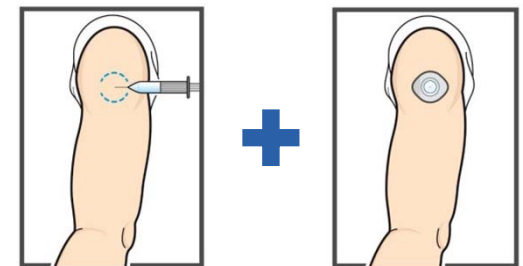
Pandemic Flu

IC82 VACCINE CANDIDATE (PHASE I)

- » Pandemic Influenza continues to be a major threat*
- » Worldwide approx. 500.000 people killed by the annual flu epidemic
- » Speed to level and quality of protection, especially in certain target groups justifies developments in flu + adjuvants
- » High regulatory hurdles have restricted the number of adjuvanted flu products on the market
- » The VEP as external, universal adjuvant could shift the paradigm of adjuvants

Our investigational vaccine**

- » Vaccine Enhancement Patch – 50 µg LT with proprietary pre-treatment system (SPS)
- » Co-administered with H5N1 injectable vaccine for the current trial
- » Potential for universal applicability



Injected vaccine (H5N1)

Vaccine Enhancement Patch (VEP)

* Estimated 50 Mill. People killed by pandemic flu in 1918

** Vaccine Patch System

The Pandemic Flu + Vaccine Enhancement Patch trial is currently ongoing

Pandemic Flu

SUMMARY

Background

- » H5N1 antigens have been previously investigated in Phase I and Phase II trials in combination with the Vaccine Enhancement Patch (VEP)*
- » The Phase I showed potential single application protection (>70% seroprotection), the Phase II results were not decisive
- » Intercell and GSK decided to pursue a confirmatory trial with GSK's H5N1 antigen** – Objectives:
 - General “external” adjuvantation
 - Potential single application

Status

- » Study enrolment ongoing – safety cohorts successfully completed
 - 300 subjects
 - 15/30mg H5N1, active comparator (GSK licensed vaccine)
- » Primary objective is to evaluate the adjuvanticity of a 50µg VEP with two doses of H5N1 antigen
- » Secondary objectives:
 - Safety
 - VEP + H5N1 to meet or exceed European (EMA) criteria for licensure (incl. single application)

* Fully funded by HHS; Contract no. HHSO1002007 00031C, 21 Dec 2006

** A/Indonesia /5/2005 (PR8-IBCDC-RG2)/GSK

Selected key milestones

- » Trial initiation: **Q1/2011**
- » Safety data/DSMB: **Q2/2011**
- » Final Data: **mid 2012**

Clostridium difficile – the leading cause of nosocomial Diarrhea

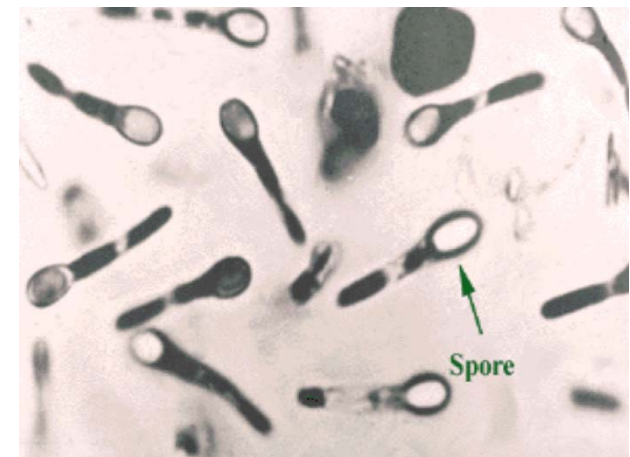
C. difficile

IC84 VACCINE CANDIDATE (PHASE I)

- » Leading cause of nosocomial diarrhea in the U.S. and Europe
- » Estimated 0.5-3 million cases annually in the U.S.
- » Commensal bacterium of the healthy adult human intestine in 2-5% of the population
- » Up to 60% of healthy neonates and infants are colonized without clinical symptoms
- » Toxin mediated disease where anti-toxin immunity can be protective

Our investigational vaccine

- » Recombinant fusion protein of relevant parts of toxins A and B
- » Alum-adjuvanted
- » 3 injections on days 0, 7 and 21



Picture:
www.amozeshonline.com/bacteriology

First Phase I data expected for the vaccine candidate against *Clostridium difficile*

C. difficile

SUMMARY

Background

- » Pre-clinical data successfully conducted
 - 100% protection in hamster challenge model
- » Successful clinical execution of a toxoid-based approach by Sanofi Aventis, currently in Phase II

Status

- » Phase I initiated in Q4/2010
 - Open-label, randomized
 - 5 dose groups
 - 18-65 years (Part A)
 - > 65 years (Part B) upon DSMB* (September 2011)

Selected key milestones

- » Trial initiation: **Q4/2010**
- » Interim Data: **Q4/2011**
- » Final Data: **2012**

*: Data Safety Monitoring Board

Merck paid milestone for S.aureus trial* based on non-futility criteria at interim analysis

S. aureus



S.AUREUS UPDATE

» Intercell received milestone payment for terminated S.aureus trial (V710) from Merck

- Partner Merck decided to discontinue the Phase II/III Clinical Trial of investigational S. aureus vaccine candidate based on the recommendation of the external Data Monitoring Committee

» Intercell and Merck maintain strategic collaboration**

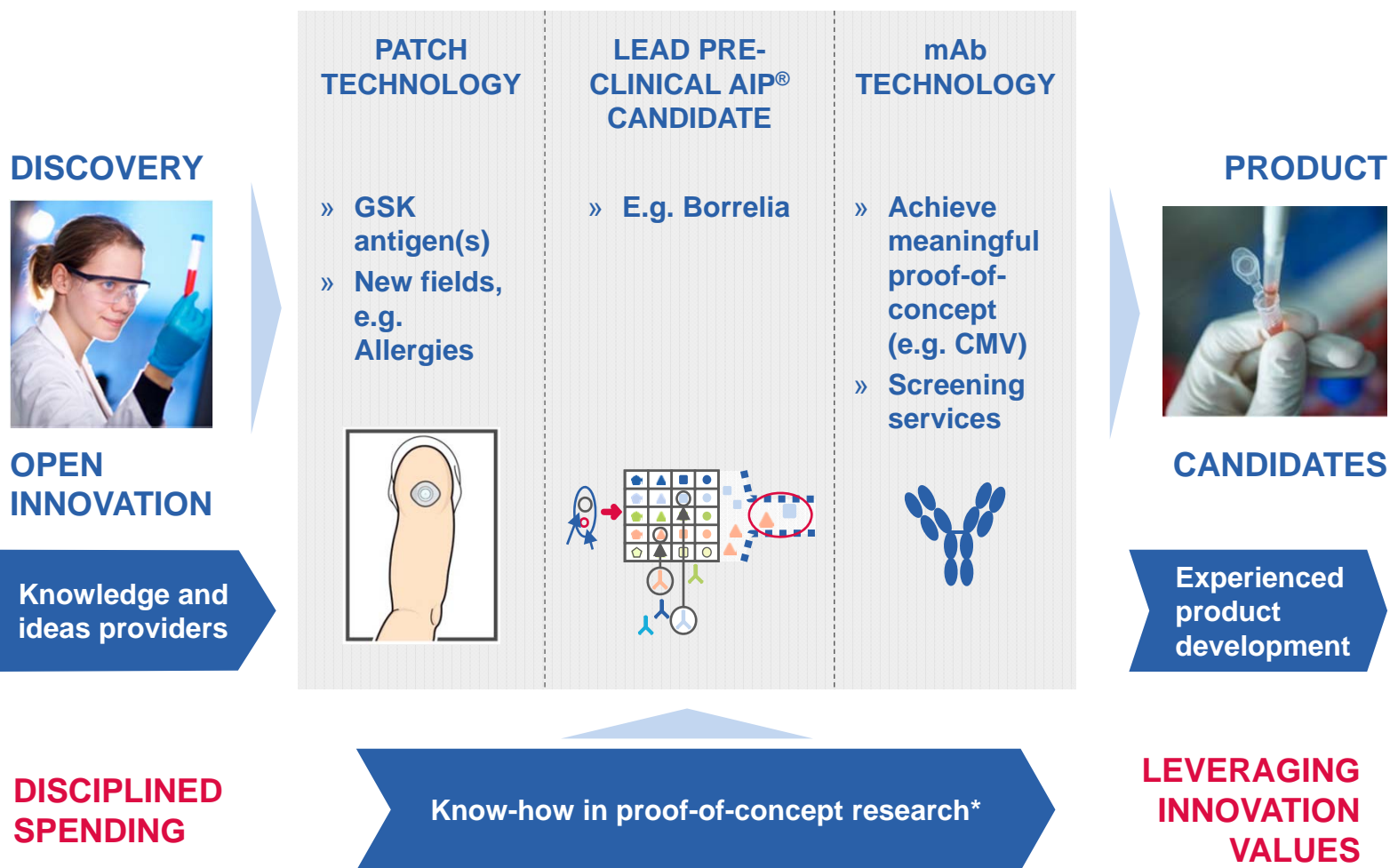
» Intercell and Merck are evaluating potential future approaches in the field of S.aureus

* Trial termination announced on June 8th 2011

** including S.aureus vaccine & antibodies

R&D focused on technologies and programs with significant potential for value creation

RESEARCH BUSINESS MODEL



* Scientific foundation: IC31®, AIP®, patch, eMabs®

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Conclusion & Outlook

IMPLEMENTATION OF RENEWAL STRATEGY ON TARGET

Summary

- » Strong revenues driven by 85% growth in JEV sales
- » Reduction of net loss to EUR 1.6m in Q2 2011
- » Tight cost management & restructuring to conserve cash position
- » Development progress on track to next key milestones
- » Potential upsides from partnering activities

Outlook

- » Full year 2011 net loss reduction to EUR 30-40m
- » Continued JEV sales growth (+60-70% vs 2010)
- » Manage focused pipeline according to plan
- » Evaluate further income opportunities
 - Current partners
 - New partnerships

Further newsflow 2011-2014 – value inflection points – existing development programs

PROJECTED OVERVIEW

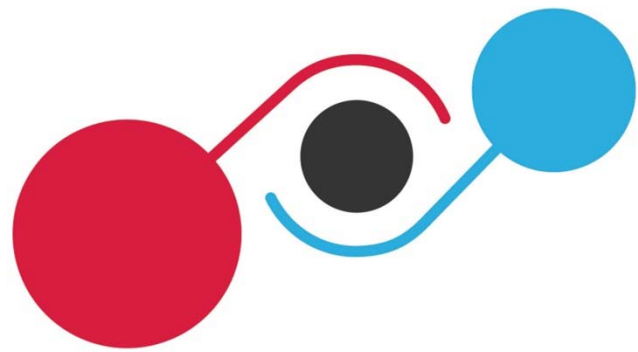


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|--|--|---|--|
| <ul style="list-style-type: none"> » Phase II start Tuberculosis » Phase II start HCV combination therapy (Romark)* » Phase III pediatric data JEV-India » Phase I interim data C.diff | <ul style="list-style-type: none"> » Phase II/III trial start Pseudomonas » Phase I results PanFlu » Phase III results pediatric JEV » Phase I results C.diff » First launch JEV in endemic areas | <ul style="list-style-type: none"> » Phase II/III interim results Pseudomonas » Phase II preliminary results HCV* » Phase II trial start PanFlu » Phase II trial start C.diff » Next AIP® candidate into clinics | <ul style="list-style-type: none"> » Phase II/III final results Pseudomonas » Phase II results PanFlu » Phase I trial start first mAb candidate » First IC31® product licensure submission |
|--|--|---|--|

- » **Technology or licensing deals**
- » **New pre-clinical candidates**
- » **Alliance milestones**



* Trial initiation still subject to regulatory approval by partner Romark



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SMART VACCINES

For more information be invited to: www.intercell.com