

### Intercell AG announces Q3 2008 results and updates on development programs:

**Approvals for Japanese Encephalitis vaccine in U.S., Europe and Australia on track for 2008 – All development programs progressing according to plan – Profitability expected for full year 2008 – Strong financial and strategic position**

**Intercell successfully advanced parallel regulatory processes in all key markets for travelers and military personnel – Vaccine against Japanese Encephalitis expected to obtain market approval in the U.S., Europe and Australia in 2008 – U.S. Defense Logistics Agency Request for Proposal (RFP) for purchase of Japanese Encephalitis (JE) vaccine for U.S. military in negotiation**

- » **United States:** On October 20, the U.S. Food and Drug Administration (FDA) gave positive feedback on Intercell's application to market its vaccine against Japanese Encephalitis; Intercell and the agency are working towards the earliest possible approval – ACIP meeting discussion on future recommendation of JE vaccine held on October 22/23 with formal decision expected at the February 2009 meeting
- » **Europe:** Approval process advancing according to plan – Intercell expects a positive opinion from EMEA in December 2008
- » **Australia:** Positive approval decision is expected in December 2008
- » Intercell has geared up manufacturing efforts to ensure timely product delivery to the U.S. military by the end of 2008 and for commercial product launch in the United States, Europe and Australia in early 2009

**Integration of recent acquisition of IOMAI successfully implemented – Focus now on aggressively progressing Travelers' Diarrhea patch vaccine and leveraging patch-based products and technologies**

- » Strategic focus on late-stage development and industrialization of the Travelers' Diarrhea patch vaccine and Pandemic Influenza patch vaccine. In addition, investigation of the use of the patch technology in new vaccine applications has been effectively initiated
- » Start of pivotal Phase III for Travelers' Diarrhea patch vaccine expected in H1 2009
- » Start of Phase II Pandemic flu vaccine expected in H1 2009

**Nosocomial infections – *S. aureus* vaccine and *Pseudomonas* vaccine progressing in clinical programs – All other development programs and partnerships on track**

- » ***Pseudomonas:*** Start of clinical Phase II/III trials in ventilated Intensive Care Unit patients expected in December 2008
- » ***S. aureus:*** Phase II study by Intercell's partner Merck & Co. Inc. in cardiothoracic surgery progressing well with efficacy data expected by mid 2009 – further Phase II study initiated in hemodialysis patients with late-stage kidney disease, expanding the field of application of the vaccine
- » ***Pneumococcus:*** After full preparation of clinical strategy, start of clinical Phase I trials planned for early 2009

## Results from 6-month follow-up of Intercell's therapeutic Hepatitis C vaccine showed statistically significant and long-term antiviral effect in Phase II patients

- » Intercell is currently examining options for future development including the formulation of the vaccine with IC31® and combination with other antiviral therapies

## Therapeutic Monoclonal Antibodies

- » Strategic partnering process initiated to extract maximum value out of this franchise and to keep internal focus on vaccines

## Financial Statements

- » Intercell's aggregate revenues doubled from EUR 12.6 m in the 9 months ended September 30, 2007 to EUR 25.3 m in the same period of 2008
- » Intercell's net loss decreased by EUR 8.3 m, or 37.6 percent, to EUR 13.8 m in the first 9 months of 2008 from EUR 22.1 m in the same period of 2007
- » As of September 30, 2008 Intercell had liquid funds of EUR 209.0 m, of which EUR 49.1 m was cash and EUR 159.9 m was available-for-sale financial assets. Cash preservation is the principal goal of Intercell's short-term cash management strategy. The impact of the current conditions in the capital markets on the cash portfolio is therefore minimal.

**Vienna (Austria), November 11, 2008** – Today, vaccine company Intercell AG (VSE: ICLL) announced its financial results for the third quarter of 2008 and presented an update on the Company's development programs.

Following the positive feedback regarding the Intercell vaccine for Japanese Encephalitis received from the U.S. Food and Drug Administration on October 20, Intercell and the FDA are working together towards the earliest possible approval of the vaccine. Intercell has concluded all submissions requested by the FDA. The remaining final formal pre-approval alignment steps are progressing productively. Intercell has focused its manufacturing efforts on product delivery to the U.S. military by year-end 2008, and product launch in the United States, Europe and Australia is planned for early 2009.

The leading vaccine policy-making group in the United States, the Centers for Disease Control and Prevention's Advisory Committee on Immunization Practices (ACIP), discussed future recommendations on the use of a vaccine against Japanese Encephalitis during its October 22/23 meeting. The ACIP is expected to make a formal decision at its February meeting.

For the European Marketing Authorization Application (MAA), Intercell expects a positive CHMP (Committee for Medicinal Products for Human Use) opinion by December 2008.

Intercell has received an evaluation report by the licensing authority (Therapeutic Goods Administration, TGA) in Australia and concluded all supplementary submissions. Intercell also expects an approval decision in Australia in 2008.

In August 2008, the Defense Logistics Agency (DLA) of the United States Department of Defense, posted a Request for Proposal (RFP) for purchase of Japanese Encephalitis (JE) vaccine for use with military personnel.

The major details of this RFP are:

- » Exclusive contract to supply DLA with their requirements for JE vaccine
- » Multiyear contract, with annual options to facilitate price and quantity modifications
- » Duration of contract will be 5 years, at a minimum

Intercell responded to the RFP and is working towards signature of a contract in 2008. Intercell has geared up manufacturing efforts to ensure timely product delivery to the U.S. military by year end 2008 and for commercial product launch in the United States, Europe and Australia in early 2009.

Following the receipt of positive Phase II data in children, negotiations have been initiated with potential strategic partners to allow for market entry into Japan and Korea.

### **Integration process of recent acquisition successful – Full focus on aggressively progressing and leveraging the patch based products and technologies**

On August 5, 2008, Intercell announced the completion of the acquisition of Iomai. Intercell issued 1,442,819 new shares from authorized capital as share consideration to former major Iomai shareholders. The cash component of the transaction, totaling EUR 75 million (USD 116 million) for share-, warrant-, and option-holders, was comfortably financed from existing cash reserves of Intercell. Iomai Corporation, which is located in Gaithersburg, Maryland (U.S.) and employs about 110 people, was renamed Intercell USA, Inc., and became a subsidiary of Intercell AG upon closing. Intercell has implemented three strategic priorities to realize the full value of the acquisition:

- » **Industrialization and Commercialization of Travelers' Diarrhea Patch Vaccine** – The Travelers' Diarrhea patch is expected to be the first vaccine protecting travelers against the major causes of diarrhea. The start of a pivotal Phase III clinical trial is planned for the first half of 2009. The estimated market potential for the new vaccine is more than EUR 500 million in sales per year.
- » **Development of Pandemic Influenza Vaccines** – The immunostimulant Vaccine Enhancement Patch has the potential for the development of improved Influenza vaccines, especially in the field of pandemic Influenza. Following the encouraging Phase I/II data, the start of a Phase II clinical trial is expected in H1 2009. The development of the pandemic Influenza vaccine is supported and funded by the U.S. Department of Health and Human Services (HHS).
- » **Leverage of Patch Technology into Other Vaccine Applications** – Patches as a general vaccine delivery technology and the Vaccine Enhancement Patches will be broadly leveraged to develop novel vaccines that can be more efficient and to reduce the number of injections. This concept will be explored both within Intercell's pipeline and with outside partners.

### **Nosocomial infections: *S. aureus* vaccine program expanded – Intercell's strategic partner Merck & Co. Inc., started additional Phase II studies in patients with late-stage kidney diseases – In-house development programs on vaccines against hospital acquired infections remain on track**

Intercell's collaborator, Merck & Co., Inc., has initiated a second Phase II clinical trial of V710, an investigational vaccine for the prevention of *S. aureus* infections. This randomized double-blind, placebo-controlled study aims to evaluate the safety and immunogenicity of the vaccine candidate in patients with end-stage kidney disease on hemodialysis. A separate randomized double-blind, placebo-controlled, international, multicenter Phase II trial was initiated in December 2007, designed to prove efficacy of the vaccine in a large number of patients undergoing cardiothoracic surgery.

Recruitment in that study is progressing well with efficacy data expected by mid 2009. The *S. aureus* vaccine candidate has blockbuster sales potential, is based on an antigen discovered by Intercell and is the only vaccine of its kind being tested in clinical trials worldwide, putting Merck & Co. Inc. and Intercell in a leading position within the global vaccine industry.

***Pseudomonas:*** The start of clinical Phase II/III trials in ventilated Intensive Care Unit patients is expected in December 2008.

***Pneumococcus:*** Based on outstanding pre-clinical results, published in the Journal of Experimental Medicine earlier this year, and after full preparation of the clinical strategy, the start of clinical Phase I trials is planned for early 2009.

### Long-term follow-up results from Intercell's Phase II therapeutic Hepatitis C program

The 6-months follow-up data of Intercell's exploratory clinical Phase II study targeting treatment-naïve Hepatitis C genotype-1 patients strongly confirmed and exceeded positive data obtained earlier in 2008. As reported, in this trial the therapeutic Hepatitis C vaccine (IC41) comprising five synthetic T-cell peptides and Intercell's first-generation poly-Arginine adjuvant (IC30) was associated with a statistically significant reduction of viral load in the blood of chronically infected patients up to 2 weeks after the last vaccination. The long-term follow-up results show that this reduction was significantly more pronounced 6 months after the final vaccination. Intercell's study is the first report to show significant long-term viral load effects of therapeutic vaccination. In particular, the increasing RNA decline up to 6 months after vaccination is encouraging and suggests the formulation of the vaccine with IC31® in future trials. Furthermore, in later trials Intercell's vaccine may be combined with standard therapy or novel antivirals and to identify the optimal product development pathway with regard to potential combination products.

### Therapeutic Monoclonal Antibodies

Intercell has initiated a broad strategic partnering process with the goal of creating optimal positioning by mid-2009. Multiple options to generate maximum value from this technology asset currently are being pursued. Out of its Antigen Identification Program, Intercell has generated multiple antigens that represent excellent targets for potential therapeutic monoclonal antibody products.

## Q3 2008 FINANCIAL REVIEW

### Revenues

Aggregate revenues increased slightly from EUR 7.4 m in Q3 2007 to EUR 7.6 m in Q3 2008. The increase was due to revenues from collaborations and licensing, which were partly offset by a decrease in grant income. The Company's revenues from collaborations and licensing generally depend on the achievement of milestones or on the effective date of new agreements, which results in significant fluctuations in these revenues from period to period.

### Result of Operations

Intercell's net loss decreased from EUR 6.5 m in Q3 2007 to EUR 5.1 m in Q3 2008, or by 21.2 percent.

Net operating expenses increased from EUR 14.1 m in Q3 2007 to EUR 16.3 m, or by 15.2 percent.

Research and development expenses increased by 60.0 percent and were EUR 15.6 m in Q3 2008, compared to EUR 9.8 m in Q3 2007. This increase was due to the integration of the research and development programs of Iomai Corporation (now Intercell USA, Inc.), to an increase in the number of research and development

personnel and to the costs relating to the preparation for the commercial production of Intercell's Japanese Encephalitis vaccine.

General, selling and administrative expenses were EUR 3.7 m in Q3 2008 and in Q3 2007. Additional general, selling and administrative expenses from Intercell USA, Inc. were offset by a decrease in personnel expenses in connection with the exercise of stock options.

Net other operating income in Q3 2008 was EUR 3.0 m, which compares to net operating expenses of EUR 0.7 m in Q3 2007. This change was due to higher R&D tax credits and changes in foreign exchange rates.

Finance income, net of expenses was EUR 2.1 m in Q3 2008 compared to EUR 0.3 m in Q3 2007. This increase was due to an increase in interest income from liquid funds. Income tax income of EUR 1.4 m in Q3 2008 was due to the deferred tax recognition in the newly acquired U.S. subsidiary.

## **NINE MONTHS 2008 FINANCIAL REVIEW**

### **Revenues**

Intercell's aggregate revenues doubled from EUR 12.6 m in the nine months ended September 30, 2007 to EUR 25.3 m in the nine months ended September 30, 2008. Revenues from collaborations and licensing increased from EUR 8.6 m in the first nine months of 2007 to EUR 22.3 m in the same period of 2008, primarily due to the recognition of options fees under the strategic partnership agreement with Novartis. Grant income decreased from EUR 3.9 m in the nine months ended September 30, 2007 to EUR 3.0 m in the nine months ended September 30, 2008.

### **Result of Operations**

Intercell's net loss decreased by EUR 8.3 m, or by 37.6 percent, to EUR 13.8 m in the first nine months of 2008 from EUR 22.1 m in the same period of 2007.

This decrease in net loss was mainly due to the increase in revenues and finance income, which was partially offset by an increase in operating expenses. Net operating expenses in the first nine months of 2008 went up by 27.5 percent to EUR 45.3 m compared to EUR 35.6 m in the same period of the prior year.

Research and development expenses in the first three quarters of 2008 increased by 39.2 percent from EUR 27.2 m in the same period of 2007 to EUR 37.9 m. This was primarily due to an increase in the number of research and development personnel, the integration of the research and development programs of Iomai Corporation (now Intercell USA, Inc.), and the costs relating to the preparation for the commercial production of Intercell's Japanese Encephalitis vaccine. General, selling and administrative expenses increased from EUR 9.8 m in the first nine months of 2007 to EUR 11.0 m in the same period of the current year, due to higher personnel expenses resulting mainly from stock compensation costs.

Net other operating income in the first nine months of 2008 was EUR 3.6 m compared to EUR 1.5 m in the same period of 2007. This change was due to higher R&D tax credits.

Financial income, net of expenses was EUR 5.0 m in the first nine months of 2008, compared to EUR 1.0 m in the same period of the prior year, due to higher interest income on liquid funds, which was partially offset by the realization of book losses on marketable securities in the Company's securities portfolio.

## Cash Flow

Intercell's net cash used in operating activities was EUR 0.4 m in the first nine months of 2008, compared to EUR 27.5 m in the same period of the prior year. This decrease was primarily due to a cash payment of EUR 40.0 m under the strategic partnership agreement with Novartis.

Net cash used in investment activities of EUR 113.3 m in the first nine months of 2008 resulted primarily from the cash component of the consideration paid for the acquisition of Iomai Corporation of EUR 75.0 m, net of cash acquired. Investments in short-term, available-for-sale financial assets, net of proceeds from sale, were EUR 35.8 m. Purchases of property, plant and equipment and intangible assets in the first nine months of 2008 were EUR 7.8 m, compared to EUR 3.4 m in the same period of 2007. This increase was primarily due to investments in a new laboratory and office building in Vienna.

Intercell's net cash generated from financing activities was EUR 1.8 m in the nine months ended September 30, 2008, compared to EUR 151.7 m in the same period of the prior year. The financing proceeds in 2007 resulted primarily from the issuance of 4.8 m new shares to Intercell's strategic partner Novartis. Proceeds from the exercise of stock options were EUR 2.8 m in the first three quarters of 2007 and EUR 1.8 m in 2008.

As of September 30, 2008 Intercell has liquid funds of EUR 209.0 m, of which EUR 49.1 m was cash and EUR 159.9 m was available-for-sale financial assets. Cash preservation is the principal goal of Intercell's short-term cash management strategy. The impact of the current conditions in the capital markets on the cash portfolio is therefore very moderate and all book losses could be fully offset by interest income.

## KEY FIGURES – FINANCIAL HIGHLIGHTS

EUR in thousands	3 months ended		9 months ended		Year ended
	Sept 30, 2008	Sept 30, 2007	Sept 30, 2008	Sept 30, 2007	Dec 31, 2007
Revenues	7,641	7,375	25,283	12,559	53,349
Net profit/(loss)	(5,140)	(6,514)	(13,789)	(22,085)	5,009
Net operating cash flow	24,956	(12,978)	(430)	(27,480)	41,686
Cash and marketable securities, end of period	208,952	218,580	208,952	218,580	287,571

## 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 capabilities. 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 leading product, a prophylactic vaccine against Japanese Encephalitis, successfully concluded pivotal Phase III clinical trials in 2006 and is currently in the process of marketing approval in the U.S., Europe, Australia and Canada. Market approval in the U.S., Europe and Australia is expected for the second half of 2008.

The company's broad development pipeline includes a Travelers' Diarrhea vaccine (patch) in Phase II (start of Phase III expected in 2009), a Pseudomonas vaccine in Phase II, as well as an pandemic Influenza Vaccine Enhancement patch, a partnered S. aureus vaccine in Phase II and four 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](http://www.intercell.com)

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## REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2008

### INTRODUCTION

We have reviewed the accompanying condensed consolidated interim financial statements of Intercell AG, Vienna, for the period from January 1 to September 30, 2008. The condensed consolidated interim financial statements comprise the condensed consolidated balance sheet as of September 30, 2008, the condensed consolidated income statement, the condensed consolidated cash flow statement and the condensed consolidated statement of changes in equity for the period from January 1 to September 30, 2008, as well as the explanatory notes.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standards (IFRS) for interim financial reporting as adopted by the EU.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review. A limitation of our liability, also with respect to third parties, was stipulated at the liability limit of EUR 2 million as applicable for the audit of the financial statements of small and medium-sized companies.

### SCOPE OF REVIEW

We conducted our review in accordance with laws and regulations applicable in Austria and in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope and involves less documentation than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

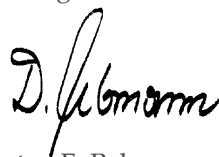
### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with the IFRS for interim financial reporting as adopted by the EU.

Vienna, November 7, 2008

PwC Wirtschaftsprüfung GmbH  
Wirtschaftsprüfungs- und  
Steuerberatungsgesellschaft

signed:



Dorotea-E. Rebmann  
Austrian Certified Public Accountant

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2008

### CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (UNAUDITED)

EUR in thousands (except shares and per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
<b>Revenues</b>	<b>7,641</b>	<b>7,375</b>	<b>25,283</b>	<b>12,559</b>
Revenues from collaborations and licensing	7,045	6,432	22,252	8,632
Grant income	596	942	3,031	3,927
<b>Operating expenses</b>				
Research and development expenses	(15,619)	(9,762)	(37,895)	(27,224)
General, selling and administrative expenses	(3,687)	(3,687)	(11,013)	(9,808)
Other income/(expenses), net	3,022	(682)	3,563	1,469
<b>OPERATING LOSS</b>	<b>(8,642)</b>	<b>(6,756)</b>	<b>(20,061)</b>	<b>(23,004)</b>
Finance income	2,162	540	6,368	1,768
Finance expenses	(51)	(254)	(1,349)	(774)
<b>LOSS BEFORE INCOME TAX</b>	<b>(6,531)</b>	<b>(6,470)</b>	<b>(15,042)</b>	<b>(22,010)</b>
Income tax income/(expense)	1,391	(44)	1,253	(75)
<b>LOSS FOR THE PERIOD</b>	<b>(5,140)</b>	<b>(6,514)</b>	<b>(13,789)</b>	<b>(22,085)</b>
<b>Losses per share</b>				
for loss attributable to the equity holders of the company, expressed in Euro per share (basic and diluted)	(0.11)	(0.16)	(0.30)	(0.56)

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2008

### CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (UNAUDITED)

EUR in thousands	September 30, 2008	December 31, 2007
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>193,915</b>	<b>32,022</b>
Property, plant and equipment	16,036	11,956
Intangible assets	177,169	19,256
Deferred income tax assets	519	810
Other non-current assets	191	-
<b>Current assets</b>	<b>226,750</b>	<b>297,370</b>
Trade receivables and other current assets	17,798	9,799
Available-for-sale financial assets	159,878	126,528
Cash and cash equivalents	49,073	161,043
<b>TOTAL ASSETS</b>	<b>420,665</b>	<b>329,391</b>
<b>EQUITY</b>		
<b>Capital and reserves attributable to the Company's equity holders</b>	<b>310,773</b>	<b>264,625</b>
Share capital	414,907	363,607
Other reserves	12,846	4,202
Retained losses	(116,980)	(103,183)
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>	<b>30,380</b>	<b>5,994</b>
Borrowings	3,988	1,459
Other long-term liabilities	350	230
Deferred income tax liabilities	26,041	4,304
<b>Current liabilities</b>	<b>79,512</b>	<b>58,772</b>
Trade and other payables	14,177	13,731
Borrowings	730	698
Deferred income	64,605	44,343
<b>Total liabilities</b>	<b>109,892</b>	<b>64,766</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>420,665</b>	<b>329,391</b>

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2008

### CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT (UNAUDITED)

EUR in thousands	Nine months ended September 30	
	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	(13,789)	(22,085)
Depreciation and amortization	1,818	1,224
Share-based compensation	2,868	2,440
Tax	(1,253)	176
Other adjustments for reconciliation to cash used in operations	(5,314)	(1,274)
Changes in working capital	15,278	(7,891)
<b>Cash used in operations</b>	<b>(393)</b>	<b>(27,410)</b>
Interest paid	(20)	(37)
Income tax paid	(18)	(33)
<b>Net cash used in operating activities</b>	<b>(430)</b>	<b>(27,480)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiary, net of cash acquired	(74,952)	2,880
Proceeds from sale/(purchases) of property, plant and equipment	(7,620)	(3,334)
Purchases of intangible assets	(143)	(61)
Purchases of available-for-sale financial assets	(140,114)	(10,100)
Proceeds from sale of available-for-sale financial assets	104,305	16,222
Interest received	5,174	1,496
<b>Net cash used in investing activities</b>	<b>(113,349)</b>	<b>(7,103)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of common stock, net of costs of equity transactions	1,102	152,445
Disposal of treasury shares	189	232
Proceeds from borrowings	1,329	-
Repayment of borrowings	(824)	(996)
<b>Net cash generated from financing activities</b>	<b>1,796</b>	<b>151,681</b>
<b>Net (decrease)/increase in cash</b>	<b>(111,983)</b>	<b>131,304</b>
Cash at beginning of the period	161,043	28,899
Exchange gains on cash	14	221
<b>Cash at end of the period</b>	<b>49,073</b>	<b>160,426</b>
<b>Cash, short-term deposits and marketable securities at end of the period</b>	<b>208,952</b>	<b>218,580</b>

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2008

### CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

EUR in thousands	Share capital	Other reserves	Retained losses	Total equity
Balance at January 1, 2007	200,266	668	(107,852)	93,082
Fair value gains on available-for-sale financial assets	-	(963)	-	(963)
Currency translation differences	-	54	-	54
Deferred tax on share option scheme	-	-	179	179
Net income/(loss) recognized directly in equity	-	(909)	179	(730)
Loss for the period	-	-	(22,085)	(22,085)
<b>Total recognized expense for the nine months ended September 30, 2007</b>	<b>-</b>	<b>(909)</b>	<b>(21,906)</b>	<b>(22,815)</b>
Employee share option plan				
- value of employee services	1,372	-	-	1,372
- proceeds from shares issued	2,637	-	-	2,637
- treasury stock re-issued	232	-	-	232
Issuance of common stock, January 2007	6,034	-	-	6,034
Issuance of common stock, September 2007	150,000	-	-	150,000
Impact of business combinations	-	5,975	(513)	5,462
Cost of equity transactions	(1,797)	-	-	(1,797)
	158,477	5,975	(513)	163,939
<b>Balance at September 30, 2007</b>	<b>358,743</b>	<b>5,734</b>	<b>(130,270)</b>	<b>234,208</b>
Balance at January 1, 2008	363,607	4,202	(103,183)	264,625
Fair value losses on available-for-sale financial assets	-	(1,967)	-	(1,967)
Currency translation differences	-	10,611	-	10,611
Deferred tax on share option scheme	-	-	(8)	(8)
Net income/(loss) recognized directly in equity	-	8,644	(8)	8,636
Loss for the period	-	-	(13,789)	(13,789)
<b>Total recognized income/(expense) for the nine months ended September 30, 2008</b>	<b>-</b>	<b>8,644</b>	<b>(13,797)</b>	<b>(5,153)</b>
Employee share option plan				
- value of employee services	5,093	-	-	5,093
- proceeds from shares issued	1,604	-	-	1,604
- treasury stock re-issued	189	-	-	189
Issuance of common stock, August 2008	44,886	-	-	44,886
Cost of equity transactions	(471)	-	-	(471)
	51,301	-	-	51,301
<b>Balance at September 30, 2008</b>	<b>414,907</b>	<b>12,846</b>	<b>(116,980)</b>	<b>310,773</b>

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2008

### SELECTED NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

#### 1. BASIS OF PREPARATION

These condensed consolidated interim financial statements of Intercell AG (the "Company") for the nine months ended September 30, 2008 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (IAS 34). The accounting policies adopted are consistent with those of the consolidated annual financial statements for the year ended December 31, 2007. These condensed consolidated interim financial statements should be read in conjunction with the consolidated annual financial statements for the year ended December 31, 2007.

For ease of presentation, numbers have been rounded and, where indicated, are presented in thousand Euros. However, calculations are based on exact figures. Therefore, the sum of the numbers in a column of a table may not conform to the total figure given for the column.

#### 2. SEGMENT REPORTING

The Company operates in a single business segment and in a single geographical segment.

#### 3. FLUCTUATION OF REVENUES

Revenues comprise grant income and revenues from collaborations and licensing. Revenues from collaborations and licensing have been fluctuating in the past and the Company expects that they will continue to fluctuate over different reporting periods in the future.

#### 4. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Additions to property, plant and equipment and intangible assets during the interim reporting period resulted principally from the acquisition of Iomai Corporation, now Intercell USA, Inc. ("Intercell USA", see note 9)

Assets acquired through the acquisition of Intercell U.S. include in-process research and development projects. These projects have been re-valued and capitalized as intangible assets at their fair value at the date of acquisition of in total EUR 144,807 thousand. Amortization of the intangible assets over their useful life will start when they have been fully developed and are ready for use. In accordance with IAS 36, each intangible asset will be tested for impairment on an annual basis and when there is an indication that it may be impaired.

#### 5. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets include government bonds, floating rate notes, and mutual investment funds with a total fair value at September 30, 2008 of EUR 159,878 thousand. Available-for-sale-financial assets are immediately tradable, except for one fund which principally invests in Euro-denominated asset-backed securities, recorded at a fair value of EUR 6,789 thousand at September 30, 2008. Unrealized book losses on available-for-sale financial assets at September 30, 2008 amount to EUR 3,620 thousand and have been recorded in equity.

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2008

### 6. SHARE CAPITAL

In July 2008, the Company issued 242,730 new shares and re-issued 25,000 existing shares of treasury stock in connection with the exercise of stock options, resulting in net proceeds of EUR 1,793 thousand (see note 7).

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 (see note 9).

EUR in thousands\*

(except number of shares)

	Shares issued		Capital from ESOP**	Treasury shares		Total share capital
	Number of shares	Capital paid in		Number of shares	Book value	
Balance at January 1, 2007	39,531,897	193,791	6,965	505,889	(489)	200,266
Employee share option plan:						
- value of employee services	-	-	1,372	-	-	1,372
- proceeds from shares issued	839,995	2,637	-	-	-	2,637
- re-issuance of treasury stock	-	116	-	(120,000)	116	232
Issuance of common stock, January 2007	349,815	6,034	-	-	-	6,034
Issuance of common stock, September 2007	4,800,000	150,000	-	-	-	150,000
Cost of equity transactions	-	(1,797)	-	-	-	(1,797)
Balance at September 30, 2007	45,521,707	350,780	8,336	385,889	(373)	358,743
Balance at January 1, 2008	45,521,707	354,983	8,998	385,889	(373)	363,607
Employee share option plan:						
- value of employee services	-	-	5,093	-	-	5,093
- proceeds from shares issued	242,730	1,604	-	-	-	1,604
- re-issuance of treasury stock	-	165	-	(25,000)	24	189
Issuance of common stock, August 2008	1,442,819	44,886	-	-	-	44,886
Cost of equity transactions	-	(471)	-	-	-	(471)
Balance at September 30, 2008	47,207,256	401,166	14,090	360,889	(349)	414,907

\* The financial information set forth in this table has been rounded for ease of presentation. Therefore, the rounded numbers presented as opening balance may be slightly different to the closing balance in previous financial reports.

\*\* Employee Share Option Plan

### 7. SHARE OPTIONS

Options exercised in the nine months ended September 30, 2008 resulted in 242,730 shares being issued (2007: 839,995 shares) at an exercise price of between EUR 1.85 and EUR 16.85 per share. In addition, in the nine months ended September 30, 2008, 25,000 shares of treasury stock (recorded at an average historical price of EUR 0.97 per share) were sold at an exercise price of between EUR 1.85 and EUR 10.72 per share for servicing the exercise of stock options. The weighted average value per share at the time of option exercise was EUR 28.60 in 2008 (2007: EUR 28.15).

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2008

In the nine months ended September 30, 2008, 60,000 share options with a strike price of EUR 31.35 per share and expiring in June 2013 were granted to members of the Supervisory Board.

In connection with the acquisition of Iomai Corporation, the Company substituted 2,089,766 Iomai options by issuing 282,342 Intercell options with an exercise price of between EUR 3.99 and EUR 27.23.

The weighted-average grant-date fair value of options granted during the nine months ended September 30, 2008, was EUR 12.72. 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	35.00 – 38.70	32.59 – 39.07
Expected vesting period (term in years)	0.00 – 5.00	1.50 – 4.50
Risk-free interest rate (%)	4.00 – 4.64	4.06 – 4.58

### 8. CAPITAL COMMITMENTS

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

EUR in thousands	At September 30, 2008	At December 31, 2007
Property, plant and equipment	2,442	200

### 9. BUSINESS COMBINATIONS

On August 5, 2008, the Company completed the acquisition of 100 percent of the shares of Iomai Corporation ("Iomai"). Iomai is engaged in the discovery and development of novel vaccines and immune system stimulants, delivered via needle-free patch technology (transcutaneous immunization). Iomai was consolidated from August 1, 2008 on.

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 (see note 7).

In conjunction with the acquisition, Iomai was re-named Intercell USA, Inc. This business combination has been accounted for under the purchase method, i.e. the cost of the business combination was allocated to the assets acquired and liabilities and contingent liabilities assumed at their respective fair values.

From the acquisition date through September 30, 2008, the acquired business contributed revenue of EUR 296 thousand and a net loss of EUR 1,893 thousand to the Company's consolidated income statement. If the acquisition had occurred on January 1, 2008, the Company's consolidated revenue would have been EUR 27,361 thousand, and net loss would have been EUR 25,471 thousand.

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2008

Details of net assets acquired are as follows:

EUR in thousands

Purchase consideration	
- Cash consideration paid to public shareholders	66,440
- Cash consideration paid to option holders	5,937
- Cash consideration paid to warrant holders	1,802
- Fair value of exchange shares issued as consideration to major shareholders	44,886
- Fair value of substitution options issued to option holders	2,225
- Direct costs relating to the acquisition	3,106
<b>Total purchase consideration</b>	<b>124,396</b>
Fair value of net assets acquired	124,396
Goodwill	0

The fair value of the Intercell shares issued as consideration for the acquisition of Iomai shares was determined using the stock exchange price on the date of acquisition.

The fair value of the assets and liabilities acquired through the business combination are as follows:

EUR in thousands	Fair Value	Acquiree's carrying amount
Cash and cash equivalents	2,191	2,191
Property, plant and equipment, and software	4,223	4,223
Trade and other receivables	2,498	2,498
In-process research and development projects	144,807	-
Deferred tax liabilities	(21,077)	-
Other reserves	(341)	-
Trade and other payables	(7,904)	(7,904)
<b>Net assets acquired</b>	<b>124,396</b>	<b>1,008</b>

In the initial accounting for the business combination, the fair values assigned to the identifiable assets and liabilities have been determined on a provisional basis. Any adjustments to those provisional values as a result of completing the initial accounting shall be recognized within twelve months of the acquisition date.

The cash consideration paid, net of cash acquired through the acquisition, is as follows:

EUR in thousands

Cash consideration	77,143
Cash and cash equivalents in subsidiary acquired	2,191
<b>Cash outflow through acquisition</b>	<b>74,952</b>

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2008

### 10. SUBSEQUENT EVENTS

In October 2008, the Company entered into a finance lease agreement for a new head office and research laboratory building in Vienna with a lease term of 15 years. The acquisition costs of the building amounted to approx. EUR 33 m.

Vienna, November 7, 2008


The Management Board:



GERD ZETTLMEISSL, CEO



ALEXANDER VON GABAIN, CSO



WERNER LANTHALER, CFO



THOMAS LINGELBACH, COO

*The condensed consolidated interim financial statements and the Management Report of Intercell AG as of September 30, 2008 and the report on review thereon have been issued in German language in accordance with section 85 (1) Stock Exchange Law. We draw attention to the fact that this translation into English is presented for convenience purposes only and that the German wording is the only legally binding version.*