



Driving Vaccine Innovation

COMPANY PRESENTATION, FEBRUARY 2008

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

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



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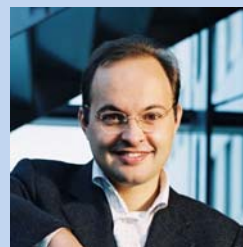
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KEY MANAGEMENT



**Gerd Zettlmeissl,
CEO**

Former CEO of Chiron Behring, co-inventor of Enbrel



**Werner Lanthaler,
CFO**

Former Senior Consultant with McKinsey & Company, former Executive Director with the Federation of Austrian Industry



**Alexander
von Gabain, CSO**

Former Chair of Department of Microbiology and Genetics at the Campus Vienna Biocenter, Foreign Adjunct Professor at the Karolinska Institute



**Thomas Lingelbach,
COO**

Former Vice President Industrial Operations in Chiron Vaccines' Executive Committee, Managing Director for Novartis Vaccines Germany



Unique assets for vaccine and antibody innovation

INTERCELL VALUE PROPOSITION

JEV	<ul style="list-style-type: none"> » Leading global franchise » Expected market approval US/EU 2008, AUS/India 2009 <p>Market potential: €250 – 350m</p>
Hospital acquired infections	<ul style="list-style-type: none"> » Leading approach for vaccines & antibodies <ul style="list-style-type: none"> ▪ S. aureus in Phase II ▪ Pseudomonas expected to start Phase II/III in 2008 ▪ Others rapidly advancing (Klebsiella, Enterococcus) <p>Market potential: >€3bn</p>
HCV	<ul style="list-style-type: none"> » Leading approach for therapeutic vaccine in Phase II <p>Market potential: >€1-3bn</p>
AIP®	<ul style="list-style-type: none"> » Leading technology delivering novel vaccine and antibody products ~10 targets <p>Market potential: from €0.3 – 3bn per target</p>
IC31®	<ul style="list-style-type: none"> » Leading "Gold Standard" for vaccine adjuvants <p>Market potential: from €0.3 – 3bn per target</p>

Most innovative Biotech Company for vaccines and antibodies with own development and partnerships*

* Partnerships

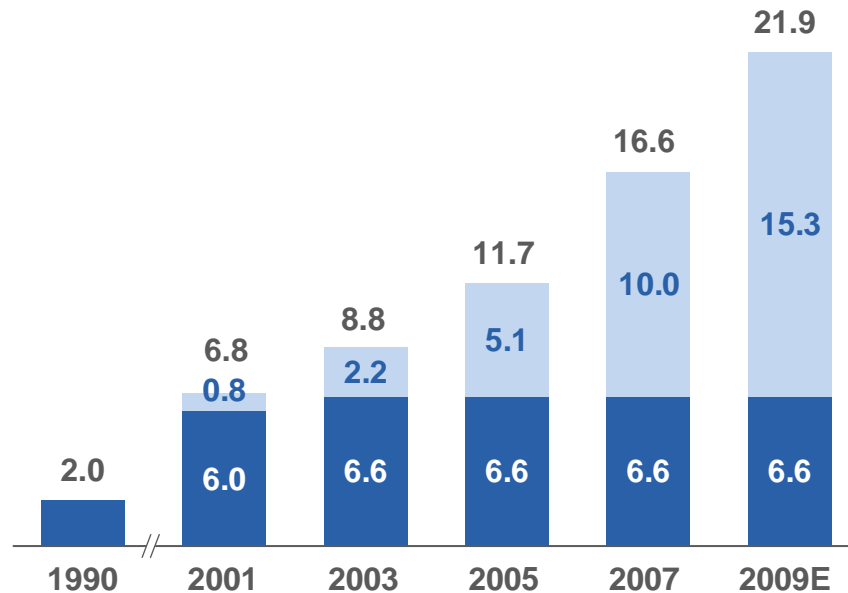


Attractive growth prospects through innovation

- Traditional and combination vaccines
- Novel and therapeutic vaccines

GLOBAL VACCINE MARKET*

US\$ bn



Expected CAGR 2003 - 2009

- » Global vaccine market 16%
- » Novel and therapeutic vaccines 38%
- » Traditional and combination vaccines 0%

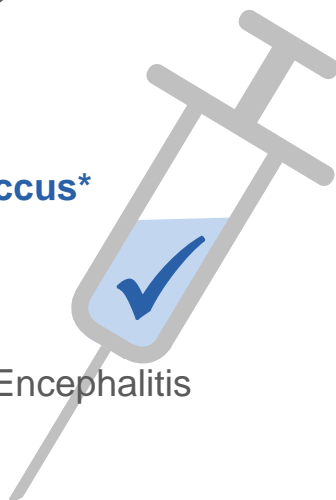
- » Significant unmet medical needs
- » Strong growth fundamentals
- » Higher probability of success
- » Longer product life cycles
- » High entry barriers

* Sources: Frost & Sullivan, Datamonitor, Theta Reports, Genesis, Company Estimates

OUR TARGETS

Vaccines on the market

- » Cholera
- » Diphtheria
- » H. influenza B
- » Hepatitis A, B
- » **Influenza***
- » **Japanese Encephalitis***
- » Measles
- » Meningitis C
- » Mumps
- » Papilloma
- » Pertussis
- » **Pneumococcus***
- » Polio
- » Rubella
- » Tetanus
- » Tick Borne Encephalitis
- » Typhus
- » Varicella



High unmet medical need for vaccines

- » **Borrelia***
- » **Candida***
- » **Chlamydia***
- » Cytomegalovirus
- » **Enterococcus ***
- » **Group A Strep.***
- » **Group B Strep.***
- » **Hepatitis C***
- » Herpes
- » HIV
- » **Klebsiella***
- » Legionella
- » **Meningitis B***
- » Mycoplasma
- » **Otitis Media***
- » Plasmodium
- » **Pseudomonas***
- » Rickettsia
- » SARS
- » **Shigella***
- » **Staphylococcus***
- » Toxoplasma
- » Treponema
- » **Tuberculosis (in adults)***
- » etc.



* Current Intercell targets



Broad and diverse product pipeline – All development programs on track

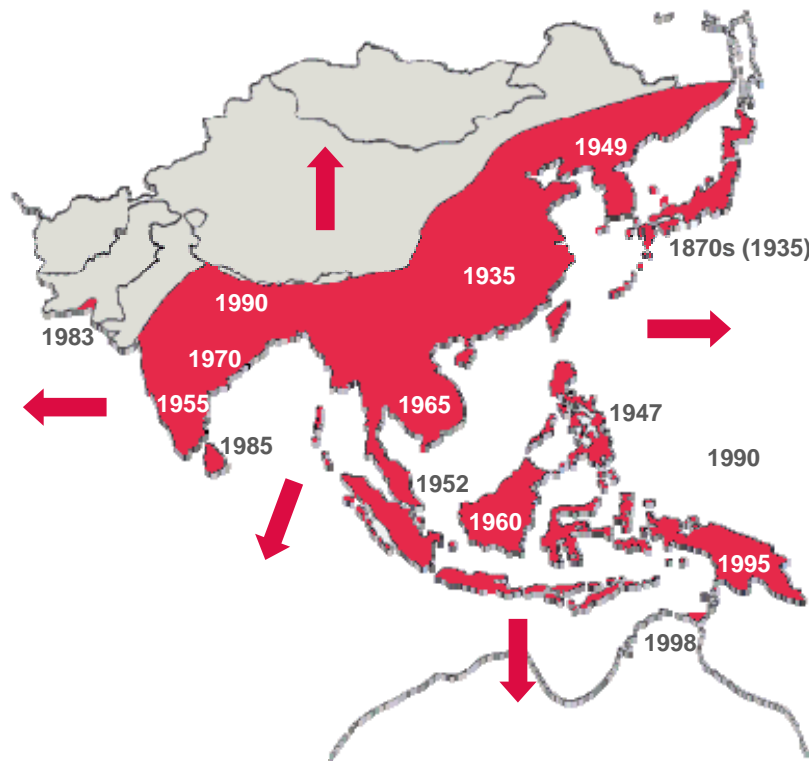
PRODUCT DEVELOPMENT

			Status	Expected milestones	Partner
Clinical vaccines	1. Japanese Encephalitis Virus (JEV) vaccine	Prophylactic	Phase III	US/EU market approvals in 2008	Novartis (M&D)
	2. Pseudomonas vaccine	Prophylactic	Phase II	Phase II/III start 2008	In-house
	3. Hepatitis C Virus (HCV) Vaccine	Therapeutic	Phase II	Phase II final data early 2008	Novartis
	4. S. aureus vaccine	Prophylactic	Phase II	Phase III start 2009	Merck
	5. Tuberculosis vaccine	Prophylactic	Phase I	Phase II start 2008	SSI
	6. IC31® Flu vaccine	Prophylactic	Phase I	Phase I data early 2008	Novartis
Pre-clinical vaccines	7. Pneumococcus vaccine	Prophylactic	Pre-clinical	Phase I start 2008	In-house
	8. Bacterial vaccine*	Prophylactic	Pre-clinical	Phase I start 2008	Sanofi Pasteur
	9. Group A Streptococcus vaccine	Prophylactic	Pre-clinical	Phase I start 2008/09	Merck
	10. Travelers' Diarrhea vaccine	Cross-protective Prophylactic	Pre-clinical	Phase I start 2008/09	In-house
	11. Group B Streptococcus vaccine	Prophylactic	Pre-clinical	Phase I start 2008/09	In-house
Antibodies	12. S. aureus antibodies	Antibodies in infected patients	Pre-clinical	Phase I start	Merck
	13. Pneumococcus antibodies	Antibodies in the elderly	Pre-clinical	Phase I start	Kirin
	14. Group A Streptococcus antibodies	Antibodies In infected patients	Pre-clinical	Phase I start	Merck
	15. Group B Streptococcus antibodies	Antibodies in premature newborns	Pre-clinical	Phase I start	In-house

* Undisclosed indication

■ affected area;
years indicate when virus was first detected

JAPANESE ENCEPHALITIS - DISEASE OVERVIEW



» **At least 30,000 - 50,000 cases p.a.**

- 25% fatality rate
- 50% long term neurological damages

» **Current vaccines “outdated” – production in Japan stopped**

- Mouse brain derived
- Possible severe reactions (vaccinees need to remain near a doctor for 10 days)
- Not approved in Europe

» **Market potential €250-350m**

* Source:
Travelers'
Vaccines, Jong
and Zuckerman,
2004

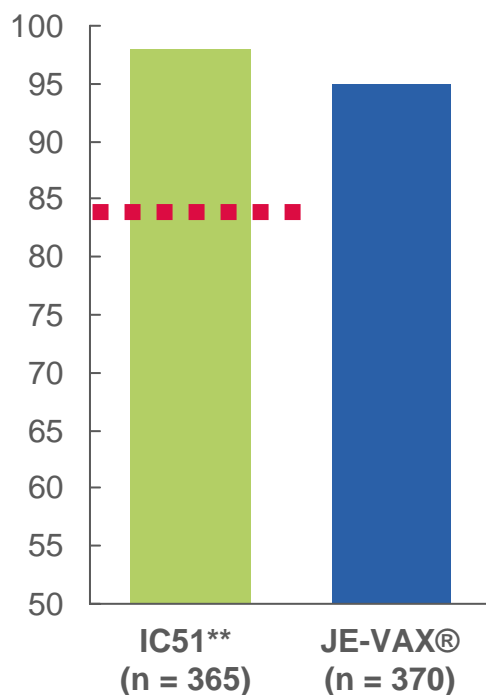


Non-inferiority baseline

PHASE III CLINICAL DATA*

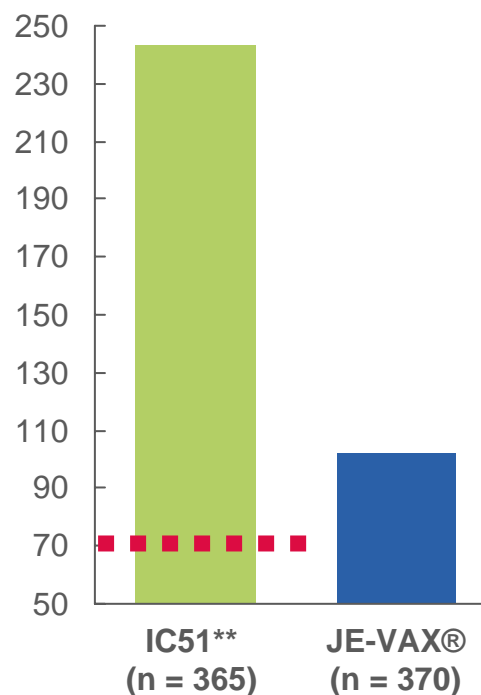
Day 56

% Seroconversion
(protective antibodies)



Day 56

Geometric Mean Titers



Number of
vaccinations

2

3

2

3

Our product:

- » Attenuated strain, inactivated
- » Virus propagation using Vero cells
- » No stabilizers, no preservatives
- » Excellent safety profile
- » Less reactogenic
- » More potent
- » More persistent
- » More convenient

* Total number of subjects in Phase III studies about 4,000
Safety: 2,012 subjects versus 663 placebo

** 6 mcg/dose

Source: Tauber et al. 2007, The Lancet; in press

Control of manufacturing and supply

VACCINE MANUFACTURING IN SCOTLAND








- » JEV – commercial manufacturing unit licensed by MHRA for supplies to US, EU and Australia
- » Process development and clinical manufacturing unit for further vaccine candidates
- » FDA pre-approval inspection expected early 2008

**A core strategic asset – commercial manufacturing
for JEV launch ongoing**

Structured approach to maximize sales

JEV DISTRIBUTION AND MANUFACTURING

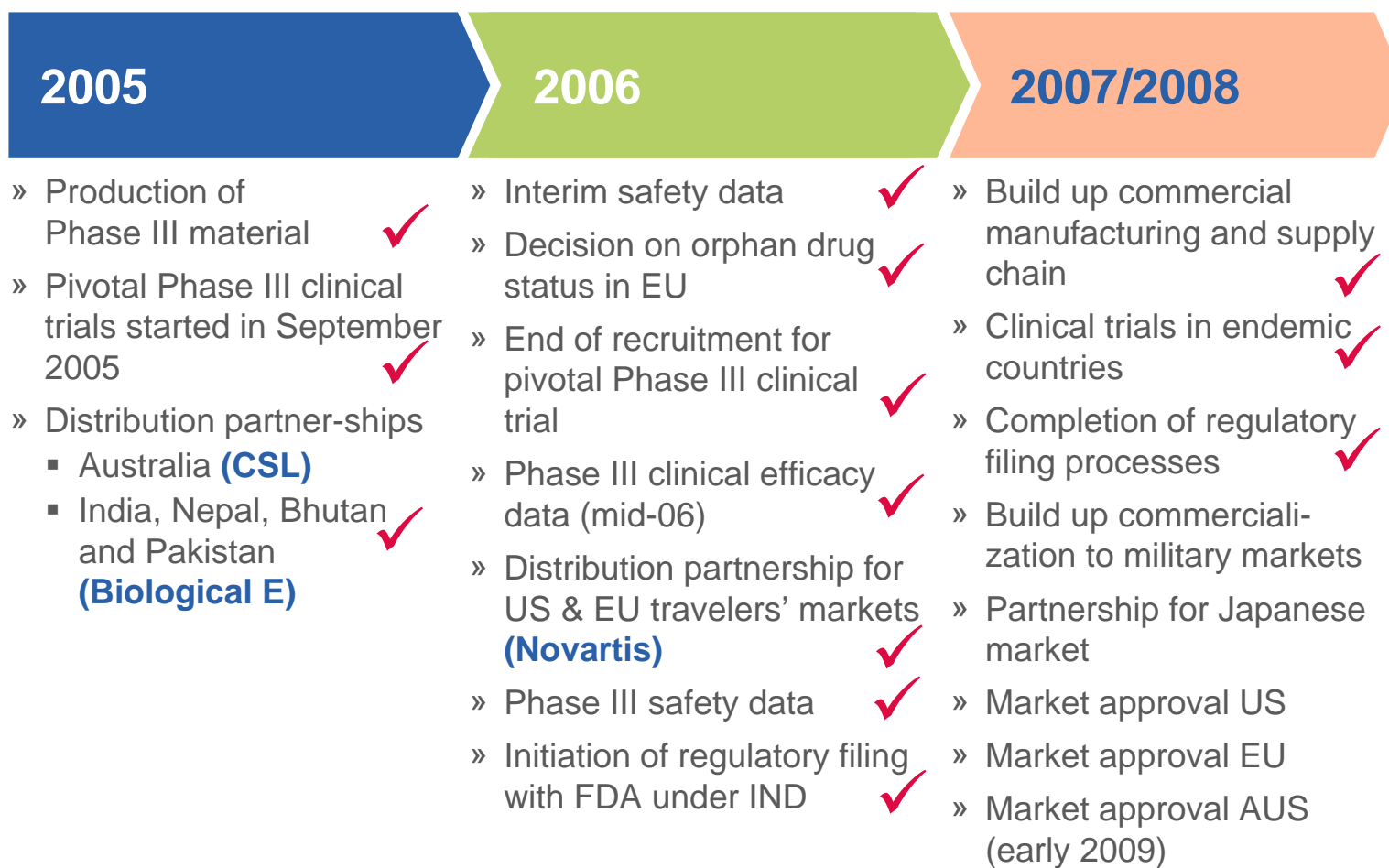
	US/EU	Australia*	Military	Asia/RoW	Japan
Distributor					
Manufacturer	Intercell (Scotland)			Biological E. (India)	To be partnered

* Australia, New Zealand, Papua New Guinea, Pacific Islands

*** India, Nepal, Bhutan, Pakistan

Execution on “JEV to Market”

DEVELOPMENT AND REGULATORY PATHWAY



Leading in nosocomial infections

HOSPITAL ACQUIRED INFECTIONS

- » 4 million infections and 200,000 deaths per year in US / Europe
- » Annual cost burden of €20bn in US / Europe
- » Extra costs of treating an infected patient top €50k

» Limited number of pathogens

▪ Staphylococcus	~ 40%
▪ Pseudomonas	~ 20%
▪ Klebsiella	~ 10%
▪ Enterococcus	~ 10%
▪ Other	~ 20%

Best franchise in the industry

- » Staphylococcus aureus vaccine in Phase II*
- » Pseudomonas vaccine in Phase II
- » Successful pre-clinical programs in Enterococcus and Klebsiella

* Partnered with
Merck

Vaccine against Staphylococcus aureus

DEVELOPMENT PATHWAY

Pre-clinical

- » Covering all subtypes including MRSA ✓
- » Highly protective in animal models ✓
- » Serological/functional correlates for protection ✓

Phase I

- » Safe and well tolerated ✓
- » Highly immunogenic ✓
- » Fast immune response with „one shot“ vaccine ✓

Next steps

- » Start of Phase II ✓
- » Potential market entry 2011/2012

Staphylococcus aureus is

- » No. 1 cause of nosocomial infections
- » No. 1 in developing antibiotic resistance

Vaccine against Pseudomonas

DEVELOPMENT PATHWAY

Phase I

- » Found to be highly immunogenic at all dose levels ✓
- » Safe – no adverse or systemic events ✓

Phase II

- » Administered to patients with 2nd and 3rd degree burns ✓
- » Well tolerated – no adverse or local events/ no pseudomonas infections ✓
- » Strong indications of efficacy - good antibody response ✓

Next steps

- » Start of Phase II/III planned for 2008 – potential market entry 2011

Pseudomonas

- » No.1 cause of severe infections in burn patients
- » No.2 of nosocomial pneumonia

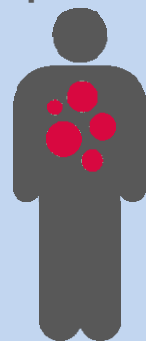
Today's Hepatitis C environment

HEPATITIS C THERAPEUTIC VACCINE (IC41)

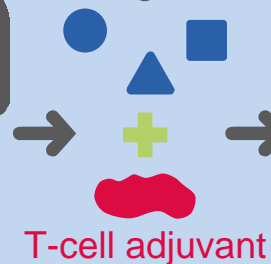
Substantial unmet medical need

- » Viral infection with often chronic outcome
- » 170 m chronically infected worldwide
- » Leads to liver cirrhosis, carcinoma, transplantation
- » 8,000 - 10,000 deaths per year in United States alone

Immune system has eliminated Hepatitis C



Defined peptide antigens



T-cell adjuvant

Educate the immune system to eliminate virus



Market size
> €3.0 bn*

Competitive Environment

- » Current products (Interferon/Ribavirin)
 - Limited efficacy
 - Severe side effects
 - Very expensive treatment
- » Other new treatment approaches
 - High failure rate (i.e. Coley, Idenix, ...)
 - Severe side effects (i.e. Viropharma, ...)
 - No sustained viral load responses (i.e. Vertex, ...)

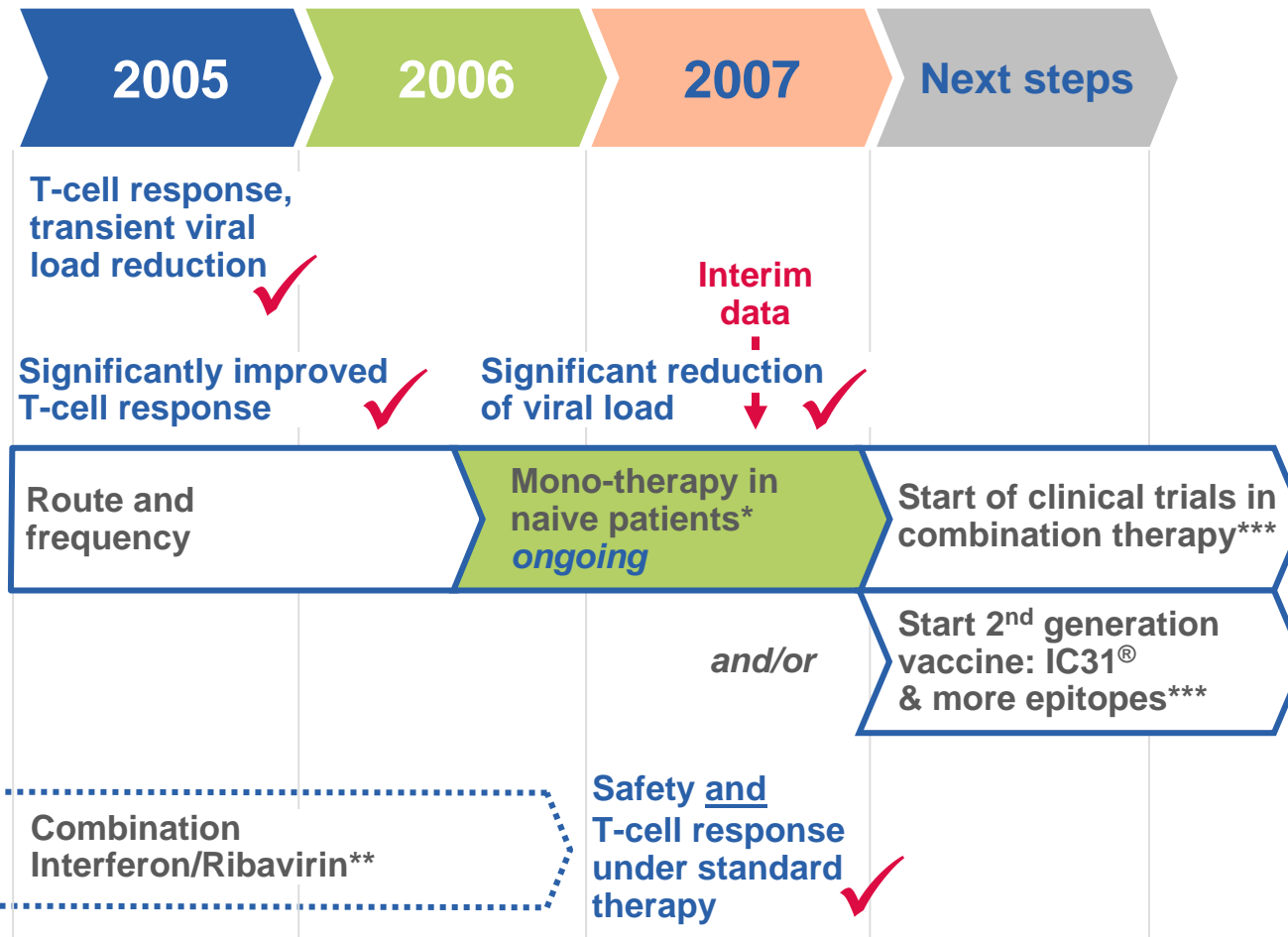
Our product

- » T-cell vaccine: 5 peptides plus Poly-Arginine
- » Good safety profile (Phase I and Phase II)
- » Competitive costs of goods

* Source:
BioSeeker
Group 2005

Hepatitis C: clear strategic development

IC41 DEVELOPMENT AND REGULATORY PATHWAY

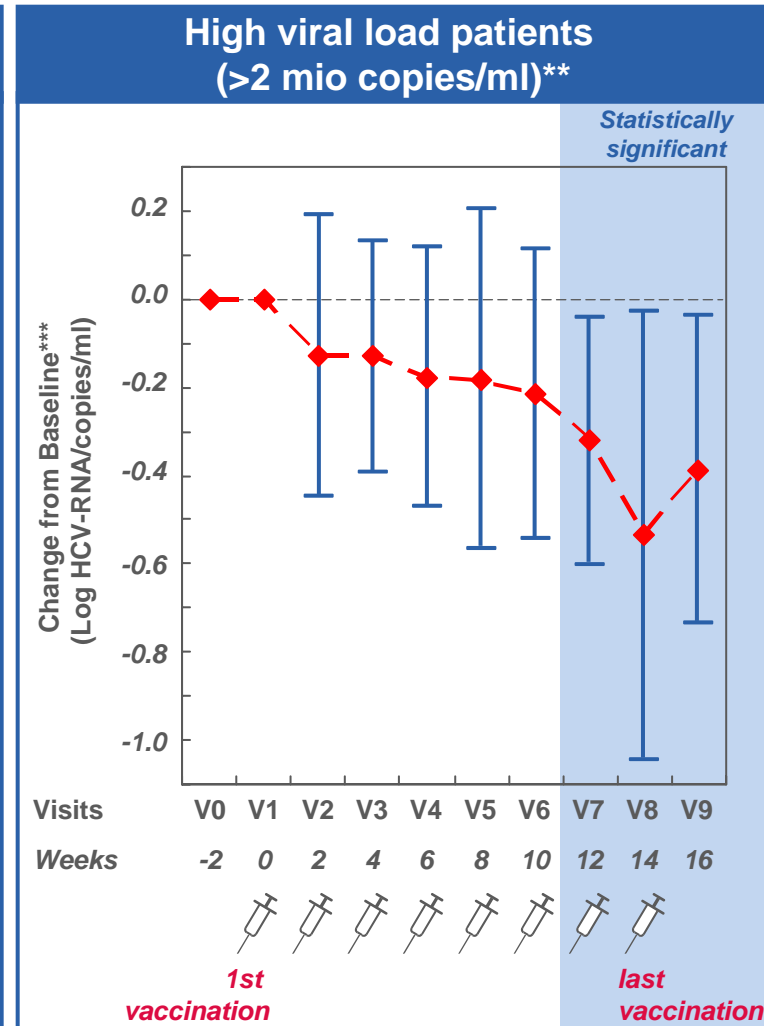
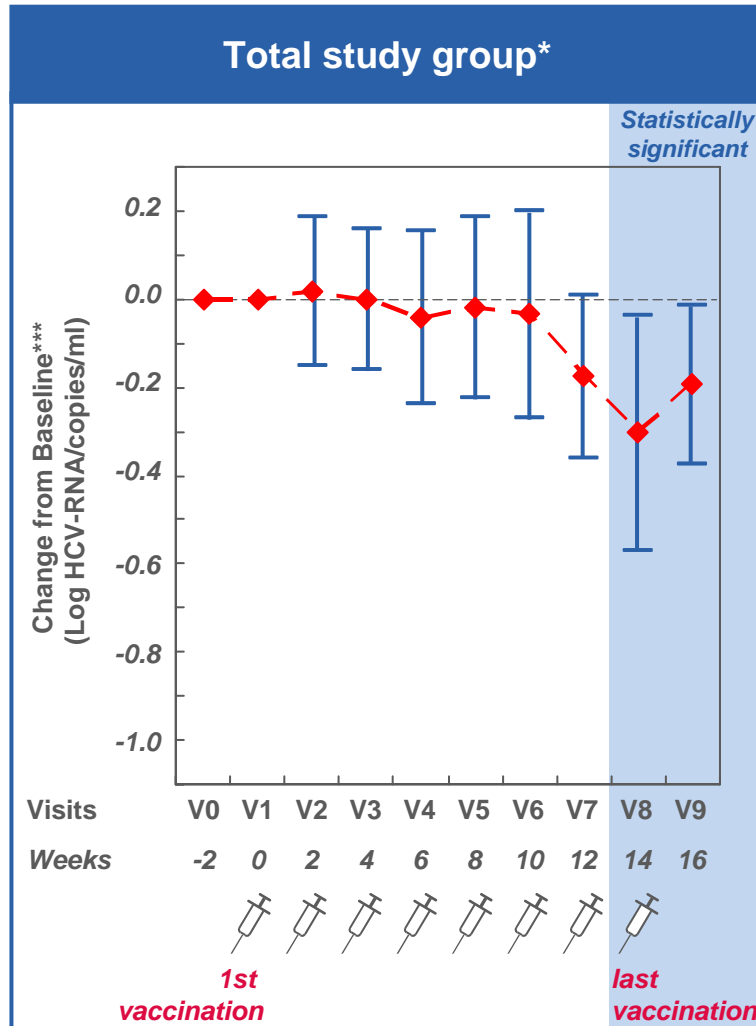


* With optimized route and frequency
 ** Using "old" treatment schedule 6x in 6 months
 *** Strategy to be defined in early 2008

Primary endpoint met with interim data – a statistically significant HCV-RNA reduction

◆ Point Estimate
Estimate

OVERVIEW IC41-202 INTERIM DATA



* 25 patients
** 12 patients
*** 95% confidence intervals



Scientific "proof of concept" achieved – opens further development



&



FIRST CONCLUSIONS (BASED ON INTERIM ANALYSIS) AND NEXT STEPS

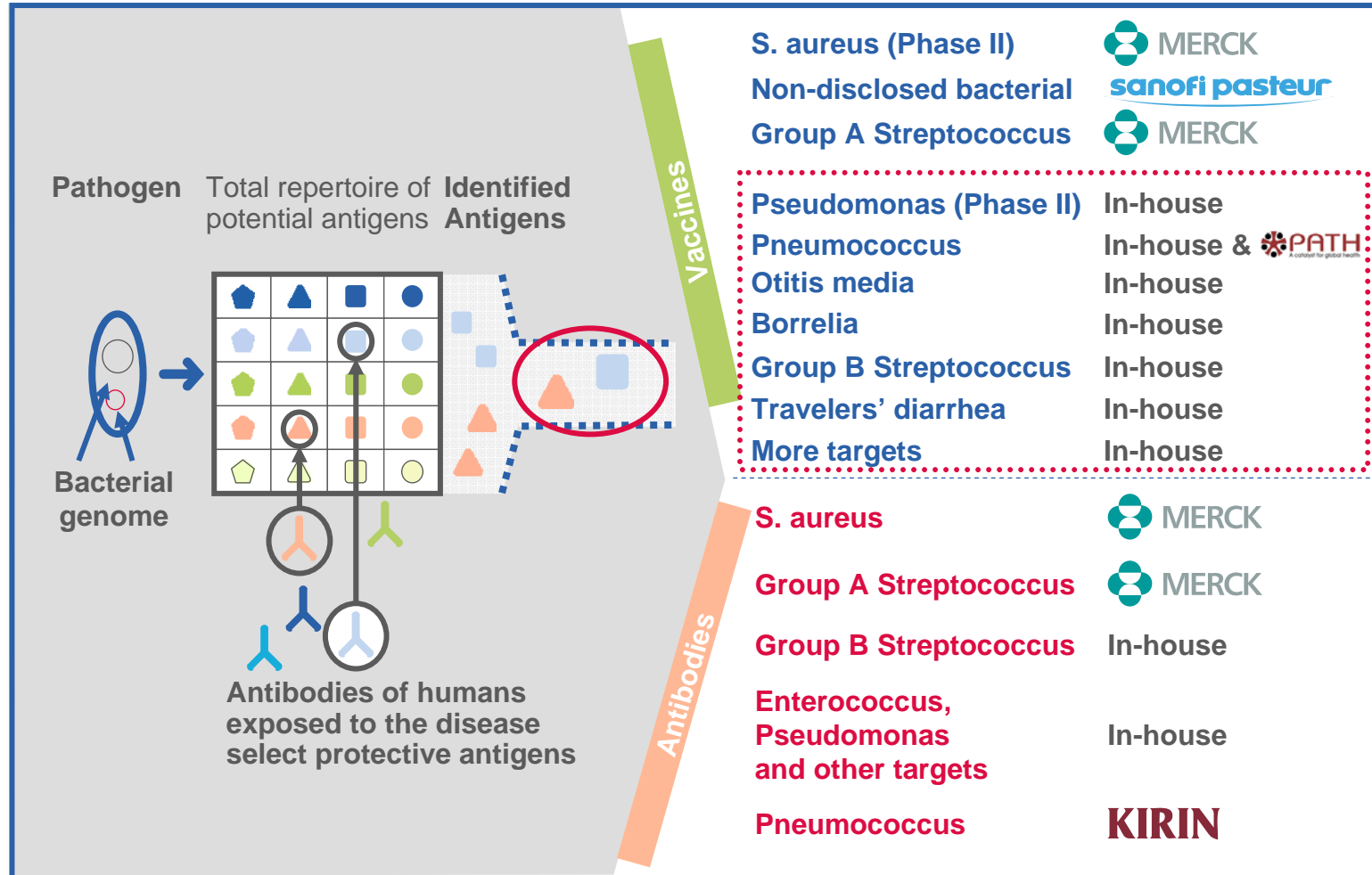
- » Interim data show decline of viral load during vaccination in difficult Genotype 1 population
- » Decline in any case sustained 2 weeks past last vaccination
- » New vaccine schedule is safe in chronic patients

- » Obtain full study data from all 50 patients up to 24 weeks past last vaccination (Q1 2008)
- » Enforce activities to formulate vaccine with much more potent IC31[®]-adjuvant
- » Elaborate on synergies with other HCV programs together with **Novartis** (vaccines and small molecules)
- » Enter into further decisive clinical studies in 2008

Efficient product generating platform

VACCINE INNOVATION: AIP®

Antigen Identification Program (AIP®)



Potential Co-Development programs or Opt-in for

VACCINES & ANTI-INFECTIVE MONOCLONAL ANTIBODIES

- » Fast route to identify promising **protective antigens**
- » Discovery mode (human sera) **increases likelihood** of identified antigens to deliver for **vaccines and antibodies**
- » Key features: **conserved, immunogenic in humans and ideal target for immune response**
- » **Validated** by key players in the industry

» **Nosocomial franchise***

- Klebsiella
- Enterococcus
- Candida

» **Pneumococcus**

- Broad coverage novel vaccine
- Basis for Otitis franchise
- Asset for a Flu/Pneumo combination in elderly

» **Travelers**

- Borrelia

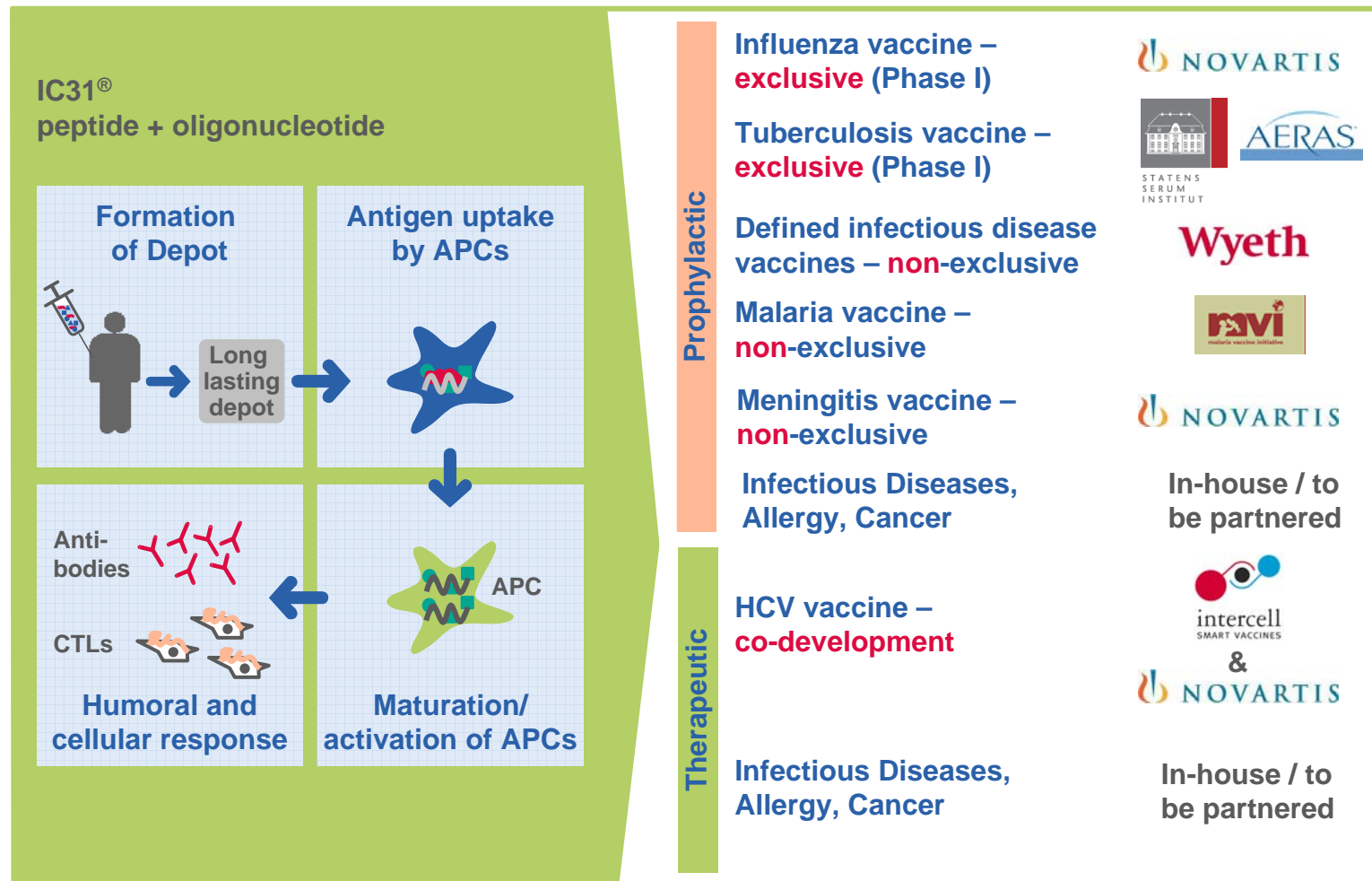
» **Bacterial targets relying on T-cell adjuvant**

- Helicobacter, Chlamydia,...

* S aureus,
Pseudomonas
already in
clinical
development

Broadening the use of novel vaccine adjuvant

OVERVIEW IC31®



IC31[®] potential – only the tip of the iceberg

USPs OF ADJUVANT IC31[®]

- » **Signaling through Toll-like-receptors**
- » Induces, in addition to **B-cell**, also **strong T-cell** immunity
- » Broadens **protective spectrum** of antigens (e.g. Flu)
- » Allows vaccine development where **cellular immunity** is key (e.g. Tuberculosis, Chlamydia)
- » **Safe** tox-profile
- » **GMP** manufacturing in place
- » **Strong patent position**

» **Flu vaccines**

- Pre-pandemic
- Broadened protection for inter-pandemic

» **Novel T-cell vaccines**

- Novel vaccines where T-cell immunity is pivotal (e.g. Helicobacter, Chlamydia)

▪ **Therapeutic vaccines**

against chronic infectious diseases (e.g. HCV, HPV, HSV, CMV, EBV)

» **Cancer vaccines**

» **Allergy vaccines**



Driving vaccine innovation



STRATEGIC PARTNERSHIP WITH NOVARTIS

IC31[®] partnership in Influenza and additional indications

- » Intercell grants license
 - for **Influenza vaccines** – exclusive
 - for selected other vaccines (e.g. Meningitis) – non exclusive

AIP-derived vaccines co-development/ opt-in

- » Novartis option for un-partnered vaccines from AIP[®] post “clinical proof of concept”*
- » Intercell decides **to co-develop/share profits** for vaccines opted by Novartis
- » Not opted vaccines free for own development or partnering

HCV vaccine franchise

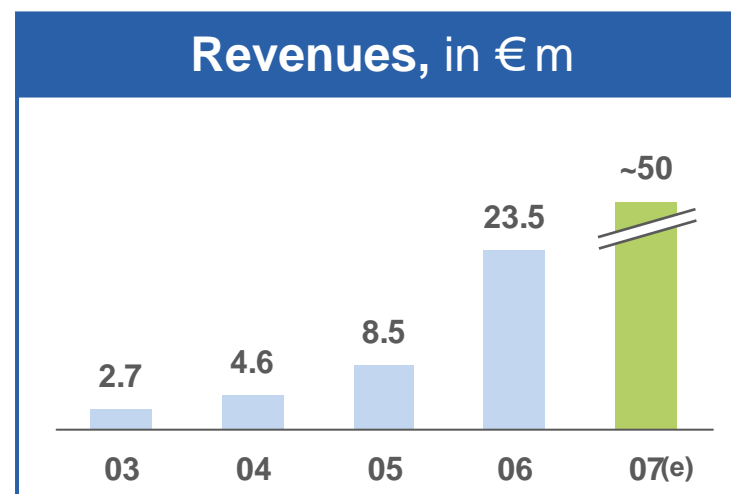
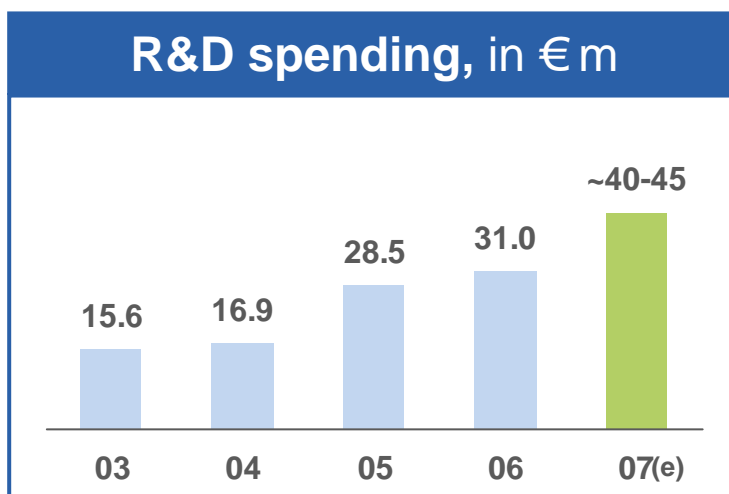
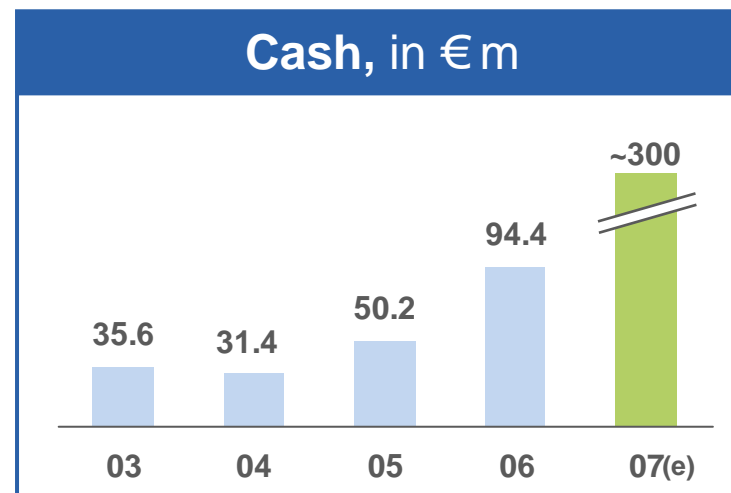
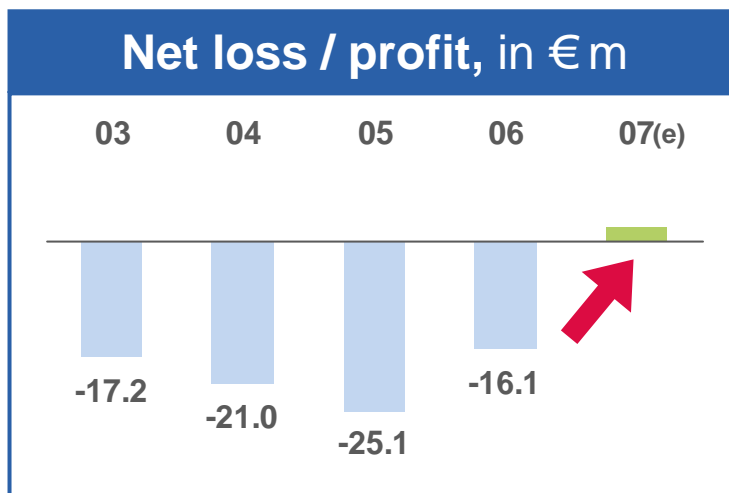
- » Combine approaches, co-develop, share costs, profits for HCV therapeutic vaccine, global access

Strategic independence on portfolio – Leverage AIP[®] and IC31[®] in new targets – Excellent partner for vaccine commercialization – Strengthened Hepatitis C vaccine program

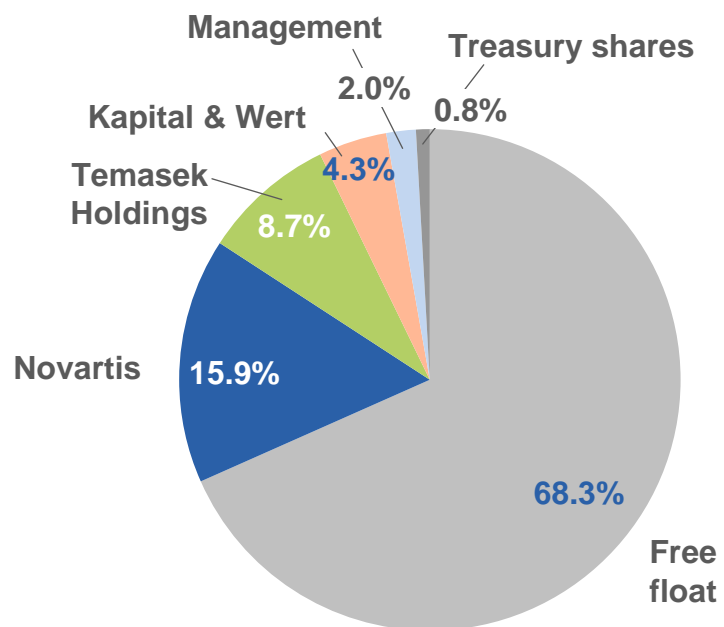
* Typically Phase II

First time profitability 2007 - based on already confirmed licensing income – significant profitability growth 2008

FINANCIAL OVERVIEW



SHAREHOLDER STRUCTURE



Management Team

- » G. Zettlmeissl (CEO)
- » A. von Gabain (CSO)
- » W. Lanthaler (CFO)
- » T. Lingelbach (COO)

Locations

- » Vienna (Austria)
- » Livingston (Scotland)
- » Mooresville (US)

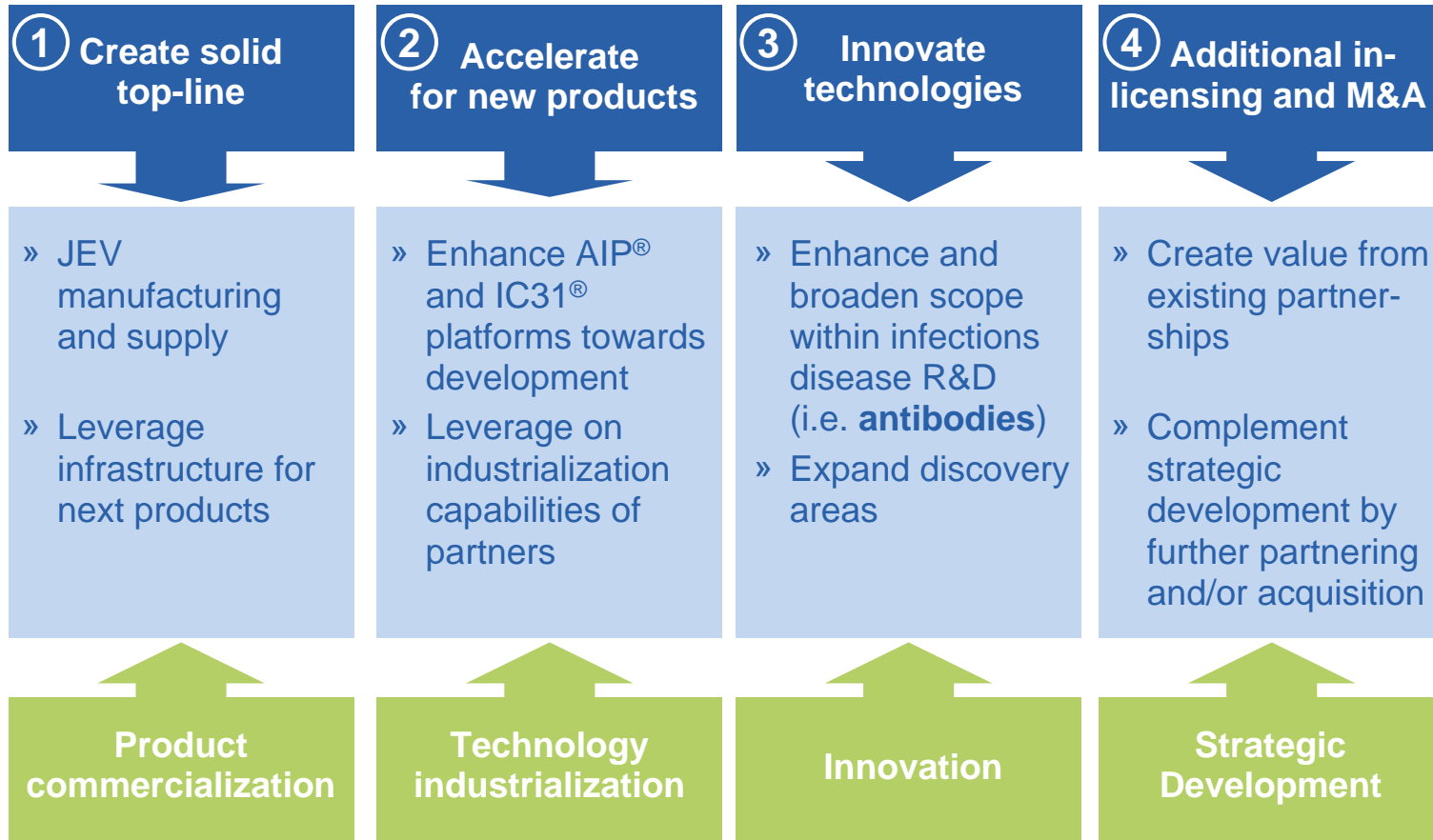
- » **Total workforce:** 240
- » **Graduates:** 48%
- » **PhDs:** 35%
- » **Employees from 16 different nations**

Supervisory Board

- » **Michel Gréco (Chairman)**
Former Deputy CEO of Aventis Pasteur
- » **Ernst-Günter Afting (Vice-Chairman)**
Former Scientific and Technical Director of Research Center for Environment and Health, Munich
- » **Staph Bakali**
Former COO of ID Biomedical
- » **David Ebsworth**
Former CEO of Oxford GlycoSciences, Bayer, Pfizer
- » **James Sulat**
Former CFO of Chiron
- » **Hans Wigzell**
Former Director of the Karolinska Institutet

Four key strategic pillars for further growth

ACCELERATED BUSINESS MODEL





2008/09: delivering on targets – much more strong news flow to come

SELECTED NEXT MILESTONES

JEV vaccine

- » MHRA commercial license ✓
- » Filing in Australia
- » Results of Phase II clinical trials in children in endemic countries
- » Agreement with US Army
- » Marketing agreement for Japanese market
- » Market approvals in US, EU, Australia and India

Hospital acquired infections

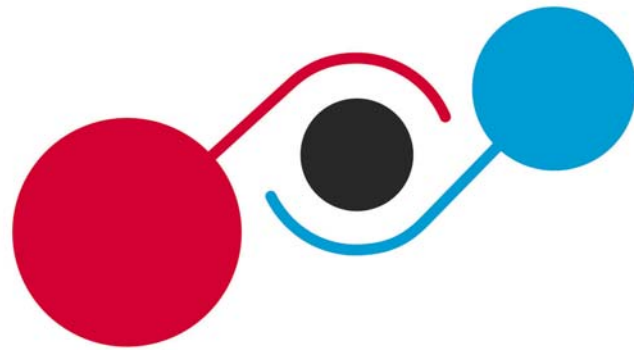
- » Phase II results for *S. aureus* vaccine and initiation of Phase III
- » Phase II/III in *Pseudomonas* vaccine
- » Acceleration of *Klebsiella*, *Enterococcus*

HCV vaccine

- » Final Phase II clinical data in chronic HCV patients ✓
- » Formulation of HCV vaccine with IC31[®]
- » Initiation of co-development trials with Novartis

IC31[®] & AIP[®]

- » Phase I clinical data from Influenza vaccine with IC31[®]
- » Expansion of clinical studies and data from Tuberculosis vaccine with IC31[®]
- » Additional licensing deals for IC31[®]
- » Clinical start of *Pneumococcus* vaccine
- » Establishment of antibody franchise with AIP[®]



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SMART VACCINES

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