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Proposed Merger of Equals between Vivalis and Intercell

Creation of a European Biotech Leader in Vaccines and Antibodies

- Vivalis ("Vivalis") and Intercell AG ("Intercell") to merge and form Valneva SE ("Valneva"), headquartered in Lyon (France) and listed on the regulated markets of NYSE Euronext in Paris and the Vienna Stock Exchange
- Intercell shareholders to receive 13 Vivalis new ordinary shares for 40 Intercell shares, implying a 31.7% premium for Intercell shareholders based on the average share prices over the last three months
- Additionally, Intercell shareholders to receive 13 new preferred shares for 40 Intercell shares. Each preferred share to be converted into 0.4810 new Valneva ordinary shares in the event of successful approval of Intercell's Pseudomonas vaccine
- Implied ownership of Valneva immediately post-merger completion: 55% former Vivalis shareholders / 45% former Intercell shareholders
- Merger unanimously approved by the Supervisory Boards of Vivalis and Intercell
- Irrevocable undertakings to vote in favor of the merger received from holders of 68.5% of the voting rights in Vivalis, including Groupe Grimaud
- Fully committed EUR 40 million rights issue to be launched shortly after merger completion, to further strengthen Valneva's financial profile. The *Fonds Stratégique d'Investissement* ("FSI") supports the merger and will participate in the rights issue
- Merger of Equals structure with each company contributing equally to Valneva's Supervisory Board, and Valneva's Management Board being comprised of two Vivalis and two Intercell Management Board members

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Nantes (France) and Vienna (Austria), Dec. 16th, 2012 – The Management Boards of Vivalis (NYSE-Euronext: VLS) and Intercell (VSE: ICLL) announce that they have agreed the terms of a merger to create the newly-named Valneva, a leading European biotechnology company in vaccines and antibodies.

The merger will create an integrated company with greater scale and diversification, strengthened financial profile and complementary talent and capabilities:

- Complementary business models operating across the value chain with innovative technology platforms, discovery and development capabilities, state-of-the-art manufacturing and commercialization expertise
- Diversified revenue streams from a marketed vaccine against Japanese Encephalitis Virus and income from multiple commercial technology licenses
- A broad portfolio of promising partnered product candidates including a pandemic Influenza vaccine in Phase III, a Pseudomonas vaccine in Phase II/III and a Tuberculosis vaccine in Phase II
- A portfolio of validated and commercialized technology platforms including the EB66® cell line for human and veterinary product development which is becoming the industry standard, the VIVA|Screen™ antibody discovery platform and the IC31® novel adjuvant
- EUR 5-6 million of expected cost synergies, on an annual run-rate basis, achieved within two years following completion of the merger
- Substantially improved financial profile with a combined cash balance of EUR 94 million as at 30 September 2012 (adjusted for the planned EUR 40 million rights issue and the repayment of Intercell's outstanding convertible bond). This improved financial position will enhance the development of Valneva's vaccine and antibody portfolio and will de-risk the path to profitability
- A complementary and experienced management team led by Thomas Lingelbach as President and Chief Executive Officer, Franck Grimaud as President and Chief Business Officer, Majid Mehtali as Chief Scientific Officer and Reinhard Kandera as Chief Financial Officer

Franck Grimaud, CEO and Majid Mehtali, CSO, co-managers of Vivalis, commented: "The merger with Intercell is an important step towards Vivalis' strategic goal of building a profitable, product-based biopharmaceutical company and laying the foundations for rapid revenue and profit growth going forward. The merger will significantly complement our core capabilities, in particular towards product development, while also adding strength and breadth to our R&D portfolio. As a result of multiple revenue streams, Valneva will also enjoy enhanced financial strength to fund its future growth."

Thomas Lingelbach, CEO of Intercell, commented: "Our strategy is to build a sustainable biotech company with a well-balanced and diversified value proposition enabling us to develop innovative products with a strong focus on preventing and treating infectious diseases. The merger will help achieve this goal by combining Vivalis' discovery and technology capabilities with Intercell's development, manufacturing and commercialization expertise. The increased financial strength will provide us greater capabilities to progress our pipeline. We expect both sets of shareholders will substantially benefit from the strengthened capabilities of the combined company."

Terms of the Merger

Upon completion of the merger, Intercell shareholders will receive 13 new Vivalis ordinary shares and 13 new preferred shares for every 40 Intercell shares that they own.

The merger consideration represents a premium for Intercell shareholders of 38.5% on the basis of the last closing share prices and 31.7% on the basis of the average share prices over the last three months, as at 14 December 2012.

Upon completion of the merger, expected to occur in May 2013, and based on the current issued share capital of each company, Vivalis former shareholders will hold approximately 55.0% and Intercell former shareholders approximately 45.0% of the issued share capital of Valneva.

Each preferred share will convert into 0.4810 Valneva new ordinary shares upon the issuance of a marketing authorization for Intercell's Pseudomonas vaccine in the United States of America or in Europe, which would result in the creation of approximately 8.6 million new ordinary Valneva shares. The preferred shares will not be listed but will be freely transferable.

The issuance of this potential market authorization will unlock the significant value of the Pseudomonas vaccine from which all Valneva shareholders will benefit. Through Intercell's current Pseudomonas partnership, Valneva will be entitled to either receive royalties tied to sales performance and potential development milestones of EUR 120 million or, should it elect to co-develop the product, participate in a profit sharing scheme.

The merger is subject to certain customary conditions, including, *inter alia,* the approval by shareholders of both Vivalis and Intercell and the obtaining of relevant regulatory consents. The terms of the merger will be reviewed by merger auditors in France and Austria. Additionally, a French independent expert will review the terms and conditions of the preferred shares.

Vivalis has received irrevocable undertakings from Groupe Grimaud and other Vivalis shareholders to vote their aggregate 68.5% voting rights of the outstanding share capital of Vivalis in favor of the merger.

Intercell has received an irrevocable undertaking from its principal shareholder under which this shareholder has agreed to vote its approximately 15% voting rights of the outstanding share capital of Intercell in favor of the merger.

Simultaneously with the completion of the Merger, Vivalis will be converted into a European Company (*SE*) with a Management Board (*Directoire*) and a Supervisory Board (*Conseil de Surveillance*). It will also change its corporate name to Valneva SE and will transfer its headquarters to Lyon.

The Supervisory Board will be chaired by Fréderic Grimaud, currently Chairman of the Supervisory Board of Vivalis. The remainder of Valneva's Supervisory Board will be comprised of two additional members proposed by the Supervisory Board of Vivalis, three members proposed by the Supervisory Board of Intercell, and one member to be proposed by the FSI (upon completion of the planned EUR 40 million rights issue).

Michel Greco, a member of both Intercell's and Vivalis' Supervisory Boards, has resigned from the Supervisory Board of Intercell. Upon closing of the merger, he will be a Supervisory Board member of Valneva.

Valneva shares will be listed on the regulated markets of NYSE Euronext in Paris and the Vienna Stock Exchange.

Intended Rights Issue: EUR 40 million already secured

Shortly following completion of the merger, Valneva intends to launch a EUR 40 million rights issue, where its shareholders will have the right to subscribe on a *pro rata* basis.

Vivalis and Intercell have received the following commitments with respect to the intended rights issue, and therefore already secured the EUR 40 million capital increase:

- The FSI has undertaken to participate in the rights issue for 62.5% of the total size of the offering, up to EUR 25 million
- Groupe Grimaud and Unigrains (one of Groupe Grimaud's long-term shareholders) have irrevocably undertaken to subscribe in aggregate to the rights issue for EUR 5 million
- Two banks have committed to underwrite EUR 10 million under market-standard terms and conditions

An analyst presentation available via dial-in conference call and webcast is taking place on Monday, 17 December 2012, at 2.00pm CET / 1.00pm GMT / 8.00am EST. To view the live webcast or consult the presentation, please visit the companies' websites (www.vivalis.com and www.intercell.com). To access the conference call, please dial-in on the following numbers:

Austria:	+43(0)1 2530 10153
Germany:	+49(0)89 1214 00699
Switzerland:	+41(0)22 592 7641
France:	+33(0)1 70 99 42 76
Sweden:	+46(0)8 5876 9445
United Kingdom:	+44(0)20 3450 9987
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Local - New York, US:	+1 646 254 3367

Please quote the access code **"8043867"** when dialing into the conference.

Société Générale Corporate and Investment Banking is advising Vivalis in connection with the merger. Goldman Sachs International is advising Intercell in connection with the merger.

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About Vivalis

Vivalis is a biopharmaceutical company that provides innovative cell-based solutions to the biotechnology and pharmaceutical industry for the manufacture of vaccines and recombinant proteins, and develops monoclonal antibodies for the prevention and treatment of diseases with unmet medical needs. Vivalis' expertise and intellectual property are leveraged in two main areas:

1. EB66® Cell Line

Vivalis offers research and commercial licenses for its EB66® cell line, derived from duck embryonic stem cells, to pharmaceutical and biotechnology companies for the production of therapeutic and prophylactic viral vaccines, virosomes, VLPs and recombinant proteins, including monoclonal antibodies. Clinical trials of EB66® produced vaccines are currently on-going in the USA and Japan and in 2012 a vaccine produced in EB66® cells received market approval in Japan for use in animal health. Through these programs, Vivalis receives an upfront payment, clinical stage milestone payments along with royalties on licensees' net sales.

2. VIVA|Screen™ Human Antibody Discovery Platform

Customized solutions for the discovery, development and production of rare, fully human monoclonal antibodies are offered by Vivalis. Through these programs, Vivalis receives payments associated with the funding of discovery research, an upfront payment, clinical stage milestone payments along with royalties on net sales of licensed antibodies that are commercially developed from the use of the platform.

Based in Nantes and Lyon (France) and in Toyama (Japan), Vivalis was founded in 1999 by the Groupe Grimaud (approx. 1,700 employees), one of the worldwide leaders in animal genetic selection. Vivalis has established more than 30 partnerships and licenses with world leaders in biopharmaceutical industry, including Sanofi Pasteur, GlaxoSmithKline Biologicals, Transgene, Pfizer Animal Health, Kaketsuken, Kitasato Daiichi Sankyo Vaccine, Merial, Merck Animal Health and SAFC Biosciences. Vivalis is a member of the French ATLANPOLE BIOTHERAPIES and LYON BIOPOLE bio-clusters and a member of the Japanese HOKURIKU INNOVATION CLUSTER FOR HEALTH SCIENCE based in Toyama.

About Intercell AG

Intercell AG is a vaccine-biotechnology company with the clear vision to develop and commercialize novel immunomodulatory biologicals to prevent disease and reduce suffering across the world.

Intercell's vaccine to prevent Japanese Encephalitis (JE) – IXIARO®/JESPECT® – is the Company's first product on the market. This is a next generation vaccine against the most common vaccine-preventable cause of encephalitis in Asia licensed in more than thirty countries. A comparable vaccine for endemic markets based on Intercell's technology was launched in 2012 by Biological E. Ltd. under the trade name JEEV® in India and is currently under review for WHO prequalification.

The Company's technology base includes novel platforms, such as the patch-based vaccine delivery system and the proprietary human monoclonal antibody discovery system eMAB®, in addition to well-established technologies upon which Intercell has entered into strategic partnerships with a number of leading pharmaceutical companies, including Merck & Co., Inc., and Sanofi.

The Company's pipeline of investigational products includes a development program for the pediatric use of Intercell's JE vaccine IXIARO®/JESPECT® in non-endemic markets. Furthermore, the portfolio comprises different product candidates in clinical trials: a Pseudomonas aeruginosa vaccine candidate (Phase II/III), a vaccine candidate against infections with C. difficile (Phase I) as well as numerous investigative vaccine programs using the Company's IC31® adjuvant, e.g. in a Tuberculosis vaccine candidate (Phase II).

Intercell has in-house cGMP capability to manufacture both clinical and commercial biologicals at its fully owned site in Livingston, Scotland. The manufacturing site is currently dedicated to the production of the Company‘s novel Japanese Encephalitis vaccine. It is licensed and operates under a Manufacturing Authorisation granted by the Medicines and Healthcare products Regulatory Agency (MHRA) and it is also registered by the FDA. As such, the facility is subject to routine inspection by the MHRA, FDA and other Competent Authorities in connection with the manufacture, sale and supply of Japanese Encephalitis vaccine (trade name IXIARO®/JESPECT®).

Intercell is listed on the Vienna Stock Exchange under the symbol "ICLL" (U.S. level one ADR symbol "INRLY").

For more information, please visit: www.intercell.com

Forward-Looking Statements

This Press Release contains certain forward-looking statements relating to the business of Intercell AG, Vivalis SA or Valneva, including with respect to the progress, timing and completion of research, development and clinical trials for product candidates, the ability to manufacture, market, commercialize and achieve market acceptance for product candidates, the ability to protect intellectual property and operate the business without infringing on the intellectual property rights of others, estimates for future performance and estimates regarding anticipated operating losses, future revenues, capital requirements and needs for additional financing. In addition, even if the actual results or development of Intercell AG, Vivalis SA or Valneva are consistent with the forward-looking statements contained in this Press Release, those results or developments of Intercell AG, Vivalis SA or Valneva may not be indicative of their in the future. In some cases, you can identify forward-looking statements by words such as "could," "should," "may," "expects," "anticipates," "believes," "intends," "estimates," "aims," "targets," or similar words. These forward-looking statements are based largely on the current expectations of Intercell AG, Vivalis SA or Valneva as of the date of this Press Release 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 expectations of Intercell AG, Vivalis SA or Valneva 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, currency fluctuations, the impact of the global and European credit crisis, and the 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. Intercell AG, Vivalis SA and Valneva are providing the information in these materials as of this Press Release, and 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.

Important Information

This Press Release and the information contained in it do not constitute an offer to buy, sell or subscribe for any shares in Vivalis SA, Intercell AG or Valneva SE in any country. The distribution, publication or release of this Press Release may be prohibited or restricted by the laws or regulations applicable in certain countries. Persons who are physically present in those countries and in countries where the Press Release is distributed, published or released must comply with local restrictions.

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The merging companies are European companies. Information distributed in connection with the proposed merger and the related shareholder vote is subject to European disclosure requirements that are different from those of the United States. Financial statements and information may be prepared according to accounting standards which may not be comparable to those used generally by companies in the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws in respect of the merger, since the companies are headquartered outside the United States. You may not be able to sue the companies or their officers or directors in a European court for violations of the U.S. securities laws. It may also be difficult to compel the companies and their affiliates to subject themselves to a U.S. court's judgment.