Q1 Report 2012

intercell
SMART VACCINES

Intercell AG announces Q1 2012 results and operational update

Solid IXIARO®/JESPECT® sales revenues up by 36.4% to EUR 4.6m in Q1 2012 compared to Q1 2011

Net loss reduced by 28.2% to EUR 8.1m; cash position of EUR 38.5m at quarter end

Pseudomonas clinical Phase II/III study initiated – interim futility results expected mid 2013 – other R&D activities on track

Solid JEV sales performance

- IXIARO®/JESPECT® product sales increased by 36.4% to EUR 4.6m in Q1 2012 compared to EUR 3.3m in Q1 2011
- Continued year-on-year sales growth continues the positive trend of increasing sales of IXIARO®/JESPECT® and underpins the growth expectations for 2012
- Partner Biological E. Ltd. is preparing to launch the Japanese Encephalitis vaccine to protect small children and adults in India in H1 2012; the product will be marketed under the brand name JEEV®
- The application for approval of IXIARO®/JESPECT® pediatric label extension to major regulatory agencies is progressing – the approval is expected by the end of 2012 or beginning of 2013
- Intercell received a positive CHMP (Committee for Medicinal Products for Human Use) opinion on the close out of the EMA Article 20 procedure (Commission Regulation (EC) No 726/2004) in connection with a batch specific recall in May 2011. A formal close out by the European Commission (EC-decision) is expected in Q2 2012

Q1 2012 financial results

- IXIARO®/JESPECT® product sales on track to meet expected full-year 2012 net sales revenue growth of EUR 8-10m
- Total revenues of EUR 6.0m in Q1 2012 compared to EUR 5.7m in Q1 2011 – lower revenues from collaboration and licensing were offset by higher JEV sales
- Reduction of R&D expenses by 28.3% to EUR 5.7m in Q1 2012 (Q1 2011: EUR 7.9m) and reduction of SG&A expenses by 3.3% to EUR 4.1m (Q1 2011: EUR 4.2m)
- Net loss of EUR 8.1m in Q1 2012 compared to EUR 11.3m in Q1 2011
- Cash position of EUR 38.5m at the end of Q1 2012 compared to EUR 50.9m at the end of December 2011

Corporate/Other

Effective from April 30, 2012 and as announced in the Company's Q4 report Staph Leavenworth Bakali left Intercell and joined the Clinton Health Access Initiative as President and COO.

Vienna (Austria), May 8, 2012 *– Today, Intercell AG (VSE: ICLL) announced its financial results for Q1 and updated on its operations.*

BUSINESS HIGHLIGHTS

Solid product sales growth performance – Launch preparations in India

IXIARO®/JESPECT® product sales revenues increased by 36.4% to EUR 4.6m in Q1 2012 compared to EUR 3.3m in Q1 2011. This growth in sales, driven by growing adoption in key European and US markets, continues the positive trend of increasing sales and confirms the potential of the product as a key driver in Intercell's revenue growth strategy. In-market sales were higher than expected during what is usually the weakest quarter of the year due to travel seasonality. Intercell is on track for the sales revenue growth expectations for the full year 2012 of EUR 8-10m.

Following the approval of a vaccine to protect small children and adults from Japanese Encephalitis (JE) by the Drugs Controller General of India (DCGI), Intercell's partner Biological E. Ltd. commenced manufacturing of commercial launch stock at its facility in Hyderabad. The product will be marketed under the trade name JEEV®. Launch preparations are on track with the first sale expected in H1 2012. The vaccine is based on Intercell's technology, which was successfully used to gain product licensure of the adult vaccine in Europe, the United States, Canada, Hong Kong, Singapore (IXIARO®), and Australia (JESPECT®).

Following on the successful completion of a pivotal Phase III trial in 1,869 children conducted in the Philippines and favorable interim data from a second Phase III trial in EU, US, and Australia, Intercell began the submission process to major regulatory agencies for approval of IXIARO®/JESPECT® pediatric label extension. The pediatric approval is expected by the end of 2012 or beginning of 2013.

Intercell received a positive CHMP (Committee for Medicinal Products for Human Use) opinion on the close out of the EMA Article 20 procedure (Commission Regulation (EC) No 726/2004) initiated in June 2011 in connection with a voluntary, batch specific recall in May 2011. Currently the European Commission (EC) adoption procedure towards final EC decision is progressing and the formal close out by the European Commission is expected for Q2 2012.

R&D PROGRAMS AND ACTIVITIES ON TRACK

Pseudomonas aeruginosa vaccine candidate – a leading cause of nosocomial infections

On March 13, Intercell announced the start of a pivotal Phase II/III efficacy trial of its investigational Pseudomonas aeruginosa vaccine. The trial follows an exploratory Phase II study in which lower all-cause mortality rates were observed in the vaccine groups as compared to the control group.

The Phase II/III trial is a randomized, placebo-controlled double-blind study which will enroll a total of 800 ventilated intensive-care unit patients in approximately 40 study sites across five European countries. The primary objective of the trial is to compare all-cause mortality rates at day 28 after first vaccination between the vaccine candidate treated and the placebo treated group. Secondary objectives include comparison of infection-related mortality rates and Pseudomonas aeruginosa infection rates between the groups and to investigate the vaccine candidate's immunogenicity, safety and tolerability.

The study is sufficiently powered to show a clinically meaningful reduction in all-cause mortality with statistical significance between the vaccine and control group. A futility analysis is planned after approximately 400 patients have been enrolled. The study has previously received positive scientific advice from the European Medicines Agency (EMA).

First interim data of the futility analysis are expected by mid 2013. The Pseudomonas aeruginosa program is part of the Strategic Alliance between Novartis and Intercell – the trial is being conducted by Intercell and costs will be shared between both parties.

Clostridium difficile vaccine candidate – leading cause of nosocomial diarrhea

On March 1, Intercell initiated the second part of the Phase I clinical trial (Phase Ib) with the Company's vaccine candidate IC84 to prevent C. difficile infection. This follows positive first data from a Phase I study (Phase Ia) in a population of healthy adults aged 18-65 years.

This Phase Ib trial will enroll 80 healthy elderly subjects above 65 years of age, as this age group represents the main target population for a C. difficile vaccine. Two vaccine concentrations will be tested with and without alum to confirm the vaccine dose and necessity of the adjuvant in the elderly. Compared to the Phase Ia part of the study in healthy young adults, the vaccination schedule has been modified to potentially optimize the immune response in elderly subjects who might respond differently to the vaccination due to their immunosenescence. Results are expected by mid 2013.

Additional vaccine candidates with high medical need are moving ahead

Tuberculosis: In addition to the Phase II study announced in January 2012, Intercell and Statens Serum Institut (SSI) will initiate a second clinical Phase II study to assess the safety and immunogenicity of the vaccine candidate in healthy adolescents by mid 2012. The randomized, double-blind, clinical trial is evaluating the immunogenicity and safety of two doses of an adjuvanted TB subunit vaccine candidate, H1IC (a combination of SSI's Ag85B-ESAT-6 + Intercell's IC31®), in healthy adolescents previously immunized with BCG (Bacillus Calmette-Guérin, the historic TB vaccine).

The collaboration between SSI and Intercell in the field of Tuberculosis currently includes three clinical vaccine candidates, all formulated with Intercell's IC31® adjuvant: H1IC, in Phase II since January 2012 (supported by the European and Developing Countries Clinical Trials Partnership EDCTP, TBVI (TuBerculosis Vaccine Initiative), and the South African Tuberculosis Vaccine Initiative SATVI), H4IC, currently in Phase I (partnered with Sanofi Pasteur and AERAS), and H56IC, currently in a Bill and Melinda Gates Foundation-funded Phase I in partnership with AERAS and the South African Tuberculosis Vaccine Initiative.

Pandemic Influenza Vaccine Enhancement Patch (VEP): The currently ongoing Phase I study investigates Intercell's adjuvant patch (Vaccine Enhancement Patch – VEP) containing LT (a heat-labile toxin from E.coli) in combination with GSK's H5N1-pandemic antigen. The trial evaluates various combinations of antigen and adjuvant patch doses in regimes of one and two vaccine injections to confirm the mode of action and the potential value of "external" adjuvantation. Enrollment (including 300 healthy adults) for the confirmatory Phase I trial is completed. GSK's adjuvanted and licensed H5N1 vaccine will be used to provide a positive control in the trial. Final data are expected in mid or late 2012.

IC31® adjuvant: Intercell maintains research collaborations with different partners to evaluate IC31® in new vaccine formulations. The Phase I clinical study (undisclosed indication) by Novartis with the adjuvant IC31® is progressing.

Pre-clinical activities: Intercell's pre-clinical lead vaccine candidate against Borrelia (Lyme Borreliosis) is heading towards pre-clinical proof of concept.

Intercell is actively pursuing partnering opportunities for its unpartnered technologies

One of these technologies is the proprietary fully human monoclonal antibody platform eMAB®. The Company's natural fully human mAb platform eMAB® allows an expedited selection of well-tolerated, high-affinity mAbs (monoclonal antibodies) which are naturally selected for minimal off-target reactivity. Natural human mAbs exist against infectious disease antigens, tumor antigens, inflammatory cytokines and small molecules and can be selected by Intercell's eMAB® platform.

Intercell is also working to partner its patch system as a novel route of drug delivery. Intercell has access to two transcutaneous platforms, the Vaccine Delivery Patch (VDP) an antigen delivery technology which is completely needle-free and the Vaccine Enhancement Patch (VEP) an immunostimulant technology designed for use with injected vaccines.

Q1 2012 FINANCIAL REVIEW

Revenues

Intercell's product sales in the first quarter of 2012 increased to EUR 4.6m (Q1 2011: EUR 3.3m), or by 36.4% compared to Q1 2011. Intercell's aggregate first-quarter 2012 revenues increased by 5.3% over the same period of the previous year to EUR 6.0m. Revenues from collaborations and licensing decreased by EUR 0.7m to EUR 1.3m. Grant income decreased by EUR 0.2m to EUR 0.2m.

Operating results

Cost of goods sold for Q1 2012 increased by 10.9% to EUR 3.2m (Q1 2011: EUR 2.9m) resulting again in an improvement of the gross margin for the Japanese Encephalitis product.

Research and development (R&D) expenses for Q1 2012 decreased by EUR 2.2m to EUR 5.7m (Q1 2011: EUR 7.9m). The decrease mainly resulted from cost reductions and R&D pipeline rationalization implemented in the course of 2011 as part of the Company's strategic renewal process.

General, selling and administrative expenses for Q1 2012 decreased slightly by 3.3% to EUR 4.1m (Q1 2011: EUR 4.2m).

Net other operating expenses for Q1 2012 were EUR 0.3m (Q1 2011: EUR 0.7m) and mainly resulted from exchange rate fluctuations, which were partly offset by gains on sale of fixed assets.

Intercell's operating loss for Q1 2012 decreased by 27.9% to EUR 7.2m (Q1 2011: EUR 10.0m). This improvement is mainly a result of the reduction in operating expenses.

Net result, finance and tax

The net finance result of minus EUR 0.9m in Q1 2012 (Q1 2011: minus EUR 0.8m) was mainly due to interest expenses on convertible debt. No income tax expense or income was reported in Q1 2012 (Q1 2011: EUR 0.4m income tax expense).

The net loss for Q1 2012 was EUR 8.1m (Q1 2011: EUR 11.3m) representing an improvement of 28.2%. The net loss per share for Q1 2012 was EUR 0.17 (Q1 2011: EUR 0.23).

Cash flows and liquidity

Intercell's net cash used in operating activities for the first three months of 2012 was EUR 8.9m (Q1 2011: EUR 23.5m). Compared to the prior year, this decrease resulted primarily from the reduction in net loss in Q1 2012 and Q4 2011 and the resulting working capital effects.

Cash generated from investing activities in Q1 2012 was EUR 6.6m (Q1 2011: EUR 2.8m). Without giving effect to investments in and proceeds from sale of securities, net cash used in investing activities in Q1 2012 was EUR 1.0m and included EUR 0.1m for purchases of property, plant and equipment, EUR 1.8m for purchases of intangible assets (capitalized development costs), which was partly offset by proceeds from sale of property, plant and equipment of EUR 0.9m.

Cash used in financing activities in Q1 2012 was EUR 3.6m (Q1 2011: EUR 31.1m net cash generated from financing activities) and resulted mainly from the repayment of convertible debt. For additional information, see "Notes to condensed Interim Consolidated Financial Statements" within this Interim Report.

Liquid funds at the end of March 2012 amounted to EUR 38.5m (December 31, 2011: EUR 50.9m) and included cash and short-term deposits of EUR 11.4m and available-for-sale financial assets of EUR 27.1m.

Key Financial Information

EUR in thousands	3 months ended March 31,		Year ended Dec. 31,
	2012	2011	2011
Revenues	5,994	5,692	32,884
Net loss	(8,077)	(11,257)	(29,265)
Net operating cash flow	(8,949)	(23,453)	(42,858)
Cash, short-term deposits, and marketable securities, end of period	38,451	87,697	50,859

Company Profile

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) 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.

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

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 and the development for endemic markets in collaboration with Biological E. of a comparable vaccine based on Intercell's technology. Furthermore, the portfolio comprises different product candidates in clinical trials: a Pseudomonas aeruginosa vaccine candidate (Phase II/III) partnered with Novartis, a vaccine to prevent Pandemic Influenza by combining the Company's Vaccine Enhancement Patch with an injected vaccine (Phase I), 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 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

Contact

Intercell AG

Nina Waibel

Global Head Corporate Communications

Campus Vienna Biocenter 3, A-1030 Vienna

P: +43-1-20620-1222/-1116

Mail to: communications@intercell.com

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT AS OF MARCH 31, 2012

Introduction

We have reviewed the accompanying condensed consolidated interim financial report of Intercell AG, Vienna, for the period from January 1 to March 31, 2012. The condensed consolidated interim financial report comprises the condensed consolidated interim balance sheet as of March 31, 2012, the separate condensed consolidated interim income statement, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim cash flow statement and the condensed consolidated interim statement of changes in equity for the period from January 1 to March 31, 2012, as well as the explanatory notes.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial report in accordance with the IFRS for interim financial reporting as adopted by the EU.

Our responsibility is to express a conclusion on this condensed consolidated interim financial report 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 report is not prepared, in all material respects, in accordance with the IFRS for interim financial reporting as adopted by the EU.

Vienna, May 4, 2012

PwC Wirtschaftsprüfung GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

Aslan Milla
Austrian Certified Public Accountant

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (UNAUDITED)

EUR in thousands (except per share amounts)	Three months ended March 31, 2012	2011
Revenues	5,994	5,692
Product sales	4,567	3,349
Revenues from collaborations, licensing and grants	1,428	2,343
Cost of goods sold	(3,178)	(2,866)
GROSS PROFIT	2,817	2,826
Research and development expenses	(5,688)	(7,936)
General, selling and administrative expenses	(4,098)	(4,238)
Other income and expenses, net	(273)	(696)
OPERATING LOSS	(7,241)	(10,045)
Finance income	107	322
Finance expenses	(981)	(1,096)
LOSS BEFORE INCOME TAX	(8,115)	(10,819)
Income tax	37	(438)
LOSS FOR THE PERIOD	(8,077)	(11,257)
Losses per share		
for loss attributable to the equity holders of the Company, expressed in EUR per share (basic and diluted)	(0.17)	(0.23)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

EUR in thousands	Three months ended March 31, 2012	2011
LOSS FOR THE PERIOD	(8,077)	(11,257)
Other comprehensive income		
Fair value gains on available-for-sale financial assets	333	382
Currency translation differences	866	367
Other comprehensive income for the period, net of tax	1,199	750
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE COMPANY	(6,878)	(10,508)

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (UNAUDITED)

EUR in thousands	March 31, 2012	December 31, 2011
ASSETS		
Non-current assets	117,366	118,109
Property, plant and equipment	42,680	44,220
Intangible assets	63,148	62,304
Other non-current assets	11,434	11,481
Deferred income tax assets	104	104
Current assets	59,218	73,841
Inventory	10,702	9,737
Trade receivables and other current assets	10,065	13,245
Available-for-sale financial assets	27,084	34,486
Cash and short-term deposits	11,367	16,373
TOTAL ASSETS	176,584	191,950
EQUITY		
Capital and reserves attributable to the Company's equity holders	85,594	92,328
Nominal capital	48,592	48,592
Additional capital paid in	409,205	409,061
Other reserves	24,877	23,678
Retained earnings	(397,080)	(389,003)
LIABILITIES		
Non-current liabilities	61,605	65,340
Borrowings	46,991	50,105
Other long-term liabilities	124	152
Deferred income	14,490	15,083
Current liabilities	29,385	34,281
Trade and other payables and accruals	11,454	14,712
Borrowings	13,821	13,842
Deferred income	3,190	3,337
Provisions	919	2,389
Total liabilities	90,990	99,621
TOTAL EQUITY AND LIABILITIES	176,584	191,950

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT (UNAUDITED)

EUR in thousands	Three months ended March 31,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(8,077)	(11,257)
Depreciation and amortization	1,814	1,936
Share-based payments	447	910
Income tax	(37)	438
Other adjustments for reconciliation to cash used in operations	65	1,247
Changes in working capital	(2,581)	(16,396)
Cash used in operations	(8,369)	(23,123)
Interest paid	(579)	(203)
Income tax paid	(1)	(126)
Net cash used in operating activities	(8,949)	(23,453)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of other businesses	-	(5,000)
Purchases of property, plant and equipment	(146)	(301)
Proceeds from sale of property, plant and equipment	889	8
Purchases of intangible assets	(1,824)	(2,013)
Purchases of financial assets	(10,001)	-
Proceeds from sale of financial assets	17,569	10,038
Interest received	84	96
Net cash generated from investing activities	6,569	2,827
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock, net of costs of equity transactions	(302)	-
Proceeds from issuance of convertible bonds, net of transaction costs	-	32,492
Repayment of convertible bonds	(3,200)	-
Proceeds from other borrowings	236	171
Repayment of other borrowings	(378)	(1,583)
Net cash generated from/(used in) financing activities	(3,644)	31,081
Net increase/(decrease) in cash	(6,024)	10,455
Cash at beginning of the period	16,356	26,904
Exchange gains on cash	1,017	541
Cash at end of the period	11,349	37,901
Cash, short-term deposits and marketable securities at end of the period	38,451	87,697

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

EUR in thousands	Nominal capital	Additional capital paid in	Other reserves	Retained earnings	Total equity
Balance as of January 1, 2011	48,592	407,965	24,262	(359,737)	121,082
Total comprehensive loss for the first three months of fiscal year 2011	-	-	750	(11,257)	(10,508)
Employee share option plan - value of employee services	-	910	-	-	910
Option premium on convertible note	-	-	35	-	35
Cost of equity transactions, net of tax	-	-	(1)	-	(1)
	-	910	784	(11,257)	(9,563)
Balance as of March 31, 2011	48,592	408,875	25,046	(370,995)	111,518
Balance as of January 1, 2012	48,592	409,061	23,678	(389,003)	92,328
Total comprehensive loss for the first three months of fiscal year 2012	-	-	1,199	(8,077)	(6,878)
Employee share option plan - value of employee services	-	447	-	-	447
Cost of equity transactions, net of tax	-	(302)	-	-	(302)
	-	144	1,199	(8,077)	(6,734)
Balance as of March 31, 2012	48,592	409,205	24,877	(397,080)	85,594

SELECTED NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT (UNAUDITED)

1. Basis of preparation

This condensed consolidated interim financial report of Intercell AG (the "Company") for the three months ended March 31, 2012 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, 2011. This condensed consolidated interim financial report should be read in conjunction with the consolidated annual financial statements for the year ended December 31, 2011.

For ease of presentation, numbers have been rounded and, where indicated, are presented in thousand EUR. 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 one reportable segment, which comprises the development, production and marketing of vaccines. The Company identified the Management Board as the "chief operating decision maker". The Management Board reviews the consolidated operating results regularly to make decisions about resources and to assess overall performance.

3. Fluctuation of revenues

Revenues comprise grant income, revenues from collaborations and licensing and product sales for the first product, which was approved in the first quarter of 2009. Revenues 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 & equipment

Due to the R&D site consolidation strategy announced in the prior year, property, plant and equipment with a book value of EUR 673 thousand has been sold in Q1 2012.

5. Convertible note

On February 23, 2011 the Company announced the placement of EUR 33.0 million of Senior Unsecured Convertible Notes (the "Notes") in a private placement transaction. The Notes have a conversion price of EUR 11.43 and bear a fixed rate coupon of 6% per annum which is payable quarterly in arrears. Principal and interest payments may be paid in cash or, subject to minimum thresholds in trading volume and values, in freely tradable listed shares of Intercell, at the sole option of the Company. The holders of the Notes may, at their sole option, choose to defer quarterly payments of principal though the final scheduled maturity of the Notes. The original investors in the Notes will have the right to purchase an additional EUR 33.0 million of Notes on essentially the same terms as the original issue for a period of 12 months following the closing. This increase option was not exercised and therefore expired in March 2012. Furthermore, the investors may purchase an additional EUR 16.5 million of Notes at the same coupon and repayment terms, but with a conversion price to be set at a 20% premium to the then current stock price, for a period of 18 months following the closing.

The Notes have three components, a liability component, an equity component and an increase option which results from the original investors' right to purchase additional notes. The liability component is included in the balance sheet item "borrowings", the equity component is included in the balance sheet item "other reserves".

EUR in thousands	Liability component	Equity component	Increase option	Total
Proceeds of issue	31,340	35	1,625	33,000
Transaction costs	(554)	(1)	(29)	(583)
Net proceeds of issue	30,786	35	1,596	32,417
Valuation change	1,628	-	(1,596)	32
Repayment	(9,000)	-	-	(9,000)
Valuation at March 31, 2012	23,414	35	-	23,449
Less non-current portion	(11,054)			
Current portion	12,360			

Vienna, May 4, 2012

The Management Board

Thomas Lingelbach, CEO

Reinhard Kandera, CFO

The condensed consolidated interim financial report of Intercell AG as of March 31, 2012 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.