Financial Statements of

Intercell AG

as of December 31, 2010

according to UGB (Austrian GAAP)

Assets	December 31, 2010 EUR	December 31, 2009 TEUR
A. Fixed assets		
I. Intangible assets		
1. Concessions, industrial property and similar rights and assets, and licenses in such rights and assets	19.029.092,52	3.793
2. Book value added by a merger	12.364.220,08	12.364
3. Prepayments	8.400,69	76
	31.401.713,29	16.233
II. Tangible assets		
1. Leasehold improvements	94.365,64	0
2. Machinery and equipment	1.880.222,07	1.915
3. Other equipments, factory and office equipment	357.854,84	380
	2.332.442,55	2.295
III. Financial assets		
Shares in affiliated companies	4.954.970,54	130.117
	38.689.126,38	148.645
B. Current assets		
I. Inventory	64.671,18	75
II. Accounts receivable and other current assets		
1. Trade accounts receivable	3.054.763,83	3.272
2. Accounts receivable from affiliated companies	44.561.039,30	44.257
3. Other assets	16.586.464,96	16.220
	64.202.268,09	63.750
III. Securities and shares		
1. Treasury stock	493.431,55	570
2. Other securities	59.066.907,35	95.739
	59.560.338,90	96.309
IV. Cash on hand, bank balances	22.384.600,56	79.815
	146.211.878,73	239.948
C. Prepaid expenses and deferred charges	554.990,01	432
	185.455.995,12	389.024

Equity and liabilities	December 31, 2010 EUR	December 31, 2009 TEUR
A. Shareholders' equity		
I. Share capital	48.592.219,00	48.480
II. Capital reserve		
1. appropriated	337.128.755,88	335.980
2. unappropriated	40.003.942,20	40.004
	377.132.698,08	375.984
III. Stock option reserve	14.984.505,99	11.796
IV. Earnings reserve		
Statutory reserve	12.184,20	12
V. Reserve for treasury stock	493.431,55	570
VI. Cumulative losses		
thereof prior period cumulative losses brought forward EUR 95,063,251.40 (prior year: TEUR 86,630)	-304.266.208,37	-95.063
	136.948.830,45	341.779
B. Accruals and provisions		
1. Provision for severance payments	0,00	594
2. Other accruals	7.814.461,18	7.762
	7.814.461,18	8.356
C. Liabilities		
1. Liabilities due to banks	4.122.550,00	3.433
2. Trade accounts payable	11.078.868,03	2.892
3. Other payables		
of which taxes EUR 370,971.21 (prior year: TEUR 301), of which social security payables EUR 255,877.45 (prior year: TEUR 257)	1.850.677,35	2.149
	17.052.095,38	8.474
D. Deferred income	23.640.608,11	30.416
	185.455.995,12	389.024
Guarantees and contingent liabilities	351.471,79	77

	2010 EUR	2009 TEUR
1. Revenues	21.848.940,40	44.858
2. Other operating income		
a) Proceeds from disposal of fixed assets	0,00	187
b) Other	9.789.780,90	7.584
	9.789.780,90	7.772
3. Cost of materials and purchased services		
a) Cost of materials	-12.407.052,31	-9.102
b) Cost of purchased services	-57.345.627,63	-11.331
	-69.752.679,94	-20.434
4. Personnel expenses		
a) Wages and salaries	-15.019.925,88	-15.284
b) Expenses for leaving indemnities and contributions to leaving indemnity funds (multiemployer defined contribution plans)	-695.281,36	25
c) Expenses for retirement benefits	-19.064,41	0
d) Expenses for statutory social security, payroll-related taxes and mandatory contributions	-2.412.762,08	-3.227
e) Other social benefits	-395.221,96	-457
	-18.542.255,69	-18.943
5. Depreciation and amortization of fixed intangible and tangible assets	-1.708.752,73	-1.501
6. Other operating expenses		
a) Taxes, as not apply under n.14	-123.551,55	-438
b) Other	-27.749.591,40	-26.298
	-27.873.142,95	-26.735
7. Subtotal from n.1 to n.6 (Operating result)	-86.238.110,01	-14.984
8. Other interest and similar income, of which from affiliated companies EUR 1,026,518.59 (prior year: TEUR 1,143)	2.834.575,69	5.425
9. Income from the disposal and write-up of fixed financial assets and current securities	988.624,24	2.403
10. Expenses from financial assets and securities from current assets, of which from affiliated companies EUR 126,132,751.85 (prior year: TEUR 0)	-126.599.295,07	-913
11. Interest and other expenses	-209.514,78	-367
12. Subtotal from n.8 to n.11 (financial result)	-122.985.609,92	6.547
13. Net operating loss/income	-209.223.719,93	-8.437
14. Income tax	-55.506,45	-16
15. Net loss/income for the period	-209.279.226,38	-8.454
16. Release of reserve for treasury stock	76.269,41	20
17. Prior period cumulative losses brought forward	-95.063.251,40	-86.630
18. Cumulative losses	-304.266.208,37	-95.063

1 General principles

These financial statements as of December 31, 2010 have been prepared in accordance with the accounting principles of the Austrian Commercial Code in its currently applicable version.

The financial statements, prepared under Austrian Generally Accepted Accounting Principles (UGB), present a true and fair view of the assets and liabilities, the financial situation of the Company as of December 31, 2010 as well as of the results of its operations for the year then ended.

Accounting and valuation methods are based on the Generally Accepted Accounting Princi-ples. Section 201 (2) UGB was adhered to, as were the provisions on classification and valuation of balance sheet and income statement items under Sections 195 to 211 and 222 to 235 UGB. The income statement was prepared using the total cost format.

In June 2010, Intercell AG established a branch in Schlieren, Switzerland, which is engaged in the identification of anti-infective antibodies to prevent and treat infectious diseases.

Numbers of the prior year have been rounded and, where indicated, are presented in thousands of Euros. Calculations, however, are based on exact figures. Therefore, the sum of the numbers in a table column may not conform to the total figure displayed in the column.

2 Summary of accounting and valuation method principles

2.1 Fixed assets

2.1.1 Intangible assets

The purchased fixed intangible assets are recorded at acquisition cost, minus accumulated amortization.

Amortization is calculated on a pro rata temporis basis.

Computer software is amortized based over its estimated useful life.

2.1.2 Tangible assets

Property, plant and equipment are recognized at cost. No impairment losses were recognized during the fiscal year.

Low value assets with acquisition costs below EUR 400.00 were fully written-off in the year of acquisition. This depreciation charge was not material during the fiscal year.

Depreciation is based on the estimated useful life of assets and computed using the pro rata temporis method.

Useful lives for the classification of fixed assets:

Intangible assets	3 – 17 years
Leasehold improvements	40 years
Laboratory and office equipment	3 – 10 years
Hardware	3 – 5 years

2.1.3 Financial assets

Financial assets are recognized at acquisition cost. Impairment charge is recognized only in case the decrease in fair value is expected to be permanent.

2.2 Current assets

2.2.1 Accounts receivable and other current assets

Receivables and other assets are stated at nominal value. Foreign exchange receivables are converted into Euro using the foreign exchange bid rate on the date of the transaction. At the balance sheet date they are revalued using the lower foreign exchange bid rate at the transaction date or at the balance sheet date. Valuation allowances are made for individually recognizable risks.

2.2.2 Securities and shares

Available-for-sale securities are valued at the lower cost or market principle.

2.2.3 Cash and cash at bank

Cash at banks denominated in foreign exchange currencies are stated at the foreign exchange rate on the transaction date or the lower foreign exchange rate at the balance sheet date.

2.3 Accruals and provisions

Provisions and accruals are recognized to the amount, which, according to commercial judgment, is necessary at the balance sheet date to cover future payment obligations.

2.3.1 Provision for severance payments

All employees whose contracts of employment are not subject to a defined contribution system by law (BMVG) have voluntarily opted for the defined contribution system (§ 47 BMVG) during the year 2003.

The provision for the contractual severance payments for the management board was released, as the management board assumes that the payments for the contractual severance indemnities are not probable.

2.3.2 Other accruals

All liabilities for uncertain timing or amounts perceptible when financial statements are under preparation are provided for, adhering to the principle of prudence, at the respective amounts required under standard commercial practice.

2.4 Accounts payable

In accordance with the principle of prudence, accounts payable were valued at the amount repayable. Liabilities stated in foreign currencies are stated with the foreign exchange rate on the date of the transaction or the higher bid price on the balance sheet date.

2.5 Changes of valuation methods

The valuation methods used are in line with the valuation methods of prior years.

3 Details of the balance sheet and income statement

3.1 Details of the balance sheet

3.1.1 Fixed assets

The history of the individual items included in fixed assets and the analysis of depreciation and amortization charges are presented in the fixed asset movement schedule, attached to these notes.

The added book value of EUR 12,364,220.08 resulted from the merger of the Pelias Biotechnologies GmbH and the merger from the Pelias Biomedizinische Entwicklungs AG to the Company. The value is assigned to R&D projects; therefore it was classified as an intangible asset.

The total amount of low-value assets for the fiscal year was EUR 184,523.62.

The following table shows the details of the financial assets:

As of December 31, 2010	Net book value in EUR	Interest held	Currency	Equity in local currency	Profit/Loss of the year in EUR
Shares in affiliated companies					
Intercell USA, Inc., Gaithersburg, MD, USA	640,394.00	100 %	USD	-52,709,865.80	-164,631,324.85
Intercell Biomedical Ltd., Livingston, UK	4,314,576.54	100 %	GBP	5,230,578.74	493,736.33
Total	4,954,970.54				

As of December 31, 2009	Net book value in EUR	Interest held	Currency	Equity in local currency	Profit/Loss of the year in EUR
Shares in affiliated companies					
Intercell USA, Inc., Gaithersburg, MD, USA	125,951	100 %	USD	165,430	-13,020
Intercell Biomedical Ltd, Livingston, UK	4,166	100 %	GBP	4,901	641
Total	130,117				

An impairment of the shares from Intercell USA, Inc., with an amount of EUR 126,132,751.85 (prior year: TEUR 0) has been made.

The expenses from the fixed financial assets and current securities include an impairment of the shares in affiliates (Intercell USA, Inc) of EUR 123,755,162.11 and losses from the sale of current securities of EUR 466,543.22 (prior year: losses TEUR 913). The endpoints of the Phase II/III studies of the TD patch have not been met in December 2010. Therefore this advanced R&D program has been discontinued therefor the share in affiliates has been impaired.

Commitments

The Company leases office and laboratory premises, cars and equipment under cancelable operating lease agreements, which are not recognized as property, plant and equipment.

	As of December 31, 2010		As of December 31, 2009	
	Less than 1 year EUR	Less than 5 years EUR	Less than 1 year TEUR	Less than 5 years TEUR
Commitments from rental contracts	41,997.93	82,123.06	230	377
Commitments from lease contracts	1,735,980.48	7,209,299.80	1,726	7,563
Total	1,777,978.41	7,291,422.86	1,956	7,940

3.1.2 Current assets

3.1.2.1 Accounts receivable and other current assets

As of December 31, 2010	Total EUR	Maturity not later than 1 year EUR	Maturity not later than 5 years EUR	Maturity later than 5 years EUR
Trade accounts receivable	3,054,763.83	3,054,763.83	0.00	0.00
Accounts receivable from affiliated companies	44,561,039.30	0.00	0.00	44,561,039.30
Other assets	16,586,464.96	5,280,039.46	10,077.74	11,296,347.76
Total	64,202,268.09	8,334,803.29	10,077.74	55,857,387.06

As of December 31, 2009	Total TEUR	Maturity no later than 1 year TEUR	Maturity no later than 5 years TEUR	Maturity later than 5 years TEUR
Trade accounts receivable	3,272	3,272	0	0
Accounts receivable from affiliated companies	44,257	0	0	44,257
Other assets	16,220	5,782	0	10,438
Total	63,750	9,054	0	54,696

Trade accounts receivable are exclusively attributable to revenues from collaborations and licensing as in the prior year. Payment has been received after the balance sheet date.

Accounts receivable from affiliated companies and accounts receivable from associated companies only include other receivables as in the prior year.

3.1.2.2 Securities and shares

The other securities in the current assets include investment funds (money market investment funds and asset-backed security funds), government bonds and floating rate notes.

The fair value of the ABS fund is based on the indicative net asset value. The fund has been suspended from trading as a consequence of the financial crisis as well as an inactive market pricing. The difference between the indicative net asset value and the book value amounted to EUR 0.00 (prior year: TEUR 0).

3.1.3 Share capital

As of December 31, 2010, the Company's nominal share capital amounts to EUR 48,592,219.00 and was fully paid in. The nominal share capital is divided into 48,592,219 common shares with no par value. Therefore, each share represents a calculated nominal value of EUR 1.00 of the capital stock.

As of December 31, 2009, the Company's nominal share capital amounted to EUR 48,480,486.00. In July 2010, the Company issued 111,733 new shares with a calculated nominal value of EUR 111,733.00 in connection with the exercise of share options.

Conditional capital

At December 15, 2010, the Management Board resolved and at December 29, 2010, the Supervisory Board approved that authorized conditional capital according to Section 159 (3) Austrian Stock Corporation Act of EUR 855,000.00 was converted into conditional capital for the issuance of 855,000 additional share options.

The Company has 4,284,457 shares of conditional capital according to Section 159 ff Austrian Stock Corporation Act to serve the exercise of existing stock options. The conditional capital increase will only be consummated to the extent that stock options from the employee share option scheme will be exercised.

During the year 2010, 111,733 new shares were issued from conditional capital due to the exercise of employee share options.

The Management Board is authorized by the Shareholders' meeting held on June 15, 2007, subject to the approval of the Supervisory Board, to use 15,000,000 shares of conditional capital for the future issuance of convertible bonds and to determine the terms of such bond issuance.

Authorized capital

The Management Board is authorized by the Shareholders' meeting held on June 15, 2007, subject to approval by the Supervisory Board, to increase the registered share capital of the Company until June 15, 2012 by issuing up to 10,000,000 new shares of common stock – as a whole or in trances – with a calculated nominal value of EUR 10,000,000.00 against cash or contribution in-kind. In September 2007, the Management Board issued 4,800,000 shares from this authorized capital, in August 2008, the Management Board issued 1,442,819 shares and in December 2009, the Management Board issued 900,000 shares from this authorized capital. The Management Board is authorized by the Shareholders' meeting held on June 13, 2008, subject to approval by the Supervisory Board, to increase the registered share capital of the Company until June 13, 2013 by issuing up to 15,000,000 new shares of common stock – as a whole or in trances – with a calculated nominal value of EUR 15,000,000.00 against cash or contribution in-kind. The Management issued from this authorized capital after the balance sheet date in February 2011. The remaining authorized capital is EUR 16,774,546.00 at December 31, 2010.

Treasury stock

The Company holds 301,748 own shares as treasury stock with a calculated nominal value of EUR 301,748.00 which corresponds to a share of 0.62 % of the nominal share capital.

From 2000 to 2003, the Company has reacquired a number of its own shares that had been issued under an employee participation program. In addition, a number of shares were transferred to the Company for no consideration in the years 2003 and 2004 as a result of certain agreements between shareholders. The treasury stock is designated for re-issuance to employees, members of the Management Board as well as members of the Supervisory Board upon exercise of share options.

Details to changes in the number of shares held as treasury stock during the fiscal year:

	Number of shares	Calculated nominal value EUR	Percentage of total nominal share capital	Sales price EUR
As of January 1, 2010	348,389	348,389.00	0.72 %	
Issuance for exercise of stock options	-46,641	-46,641.00	-	399,580.81
As of December 31, 2010	301,748	301,748.00	0.62 %	

The 301,748 own shares held as treasury shares by the Company are recorded in the balance sheet at a value of EUR 493,431.55 (prior year: TEUR 570). The corresponding calculated nominal value was EUR 301,748.00.

3.1.4 Accruals and provisions

The details of the accruals and provisions are as follows:

	As of December 31, 2010 EUR	As of December 31, 2009 TEUR
Capital transaction tax	1,452,000.00	1,452
Employee bonuses	1,331,037.96	1,939
Materials and services for R&D	1,257,965.30	2,524
Restructuring	1,175,000.00	0
Vacation	974,831.79	820
Supervisory Board compensation	151,000.00	119
Audit	75,000.00	75
Severance payments	0	594
Miscellaneous	1,397,626.13	833
Total	7,814,461.18	8,356

The deferred tax liability according to § 198 (9) UGB amounted to EUR 52,006.45 (prior year: TEUR 0).

3.1.5 Liabilities

As of December 31, 2010	Total EUR	Maturity not later than 1 year EUR	Maturity not later than 5 years EUR	Maturity later than 5 years EUR
Liabilities due to banks	4,122,550.00	570,000.00	2,302,550.00	1,250,000.00
Trade accounts payable	11,078,868.03	11,078,868.03	0.00	0.00
Other payables	1,850,677.35	1,850,677.35	0.00	0.00
Total	17,052,095.38	13,499,545.38	2,302,550.00	1,250,000.00

As of December 31, 2009	Total TEUR	Maturity not later than 1 year TEUR	Maturity not later than 5 years TEUR	Maturity later than 5 years TEUR
Liabilities due to banks	3,433	0	1,683	1,750
Trade accounts payable	2,892	2,892	0	0
Other payables	2,149	2,149	0	0
Total	8,474	5,040	1,683	1,750

Other payables include EUR 626,848.66 (prior year: TEUR 559) in payables resulting from expenses due for payment after the balance sheet date.

3.1.6 Deferred income

The details of the deferred income are as follows:

in EUR	January 1, 2010	Additions	Utilization	December 31, 2010
Deferred revenues	30,415,564.96	1,985,717.40	8,760,674.25	23,640,608.11
Total	30,415,564.96	1,985,717.40	8,760,674.25	23,640,608.11

in TEUR	January 1, 2009	Additions	Utilization	December 31, 2009
Deferred revenues	45,022	2,614	17,221	30,416
Total	45,022	2,614	17,221	30,416

The deferred income is due to not-realized revenues in connection with the strategic partnership with Novartis Pharma AG and R&D grants.

3.2 Details of the income statement

The profit and loss statement is presented in total expenditure format.

3.2.1 Revenue classification

The revenues of TEUR 21,849 (prior year: TEUR 44,858) have been generated from collaboration and license agreements (TEUR 7,485) (prior year: TEUR 35,842), revenues from deliverables of research (TEUR 141) (prior year: TEUR 0) and product sales (TEUR 14,223) (prior year: TEUR 9,016).

Geographical markets

	Year ended December 31,	
	2010	2009
	EUR	TEUR
Austria	384,198.70	267
Europe – without Austria	13,318,587.02	33,010
USA	6,203,852.64	10,547
Other	1,942,302.04	1,034
Total	21,848,940.40	44,858

3.2.2 Expenses for leaving indemnities and contributions to leaving indemnity funds

The expenses for leaving indemnities and contributions to leaving indemnity funds include payments to staff provision funds of EUR 183,310.55 (prior year: TEUR 186).

3.2.3 Classification of other operating income and expenses

The details of the other operating income are as follows:

	Year ended December 31,	
	2010	2009
	EUR	TEUR
Proceeds from disposal of tangible assets	0.00	187
Public subsidies	2,196,507.62	3,094
Foreign exchange gains	4,169,167.58	0
Other operating income	3,424,105.70	4,490
Total	9,789,780.90	7,772

The details of the other operating expenses are as follows:

	Year ended December 31,	
	2010	2009
	EUR	TEUR
Clinical studies	12,579,324.10	10,823
Legal, auditing and consulting expenses	6,082,140.81	3,634
Rental & leasing	1,938,782.00	2,208
License fees	1,423,294.72	859
Travel expenses	1,015,117.00	1,369
Energy costs	549,323.24	551
Insurances	379,770.57	226
Telephone and freight charges	353,897.10	443
Expenses from disposal of tangible assets	42,291.60	0
Foreign exchange losses	0.00	1,827
Other operating expenses	3,385,650.26	4,358
Total	27,749,591.40	26,298

3.2.4 Expenses from financial assets and securities from current assets

The expenses from the disposal of fixed financial assets and current securities include losses from the sale of current securities of EUR 466,543.22 (prior year: losses TEUR 913).

3.2.5 Expenses for the auditor

The expenses for the auditor amount to EUR 236,590.30 (prior year: TEUR 136) and the details of the expenses are as follows:

	Year ended December 31,	
	2010	2009
	EUR	TEUR
Audit of the financial statements	75,000.00	75
Other assurance services	65,050.30	61
Other services	96,540.00	0
Total	236,590.30	136

3.2.6 Income tax

In 2009, the Company has chosen the option not to capitalize deferred taxes on temporary differences between the statutory and the tax result. The value which would have been possible to capitalize according to § 198 (10) UGB was TEUR 225 in the year 2009.

In 2010 the deferred tax expense amounted to EUR 52,006.45 (prior year: TEUR 0).

4 Other information

4.1 Guarantees and contingent liabilities

	As of December 31, 2010	As of December 31, 2009
	EUR	TEUR
Bank guarantees	276,632.69	77
Credit guarantee	74,839.10	0
Total	351,471.79	77

4.2 Related-party transactions

	Year ended December 31,	
	2010	2009
	EUR	TEUR
Purchase of services		
- Member of the Supervisory Board	5.000,00	5
Total	5.000,00	5

Hans Wigzell, is a member of the Supervisory Board as well as the Scientific Advisory Board. Therefore, he receives fees on normal commercial terms and conditions as the other Scientific Advisory Board members.

The merger of the Pelias Beteiligungs GmbH into the Pelias Biotechnologies GmbH as well as the merger of the Pelias Biotechnologies GmbH into the Intercell AG was carried out with book values in 2009.

4.3 Group taxation

Since 2009, Intercell had opted into a group taxation scheme under Austrian tax law, whereas Intercell AG is the group leader and Intercell USA, Inc., Gaithersburg, MD, USA, is the group member.

4.4 Off-balance sheet transactions

The Company has entered into contractual arrangements with members of the Management Board, entitling them to a one-off payment in certain cases of termination of their employment relationship with the Company. Contingent liabilities under these contractual arrangements as of December 31, 2010 amounted to EUR 2,069 thousand (2009: TEUR 2,069).

The Company has entered into various agreements with industrial partners and agencies under which it receives or grants certain rights on vaccine technologies, product candidates, and intellectual property. The terms of these agreements include milestone payments, which are contingent on the achievement of certain developmental milestones by the party receiving such rights as well as royalty payments, which are contingent on the sales of products derived through use of such rights. Depending if a milestone has been reached, the Company is able to receive milestone payments up to EUR 600m due to existing "out-licensing" agreements in the next 10 years.

4.5 Board and employees of the Company

4.5.1 Employees

As of the balance sheet date, Intercell had 212 employees, thereof 205 white-collar workers and 7 blue-collar workers (prior year: total 209, thereof 202 white-collar workers and 7 blue-collar workers). During the year 2010, an average of 216 employees was employed, thereof 208 white-collar workers and 8 blue-collar workers (prior year: total 216, thereof 209 white-collar workers and 7 blue-collar workers).

4.5.2 Members of the Management Board and the Supervisory Board

The Management Board consisted of the following members during the year 2010: ***Dr. Gerd Zettlmeissl***, ***Thomas Lingelbach***, ***DDr. Reinhard Kandera***, as well as ***Mustapha Leavenworth Bakali*** since Oct. 1, 2010. Any two members of the Management Board are entitled to collectively represent the Company.

Our Supervisory Board consisted of the following members during the year 2010:

- Michel Gréco (Chairman)
- Prof. DDr. Ernst-Günter Afting (Vice Chairman)
- Dr. David Ebsworth
- Mustapha Leavenworth Bakali (until September 30, 2010)
- Hans Wigzell
- James R. Sulat

4.5.3 Compensation of the Management Board and the Supervisory Board

The remuneration of the members of the Management Board was EUR 1,455,200.25 (prior year: TEUR 1,878) in total.

in EUR

	Salaries	Bonus	Other benefits	Total
Gerd Zettlmeissl	360,000.00	135,000.00	13,658.14	508,658.14
Thomas Lingelbach	320,000.00	125,000.00	32,331.16	477,331.16
Reinhard Kandera	240,000.00	90,000.00	24,160.95	354,160.95
Mustapha Leavenworth Bakali[1]	78,750.00	30,000.00	6,300.00	115,050.00
Total	998,750.00	380,000.00	76,450.25	1,455,200.25

The remuneration of members of the Supervisory Board was EUR 375,769.93 (prior year: TEUR 284) in total.

4.5.4 Share options

The following table sets forth the number of share options and the exercise of the share options in 2010 for the legal representatives and employees of the Company:

	Granted during financial year	Exercised during financial year	Total outstanding as of Dec 31, 2010
Legal representatives			
Management Board			
Gerd Zettlmeissl	100,000	1,500	500,000
Thomas Lingelbach	100,000	-	450,000
Reinhard Kandera	100,000	1,000	272,000
Mustapha Leavenworth Bakali	110,000	-	150,000
Supervisory Board			
Michel Gréco	10,000	7,500	43,750
Ernst-Günter Afting	10,000	-	51,250
David Ebsworth	10,000	-	45,000
James R. Sulat	10,000	5,000	42,500
Hans Wigzell	10,000	-	45,000
Key employees	233,500	110,500	1,048,500
Other employees	90,000	17,000	288,900
Total sum	783,500	142,500	2,936,900
Employees from affiliated companies	227,600	15,874	876,075
Total	1,011,100	158,374	3,812,975

In 2010, the share options were granted to members of the Management Board and employees at an exercise price of EUR 11.80 and to the members of the Supervisory Board at an exercise price of EUR 17.96 per option granted.

[1] Base salary and other benefits for three months' period since appointment date, October 1, 2010; Mr Mustapha Leavenworth Bakali is employed at Intercell Biomedical Ltd. The costs are further charged to Intercell AG.

In general, options are exercisable for the first time in four equal portions after the Annual General Shareholders' Meeting in the second, third, fourth and fifth year after being granted (vesting period). Special option packages are offered to members of the Management Board and to key employees upon being hired or as a special incentive vest after three years. Options granted from 2006 onwards only become exercisable if the share price on the exercise date exceeds the exercise price by at least 15 %. All options expire no later than five years after being granted. Options are not transferable or negotiable and unvested options lapse without compensation upon termination of employment with the Company (cancellation). The exercise is only allowed twice a year in the second, third, fourth and fifth year after being granted. One exercise window is during a four-week period following the Annual General Shareholders' Meeting and the second exercise window will be announced by the Management board. Options granted from 2008 onwards become exercisable with the effectiveness of the takeover of more than 50% of the outstanding voting rights of the Company.

Options are not transferable or tradable. There is no retention period for shares received through the exercise of share options. The Company does, however, have the right to announce special restricted periods according to the compliance code where no share dealing is allowed. To service the exercise of the options, own shares held as treasury stock as well as new shares of conditional capital according to Sections 159 ff Austrian Stock Corporation Act can be used.

The weighted-average fair value of all outstanding options, calculated with the Black-Scholes model, was EUR 0.70 per option as of December 31, 2010 (December 31, 2009: EUR 6.28).

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2010		2009	
	Number of options	Average exercise price in EUR per share	Number of options	Average exercise price EUR per share
Outstanding at January 1	3,410,128	22.86	3,221,163	20.00
Granted	1,011,100	12.17	890,400	26.60
Forfeited	-449,879	21.61	-343,052	19.21
Exercised	-158,374	8.40	-358,383	9.97
Outstanding at year end	3,812,975	20.77	3,410,128	22.86
Exercisable at year end	1,014,931	22.16	503,511	17.08

Options exercised in 2010 resulted in 111,733 shares being issued (prior year: 345,883 shares) at a price of between EUR 3.99 and EUR 11.43 per share. In addition, 46,641 (prior year: 12,500) shares of treasury stock (recorded at an average historical price of EUR 0.97 per share) were sold at between EUR 3.99 and EUR 10.72 per share in 2010 for servicing the exercise of stock options. The weighted average value per share at the time of option exercise was EUR 14.22 in 2010 (prior year: EUR 24.92).

Share options outstanding at the end of the period have the following expiry dates and exercise prices:

Expiry date	Exercise price in EUR per share	Number of options at December 31, 2010	2009
Dec. 2010	5.50 – 8.50	-	227,750
Dec. 2011	10.72 – 16.85	434,625	456,375
Dec. 2012	23.95 – 26.18	631,100	680,900
Dec. 2013	3.99 – 11.43	43,514	66,313
Dec. 2013	20.63 – 31.35	908,036	1,088,390
Dec. 2014	21.19 – 26.99	784,600	890,400
Dec. 2015	11.80 – 17.96	1,011,100	-
Total		3,812,975	3,410,128

The weighted-average grant-date fair value of options granted during the year 2010 was EUR 2.35 (prior year: EUR 5.06). The fair value of the granted options was determined using the Black-Scholes valuation model. The significant inputs into the models were:

	Financial years	
	2010	2009
Expected volatility (%)	28.00	26.00 – 28.00
Expected vesting period (term in years)	2.00 – 5.00	2.00 – 5.00
Risk-free interest rate (%)	0.54 – 1.77	0.81 – 2.35

In 2010, the expenses for share based payments amount to EUR 2,547,857.00 (prior year: TEUR 3,043).

Vienna, March 11, 2011

The Management Board:

GERD ZETTLMEISSL, CEO

THOMAS LINGELBACH, COO

MUSTAPHA LEAVENWORTH BAKALI, CBO

REINHARD KANDERA, CFO

The Financial Statements of Intercell AG for the fiscal year from January 1 to December 31, 2010, the Management Report, and the Audit Opinion thereof have been issued in German in accordance with Section 193 of the Austrian Commercial Code. We draw attention to the fact that this translation into English is provided for convenience purposes only and that only the German wording is legally binding.

	Acquisition / production cost		
	as of January 1, 2010 EUR	Additions EUR	Disposals EUR
I. Intangible assets			
1. Concessions, industrial property and similar rights and assets, and licenses in such rights and assets	4.386.852,59	15.922.988,86	0,00
2. Book value added by a merger	12.364.220,08	0,00	0,00
3. Prepayments	75.529,06	8.400,69	75.529,06
	16.826.601,73	15.931.389,55	75.529,06
II. Tangible assets			
1. Leasehold improvements	0,00	95.868,06	0,00
2. Machinery and equipment	4.127.818,62	613.740,33	670,89
3. Other equipments, factory and office equipment	1.210.885,97	207.569,59	517.247,80
	5.338.704,59	917.177,98	517.918,69
III. Financial assets			
Shares in affiliated companies	130.116.982,39	970.740,00	0,00
	152.282.288,71	17.819.307,53	593.447,75

	as of December 31, 2010 EUR	Accumulated amortization/ depreciation EUR	Net book value as of December 31, 2010 EUR	Net book value as of December 31 2009 EUR	Amortization/ depreciation charge of this year EUR
	20.309.841,45	1.280.748,93	19.029.092,52	3.792.805,25	686.701,59
	12.364.220,08	0,00	12.364.220,08	12.364.220,08	0,00
	8.400,69	0,00	8.400,69	75.529,06	0,00
	32.682.462,22	1.280.748,93	31.401.713,29	16.232.554,39	686.701,59
	95.868,06	1.502,42	94.365,64	0,00	1.502,42
	4.740.888,06	2.860.665,99	1.880.222,07	1.915.260,36	648.778,62
	901.207,76	543.352,92	357.854,84	379.823,33	187.246,48
	5.737.963,88	3.405.521,33	2.332.442,55	2.295.083,69	837.527,52
	131.087.722,39	126.132.751,85	4.954.970,54	130.116.982,39	126.132.751,85
	169.508.148,49	130.819.022,11	38.689.126,38	148.644.620,47	127.656.980,96

1. Report on the operation activities

Research and Development programs

Intercell is a biotechnology company focused on research, development, manufacturing, and commercialization of innovative vaccines and monoclonal antibodies against a variety of infectious diseases with unmet medical needs. Intercell develops novel prophylactic vaccines that protect the human body against future infections and therapeutic vaccines and antibodies that support the human immune system's response to existing infections. Intercell has a product portfolio consisting of one marketed product, product candidates in clinical development and additional candidates in pre-clinical development.

Intercell is, based on the number of its late-stage pre-clinical and clinical programs, among the leaders in the creation and development of innovative vaccines and anti-infective antibodies, especially with its AIP®, its novel adjuvant, IC31®. Intercell has partnerships and collaborations with major global players in the vaccine industry including Novartis, GlaxoSmithKline, Merck & Co., Inc., and sanofi-aventis.

Marketed Product – Vaccine against Japanese Encephalitis

The approval of IXIARO®/JESPECT® marks a crucial milestone in Intercell's evolution as one of the leading independent vaccine development companies.

Intercells vaccine against Japanese Encephalitis (JE) is marketed and distributed in the U.S., the EU, Canada, and Switzerland by Novartis under the trade name IXIARO®, and in Australia, New Zealand, Papua New Guinea, and the Pacific Islands by CSL Limited under the trade name JESPECT®. In the U.S., the vaccine is licensed for individuals above the age of 17 and in Europe, Canada and Australia it is licensed for those above the age of 18. Intercell plan to file for regulatory approval in several other important markets for travel vaccines.

Intercell distributes the JE vaccine to the armed forces and military personnel in the U.S. under an exclusive five-year contract with the Defense Logistics Agency (DLA), the largest combat logistics support agency of the U.S. Department of Defense. Key terms of the contract include exclusive supply of the DLA for all their JE vaccine requirements with annual options for price modifications.

Japanese Encephalitis (inflammation of the brain) is a deadly infectious disease found mainly in Asia. Approximately 30,000 to 50,000 cases of Japanese Encephalitis are reported in Asia each year, and the actual number of cases is likely to be much higher due to underreporting in rural areas. Japanese Encephalitis is fatal in approximately 30% of individuals who show symptoms and results in permanent disability in half of the survivors[1]. There is currently no specific treatment for Japanese Encephalitis, and vaccination is the best protection for travelers and military personnel who live in, or travel to, high-risk areas.

Products in Clinical Development

Focus on hospital-acquired infections – addressing a growing problem

Hospital-acquired infections are one of the major causes of death and serious illness worldwide, resulting in an annual cost burden of more than USD 20bn in the developed world. In the U.S. and Europe, about 6 million patients become infected annually resulting in 140,000 deaths per year. The incidence of nosocomial infections is steadily rising due to the increase in medical interventions and in antibiotic resistance. Intercell's growing nosocomial franchise includes a vaccine against Staphylococcus aureus in Phase II/III, partnered with Merck & Co., Inc., a vaccine candidate against Pseudomonas aeruginosa (Phase II) as well as a vaccine candidate against Clostridium difficile (Phase I).

Staphylococcus aureus vaccine

S. aureus is the most frequent cause of hospital-acquired infections. In addition to bloodstream infections with a mortality rate of up to 35%, infections of the bone, heart and other internal organs lead to serious health complications, death and economic burden. Approximately half of all S. aureus strains isolated in hospitals worldwide are resistant to multiple antibiotics[2]. Intercell's investigational Staphylococcus aureus vaccine (V710) is currently undergoing Phase II/III studies in cardiothoracic surgery patients and a Phase II study in patients with end-stage kidney disease under hemodialysis. The trials are conducted and funded by Merck & Co., Inc. and are progressing according to plan. The first critical interim analysis (surpassing futility) from the Phase II/III

[1] Source: CDC, http://www.cdc.gov/ncidod/dvbid/jencephalitis/facts.htm

[2] Sources: Hospital Physician, http://turner-white.com/pdf/brm_IM_pre11_3.pdf http://www.cdc.gov/ncidod/dhqp/pdf/ar/mdroGuideline2006.pdf). We estimate that the global market potential for future S. aureus vaccines will exceed EUR 3bn.

study in patients undergoing cardiothoracic surgery is expected in 2011. S. aureus is the most common cause of nosocomial, or hospital-acquired, infections and accounts for about 30% of all such cases. In November 2010, Intercell announced initial results from a Phase II clinical trial of V710 that was designed to evaluate the safety and immunogenicity of the vaccine in patients with end-stage renal disease (ESRD) undergoing hemodialysis treatment. In the randomized double-blind, placebo-controlled study, 201 patients received the vaccine or a placebo at 12 centers in the U.S. Overall, the immunogenicity data suggest that V710 can elicit a sustained immune response in a relatively immunocompromised patient population who are at chronic risk for developing serious S. aureus infections. On the whole, the results of the safety evaluations demonstrated that V710 was generally well tolerated when administered as a single- or multiple-dose regimen at any dosage group studied. There were no vaccine-related serious adverse experiences reported throughout the study duration (Days 1 to 360), and no patients discontinued the study or subsequent vaccinations due to a vaccine-related adverse experience.

The ongoing Phase II/III trial conducted by Merck & Co., Inc. is designed to evaluate investigational vaccine efficacy/safety in patients undergoing cardiothoracic surgery. The double-blind, randomized, placebo-controlled trial follows a sequential design and can be extended directly into Phase III after an interim analysis of the data. The study involves more than 90 centers in 18 countries, including the USA, Europe, South America, and Japan. The prophylactic S. aureus vaccine candidate is based on a conserved protein antigen discovered by Intercell and licensed to Merck & Co., Inc. in 2004 on an exclusive worldwide basis. Collaborator Merck & Co., Inc. is responsible for product development, manufacturing, and future marketing & distribution.

Pseudomonas aeruginosa vaccine

Infections are caused by the bacterium Pseudomonas aeruginosa, which is a free-living bacterium tolerant to a wide variety of physical conditions. It is noted for its environmental versatility, ability to cause disease in particularly susceptible individuals, and its frequent resistance to antibiotics.

In most cases, Pseudomonas infections affect hospitalized persons. Infections of the heart, respiratory system, skin, and soft tissue are common. An infection is a special threat to patients who are immunosuppressed, suffering from severe burns, cancer, or HIV. Pseudomonas is the second most common cause of nosocomial infections and the most common cause of intensive care unit Pneumonia.

In October 2010, Intercell announced positive results from a Phase II clinical trial investigating the Company's nosocomial vaccine candidate against infections with the bacterium Pseudomonas aeruginosa (IC43). The Phase II study in intensive care patients met primary immunogenicity and safety endpoints and demonstrated feasibility to assess Pseudomonas aeruginosa vaccine efficacy in ventilated intensive care patients. Serious vaccine-related side effects, which would raise any safety concern, were not observed. A very interesting effect was observed in the reduction of mortality. A lower mortality rate was found in all vaccine groups compared to the control group. The reduction in mortality rate was statistically significant ($p = 0.0196$) for the non-adjuvanted vaccine (21.7% mortality in the non-adjuvanted IC43 group compared to 40.0% mortality in the placebo group at day 28). If this effect is confirmed in pivotal clinical trials, it could make IC43 a very important product for ICU patients (patients in intensive care units). Intercell's investigational vaccine is a recombinant subunit vaccine consisting of two outer membrane proteins of Pseudomonas aeruginosa. The results provide a strong basis for evaluation of further development options. Intercell and its partner Novartis will determine next steps during the first half of 2011.

Clostridium difficile vaccine

After successful pre-clinical trials, Intercell is progressing its vaccine candidate to prevent infections with Clostridium difficile (C. difficile) into the clinical development phase. C. difficile is the leading cause for nosocomial Diarrhea in Europe and the U.S. It is estimated that in the U.S. alone about 500,000 to 3 million people become infected every year while receiving treatment at the hospital. Currently, no vaccine against C. difficile exists and antibiotic treatment of the established disease has significant limitations. Intercell aims at developing a vaccine for the prevention of recurring C. difficile Diarrhea, for hospital prophylaxis and eventually community-wide prophylaxis on an age- and risk-based vaccination strategy. The Phase I clinical study started at the end of 2010.

Hepatitis C virus vaccine

The Hepatitis C virus (HCV) is a major cause of chronic liver disease, including Cirrhosis and Liver Cancer. According to the WHO, approximately 170 million people worldwide are chronic HCV carriers, and 3 to 4 million are newly infected each year. In the U.S. alone, 8,000 to 10,000 deaths and 1,000 liver transplants due to HCV infections are recorded each year. Currently, no vaccine against Hepatitis C is available and the infection can only be treated with a combination of Interferon and Ribavirin – a long-term therapy with limited efficacy, high treatment costs, and substantial side effects.

In October 2010, Intercell and Romark Laboratories L.C. announced plans to commence a clinical trial with Intercell's investigational therapeutic Hepatitis C virus vaccine, IC41, in combination with Romark's antiviral drug, nitazoxanide, during the first half of 2011.

Intercell's vaccine candidate has demonstrated a sustained reduction of viral load in chronic Hepatitis C (CHC) patients in a Phase II proof-of-concept trial. Nitazoxanide is an oral therapy that targets host cell factors involved in HCV replication and is not associated with viral mutations conferring resistance. Nitazoxanide has been shown to induce sustained virologic response as monotherapy in some patients chronically infected with HCV. The planned European Phase II trial will include about 60 treatment-naïve patients chronically infected with HCV genotype-1 in three treatment arms: (1) IC41 plus nitazoxanide, (2) IC41 plus nitazoxanide and Pegasys® (peginterferon alfa-2a) and (3) Pegasys® and Copegus® (ribavirin), the current standard of care, as an active control.

The primary endpoint will be sustained virologic response (no detectable HCV RNA 24 weeks after end-of-treatment). The companies involved in the combination study will retain commercial rights for their respective products. Intercell's investigational therapeutic vaccine has been designed to elicit an effective immune response against HCV, which ultimately is deemed necessary for sustained clearance of the virus. In a successful proof-of-concept trial involving around 50 treatment-naïve genotype-1 CHC patients, an optimized schedule of therapeutic vaccination achieved viral load reductions of more than 75% (0.6 log) in patients with high baseline RNA levels. Importantly, this reduction was sustained for at least six months following the end of treatment. As in previous trials with the vaccine from Intercell, vaccination was safe and well tolerated with minimal side effects.

Pneumococcus vaccine

Streptococcus pneumoniae, or Pneumococcus, is a very common bacterial infection in both industrialized and developing countries. In particular, young children and the elderly represent high-risk populations of developing Pneumococcal infections. Annually, according to the WHO, the bacterium kills up to one million children under the age of five years worldwide. It accounts for many bacterial Meningitis cases in adults and it is the most common cause of Bacteremia, Pneumonia, Meningitis, and Otitis media in young children.

In February 2010, Intercell announced results from a Phase I clinical trial for the investigational Pneumococcus vaccine. In the first-in-man trial, 32 healthy adults were vaccinated with Intercell's investigational vaccine. Two antigen dosages, with and without addition of aluminum hydroxide, were applied in four different study groups.

The initial analysis of the data has indicated a good safety and tolerability of the vaccine candidate, which was confirmed by a Data Safety Monitoring Board. The vaccine was immunogenic, and antigen dose-dependent induction of antibodies was confirmed for all three proteins of the vaccine. The Company's vaccine candidate is a recombinant subunit vaccine consisting of three conserved surface proteins from Streptococcus pneumoniae. Two of these proteins were discovered using Intercell's proprietary Antigen Identification Program (AIP®), while the third was in-licensed from the U.S. Centers of Disease Control and Prevention (CDC).

The development of Intercell's vaccine to prevent Pneumococcal disease is supported by PATH, a globally operating NGO. Based on the satisfactory Phase I safety and immunogenicity data in healthy adults, Intercell and its partner PATH are evaluating potential next development steps.

IC31® Tuberculosis vaccine

Tuberculosis (TB) is caused by Mycobacterium tuberculosis, the most common cause, and Mycobacterium bovis. Globally, according to the WHO, someone is newly infected with the pathogen every second, about one-third of the world's population carries the infectant latently, and the disease causes the death of more than 1.6 million people every year. This makes TB one of the most severe global health problems. The existing Bacillus Calmette-Guérin vaccine (BCG) is a live attenuated vaccine that, when given to newborns, provides protection against TB for the first 10-15 years. However, when the protective effect decreases, an additional BCG vaccination does not provide sufficient protection against TB in adolescents and adults. In addition, the world faces an increase in multidrug resistant strains of Mycobacterium tuberculosis, highlighting the urgent need for an improved vaccine.

The investigational vaccine targeting Tuberculosis combines Intercell's adjuvant IC31® with antigens discovered by the Danish Statens Serum Institut (SSI). Multiple Phase I clinical trials are proceeding according to plan. These programs are based on a partnership between Intercell, Statens Serum Institut, sanofi-aventis, and the AERAS Global Tuberculosis Foundation.

Currently, a total of five clinical trials with IC31®-formulated vaccines against TB are ongoing. If successful, these trials form the basis to create a leading franchise to fight this important disease. Phase I clinical programs are proceeding according to schedule and promising clinical data have been obtained in multiple Phase I studies. Start of a Phase II study is expected for 2011.

IC31® Influenza Vaccine

Influenza is a contagious respiratory illness characterized by the sudden onset of high fever, muscle pains, and a runny nose. Each year up to 15% of the world population suffers from an Influenza infection. Although difficult to assess, these annual outbreaks are thought to result in three to five million cases of severe illness, and between 250,000 and 500,000 deaths throughout the world. This vaccine candidate combines Intercell's adjuvant IC31® with seasonal Influenza vaccines from its strategic partner Novartis. The final data from an initial Phase I clinical trial conducted by Intercell, which was completed in February 2008, showed an excellent safety and tolerability profile. In all study groups included, vaccination with the IC31® Influenza vaccine led to the induction of virus-specific T-cells measured by interferon-gamma ELIspot and proliferation assays as well as protective levels of antibody responses (HAI titers) against all three included Influenza strains.

Vaccination is the principal measure for preventing Influenza and reducing the impact of epidemics. The currently available, mostly non-adjuvanted vaccine products have a suboptimal efficacy profile, especially in the population groups with the highest disease burden (elderly and infants). Also, these vaccines only offer limited cross-protection against other Influenza strains, with no, or low T-cell responses. Due to these limitations, novel vaccines with broader protection are needed. The agreement between Intercell and Novartis, signed in 2007, provides Novartis with an exclusive license to utilize IC31® in future potential developments of a seasonal Influenza vaccine targeting improved immunogenicity profiles. Further clinical development steps are under evaluation.

Products in pre-clinical stages

Intercell is committed to innovation and to expand its existing technological roots. By continuous discovery work with a flexible, entrepreneurial spirit of a biotech organization, Intercell's research group is delivering interesting and promising pre-clinical product candidates for potential development entry evaluation.

Vaccines in pre-clinical stages

Product Candidate	Vaccine Type	Status/ Phase	Expected Milestones	Partner/Collaborator
Group A streptococcus vaccine	Prophylactic	Pre-clinical	Phase I start	In-house
Lyme borreliosis (Lyme disease) vaccine	Prophylactic	Pre-clinical	Phase I start	In-house

Antibodies in pre-clinical stages

Product Candidate	Antibody Type	Status/ Phase	Expected Milestones	Partner / Collaborator
S. aureus antibodies	Therapeutic (in infected patients)	Pre-clinical	Phase I start	Merck & Co., Inc.
Pneumococcus antibodies	Therapeutic (in infected elderly)	Pre-clinical	Pre-clinical proof-of-concept, Phase I start	Kirin
Group B streptococcus antibodies	Prophylactic (in premature newborns)	Pre-clinical	Pre-clinical proof-of-concept, Phase I start	In-house
Influenza antibodies	Prophylactic and/or therapeutic	Pre-clinical	Pre-clinical proof-of-concept, Phase I start	In-house

Gene Technology

In the early 1970s, the advent of gene cloning, pioneered by H. Boyer and Stanley N. Cohen and the monoclonal antibody technology invented by César Milstein and Georg Koehler, opened the gates for the development of novel vaccines and immune therapies.

Intercell is proud that one of those four legendary scientists, Stanley N. Cohen, is serving on Intercell's Scientific Advisory Board. Intercell is clearly a successful paradigm of a biotech vaccine company, which has most consequently been utilizing these two revolutionary technology tools that have changed the biomedical arena.

Recombinant DNA technologies are pivotal for Intercells genomic approaches to identify novel and protective antigens, to design vaccines, to monitor their efficacy and to facilitate the development of platform technologies, like Intercells adjuvant, but also to utilize bacteria and cell lines to produce its vaccines in the cleanest fashion.

Furthermore, without recombinant DNA technologies, it would have been impossible to study the immune mechanisms protecting the host against pathogen infections. These technologies provided the knowledge base that allows the development of novel vaccines targeting diseases where classical vaccine approaches would have failed to deliver.

With the acquisition of the novel monoclonal antibody technology, Intercell has integrated the other important technology platform and value driver of biotech. The technology will enable the Company to dramatically extend its portfolio beyond active vaccination and to enter the attractive field of novel therapies against infectious diseases.

Technology Platform

New vaccine technologies such as novel antigens, combination vaccines, adjuvants which boost vaccine effectiveness and reduce dosing requirements, novel delivery methods (for example oral, nasal or transcutaneous delivery) and improved manufacturing processes are expanding the sector in niche and untapped markets. Research and development is increasingly conducted under alliances between the larger manufacturers and smaller biotechnology firms and is progressing in areas of substantial unmet medical need.

Intercell is initiating new approaches to vaccine development with the goal of improving worldwide access to healthcare. With its technology platforms, Intercell is positioned as one of the most innovative vaccine companies worldwide.

The strength of Intercell's technologies is emphasized by partnerships and collaborations with world leading research-based pharmaceutical and healthcare companies.

Antigen Identification Program – AIP®

The design and development of novel subunit vaccines is highly dependent on the identification and characterization of the appropriate antigens. Intercell has successfully identified and refined a large number of relevant and protective antigens for several bacterial pathogens mostly through its Antigen Identification Program (AIP®).

Selected antibodies, which are derived from infected or healthy exposed individuals and therefore directly mirror the presence, accessibility, and antigenicity of relevant proteins from the particular microorganism in its human host, are used in a proprietary screening process. Through AIP®, Intercell's team discovers antigens that are believed to induce the most protective response from the human immune system, thus providing a viable basis for the development of novel and more powerful prophylactic and therapeutic vaccines, as well as antibody treatments.

AIP® has successfully been applied to identify a large number of novel antigens from several pathogenic organisms including Staphylococcus aureus and epidermidis, Streptococcus pneumoniae, Streptococcus agalactiae and pyogenes, Enterococcus faecalis, Klebsiella pneumoniae, Borrelia spp., ETEC, Shigella, Campylobacter jejuni, non-typable Haemophilus influenzae, and Moraxella catarhalis.

The AIP®-technology has resulted in promising in-house product candidates and generated strategic partnerships, e.g. current partnerships are ongoing with Novartis, Merck & Co., Inc. and sanofi-aventis.

Monoclonal Antibody Discovery

In June 2010, Intercell acquired Cytos Biotechnology Ltd.'s platform technology for monoclonal antibody discovery.

The technology is based on expression cloning of monoclonal antibodies from human B-cells and enables the identification of anti-infective antibodies to prevent and treat infectious diseases. Intercell acquired certain unpartnered monoclonal antibody assets, including promising pre-clinical anti-infective antibody candidates discovered by Cytos. The antibody technology complements

Intercell's technology platforms and opens novel medically and commercially relevant applications for Intercell's Antigen Identification Program (AIP®).

In its future antibody discovery activities Intercell will focus on Influenza and medically and commercially attractive AIP® derived disease targets including Group B Streptococcus and bacteria involved in hospital-acquired infections.

Intercell's Adjuvants

Adjuvants educate the immune system to recognize pathogens and develop an adaptive immune response. Intercell's adjuvants may address an unmet medical need for treatment because they induce antibodies and also T-cell immunity, and can be used together with a variety of different antigens. Existing adjuvants on the market induce antibodies, but often no, or only insufficient, T-cell immunity.

IC30

The first generation of Intercell's adjuvants is Poly-L-Arginine. Poly-L-Arginine is not immunogenic per se and allows for repeated vaccination without the risk of becoming ineffective due to neutralizing antibodies.

Intercell's synthetic first-generation therapeutic Hepatitis C vaccine consists of Poly-L-Arginine and defined antigenic peptides. Thus, IC30, or Poly-L-Arginine, has been included in clinical trials and currently available data demonstrates that it induces T-cells in humans.

IC31®

Intercell's adjuvant IC31® induces T-cell and B-cell responses. It consists of a unique synthetic formulation combining the immunostimulating properties of an anti-microbial peptide, KLK, and an immunostimulatory oligodeoxynucleotide, ODN1a. The two-component solution can be easily formulated with antigens; no conjugation is required.

The adjuvant is part of several vaccine candidates and has shown a satisfactory safety and immunogenicity profile when tested in humans. Patients receiving IC31® have reported good local tolerance with no systemic adverse effects reported during clinical studies.

IC31® is used in conjunction with several vaccines being co-developed with partners in clinical programs, including prophylactic vaccines against Influenza and Tuberculosis. In addition, IC31® has been out-licensed for use in pre-clinical vaccine projects targeting diseases such as Malaria, Meningitis and various sorts of infectious diseases. Further partnering activities are planned to also include the use of IC31® in vaccines against allergies, and cancer.

Employees

Intercell's team is the backbone of the Company and therefore the commitment of Intercells employees is crucial for its success. Intercell offers its employees the opportunity to work together in an environment with maximum respect in the spirit of international research. The Company's corporate culture reflects the international background of its employees, many of whom are recognized authorities in the field of research, the vaccine industry and administration. Intercells people are united by a strong desire to develop a new generation of vaccines.

Intercell empowers all employees to realize their personal and professional goals, and those of the Company, in an environment that is cross-cultural, well structured and supportive of individual strengths and team spirit.

Personal development activities linked to an integrated performance management system are key priorities for the entire organization as well as each individual. Intercell encourages participation in training and conferences, and invests in the development of the individual skills and interests of all employees to guarantee that talent is aligned with personal and business needs as well as future success.

Intercell is convinced that values and behaviors are essential to Intercell; they are the indicators that distinguish the Company from others and drive the actions as individuals.

At the end of 2010, Intercell AG had 212 employees: Approximately 58 percent of Intercell's staff are university graduates. The overall percentage of female employees is 60.8 percent. The average age of the employees is 35.2 years.

2. Financial Review

The aggregate annual revenues decreased from TEUR 44,858 in the year ended December 31, 2009 to TEUR 21,849 in the year ended December 31, 2010, or by 51.3%. Following the approval of the Japanese Encephalitis vaccine in the year 2009, the Company increased its revenues from product sales from TEUR 9,016 in the year ended December 31, 2009 to TEUR 14,223 in the year ended December 31, 2010. Revenues from collaborations and licensing decreased from TEUR 35,842 in the year 2009 to TEUR 7,626 in the year 2010, or by 78.7%.

The net loss before taxes for the year ended December 31, 2009 was TEUR 8,437, compared to TEUR 209,224 in the year 2010. This change was mainly due to lower revenues, lower net other income and higher cost of materials and purchased services and the impairment of the financial asset (Intercell USA, Inc) due to the failure of the Phase II/III of the TD program.

Financial income, net of expenses, was TEUR 6,547 in the year ended December 31, 2009, compared to net financial expense of TEUR 122,985 in the year ended December 31, 2010. This change resulted mainly from the impairment of the financial assets due to the failure of Pahse II/III of the TD program.

As of December 31, 2010 the Company holds interests in two fully owned subsidiaries, Intercell USA, Inc. and Intercell Biomedical Ltd. in Scotland. The Intercell USA, Inc. and the Intercell AG entered a broad collaboration contract regarding the TD-, PanFlu- and the Patch-Technology. An amount of TEUR 15,619 was paid to Intercell Biomedical Ltd., for the manufacturing of the vaccine against Japanese Encephalitis.

The Company has a branche in Schlieren, Schweiz and the Company has not used any derivative financial instruments in the fiscal year 2010.

Key Performance Indicators

The Management believes that the following financial figures are the key indicators of the Company's financial performance. However, as a biotech company with a broad innovative pipeline of product candidates and significant R&D expenses, Intercell's performance is not only linked to financial indicators, but mainly to the progress in its development programs, which, if progressing successfully, will monetize and contribute to the financial performance in future accounting periods.

in TEUR	Year ended December 31,		
	2010	2009	2008
Revenues	21,849	44,858	50,979
Net income/(loss) for the period	(209,279)	(8,454)	5,448
Securities, cash on hand and bank balances	81,452	175,554	184,105

3. Risks

Pursuing biotech innovation includes the inherent risk of failure and the Company is therefore exposed to significant industry-specific risks. Intercell is subject to the additional risk that it has launched its first product and has not yet generated significant revenues from the commercial sale of product. Moreover, the Company has incurred significant losses since its inception, is exposed to liquidity risk and may never sustain profitability. Management has undertaken considerable efforts to establish a risk management system in order to monitor and mitigate the risks associated with its business. However, the Company remains exposed to significant risks, in particular including the following:

The Company needs to gain market acceptance for its first product in order to recover significant development costs that it has incurred. Intercell may be unable to successfully market and sell its Japanese Encephalitis vaccine and to develop and commercialize its product candidates as expected or at all. The ability to commercialize product candidates will depend upon the degree of market acceptance among Intercell's primary customers, the customers of Intercell's strategic partners and the medical community. Demand for Intercell's JE vaccine may be adversely affected by international, national or local events or economic conditions that affect consumers' willingness to travel, such as security concerns relating to threatened or actual terrorist attacks or armed conflicts or recent crisis in the global economy.

The Company's manufacturing facility in Livingston, Scotland, is, and will continue to be, a significant factor in growing revenues from product sales and maintaining control over production costs. The manufacturing of biological materials is a complex undertaking and technical problems may occur. Intercell may experience delays, be unsuccessful in manufacturing or face difficulties in the ability to manufacture its Japanese Encephalitis vaccine according to market demands. Biological manufacturing is subject to government regulation and regular inspection. The failure of its product manufacturing facility to comply with regulatory requirements, including current Good Manufacturing Practices, could give rise to regulatory actions or suspension or revocations of manufacturing licenses and result in failure to supply. The risk of suspension or revocation of a manufacturers' license also applies to third party manufacturers and contractors with whom the Company contracts for manufacturing and services.

The Company's manufacturing facility in Livingston, Scotland, is the sole source of commercial quantities of the JE vaccine. The destruction of this facility by fire or other disastrous events would prevent the Company from manufacturing this product and therefore cause considerable losses.

Its business requires the use of hazardous materials, which increases the Company's exposure to dangerous and costly accidents that may result in accidental contamination or injury to people or to the environment. In addition, the business is subject to stringent environmental health and safety and other laws, regulations and standards which result in costs related to compliance and remediation efforts that may adversely affect the Company's performance and financial condition.

The development success of several of Intercell's product candidates is dependent upon the performance of third-party manufacturers and contractors. Should these manufacturers and contractors fail to meet requirements, the development and commercialization of Intercell's product candidates may be limited or delayed, which would have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's R&D activities, and in particular its late-stage clinical trial programs, are expensive and time-consuming. The result of these R&D activities is inherently uncertain and the Company may experience delays or failures in clinical trials. In order to continue to develop and commercialize its product candidates the Company will require regulatory approvals from the U.S. Food and Drug Administration (FDA), European Medicines Agency (EMA), and other relevant regulatory agencies which may be delayed or denied if the Company cannot establish the safety and efficacy of its product candidates. Adverse events or lack of efficacy in its clinical trials may force the Company to stop development of its product candidates, prevent regulatory approval of its product candidates, or impact its existing products which could materially harm its business.

The vaccine industry is highly competitive, and if the Company's competitors commercialize their products more quickly than Intercell or develop alternatives to Intercell's products or sell competing products at lower prices, the Company might lose a significant share of the expected market.

The Company's ability to commercialize its product candidates or to license its technologies partially depends on the ability to obtain and maintain adequate protection of its proprietary and intellectual property rights in the U.S., the EU and elsewhere. If the Company's efforts to protect its intellectual property rights are not sufficient, competitors may use its technologies to create competing products, erode the Company's competitive advantage, and capture all or part of its expected market share. The Company's efforts to avoid infringing, or to defend itself against any claims of infringement of the intellectual property rights of third parties may be costly and, if unsuccessful, may result in limited or prohibited commercialization of its product candidates or licensing of its technologies, subject it to royalties or other fees, or force it to redesign its product candidates.

The Company may be unsuccessful in establishing additional or maintaining existing strategic partnerships and collaborations, which could significantly limit or delay its ability to develop and commercialize discoveries and inventions and realize results from its research and development programs and technologies. The success of strategic partnerships depends, in part, on the performance of the strategic partners, over which the Company has little or no control. Partners may elect to delay or terminate one or more of these strategic partnerships, develop products independently or in collaboration with a third party that could compete with the Company's product candidates, fail to commit sufficient resources to the development or commercialization of the product candidates which are subject to these partnerships or collaborations or otherwise fail to perform as Intercell expects.

Future business opportunities or a delay or failure in the development or commercialization of one or more of the Company's product candidates may result in requirements for additional funding, which may only be available, if at all, with unfavorable consequences or on unfavorable terms. If the Company is not able to fulfill investor or analyst expectations, its ability to raise financing may be adversely affected.

As it further evolves as a company, Intercell may not successfully manage its growth. Any failure to appropriately monitor and manage its growth as well as any failure to successfully integrate businesses acquired in the future may have a material adverse effect on the Company's business, financial condition, and results of operations. In addition, the Company's clinical trial liability and product liability insurance coverage may not be sufficient to cover liability or product liability claims, which Intercell may incur as a result of the use of its product candidates in clinical trials or the sale of current and future products, or may cease to be available at a reasonable cost in the future. The development and commercialization of the Company's product candidates may be delayed if Intercell is unable to recruit and retain qualified personnel or if any of the key members of the Management or scientific staff discontinues his or her employment or consulting relationship with the Company.

Impairment of intangible assets may lead to substantial losses in Intercell's profit and loss statement. The Company's balance sheet includes substantial intangible assets from development stage projects and technologies, which have been gained through business combinations. If the Company is not able to successfully develop these products and technologies and to generate future cash flows from such products and technologies, it may never be able to recover the consideration paid to acquire such intangible assets and, as a consequence, will have to impair the corresponding intangible asset. Such impairment of intangible assets would result in substantial losses in profit and loss statement.

Recent turmoil in the credit markets and the general deterioration in global economic conditions could decrease consumer discretionary spending and global growth rates, impair Intercell's ability to raise money to fund the expansion of Intercell's operations, adversely affect Intercell's partners' ability or willingness to further develop and commercialize its partnered products or impair the value of, or returns on, its investments. The Company is exposed to market risk, including price risk and cash flow and fair-value interest rate risk and it is exposed to credit risks.

In addition, operating results may be negatively affected by exposure to foreign exchange and other economic risk factors.

Intercell AG may not be able to use tax loss carry-forwards to offset future taxable income and as a consequence may face higher future tax obligations than expected and/or may have to repay tax credits.

4. Reporting on the internal control and risk management system regarding financial reporting

The responsibility for the setting up, and configuration of, an internal control and risk management system capable of meeting the needs of accounting rules and of assuring compliance with legal requirements rests with the Management Board under oversight by the Supervisory Board. Intercell AG's Accounting department consists of the organizational units „Accounting“, which is responsible for reporting to outside parties, and „Controlling“, which handles reporting within the Intercell AG. Both units report directly to the Chief Financial Officer.

The principles and the processes underlying accounting and reporting procedures are laid down in the Accounting Manual published and updated on a regular basis by Intercell AG.

“Controlling” reviews the performance of defined groups of assets of the Intercell AG on a regular basis. The recording and accounting of all Group transactions is handled by the integrative software solution Microsoft Dynamics AX.

No separate internal audit department has been set up in view of the Company's size. However, an internal control and reporting-system has been defined in order to secure appropriate internal controls over financial reposting and to enable the Management Board to rapidly identify risks and to respond to such risks.

A tailored planning and reporting system is used for internal management reporting. Standard reports and automatic interfaces have been created to transfer actual data from Microsoft Dynamics AX to the internal reporting system. A standardized process is employed to compile figures into reports, including budget comparisons. Reporting dimensions include departments, projects, and cost categories. Internal reports to the management include the development of operating results during the preceding month as well as rolling forecasts for the residual year. These reports feature summaries of the most important results as well as deviation analyses compared to budgets and preceding forecasts.

The financial information that has been generated as described above form the basis for the Management Board's financial reporting to the Supervisory Board, which holds meetings on a regular basis. The Supervisory Board is informed about the financial performance of the business using consolidated results and, where appropriate, detailed project- and product-based financial information.

5. Disclosure according to Section 243a of the Austrian Commercial Code

- As of December 31, 2010, the Company's share capital consists of 48,592,219 shares of common stock with no par value in bearer form. Each share represents the same pro rata amount of the aggregate share capital.
- GlaxoSmithKline (GSK) has committed to retaining 900,000 shares held by GSK over a certain minimum lock-up period. The Management is not aware of any other agreements between shareholders that restrict the voting rights or the transferability of any of the issued shares.
- As of the balance sheet date, entities affiliated with Novartis AG, Switzerland, held 14.9% of the voting rights of the Company. The Management is not aware of any other shareholder whose shareholding represents 10% or more of the share capital of the Company.
- The Company has not issued any shares with special control rights as compared to all other outstanding shares, and there are no controls of voting rights for shares held by employees who do not exercise their voting rights directly.
- The Company's regulations in regard to the appointment and discharge of the members of the Management Board and the Supervisory Board, as well as regulations in regard to the change of the articles follow Austrian legal regulations.
- The Management Board is authorized to increase the registered capital of the Company, pursuant to Section 169 of the Austrian Stock Corporation Act, and with the consent of the Supervisory Board, in one or several tranches by issuing up to 1,774,456 new bearer shares of common stock until June 15, 2012, and by issuing another up to 15,000,000 new bearer shares of common stock until June 13, 2013. The Management Board is further authorized, pursuant to Section 159 Subsection 2 of the Stock Corporation Act, to issue convertible bonds by granting the creditors conversion and/or subscription rights for up to 15,000,000 new bearer shares of common stock, and to determine the further details of implementation with the consent of the Supervisory Board until June 15, 2012. The share capital is conditionally increased by up to 4,284,457 bearer shares insofar as the employees and members of the Management Board, who have been granted stock options, exercise their subscription rights.
- On June 25, 2010, the General Meeting of Shareholders authorized the Management Board to repurchase Intercell AG shares up to the maximum amount permissible pursuant to Section 65 (1) no 8 of the Austrian Stock Exchange Act for a period of 30 months following the date of the shareholder's resolution, with any such repurchase to be within the range of a minimum amount of EUR 12.00 per share and a maximum amount of EUR 60.00 per share. In the fiscal year 2010 the Management Board did not repurchase any shares under this authorization from the shareholders' meeting.
- The Company has certain material agreements, which provide the counterparty with certain rights in the event of the change of control of the Company, which could lead to a change or termination of the agreement. The Company believes disclosure of specific information about these agreements would be materially detrimental to the Company.
- The vesting of stock options, which have been issued under the Employee Stock Option Plan (ESOP) 2008, will be accelerated in case of a change of control and all such options will become immediately exercisable. The Company has entered into contractual agreements with Thomas Lingelbach and Mustapha Leavenworth Bakali entitling each to a one-time payment if he leaves the Company due to a change of control. Other than these provisions, no special compensation agreements exist between the Company and the members of its Management and Supervisory Board in case of change of control in the Company.

6. Operational and strategic Outlook

Based on Intercells strategy to invest in innovation and optimize value for Intercells shareholders focusing on research, development, manufacturing, and commercialization of new vaccines and monoclonal antibody products, Intercell continues to pursue the goal of creating sustainable growth.

Financial Strategy

Intercells financial strategy is designed to support our business model. This model focuses on creating a fully-integrated company by developing, manufacturing and commercializing novel prophylactic and therapeutic vaccines against infectious diseases, for which there is unmet medical need and by expanding the business in vaccines and related fields of infectious disease and immunology.

Key elements of this strategy are as follows:

- Maximize the value from the first approved product, the JE vaccine
- Become a leader for vaccines against hospital-acquired infections
- Continue to develop clinical product candidates in multiple indications
- Fully leverage the potential of the AIP®, patch vaccine and adjuvant technologies
- Maximize the value generated from the strategic alliances
- Expand the business and enter related fields of infectious disease and immunology

Selected Next Milestones

Company

- Outlook 2011 – growing revenues from product sales – decreased and focused R&D spending

Japanese Encephalitis Vaccine

- Phase III data from children for travelers' market
- Start of Phase II/III for children in endemic countries
- First approval in endemic countries

Vaccines against hospital-acquired infections

- First Phase II/III efficacy data in S. aureus
- Pseudomonas evaluation with Novartis
- Pneumococcus – next development steps

Other vaccines

- Determination of next steps relating to pandemic Flu study combining Vaccine Enhancement Patch and GSK's H5N1 vaccine
- Multiple clinical data points within partnerships (e.g. Tuberculosis, Influenza)
- Start of clinical combination study for Hepatitis C vaccine

AIP®, IC31®, Vaccine Patch, Antibodies

- Further out-licensing of Vaccine Patch (delivery and vaccine enhancement)
- Positioning of IC31® in new vaccine indications (including allergy and cancer vaccines)
- Antibody products – definition of lead candidates and specific out-licensing

7. Events after the balance sheet date

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 through 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 and 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.

Vienna, March 11, 2011

The Management Board:

GERD ZETTLMEISSL, CEO

THOMAS LINGELBACH, COO

MUSTAPHA LEAVENWORTH BAKALI, CBO

REINHARD KANDERA, CFO

The Financial Statements of Intercell AG for the fiscal year from January 1 to December 31, 2010, the Management Report, and the Audit Opinion thereof have been issued in German in accordance with Section 193 of the Austrian Commercial Code. We draw attention to the fact that this translation into English is provided for convenience purposes only and that only the German wording is legally binding.

Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements, including the accounting system, of Intercell AG, Vienna, for the fiscal year from January 1 to December 31, 2010. These financial statements comprise the balance sheet as of December 31, 2010, the income statement for the fiscal year ended December 31, 2010, and the notes.

Management's Responsibility for the Financial Statements and for the Accounting System

The Company's management is responsible for the accounting system and for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circum¬stances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of December 31, 2010 and of its financial performance for the fiscal year from January 1 to December 31, 2010 in accordance with Austrian Generally Accepted Accounting Principles.

Comments on the Management Report

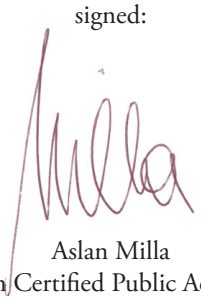
Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report is consistent with the financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report is consistent with the financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, March 11, 2011

PwC Wirtschaftsprüfung GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

signed:



Aslan Milla
Austrian Certified Public Accountant

We draw attention to the fact that the English translation of this auditor's report is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Pursuant to section 82 (4) of the Austrian Stock Exchange Act

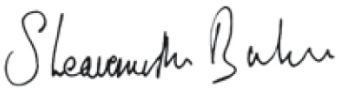
We confirm to the best of our knowledge that the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company as required by the Austrian Code of Commerce and the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, March 11, 2011

The Management Board:

GERD ZETTLMEISSL, CEO

THOMAS LINGELBACH, COO



MUSTAPHA LEAVENWORTH BAKALI, CBO

REINHARD KANDERA, CFO

The Financial Statements of Intercell AG for the fiscal year from January 1 to December 31, 2010, the Management Report, and the Audit Opinion thereof have been issued in German in accordance with Section 193 of the Austrian Commercial Code. We draw attention to the fact that this translation into English is provided for convenience purposes only and that only the German wording is legally binding.

Intercell AG

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