



## PRESS RELEASE

### Crucell Announces 2005 Annual Results

- **Strong development and licensing activity drive 66% revenue increase for full year**
- **Significant progress in all development programs**
- **Net cash burn at low end of company guidance for 2005**
- **Crucell and DSM partnership further strengthened**
- **Successful public offer for Berna Biotech AG**

**Leiden, The Netherlands, January 24, 2006** – Dutch biotechnology company Crucell N.V. (Euronext, Nasdaq: CRXL) today announced its financial results for the fourth quarter and full year 2005.

Revenue for the year ended December 31, 2005 was € 37.6 million (US\$ 44.5 million), representing a 66% increase over the € 22.6 million (US\$ 26.8 million) reported in 2004. Net loss in 2005 decreased to € 15.5 million (US\$ 18.4 million), compared to € 21.3 million (US\$ 25.3 million) in 2004.

“Crucell has stepped up its development in 2005, moving our West Nile program into the clinic and continuing to broaden our portfolio of partnerships,” noted Crucell’s President and Chief Executive Officer, Ronald Brus. “Strengthening of our alliance with DSM Biologics provides an excellent opportunity to further develop our technology licensing business in the rapidly growing market of therapeutic proteins and antibodies. The acquisition bid for Berna Biotech provides a powerful platform for further accelerated growth.”

#### Key Figures Fourth Quarter and Full Year 2005

(€ million, except net loss per share)

	Q4 2005	% change	Q4 2004	Year 2005	% change	Year 2004
<b>Revenue</b>	12.1	+85.4%	6.5	37.6	+66.1%	22.6
<b>Net loss</b>	(3.2)	(53.3%)	(6.8)	(15.5)	(27.3%)	(21.3)
<b>Net loss per share (basic and diluted)</b>	(0.08)	(55.6%)	(0.18)	(0.39)	(33.9%)	(0.59)
<b>Cash and cash equivalents at December 31:</b>				111.7		76.7

At December 31, 2005 cash and cash equivalents amounted to € 111.7 million (US\$ 132.3 million). This represents a net increase of € 35.0 million (US\$ 41.4 million) over the cash and cash equivalents balance of € 76.7 million (US\$ 90.8 million) at the beginning of the year. The net increase reflects the € 50.1 million



(US\$ 59.3 million) proceeds from a private placement in May 2005, offset by a net decrease in cash and cash equivalents from operating, investing and financing activities of € 15.1 million (US\$ 17.9 million).

## Operational Review Full Year 2005

- **Berna Biotech:** On December 1, 2005, Crucell announced its intention to launch a recommended all-share offer for the shares of Swiss vaccines company Berna Biotech AG. By the end of the regular offer period 73.9% of the issued Berna shares were tendered, satisfying the minimum 67% acceptance condition as set out in the Offer Prospectus.
- **Influenza:** Crucell's production technology became part of a major U.S. government influenza pandemic vaccine program with partner sanofi pasteur. In Europe, Crucell and sanofi also combined as the only manufacturer for the FLUPAN pandemic flu vaccine project, with a clinical trial starting in Q2 2006. Sanofi and Crucell's interpandemic (seasonal) vaccine is scheduled to enter the clinic in H2 2006 in the US.
- **West Nile:** In December, Crucell received approval and commenced recruitment for a Phase I clinical trial for its West Nile virus vaccine, which is expected to be completed in H2 2006.
- **Ebola:** Crucell extended its Cooperative Research and Development Agreement (CRADA) with the NIH's Vaccine Research Center (VRC) for the development and manufacturing of vaccines against Ebola, Marburg and Lassa infections. Crucell also obtained an exclusive license to patents of the NIH to develop and commercialize vaccines against Ebola, and subsequently signed a € 21.4 million contract with the NIH for the manufacturing of Ebola vaccines. Phase I clinical testing will commence in Q2, 2006.
- **Malaria:** The Phase I clinical trial is planned for Q2, 2006.
- **Rabies:** Crucell announced plans for the clinical development of its antibody product against rabies. Phase I clinical testing is planned to begin in Q4, 2006.
- **Tuberculosis:** Following promising results for the AdVac<sup>®</sup>-based TB vaccine in animal studies, a Phase I clinical study is scheduled for H2, 2006.
- **AdVac<sup>®</sup> technology development:** Crucell and Harvard Medical School were awarded a US\$ 19.2 million (€ 15.9 million) grant from the US National Institutes of Health (NIH) to develop new adenovirus vector-based vaccines against HIV/AIDS.

Crucell also signed a Cooperative Research and Development Agreement (CRADA) with the Naval Medical Research Center of the US Navy to construct AdVac<sup>®</sup>-based vaccines against anthrax and plague.



- **MAbstract® Technology:** Crucell received a grant of up to € 2 million from the Dutch Ministry of Economic Affairs, supporting the application of Crucell's MAbstract® technology to the discovery of antibodies to assist in the development of new medicines against antibiotic-resistant bacteria.
- **STAR™ Technology:** A program was started with Medarex for the evaluation of STAR™. The first STAR™ licenses were signed with Genzyme in the fourth quarter 2005 (and XOMA early in 2006). Genentech continues to evaluate the technology under an existing agreement.
- **DSM Collaboration:** In December 2005 Crucell and DSM announced an expanded agreement for the development of the PER.C6® protein and monoclonal antibody licensing business, with a view towards increasing licensing and royalty income and accelerating the development and roll-out of the PER.C6® technology platform in the market. The partnership's Research and Development will be based around a new joint R&D center, located in the Netherlands and on the US East Coast.
- **PER.C6® Licensing:** New PER.C6® licensing deals were secured with Roche, JCR Pharmaceuticals, Mitsubishi Pharma, Ferring, Symphogen, Chiron, IQ Corporation, Zystor Therapeutics, SingVax, Vascular Biogenics, Merck, Tibotec, Vakzine Projekt Management and Merial.

Further, in December Crucell signed a PER.C6® contract manufacturing license agreement with the Saskatchewan Research Council (SRC®) of Saskatoon, Canada, and a Cooperative Research and Development Agreement (CRADA) with the Walter Reed Army Institute of Research (WRAIR) to evaluate PER.C6® technology for the development of vaccines against the flaviviruses dengue fever and Japanese encephalitis (JE).

## **Details of the Financial Results**

### **FOURTH QUARTER**

#### **Revenue**

Crucell's revenue in the fourth quarter 2005 was € 12.1 million (US\$ 14.3 million), compared to revenue of € 6.5 million (US\$ 7.7 million) in the same quarter in 2004. Licensing revenues in the fourth quarter 2005 amounted to € 8.3 million (US\$ 9.8 million), compared to € 2.6 million (US\$ 3.1 million) in the fourth quarter 2004. Licensing revenues in the fourth quarter relate to new contracts, recognition of deferred revenues, milestone and other payments. Amendments made to the collaboration agreement between Crucell and DSM resulted in recognition of deferred revenues and milestones. Existing licenses with ML Laboratories, MedImmune, Millipore and Biogen Idec were not renewed. In the fourth quarter, new PER.C6® licensing deals were secured by the Crucell-DSM alliance with IQ Corporation, Zystor Therapeutics and Ferring; Crucell signed further PER.C6® deals with Merck, Tibotec, Vakzine Projekt Management and Merial.



Service fees amounted to € 2.9 million (US\$ 3.4 million) in the fourth quarter 2005, up from the € 2.0 million (US\$ 2.3 million) recorded in the last three months of 2004.

Government grants and other revenues amounted to € 0.9 million (US\$ 1.1 million) in the fourth quarter 2005, compared to € 1.9 million (US\$ 2.3 million) in the same period in 2004.

### **Results**

The net loss for the fourth quarter 2005 was € 3.2 million (US\$ 3.7 million), compared to € 6.8 million (US\$ 8.0 million) for the fourth quarter 2004.

Research and development expenses, including stock-based compensation, increased in the fourth quarter 2005 to € 9.8 million (US\$ 11.6 million), compared to € 5.5 million (US\$ 6.5 million) in the fourth quarter of 2004. Selling, general and administrative expenses, including stock-based compensation, decreased to € 4.2 million (US\$ 5.0 million) versus € 5.0 million (US\$ 5.9 million) in the same period 2004.

### **FULL YEAR**

#### **Revenue**

Crucell's revenue for the year 2005 was € 37.6 million (US\$ 44.5 million), compared to € 22.6 million (US\$ 26.8 million) in 2004. Licensing revenue in 2005 amounted to € 20.8 million (US\$ 24.7 million), representing an increase compared to the 2004 figure of € 12.4 million (US\$ 14.7 million).

Service fees increased to € 11.9 million (US\$ 14.1 million) in 2005 compared to € 5.7 million (US\$ 6.8 million) in 2004.

Government grants and other revenues amounted to € 4.8 million (US\$ 5.7 million), largely in line with the figure of € 4.5 million (US\$ 5.3 million) recorded in 2004.

#### **Expenses and Results**

Total costs and expenses for the full year 2005 increased 22% over 2004. Total research and development expenses increased to € 32.7 million (US\$ 38.8 million), compared to € 21.4 million (US\$ 25.4 million) in 2004, mainly relating to increased R&D staffing levels, laboratory and external research expenses. This reflects the scaling up of the Company's core activity.

Selling, general and administrative (SG&A) expenses in 2005 decreased to € 13.9 million (US\$ 16.5 million), compared to € 16.3 million (US\$ 19.3 million) in 2004. The decrease is mainly attributable to warrants and non-employee stock options that vested in 2004, thereby decreasing such expenses in 2005.

The net loss for the year 2005 amounted to € 15.5 million (US\$ 18.4 million), representing a 27.3% drop compared to the net loss of € 21.3 million (US\$ 25.3 million) in 2004. As a result of decreased net losses for the year and new shares



issued, net loss per share in 2005 decreased to € 0.39 (US\$ 0.46), compared to € 0.59 (US\$ 0.70) in 2004.

In connection with the public offer for Berna Biotech AG, Crucell incurred costs amounting to approximately € 3.5 million (US\$ 4.1 million) that are capitalized as prepaid acquisition costs per December 31, 2005. These costs will be part of the purchase price.

### **Cash Flow and Cash Position**

Total cash used in 2005 amounted to € 15.1 million (US\$ 17.9 million), compared to € 10.5 million (US\$ 12.4 million) in 2004. This was offset by the proceeds of the private share placement in May 2005 which generated € 50.1 million (US\$ 59.3 million), resulting in a positive cash flow of € 35.0 million (US\$ 41.4) for the full-year 2005.

Cash used in operating activities in 2005 amounted to € 13.2 million (US\$ 15.6 million), compared to € 5.8 million (US\$ 6.9 million) in 2004.

Cash used in investing activities in 2005 amounted to € 17.1 million (US\$ 20.3 million) compared to € 6.1 million (US\$ 7.3 million) in 2004. This increase mainly related to advance payments made in connection with the construction of the new production facility in Leiden.

Crucell generated € 65.3 million (US\$ 77.4 million) in 2005 from financing activities, compared to € 1.5 million (US\$ 1.7 million) in 2004. This increase primarily reflects the proceeds of the May private placement. In addition, Crucell received cash from option exercises and entered into a mortgage loan to finance the construction of the new production facility.

Crucell's cash and cash equivalents amount to € 111.7 million (US\$ 132.3 million) as of December 31, 2005, of which € 10.0 million (US\$ 11.8 million) is pledged to secure the mortgage loan.

### **Other**

**Galapagos:** Galapagos went public on 5 May, 2005. The value of the Galapagos shares add € 11.3 million (US\$ 13.4 million) to Crucell's company equity at December 31, 2005.

**Midkap:** Based on full-year 2004 turnover of shares, Crucell was selected by Euronext Indices B.V. for inclusion in the Amsterdam Midkap (AMX) index.

**Options trading:** Crucell options were listed on the Chicago Board Options Exchange (CBOE), where trading began on May 19, 2005. Euronext.liffe commenced trading Crucell options in Europe on September 21, 2005. These add to listings on the AMEX and Pacific stock exchanges.

*NB: Euros converted to US Dollars at December 31, 2005 exchange rate of 1.1842.*



### **Conference Call and Webcast**

Crucell will conduct a conference call today, January 24, 2006, starting at 14:30 pm Central European Time (8:30 am US Eastern time). A presentation will be followed by a question and answer session. To participate in the conference call, please call one of the following toll-free numbers within 10 minutes prior to commencement:

**866-328-4274 for the US;**

**0800-358-5255 for the UK;**

**0800-265-8531 for the Netherlands.**

The event will be relayed by live audio webcast which can be accessed via the home page of Crucell's corporate website, [www.crucell.com](http://www.crucell.com). The webcast will be available for replay immediately afterwards and will be archived for one year.

### **About Crucell**

Crucell N.V. is a biotechnology company focused on developing vaccines and antibodies that prevent and treat infectious diseases, including Ebola, influenza, malaria, West Nile virus and rabies. The Company's development programs include collaborations with: sanofi pasteur for influenza vaccines; the U.S. National Institutes of Health for Ebola and malaria vaccines; and GlaxoSmithKline (GSK), Walter Reed Army Institute of Research and New York University for a malaria vaccine. Crucell's products are based on its PER.C6<sup>®</sup> production technology. The company also licenses its PER.C6<sup>®</sup> technology to the biopharmaceutical industry. Licensees and partners include DSM Biologics, GSK, Centocor/J&J and Merck & Co., Inc. Crucell is headquartered in Leiden, The Netherlands, and is listed on the Euronext and NASDAQ stock exchanges (ticker symbol CRXL). For more information, please visit [www.crucell.com](http://www.crucell.com).

### **Forward-looking statements**

*This press release contains forward-looking statements that involve inherent risks and uncertainties. We have identified certain important factors that may cause actual results to differ materially from those contained in such forward-looking statements. For information relating to these factors please refer to our Form 20-F, as filed with the U.S. Securities and Exchange Commission on April 14, 2005, and the section entitled "Risk Factors". The company prepares its financial statements under generally accepted accounting principles in the United States (US GAAP).*

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**CRUCCELL N.V.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(amounts in thousands, except per share data)

	3 months ended		12 months ended	
	December 31,		December 31,	
	2005	2004	2005	2004
<b>REVENUES:</b>				
License	€ 8,256	€ 2,605	€ 20,848	€ 12,429
Service fees	2,893	1,976	11,881	5,712
Government grants and other	912	1,923	4,840	4,481
<b>Total revenues</b>	<b>12,061</b>	<b>6,504</b>	<b>37,569</b>	<b>22,622</b>
<b>COSTS AND EXPENSES:</b>				
Cost of service fees	1,570	2,471	7,156	5,644
Research and development	9,807	5,525	32,733	21,412
Selling, general and administrative	4,238	4,972	13,910	16,326
Developed technology amortization	202	533	1,470	1,966
<b>Total costs and expenses</b>	<b>15,817</b>	<b>13,501</b>	<b>55,269</b>	<b>45,348</b>
<b>LOSS FROM OPERATIONS</b>	<b>(3,756)</b>	<b>(6,997)</b>	<b>(17,700)</b>	<b>(22,726)</b>
Interest income, net	549	319	1,966	1,503
Foreign currency gain/(loss)	48	(88)	235	(108)
<b>NET LOSS BEFORE PROVISION FOR INCOME TAXES</b>	<b>(3,159)</b>	<b>(6,766)</b>	<b>(15,499)</b>	<b>(21,331)</b>
Provision for income taxes	-	-	-	-
<b>NET LOSS</b>	<b>€ (3,159)</b>	<b>€ (6,766)</b>	<b>€ (15,499)</b>	<b>€ (21,331)</b>
<b>BASIC AND DILUTED NET LOSS PER SHARE:</b>				
Net loss per share - basic and diluted	€ (0.08)	€ (0.18)	€ (0.39)	€ (0.59)
Weighted average shares outstanding - basic and diluted	41,438	36,708	39,852	36,383

**CRUCCELL N.V.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**  
(amounts in thousands)

	12 months ended	
	December 31,	
	2005	2004
<b>Operating activities</b>		
Net loss	€ (15,499) €	(21,331)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	2,973	2,982
Stock based employee compensation, including incentive plan stock awards	4,252	2,566
Intangible amortization	1,470	1,966
Warrants and non-employee stock options to acquire ordinary shares for services	3,043	4,246
Change in operating assets and liabilities:		
Trade accounts receivable	196	7,527
Accrued income	(6,450)	(2,564)
Prepaid expenses and other current assets	(5,606)	797
Accounts payable	6,662	21
Accrued compensation and related benefits	(524)	242
Deferred revenues	(6,665)	(3,248)
Accrued liabilities	2,973	972
<b>Net cash used in operating activities</b>	<b>(13,175)</b>	<b>(5,824)</b>
<b>Cash flow used in investing activities</b>		
Purchase of developed technology	-	(4,017)
Purchases of property, plant and equipment	(17,137)	(2,114)
<b>Net cash used in investing activities</b>	<b>(17,137)</b>	<b>(6,131)</b>
<b>Cash flow from financing activities</b>		
Proceeds from the issuance of ordinary shares, net of offering costs	57,535	1,409
Proceeds from issuance of debt	8,982	-
Principal payments under capital lease obligation	(1,212)	(1,132)
Receivable from employees	30	438
Proceeds from sale and lease-back of plant and equipment	-	741
<b>Net cash provided by financing activities</b>	<b>65,335</b>	<b>1,456</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>€ 35,023 €</b>	<b>(10,499)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>76,711</b>	<b>87,210</b>
<b>Cash and cash equivalents at the end of period</b>	<b>111,734</b>	<b>76,711</b>

**CRUCCELL N.V.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(amounts in thousands)

	<u>December 31,</u> <u>2005</u>	<u>December 31,</u> <u>2004</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	€ 111,734	€ 76,711
Accounts receivable, net	1,824	2,020
Accrued income	10,330	3,880
Prepaid expenses and other current assets	7,150	1,544
Total current assets	<u>131,038</u>	<u>84,155</u>
Securities available for sale	11,299	-
Property, plant and equipment, net	24,629	10,465
Developed technology, net	<u>2,577</u>	<u>4,047</u>
<b>Total assets</b>	<b>€ <u>169,543</u></b>	<b>€ <u>98,667</u></b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities:		
Accounts payable	€ 8,770	€ 2,108
Accrued compensation and related benefits	2,949	1,917
Short term portion of deferred revenues	3,906	6,373
Accrued and other liabilities	7,123	4,375
Total current liabilities	<u>22,748</u>	<u>14,773</u>
Long term liabilities		
Long-term debt	8,982	-
Long term obligation under capital leases	398	1,385
Long term portion of deferred revenues	-	4,198
Total long term liabilities	<u>9,380</u>	<u>5,583</u>
Ordinary shares, €0.24 par value; 85,000,000 shares authorized; 41,440,613 and 36,873,421 shares issued and outstanding at December 31, 2005 and 2004 respectively	9,946	8,850
Additional paid in capital	409,346	349,167
Notes receivable from employees	(194)	(224)
Deferred compensation	(2,959)	(4,958)
Accumulated other comprehensive income	11,299	-
Accumulated deficit	<u>(290,023)</u>	<u>(274,524)</u>
Total shareholders' equity	<u>137,415</u>	<u>78,311</u>
<b>Total liabilities and shareholders' equity</b>	<b>€ <u>169,543</u></b>	<b>€ <u>98,667</u></b>