



## PRESS RELEASE

### Crucell Announces Third Quarter 2006 Results

**Leiden, The Netherlands, November 14, 2006** – Dutch biotechnology company Crucell N.V. (Euronext, NASDAQ: CRXL, SWX: CRX) today announced its financial results for the third quarter of 2006 ended September 30, 2006, based on International Financial Reporting Standards (IFRS).

Combined total revenues and other operating income for the third quarter was €28.4 million. Gross operating margin for the third quarter was €8.3 million. Net loss for the third quarter amounted to €21.7 million. Combined total revenues and other operating income for the nine months ended September 30, 2006 were €64.5 million. Gross operating margin for the nine months ended September 30, 2006 was €16.3 million. Net loss for the first nine months of 2006 amounted to €62.7 million.

Cash and cash equivalents decreased €55.4 million during the third quarter to €122.3 million on September 30, 2006. Net cash used in operations is €26.6 million, which is strongly influenced by the seasonal increase in net working capital for accounts receivable and inventories related to sales and inventory buildup of Inflexal<sup>®</sup> V influenza vaccines; net cash used in investments was €30.7 million, primarily as a result of cash payments related to the investment in Berna Products Corp, Inc. of €13.1 million that will be effectuated in the fourth quarter and a €12.0 million reclassification of cash to short term financial assets. Total assets on September 30, 2006 were €597.9 million.

#### Key Figures Third Quarter and 9 Months ended September 30 (YTD) (€ million, except net loss per share)

	Q3 2006	Q3 2005	YTD 2006	YTD 2005
<b>Revenue and other operating income</b>	28.4	9.5	64.5	25.5
<b>Net loss</b>	(21.7)	(3.7)	(62.7)	(12.7)
<b>Net loss per share (basic and diluted)</b>	(0.36)	(0.09)	(1.12)	(0.32)
<b>Cash and cash equivalents at September 30, 2006:</b>				122.3
<b>Cash and cash equivalents at December 31, 2005:</b>				111.7

Chief Financial Officer Leonard Kruimer said: "Crucell's third quarter revenues increased 37% over the previous quarter, reflecting the strong seasonal pattern. Revenues this year will be even more concentrated in the fourth quarter, due to the late start of the flu season and the market introduction of our new pediatric



vaccine, Quinvaxem™, in October. First shipments of our Inflexal® V influenza vaccine started in the third quarter. We have sold out completely for the year and expect to ship all our flu shots before year-end." He added: "The over €55 million decrease in cash last quarter was mainly the result of high seasonal inventory levels and receivables. We also invested in higher yield deposits with a maturity of over 90 days, which required a reclassification from cash to 'short term financial assets'. We feel very comfortable with our guidance for 2006 for combined revenue and other operating income between €130 to €150 million. We reiterate our aim to achieve cash break even in 2007."

### **Operational Review Third Quarter 2006**

- **WHO pre-qualification granted for Quinvaxem™:** The World Health Organization (WHO) granted pre-qualification for Quinvaxem™, a fully liquid pentavalent vaccine, which was ready for delivery to supranational purchasing organizations starting the fourth quarter of 2006.
- **PER.C6®-based seasonal influenza vaccine clinical trial started:** Partner sanofi pasteur initiated a phase I clinical study with a PER.C6®-based influenza vaccine. The trial conducted in the United States is part of a contract awarded by the U.S. Department of Health and Human Services (HHS) to accelerate the development of a new cell culture-based influenza vaccine. The phase I clinical trial involves the vaccination of 100 healthy adults, 18-64 years of age.
- **PER.C6®-based pandemic influenza vaccine clinical trial started:** FLUPAN, a collaborative research project funded by the European Commission, started a phase I clinical trial, initiated in Norway, with 60 healthy adults. The trial is the first to assess safety and ability to generate an immune response of a split, inactivated pandemic H7N1 vaccine produced on PER.C6® cells.
- **Ebola vaccine clinical trial started:** CruceLL announced that the Ebola vaccine it is developing in partnership with the Vaccine Research Center (VRC) of the National Institute of Allergy and Infectious Diseases (NIAID), part of the U.S. National Institutes of Health (NIH), entered a phase I clinical study. The randomized, double-blind, placebo-controlled study in 48 healthy volunteers will test the single-shot vaccination in a dose-escalation trial.
- **New PER.C6® License:** CruceLL and DSM Biologics signed a second PER.C6® licensing agreement with MorphoSys AG.
- **PER.C6® Vendor Network:** CruceLL and DSM Biologics announced that Invitrogen is the first company to enter the partnership's PER.C6® licensing business Vendor Network, which was created to provide high-quality biotechnology tools and services specifically tailored to PER.C6® for monoclonal antibodies and recombinant proteins.



- **New STAR<sup>®</sup> licenses:** Crucell signed a non-exclusive STAR<sup>™</sup> research licensing agreement with Brussels-based UCB, and started an evaluation program with Novartis AG.
- **Berna Biotech de-listed from SWX:** Crucell announced that the squeeze-out of Berna Biotech shares has been completed and Crucell now holds all outstanding Berna Biotech shares. The delisting of Berna Biotech AG (Swiss Exchange: BBIN) was approved by the SWX Swiss Exchange and was effected on September 18, 2006.
- **Aerugen<sup>®</sup> clinical development suspended:** Crucell announced the suspension of the clinical development program for Aerugen<sup>®</sup>, a vaccine for the prevention of *Pseudomonas aeruginosa* infection.

## **Details of the Financial Results Third Quarter 2006**

### **Revenues and Other Operating Income**

Revenues for the third quarter of 2006 were €25.8 million, compared to €8.2 million in the same period last year. Revenues consisted of product sales, license revenues and service fees. Product revenues amounted to €22.0 million, which are seasonal and have historically been concentrated in the second half of the year. The seasonal sales of influenza vaccine will be concentrated more than usual in the fourth quarter, due to the late start of the flu season this year. The new Quinvaxem<sup>™</sup> pediatric vaccine was granted pre-qualification on September 26, 2006 and first shipments commenced in October.

License revenues were €2.0 million in the third quarter, a decrease of €2.3 million compared to the same quarter last year. License revenues consisted of initial payments from new contracts as well as annual and other payments on existing contracts. The decrease in license fees is related to a lower number of new licenses closed, compared to the same period last year. Service fees amounted to €1.8 million, compared to €3.9 million last year, which represents a decrease in chargeable development activities now that the majority of development programs have entered clinical trials. Service fees represent revenues for product development activities performed under contracts with partners and licensees. Other operating income was €2.6 million for the quarter, compared to €1.3 million in the third quarter last year. Other operating income consists of government grants.

### **Cost of Goods Sold**

Cost of goods sold for the third quarter of 2006 amounted to €20.8 million, €19.0 million of which represents product costs and the remainder of €1.8 million represents costs of service activities. Cost of goods sold for the quarter include an accounting charge of €5.9 million for amortization as a result of the purchase price allocation related to the Berna Biotech AG acquisition last February. The remaining step-up in inventory on September 30, 2006 amounts to €9.9 million.

### **Expenses**

Total expenses consist of research and development (R&D) expenses and selling, general and administrative (SG&A) expenses. Total R&D and SG&A expenses



were €29.6 for the third quarter. That represents a €17.3 million increase over the same period last year.

R&D expenses amounted to €18.9 million, which represents a €10.5 million increase over the third quarter of 2005. The addition of Berna clinical programs accounted for a €9.4 million increase in R&D costs in the third quarter of 2006, which includes a €1.8 million charge for amortization as a result of the purchase price allocation.

SG&A expenses for the third quarter of 2006 were €10.7 million and represent an increase of €6.8 million over the same quarter in 2005. Of the increase, €5.4 million represents the addition of the Berna Biotech's SG&A costs to the organization; and €1.4 million represents integration costs, such as Sarbanes-Oxley implementation and other advisory costs.

CruceII announced on October 30<sup>th</sup> that it will concentrate its R&D activities in Leiden, The Netherlands. The restructuring will result in a reduction of approximately 60 positions. The Company will set up a restructuring reserve in the fourth quarter, which will not affect cash flow for 2006.

#### ***Net Loss***

The Company reported a net loss for the third quarter of 2006 of €21.7 million, or €0.36 net loss per share. The delisting of Berna Biotech was completed during the quarter. As a result, minority interest now only represent the share in results of minority shareholders in Rhein Biotech NV, which is still partly listed on the Frankfurt Exchange (FWB). The Company intends to de-list the remaining Rhein Biotech shares.

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

Cash and cash equivalents decreased by €55.4 million in the third quarter to €122.3 million.

Net cash used in operating activities in the third quarter of 2006 was €26.6 million. Increases in accounts receivable of €7.9 million and increases in inventories of €3.0 million are related to sales of Inflexal<sup>®</sup> V influenza vaccine and the seasonal buildup of influenza vaccine inventory. Quinvaxem<sup>™</sup> vaccine inventory is also high, since shipments only started in October. The decrease in accounts payable is related to payments for influenza vaccine ingredients.

Cash used in investing activities amounted to €30.7 million. This includes the cash paid related to the fourth quarter acquisition of Berna Products Corp, Inc. in North America from Acambis; capital expenditures of €6.6 million; and a €12.0 reclassification of cash financial assets, as a result of investments in higher yield deposits with a maturity over 3 months, and a €2.6 million increase in restricted cash related to new equipment lease contracts.

Net cash from financing activities was €1.9 million, which represents an increase in mortgage loans and leasing liabilities. CruceII has entered and intends to enter into financial leases to finance investment in property, plant and equipment, the effect of which will be to reduce cash outflow in the year the investment takes place.



### **Balance Sheet**

Total equity amounts to €442.7 million, of which €6.3 million represents minority interests. A total of 59.4 million ordinary shares were issued and outstanding on September 30, 2006.

Inventories increased to €65.4 million during the third quarter. The increase in inventory is due to buildup of influenza vaccine stocks as a result of the delay in the start of the flu season as well as to buildup of stock of Quinvaxem™ vaccine.

Short-term financial assets increased by €9.5 million during the third quarter due to a reclassification of deposits from cash and cash equivalents. Cash was invested in higher yield maturities of more than 3 months. Other financial assets increased to €39.5 million, mainly related to the acquisition of Berna Products Corp, Inc. on October 2, 2006.

Intangible assets amount to €114.5 million, which represent acquired in-process R&D; developed technology; patents and trademarks; and value of customer and supplier relationships.

Investments in joint ventures represent the investments in Pevion and Kenta. The Company's investment in Galapagos NV is classified under "Other financial assets."

### **Outlook**

The Company maintains its guidance for combined revenue and other operating income for 2006 in the €130 to €150 million range. The Company expects very strong fourth quarter revenues as a result of sales of its Inflexal® V influenza vaccine, and of its Quinvaxem™ pediatric vaccine, which have started in October 2006.

The total decrease in cash over 2006 (excluding the cash acquired in the Berna Biotech acquisition in February 2006) will exceed the company's prior estimate of €33 million to €38 million by up to €14 million, as a result of the cash acquisition of Berna Products Corp, Inc. and related costs. The Company aims to achieve cash break-even in 2007.

### **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 July 6, 2006.***



### **Conference Call and Webcast**

Crucell will conduct a conference call today, November 14, 2006, starting at 14:00 pm Central European Time (8:00 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 numbers within 10 minutes prior to commencement:

**888-408-5406 (toll-free) or 480-293-1748 for the US;  
0800-358-5255 (toll-free) or +44-20-7190-1492 for the UK; and  
0800-265-8531 (toll free) or +31-20-794-8505 for the Netherlands.**

The conference call will also be webcast. The live audio webcast can be accessed via the homepage of Crucell's website at [www.crucell.com](http://www.crucell.com), and will be archived and available for replay following the event.

### **About Crucell**

Crucell N.V. (Euronext, NASDAQ: CRXL; Swiss Exchange: CRX) is a biotechnology company focused on research, development and worldwide marketing of vaccines and antibodies that prevent and treat infectious diseases. Its vaccines are sold in public and private markets worldwide. Crucell's core portfolio includes a vaccine against hepatitis B, a fully-liquid vaccine against five important childhood diseases, and a virosome-adjuvanted vaccine against influenza. Crucell also markets travel vaccines, such as the only oral anti-typhoid vaccine and the only aluminum-free hepatitis A vaccine on the market. The Company has a broad development pipeline, with several Crucell products based on its unique PER.C6<sup>®</sup> production technology. The Company licenses this and other technologies to the biopharmaceutical industry. Important partners and licensees include DSM Biologics, sanofi aventis, GSK and Merck & Co. Crucell is headquartered in Leiden (the Netherlands), with subsidiaries in Switzerland, Spain, Italy, Korea and the US. The Company employs about 900 people. For more information, please visit [www.crucell.com](http://www.crucell.com).

### **For further information contact:**

#### **Crucell N.V.**

Leonard Kruimer  
Chief Financial Officer  
Tel. +31-(0)71-524 8722  
[l.kruimer@crucell.com](mailto:l.kruimer@crucell.com)

#### **For Crucell in the U.S.**

**Redington, Inc.**  
Thomas Redington  
Tel. +1 212-926-1733  
[tredington@redingtoninc.com](mailto:tredington@redingtoninc.com)

Paul Vermeij  
Director Investor Relations and  
Corporate Communications  
Tel. +31-(0)71-524 8718  
[p.vermeij@crucell.com](mailto:p.vermeij@crucell.com)

**CRUCELL NV**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(amounts in thousands Euro)

	9 Months ended		Third Quarter	
	September 30,			
	2006	2005	2006	2005
	Unaudited	Unaudited	Unaudited	Unaudited
<b>REVENUES</b>				
Product sales	43,497	-	22,004	-
Licence revenues	6,630	12,592	1,992	4,286
Service fees	6,357	8,988	1,844	3,873
<i>Total revenues</i>	56,484	21,580	25,840	8,159
<b>COST OF GOODS SOLD</b>				
Products	43,208	-	19,015	-
Other	4,991	5,586	1,799	1,479
<i>Total Cost of goods sold</i>	48,199	5,586	20,814	1,479
<b>OTHER OPERATING INCOME</b>				
Government grants	5,588	3,928	2,581	1,291
Other income	2,418	-	657	-
<i>Total Other Operating Income</i>	8,006	3,928	3,238	1,291
<b>GROSS OPERATING MARGIN</b>	16,291	19,922	8,264	7,971
<b>EXPENSES</b>				
Research & Development	48,734	21,962	18,943	8,447
SG&A	29,490	11,831	10,677	3,862
Total expenses	78,224	33,793	29,620	12,309
<b>Earnings Before Interest and Taxes (EBIT)</b>	(61,933)	(13,871)	(21,356)	(4,338)
Financial income & interest expense, net	1,282	1,604	884	689
Results investments non-consolidated companies	(1,258)	(455)	(466)	-
Provisioning for income taxes	(784)	-	(783)	-
<b>Loss from continuing operations</b>	(62,693)	(12,722)	(21,721)	(3,649)
Results from discontinuing operations	(470)	-	-	-
Results from sales of discontinuing operations	470	-	-	-
<b>NET LOSS</b>	(62,693)	(12,722)	(21,721)	(3,649)
<b>Attributable to:</b>				
Equity holders of the parent	(61,985)	(12,722)	(21,557)	(3,649)
Minority interests	(708)	-	(164)	-
	(62,693)	(12,722)	(21,721)	(3,649)
<b>BASIC AND DILUTED NET LOSS PER SHARE:</b>				
net loss per share - basic and diluted	(1.12)	(0.32)	(0.36)	(0.09)
Weighted average shares outstanding - basic and diluted (Thousands)	55,562	39,318	59,104	41,325

**CRUCCELL NV**  
CONSOLIDATED STATEMENTS OF CASHFLOW  
(amounts in thousands Euro)

	9 months ended September 30,		Third Quarter	
	2006 Unaudited	2005 Unaudited	2006 Unaudited	2005 Unaudited
<b>Operating activities</b>				
Net Loss	(62,693)	(12,722)	(21,721)	(3,649)
Reversal of non-cash items				
Depreciation	10,000	2,218	4,014	766
Intangible amortization	4,500	1,268	1,968	201
Results for discontinuing operations	-	-	-	-
Results investments non-consolidated companies	1,258	455	466	-
Change in long-term provisions	141	-	219	-
Gain on disposal of assets	(172)	-	48	-
Stock based compensation	3,868	4,619	1,980	1,425
Change in net working capital				
Accounts receivable, net	(5,880)	(1,147)	(7,853)	1,348
Inventories	(9,684)	-	(3,048)	-
Prepaid expenses and other current assets	(2,364)	(4,156)	(4,111)	(1,800)
Accounts payable	6,734	846	(3,782)	(464)
Short term liabilities	(2,667)	-	1,210	-
Accrued expenses and deferred income	6,465	(746)	4,201	243
Other	(213)	(4,503)	(157)	(1,252)
<b>Net cash used in operating activities</b>	<b>(50,707)</b>	<b>(13,868)</b>	<b>(26,566)</b>	<b>(3,182)</b>
<b>Cash flow used in investing activities</b>				
Purchase of plant & equipment	(16,045)	(7,808)	(6,609)	(7,173)
Proceeds form sale of plant & equipment	652	-	255	-
Acquired cash from acquisitions	77,070	-	182	-
Cash used for acquisition transaction costs	(9,000)	-	-	-
Investments / Capital increase in Joint ventures	(12,492)	-	(12,492)	-
Proceeds from financial assets	8,451	-	(11,992)	-
<b>Net cash from investment activities</b>	<b>48,636</b>	<b>(7,808)</b>	<b>(30,656)</b>	<b>(7,173)</b>
<b>Cash flow used in financing activities</b>				
Proceeds from financial liabilities	9,463	-	1,525	-
Proceeds from issuance of ordinary shares	3,406	57,410	(10)	1,919
Repayment of financial liabilities	55	-	378	-
Principal payments under captial lease obligations	-	(901)	-	(305)
<b>Net cash from financing activities</b>	<b>12,924</b>	<b>56,509</b>	<b>1,893</b>	<b>1,614</b>
Effects of exchange rate on cash and cash equivalents	(312)	-	(68)	-
<b>Net increase in cash &amp; cash equivalents</b>	<b>10,541</b>	<b>34,833</b>	<b>(55,397)</b>	<b>(8,741)</b>
<b>Beginning cash balance</b>	<b>111,734</b>	<b>76,711</b>	<b>177,672</b>	<b>120,285</b>
<b>Ending cash balance</b>	<b>122,275</b>	<b>111,544</b>	<b>122,275</b>	<b>111,544</b>

**CRUCELL NV**  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(amounts in thousands Euro)

	<u>September 30</u> <u>2006</u>	<u>June 30</u> <u>2006</u>	<u>March 31</u> <u>2006</u>
	Unaudited	Unaudited	Unaudited
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash equivalents	122,275	177,672	178,738
Accounts receivable, net	29,568	22,065	31,538
Financial assets short term	10,723	1,243	18,992
Inventories	65,422	62,738	50,605
Prepaid expenses and other current assets	24,440	21,599	21,300
Prepaid acquisition cost	-	-	-
Assets held for sale	-	-	15,661
<i>Total current assets</i>	<u>252,428</u>	<u>285,317</u>	<u>316,834</u>
<b>Non Current Assets</b>			
Plant and equipment, net	147,472	145,261	142,719
Intangible assets	114,522	116,225	118,335
Goodwill	35,433	35,610	43,656
Investments in joint venture	5,623	5,905	2,838
Net pension asset	2,554	2,585	2,596
Other financial asset	39,521	25,184	14,821
Deferred tax assets	395	-	-
<i>Total non-current assets</i>	<u>345,520</u>	<u>330,770</u>	<u>324,965</u>
<b>Total Assets</b>	<u><u>597,948</u></u>	<u><u>616,087</u></u>	<u><u>641,799</u></u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	23,091	26,779	14,060
Short term liabilities	23,072	20,319	19,000
Accrued expenses and deferred income	22,975	18,940	23,463
Income tax payable	-	-	154
Short-term provisions	584	758	850
<i>Total current liabilities</i>	<u>69,722</u>	<u>66,796</u>	<u>57,527</u>
<b>Non current liabilities</b>			
Long term financial liabilities	40,589	40,556	44,632
Long term provisions & liabilities	2,319	2,131	2,130
Deferred tax liabilities	42,620	42,308	41,780
<i>Total non-current liabilities</i>	<u>85,528</u>	<u>84,995</u>	<u>88,541</u>
<b>Total Equity</b>			
Ordinary shares, 0.24 Euro par value; 85,000,000 shares authorized; 59,448,483 and 41,440,613 shares issued and outstanding at September 30, 2006 and December 31, 2005 respectively	14,267	14,164	14,081
Additional paid in capital	646,398	639,838	637,000
Deferred compensation	(5,847)	(5,745)	(4,371)
Net unrealized gain reserve	8,821	9,345	10,939
Currency Translation Adj.	(4,765)	(3,540)	99
Accumulated deficit	(222,498)	(200,987)	(175,275)
<i>Total equity to equity holders</i>	<u>436,376</u>	<u>453,075</u>	<u>482,473</u>
Minority interests	6,322	11,221	13,258
<i>Total equity</i>	<u>442,698</u>	<u>464,296</u>	<u>495,731</u>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<u><u>597,948</u></u>	<u><u>616,087</u></u>	<u><u>641,799</u></u>