



Appendix 4D Interim Financial Report

for the half year ended
31 December 2007

(previous corresponding period: half year ended 31 December 2006)

To be read in conjunction with the 30 June 2007 Annual Report.
In compliance with Listing Rule 4.2A

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Prima Biomed Ltd and the entities it controlled at the end of, or during, the half year ended 31 December 2007.

Directors

The following persons were directors of Prima Biomed Ltd during the whole of the half-year and up to the date of this report unless otherwise stated :

Mr Ata Gokyildirim	Non-Executive Chairman (appointed 20 December 2007)
Dr Richard Hammel	Non-Executive Director
Mr Martin Rogers	Non-Executive Director (appointed 16 October 2007)
Mr Eugene Kopp	Executive Chairman & Acting Chief Executive Officer (resigned 20 December 2007)
Mr Phillip Hains	Finance Director (appointed 4 September 2007 to fill a casual vacancy & did not stand for re-election at the 29 November 2007 Annual General Meeting)
Dr John Sime	Non-Executive Director (resigned 3 September 2007)

Review of Operations

Highlights

- Pro rata share offer capital raising complete
- Transition team and retirement of Mr. Eugene Kopp
- GAP Analysis and preparation for US Regulatory discussions
- Consolidation phase of the business

Capital Raising

During the period Prima Biomed Ltd ("Prima", "the Company") secured new capital to fund its priority CVacTM technology as it reviews US regulatory requirements for ongoing clinical development of CVacTM for ovarian cancer. Gross proceeds of \$1.981m were sourced from a rights issue of shares to shareholders that was fully underwritten by RM Capital Pty Ltd.

On 18th January 2008 the Company lodged a prospectus for a pro-rata non-renounceable rights issue of options on the basis of 1 option for each 3 shares held at 29 January 2008, and a placement of 40 million options. The issue price was 0.5 cents per option and the options were exercisable at 2.5 cents on or before 31 December 2011. The offer was fully underwritten by RM Capital Pty Ltd and was expected to raise a total of \$0.698m before costs, however the offer was revised on 11 February 2008 by lodgement of a replacement prospectus altering the issue price to 0.2 cents and the exercise price to 2.0 cents. The revised offer under the replacement prospectus is now expected to raise a total of \$0.279m before costs.

Personnel

Prima welcomed two additions to the board as it undergoes a transition and consolidation of the Company's technologies. Mr. Ata Gokyildirim and Mr. Martin Rogers join the board to fulfil the role in this transition and provide a fresh perspective to our technologies. Mr Eugene Kopp retired from the role of Chairman and as a director, and the board wishes to thank him for his contribution to the company over the past three years. Mr Phillip Hains retired from the role of Finance Director and continues in the role of joint Company Secretary.

GAP Analysis and preparation for US Regulatory Approval

As stated previously, the company wishes to align its future clinical development of CVacTM with the requirements of the US drug regulator, the USA Food and Drug Administration (FDA). During the period the company selected a US based Clinical Research Organisation (CRO) to evaluate the existing clinical data package and its alignment to US requirements. Formal engagement of the CRO and the results of their evaluation will be reported next quarter. If the findings are favourable, the company may then seek to open formal discussions with the FDA in regard to the design of the next clinical trial, currently planned to be a phase IIb study in ovarian cancer.

This program is important to Prima as there is a large unmet medical need for new treatments for ovarian cancer which has a very high morbidity rate due to the insidious nature of the disease that generally results in late diagnosis of the disease. Sadly seventy percent (70%) of patients are diagnosed with stage III or IV disease where the 5yr survival rate is between 10-20%.

The CVac™ product is being developed as a maintenance therapy that is most likely to be administered post surgery and chemotherapy to delay relapse and control metastases. There are currently no products available as maintenance based therapies for ovarian cancer. The potential competitive advantage of CVac™ is sought to be created primarily through three key areas, the targeted product features, the proposed therapeutic approach and barriers to entry generated by intellectual property and licensing agreements.

The global market for ovarian cancer therapeutics has shown consistent growth, currently valued in 2007 at US\$2.1 billion and is expected to total US\$3.6 billion by 2010. Seeking regulatory approval over the next 6-9 months to conduct the next clinical trial of CVac™ is of considerable importance and the core focus for Prima.

CVac™ is also potentially useful in the treatment of several other solid tumours including lung, breast, colon, renal and prostate cancer, as it targets a tumour protein, mucin-1, which all these tumours express at relatively high levels.

Consolidation Phase

In line with company strategy, Prima is undergoing a consolidation phase to focus on the core assets before moving forward to ensure a larger company role in the cancer space. As part of this consolidation Prima is looking at non-core assets, in particular

- Potential divestment of the technology under development by Panvax Pty Ltd is under discussion with the founding Inventor.
- Weighing options of the current 7% equity investment in Trillium Therapeutics Inc., a Canadian biotech company specialising in antibody and anti-inflammatory technologies.
- Sale or licensing of Oncomab Pty Ltd technology to an international pharmaceutical or biotechnology company.

Prima is keen to unlock value for shareholders as part of this consolidation phase and is assessing all opportunities.

Prima looks forward to further updating the market in relation to these programs as they develop.

Finance Report

The loss for the current half year was \$0.820m compared with a loss of \$1.796m for the half year ended 31 December 2006. Research and Development expenses were reduced from \$0.685m for the half year ended 31 December 2006 to \$0.054m for the current half year.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors.



Mr Ata Gokyildirim
Non-Executive Chairman

Sydney
Dated 28 February 2008

Statutory Audit
Internal Audit
Investigations
Due Diligence

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001**

To: The Directors of Prima Biomed Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2007, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



Mclean Delmo Hall Chadwick
Audit Assurance Pty Ltd



Kevin P Adams
Registered Company Auditor

Melbourne
28 February 2008

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Appendix 4D for the Half Year Ended 31 December 2007

Results for announcement to the market

Current Reporting Period - Half year Ended 31 December 2007

Previous Reporting Period - Half year Ended 31 December 2006

Revenues	down	85.09%	to	\$14,258
Loss after tax attributable to members	down	54.37%	to	(\$819,770)
Net loss for the period attributable to members	down	54.37%	to	(\$819,770)

Dividends (distribution)	Amount per Security	Franked Amount per Security
Final dividend	n/a	n/a
Previous corresponding period	n/a	n/a

Net Tangible Asset per Security (cents per security)

As at 31 December 2007

1.54

As at 31 December 2006

2.47

Record date for determining entitlements to the dividend, (in the case of a trust, distribution)

n/a

Explanation of the above information:

Refer to the Directors' Report - Review of Operations.

CONSOLIDATED INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	31 December 2007	31 December 2006
	\$	\$
Revenue	14,258	95,632
Auditor's Remuneration	(10,000)	(7,500)
Depreciation	(6,093)	(7,398)
Amortisation	(20,968)	(20,968)
Research and Development Expenses	(53,907)	(684,842)
Corporate Administration	(569,027)	(700,818)
Business Development	(125,965)	(176,993)
Intellectual Property	(36,953)	(85,490)
Losses Borne by Parent Entity	-	376
Impairment of Assets	-	(208,451)
Loss on Disposal of Assets	(11,126)	-
	<hr/>	<hr/>
LOSS BEFORE INCOME TAX	(819,781)	(1,796,452)
INCOME TAX EXPENSE	-	-
	<hr/>	<hr/>
LOSS FOR THE PERIOD	(819,781)	(1,796,452)
LOSS ATTRIBUTABLE TO MINORITY INTEREST	11	38
	<hr/>	<hr/>
LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY	(819,770)	(1,796,414)
	<hr/> <hr/>	<hr/> <hr/>
	Cents	Cents
Basic loss per share	(0.39)	(0.99)
Diluted loss per share	(0.39)	(0.99)

The accompanying notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	31 December 2007 \$	30 June 2007 \$
CURRENT ASSETS			
Cash and cash equivalents		1,665,924	671,780
Trade and other receivables		26,829	32,431
Other current assets		33,498	70
TOTAL CURRENT ASSETS		1,726,251	704,281
NON-CURRENT ASSETS			
Financial assets	5	2,981,516	2,981,516
Plant and equipment		33,591	46,832
Intangible assets		604,680	625,648
TOTAL NON-CURRENT ASSETS		3,619,787	3,653,996
TOTAL ASSETS		5,346,038	4,358,277
CURRENT LIABILITIES			
Trade and other payables		97,157	225,149
Provisions		40,671	35,942
TOTAL CURRENT LIABILITIES		137,828	261,091
NON-CURRENT LIABILITIES			
Provisions		12,084	17,116
TOTAL NON-CURRENT LIABILITIES		12,084	17,116
TOTAL LIABILITIES		149,912	278,207
NET ASSETS		5,196,126	4,080,070
EQUITY			
Issued capital	6	39,980,426	38,044,589
Accumulated losses		(34,784,412)	(33,964,642)
Total parent entity interest in equity		5,196,014	4,079,947
Minority interest		112	123
TOTAL EQUITY		5,196,126	4,080,070

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Issued Capital \$	Accumulated Losses \$	Minority Equity Interests \$	Total \$
Balance at 1 July 2006	37,141,706	(30,825,665)	557	6,316,598
Shares issued net of costs	1,007,402	-	-	1,007,402
Options issued	18,380	-	-	18,380
Net (Loss) for the period	-	(1,796,414)	-	(1,796,414)
Loss attributable to minority shareholders	-	-	(415)	(415)
Balance at 31 December 2006	38,167,488	(32,622,079)	142	5,545,551
Options exercised net of costs	(4,220)	-	-	(4,220)
Options issued	4,220	-	-	4,220
Transfer of shares	(122,899)	-	-	(122,899)
Net (Loss) for the period	-	(1,342,563)	-	(1,342,563)
Loss attributable to minority shareholders	-	-	(19)	(19)
Balance at 30 June 2007	38,044,589	(33,964,642)	123	4,080,070
Shares issued net of costs	1,889,537	-	-	1,889,537
Options issued	46,300	-	-	46,300
Net (Loss) for the period	-	(819,770)	-	(819,770)
Loss attributable to minority shareholders	-	-	(11)	(11)
Balance at 31 December 2007	39,980,426	(34,784,412)	112	5,196,126

The accompanying notes form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	31 December 2007	31 December 2006
	\$	\$
CASH FLOWS RELATED TO OPERATING ACTIVITIES		
Payments to suppliers and employees	(861,670)	(2,153,413)
Interest received	14,258	67,808
Grant income	-	58,745
	(847,412)	(2,026,860)
CASH FLOWS RELATED TO INVESTING ACTIVITIES		
Payment for purchases of plant and equipment	(3,980)	(4,544)
	(3,980)	(4,544)
CASH FLOWS RELATED TO FINANCING ACTIVITIES		
Proceeds from issues of securities	1,980,532	1,000,000
Capital raising costs	(134,996)	(55,415)
	1,845,536	944,585
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	994,144	(1,086,819)
Cash and cash equivalents at the beginning of the half year	671,780	3,211,349
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF YEAR	1,665,924	2,124,530

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Basis of Preparation

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2007 and any public announcements made by Prima Biomed Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2007 financial report.

The half year report does not include full disclosures of the type normally included in an annual report.

Reporting Basis and Conventions

The half-year report has been prepared on an accrual basis and is based on historical costs modified by revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Note 2. Dividends

The company resolved not to declare any dividends in the period ended 31 December 2007.

Note 3. Segment Information

Industrial Segments

31 December 2007	Cancer Immuno- Therapy \$	Anti- Inflammatory \$	Drug Delivery Systems \$	Therapeutic Antibodies for Cancer \$	Eliminations \$	Total \$
<u>Revenue</u>						
External Sales	10	-	132	-	-	142
Unallocated Revenue						14,116
Total Revenue						<u>14,258</u>
<u>Result</u>						
Segment Result	(365,715)	(85,085)	(175,558)	(88,636)	598,812	(116,182)
Unallocated Revenue						14,116
Unallocated Expenses						(717,704)
Net Loss						<u>(819,770)</u>
<u>Assets</u>						
Segment Assets	392,525	2,986,664	9,020	234,890	-	3,623,099
Unallocated Assets						1,722,939
Total Assets						<u>5,346,038</u>
<u>Liabilities</u>						
Segment Liabilities	7,290,309	2,116,989	3,933,251	1,263,656	(14,595,705)	8,500
Unallocated Liabilities						141,412
Total Liabilities						<u>149,912</u>
<u>Other</u>						
Depreciation and Amortisation of Segment Assets	13,059	-	-	8,076	-	-

31 December 2006	Cancer Immuno- Therapy \$	Anti- Inflammatory \$	Drug Delivery Systems \$	Therapeutic Antibodies for Cancer \$	Eliminations \$	Total \$
<u>Revenue</u>						
External Sales	2,847	2,313	431	22	-	5,613
Unallocated Revenue						90,019
Total Revenue						<u>95,632</u>
<u>Result</u>						
Segment Result	(950,102)	(292,417)	(260,509)	(121,104)	649,910	(974,222)
Unallocated Revenue						90,019
Unallocated Expenses						(912,211)
Net Loss						<u>(1,796,414)</u>
<u>Assets</u>						
Segment Assets	301,627	3,185,379	40,809	264,947	-	3,792,762
Unallocated Assets						2,163,964
Total Assets						<u>5,956,726</u>
<u>Liabilities</u>						
Segment Liabilities	6,296,017	2,087,383	3,592,922	1,035,764	(12,766,854)	245,232
Unallocated Liabilities						165,943
Total Liabilities						<u>411,175</u>
<u>Other</u>						
Depreciation and Amortisation of Segment Assets	13,061	-	758	8,076	-	-

Geographical Segments

Prima Biomed Limited operates in one geographical segment, being Australia.

Note 4. Contingent Liabilities and Assets

There are no material amounts of contingent liabilities or assets not provided for in the financial report.

Note 5. Financial Assets

In December 2005 Prima's subsidiary, Arthron Pty Ltd ("Arthron"), acquired 1.2 million shares in Trillium Therapeutics Inc. ("Trillium") for consideration of AUD \$3,249,120.

In May 2006 Medarex Inc. paid CDN \$2.23 per share for common shares in Trillium as part of a capital raising exercise. This was treated as an external indication of the fair value of Arthron's investment as at 30 June 2007 whereby the carry value was written down to AUD \$2,981,516 based on CDN \$2.23 per share converted to Australian Dollars at year-end.

As at 31 December 2007, in the absence of any other external indication of fair value, evidence of impairment or unfavourable exchange rate movement, the carry value of Arthron's investment in Trillium remains at AUD \$2,981,516.

Note 6. Issued Capital

	31 December 2007		30 June 2007	
	No.	\$	No.	\$
<u>Issued and Paid Up Capital</u>				
Fully Paid Ordinary Shares	299,079,913	39,714,869	198,053,275	37,825,332
Options over Fully Paid Ordinary Shares	15,550,000	<u>265,557</u>	11,250,000	<u>219,257</u>
Total Issued Capital		<u>39,980,426</u>		<u>38,044,589</u>

During the half year ended 31 December 2007, the following movements in equity occurred:

Shares

99,026,638 Shares issued pursuant to non-renounceable pro-rate rights issue
 2,000,000 Shares issued in lieu of consulting fees

Options

300,000 Options granted to employee
 2,000,000 Options granted in lieu of consulting fees
 2,000,000 Options granted to director

Note 7. Net Tangible Assets

	31 December 2007		31 December 2006	
		\$		\$
Net Assets		5,196,126		5,545,551
Intangible Assets		<u>(604,680)</u>		<u>(646,616)</u>
Net Tangible Assets		<u>4,591,446</u>		<u>4,898,935</u>
Shares		299,079,913		198,053,275
Net Tangible Assets (cents)		1.54		2.47

Note 8. Events Subsequent to Reporting Date

On 18th January 2008 the Company lodged a prospectus for a pro-rata non-renounceable rights issue of options and placement offer of options. The issue price was 0.5 cents per option and the options were exercisable at 2.5 cents on or before 31 December 2011. The offer was expected to raise a total of \$698,497 before costs, however the offer was revised on 11 February 2008 by lodgement of a replacement prospectus altering the issue price to 0.2 cents and the exercise price to 2.0 cents. The revised offer under the replacement prospectus is now expected to raise a total of \$279,386 before costs.

Other than this no matters or circumstances have arisen since the end of the reporting period, not otherwise disclosed in this report, which significantly affected or may significantly affect the operations of the economic entity, the result of those operations or the state of affairs of the economic entity in subsequent financial years.

DIRECTORS' DECLARATION

The directors' of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 12:

(a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations;
and

(b) give a true and fair view of the economic entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Mr Ata Gokyildirim
Non-Executive Chairman

Dated 28 February 2008

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PRIMA BIOMED LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Prima Biomed Limited and Controlled Entities (the consolidated entity) which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 "Review of an Interim Financial Report Performed by the Independent Auditor of the Entity", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134:Interim Financial Reporting and the Corporations Regulations 2001. As auditor of Prima Biomed Ltd and Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Prima Biomed Limited and Controlled Entities is not in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



Mclean Delmo Hall Chadwick
Audit Assurance Pty Ltd



Kevin P Adams
Registered Company Auditor

Melbourne
28 February 2008