



Appendix 4D Interim Financial Report

for the half year ended
31 December 2008

(previous corresponding period: half year ended 31 December 2007)

To be read in conjunction with the 30 June 2008 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 2008.

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 | Chairman |
| Mr Martin Rogers | Executive Director |
| Dr Richard Hammel | Non-Executive Director |

Review of Operations

US FDA Pre-IND Meeting for CVac™ Cancer Treatment

Prima is pleased this half to have completed a successful pre-Investigational New Drug Application (preIND) meeting with the US Food and Drug Administration (FDA) for the company's CVac™ ovarian cancer treatment.

The successful FDA preIND meeting is a major milestone in the commercialisation process for CVac™.

This now paves the way for Prima to have its CVac™ cancer treatment approved as an Investigational New Drug Application (IND) by FDA and then conduct a Stage IIb/III Pivotal Trial in the US, which is one of the major milestones in the development pathway to commercialisation of CVac™ into the multi-billion global ovarian cancer therapy market.

The preIND meeting was held with Prima and the FDA in Washington DC in October, and is the end result of a stringent and rigorous assessment process set to the world's highest regulatory standards. Minutes from the meeting are released by the FDA following which the company will submit its paperwork for an IND once funding for commercialisation is clear.

As a result of the successful outcome of the FDA meeting, Prima can look forward with confidence to achieving the regulatory requirements to complete commercialisation of its flagship cancer treatment product.

CVac™ is a therapy treatment for ovarian cancer administered post-surgery and post-chemotherapy to delay relapse and control metastases. There is a large unmet medical need for new treatments for ovarian cancer which has a very high morbidity rate, and there are currently no maintenance based therapy products available.

The Stage IIb/III Pivotal Trial will be lead by the Fred Hutchinson Cancer Centre in Seattle in the USA, which is a leading world class cancer institute with three Nobel Laureates on staff.

Canadian Patent Granted for Ovarian Cancer Vaccine

Prima's subsidiary, Cancer Vac Pty Ltd, has been granted a patent covering its ovarian cancer immunotherapy product, MFP, by the Canadian Patent Office.

The patent titled, Antigen carbohydrate compounds and their use in immunotherapy, Patent Number 2135833 claims priority from November 1994 and expires in November 2014.

The granted patent claims protect the manufacture of an immunotherapy comprising the patient's own dendritic cells that have been pulsed with a tumour antigen conjugated to mannan fusion protein (MFP). The granting of the Canadian patent strengthens Prima's development pipeline as the granted claims cover multiple antigens that may potentially be conjugated to MFP, not just those antigens associated with ovarian cancer.

Sale of Unmarketable Parcels of Shares

The sale of unmarketable parcels of shares has been completed by Tolhurst Ltd who acted as an execution-only broker on behalf of shareholders for shares of unmarketable parcels.

Share Purchase Plan

The company made available for shareholders to purchase shares of up to \$5,000 per shareholder. Applications were received in late December for \$198,000 representing 39,600,000 ordinary shares.

Outlook

The company intends to maximize shareholder wealth principally via the pursuit of a US FDA IND for CVac™ and successful partnering of the future clinical trials.

Finance Report

The loss for the current half year was \$0.807m compared with a loss of \$0.820m for the half year ended 31 December 2007.

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 Martin Rogers
Executive Director

Sydney
Dated 26 February 2009

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Prima Biomed Ltd for the half year ended 31 December 2008, I declare that, to the best of my knowledge and belief, 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.

This declaration is in respect of Prima Biomed Ltd and the entities it controlled during the period.



MDHC Audit Assurance Pty Ltd



Kevin P Adams
Director

Hawthorn
26 February 2009

Appendix 4D for the Half Year Ended 31 December 2008

Results for announcement to the market

Current Reporting Period - Half year Ended 31 December 2008

Previous Reporting Period - Half year Ended 31 December 2007

| | | | | |
|---|------|--------|----|-------------|
| Revenues | up | 59.06% | to | \$22,679 |
| Loss after tax attributable to members | down | 1.55% | to | (\$807,036) |
| Net loss for the period attributable to members | down | 1.55% | to | (\$807,036) |

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

Net Tangible Assets per Security (cents per security)

| | |
|------------------------|------|
| As at 31 December 2008 | 0.45 |
| As at 31 December 2007 | 1.54 |

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 2008

| | 31 December 2008 | 31 December 2007 |
|--|------------------|------------------|
| | \$ | \$ |
| Revenue | 22,679 | 14,258 |
| Auditor's remuneration | (10,000) | (10,000) |
| Depreciation | (4,847) | (6,093) |
| Amortisation | (20,968) | (20,968) |
| Research and development expenses | (1,527) | (53,908) |
| Corporate administration | (514,476) | (569,026) |
| Business development | (85,549) | (125,965) |
| Intellectual property | (192,348) | (36,953) |
| Loss on disposal of assets | - | (11,126) |
| | <hr/> | <hr/> |
| LOSS BEFORE INCOME TAX | (807,036) | (819,781) |
| | | |
| INCOME TAX EXPENSE | - | - |
| | <hr/> | <hr/> |
| LOSS FOR THE PERIOD | (807,036) | (819,781) |
| | | |
| LOSS ATTRIBUTABLE TO MINORITY INTEREST | - | 11 |
| | <hr/> | <hr/> |
| LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY | (807,036) | (819,770) |
| | <hr/> <hr/> | <hr/> <hr/> |
| | Cents | Cents |
| Basic loss per share | (0.26) | (0.39) |
| Diluted loss per share | (0.26) | (0.39) |

The accompanying notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

| | Note | 31 December 2008 \$ | 30 June 2008 \$ |
|--|------|------------------------|--------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 487,020 | 1,098,259 |
| Trade and other receivables | | 48,563 | 46,941 |
| Other current assets | | 25,077 | 36,055 |
| TOTAL CURRENT ASSETS | | 560,660 | 1,181,255 |
| NON-CURRENT ASSETS | | | |
| Other financial assets | 5 | 1,180,780 | 1,026,571 |
| Plant and equipment | | 24,865 | 29,712 |
| Intangible assets | | 562,745 | 583,712 |
| TOTAL NON-CURRENT ASSETS | | 1,768,390 | 1,639,995 |
| TOTAL ASSETS | | 2,329,050 | 2,821,250 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 199,109 | 187,817 |
| TOTAL CURRENT LIABILITIES | | 199,109 | 187,817 |
| TOTAL LIABILITIES | | 199,109 | 187,817 |
| NET ASSETS | | 2,129,941 | 2,633,433 |
| EQUITY | | | |
| Issued capital | 6 | 40,589,610 | 40,440,275 |
| Reserves | | (1,800,736) | (1,954,945) |
| Accumulated losses | | (36,659,034) | (35,851,998) |
| Total parent entity interest in equity | | 2,129,840 | 2,633,332 |
| Minority interest | | 101 | 101 |
| TOTAL EQUITY | | 2,129,941 | 2,633,433 |

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2008

| | Issued Capital \$ | Reserves \$ | Accumulated Losses \$ | Minority Equity Interests \$ | Total \$ |
|---|----------------------|--------------------|-----------------------------|---------------------------------------|------------------|
| Balance at 1 July 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 |
| Shares issued net of costs | 30,462 | - | - | - | 30,462 |
| Options issued | 429,387 | - | - | - | 429,387 |
| Financial assets revaluation reserve | - | (1,954,945) | - | - | (1,954,945) |
| Net (Loss) for the period | - | - | (1,067,586) | - | (1,067,586) |
| Loss attributable to minority shareholders | - | - | - | (11) | (11) |
| Balance at 30 June 2008 | 40,440,275 | (1,954,945) | (35,851,998) | 101 | 2,633,433 |
| Shares issued net of costs | 149,335 | - | - | - | 149,335 |
| Financial assets revaluation reserve | - | 154,209 | - | - | 154,209 |
| Net (Loss) for the period | - | - | (807,036) | - | (807,036) |
| Balance at 31 December 2008 | 40,589,610 | (1,800,736) | (36,659,034) | 101 | 2,129,941 |

The accompanying notes form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2008

| | 31 December 2008 | 31 December 2007 |
|--|------------------|------------------|
| | \$ | \$ |
| CASH FLOWS RELATED TO OPERATING ACTIVITIES | | |
| Payments to suppliers and employees | (783,253) | (861,670) |
| Interest received | 22,679 | 14,258 |
| | (760,574) | (847,412) |
| CASH FLOWS RELATED TO INVESTING ACTIVITIES | | |
| Payment for purchases of plant and equipment | - | (3,980) |
| | - | (3,980) |
| CASH FLOWS RELATED TO FINANCING ACTIVITIES | | |
| Proceeds from issues of securities | 198,000 | 1,980,532 |
| Capital raising costs | (48,665) | (134,996) |
| | 149,335 | 1,845,536 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | (611,239) | 994,144 |
| Cash and cash equivalents at the beginning of the half year | 1,098,259 | 671,780 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE HALF YEAR | 487,020 | 1,665,924 |

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 2008 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 2008 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 accruals 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 2008.

Note 3. Segment Information

Industrial Segments

| 31 December 2008 | Cancer Immuno- Therapy \$ | Anti- Inflammatory \$ | Drug Delivery Systems \$ | Therapeutic Antibodies for Cancer \$ | Eliminations \$ | Total \$ |
|--|------------------------------------|-----------------------------|--------------------------------|---|--------------------|------------------|
| <u>Revenue</u> | | | | | | |
| External Sales | 3 | - | - | - | - | 3 |
| Unallocated Revenue | | | | | | 22,676 |
| Total Revenue | | | | | | <u>22,679</u> |
| <u>Result</u> | | | | | | |
| Segment Result | (150,726) | (402) | (28,781) | (38,982) | - | (218,891) |
| Unallocated Revenue | | | | | | 22,676 |
| Unallocated Expenses | | | | | | (610,821) |
| Net Loss | | | | | | <u>(807,036)</u> |
| <u>Assets</u> | | | | | | |
| Segment Assets | 392,407 | 1,185,406 | 3,124 | 228,471 | - | 1,809,408 |
| Unallocated Assets | | | | | | 519,642 |
| Total Assets | | | | | | <u>2,329,050</u> |
| <u>Liabilities</u> | | | | | | |
| Segment Liabilities | 7,806,755 | 2,201,964 | 4,134,219 | 1,367,706 | (15,489,829) | 20,815 |
| Unallocated Liabilities | | | | | | 178,294 |
| Total Liabilities | | | | | | <u>199,109</u> |
| <u>Other</u> | | | | | | |
| Depreciation and Amortisation of Segment Assets | 13,061 | - | - | 8,076 | - | - |

| 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 | - | - |

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. Other Financial Assets

| | 31 December 2008 \$ | 30 June 2008 \$ |
|-------------------------------------|------------------------|--------------------|
| NON CURRENT | | |
| Available-for-sale financial assets | 5 (a) 1,180,780 | 1,026,571 |
| | <u>1,180,780</u> | <u>1,026,571</u> |

(a) Available for sale financial assets comprise:

NON CURRENT

Unlisted investments at recoverable amount

| | | |
|--|------------------|------------------|
| - shares in other corporations at cost | 3,249,120 | 3,249,120 |
| - less valuation decrement | (2,068,340) | (2,222,549) |
| | <u>1,180,780</u> | <u>1,026,571</u> |

Note 6. Issued Capital

| | 31 December 2008 | | 30 June 2008 | |
|---|------------------|-------------------|--------------|-------------------|
| | No. | \$ | No. | \$ |
| <u>Issued and Paid Up Capital</u> | | | | |
| Fully Paid Ordinary Shares | 344,679,915 | 39,917,166 | 305,079,915 | 39,745,331 |
| Options over Fully Paid Ordinary Shares | 180,243,302 | <u>672,444</u> | 185,243,302 | <u>694,944</u> |
| Total Issued Capital | | <u>40,589,610</u> | | <u>40,440,275</u> |

During the half year ended 31 December 2008, the following movements in equity occurred:

Shares

39,600,000 Shares issued pursuant to Share Purchase Plan

Options

(5,000,000) Options lapsed

Note 7. Net Tangible Assets

| | 31 December 2008 | | 31 December 2007 | |
|-----------------------------|------------------|------------------|------------------|------------------|
| | | \$ | | \$ |
| Net Assets | | 2,129,941 | | 5,196,126 |
| Intangible Assets | | <u>(562,745)</u> | | <u>(604,680)</u> |
| Net Tangible Assets | | <u>1,567,196</u> | | <u>4,591,446</u> |
| Shares | | 344,679,915 | | 299,079,913 |
| Net Tangible Assets (cents) | | 0.45 | | 1.54 |

Note 8. Events Subsequent to Reporting Date

On 29th January 2009 the Company received \$125,000 from a Convertible Loan Agreement. The loan is secured by a charge over 25% of the intellectual property of Prima's subsidiary, Cancervac Pty Ltd, and has an interest rate of 10% per annum. The principal plus outstanding interest may be converted to unlisted options at a conversion rate of \$0.01 per option with an exercise price of \$0.01 exercisable on or before the 4th anniversary of the issue date. In the event that the loan is not converted to options within one year then Prima will be required to repay the principal and outstanding interest plus a fee of \$187,500.

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 2008 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 Martin Rogers
Executive Director

Dated 26 February 2009

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 2008, 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 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the 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.

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 consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

MDHC Audit Assurance

MDHC Audit Assurance Pty Ltd

Kevin P Adams

Kevin P Adams
Director

Hawthorn
26 February 2009