



Appendix 4E Preliminary Financial Report

for the year ended
30 June 2009
(and previous corresponding period: year ended 30 June 2008)

In compliance with Listing Rule 4.3A

Appendix 4E for the Year Ended 30 June 2009

Results for announcement to the market

Current Reporting Period - Year Ended 30 June 2009

Previous Reporting Period - Year Ended 30 June 2008

Revenues	reduced by	49.75%	to	\$29,112
Loss after tax attributable to members	increased by	56.11%	to	(\$2,946,356)
Net loss for the period attributable to members	increased by	56.11%	to	(\$2,946,356)

Dividends (distribution)	Amount per Security	Franked Amount
Final dividend	Nil	Nil
Previous corresponding period	Nil	Nil

Net Tangible Asset per Security (cents per security)

As at 30 June 2009 0.30

As at 30 June 2008 0.67

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.

DIRECTORS' REPORT

Your directors present their report on the economic entity consisting of Prima Biomed Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2009.

Directors

The following persons were directors of Prima Biomed Ltd during the financial year and up to the date of this report:

Mr Ata Gokyildirim	Chairman	Appointed	20-Dec-07
Mr Martin Rogers	Executive Director	Appointed	16-Oct-07
Dr Richard Hammel	Non-Executive Director	Appointed	01-Feb-05

Review of Operations

On behalf of the Board and Management of Australian cancer treatment development company Prima Biomed Ltd (ASX: PRR) ("The Company", "Prima") am pleased to provide the following review of operations and activities of the Company over the previous 12 months.

Key Achievements for FY 2008/2009

- Up to A\$25.5 million funding secured through convertible loan facility.
- Former Pfizer senior executive appointed Project Manager for Company's US operations.
- Continuing progress in US FDA approval for **CVac™**.
- Second European Patent for **CVac™** secured.
- Up to A\$12 million funding secured through equity drawdown facility.
- Commencement of selective **CVac™** patient treatment in Australia.
- Canadian Patent for **CVac™** granted.
- Positive preIND Meeting with US FDA.

A\$25.5 million funding secured through convertible note facility

The Company secured up to A\$25.5 million in funding via a convertible loan facility from New York-based investment fund SpringTree Special Opportunities Fund LLC ("SpringTree") to provide funds for the commercialisation of the **CVac™** ovarian cancer vaccine treatment.

The proceeds of the convertible loan facility will be used to help fund the Company's Phase IIb Trial for **CVac™** with the US Food and Drug Administration (FDA), as well as other future trials and approvals.

The new funding is another major step towards commercialising the **CVac™** ovarian cancer treatment product into the multi-billion dollar global oncology pharmaceutical market. The funding addresses the finance risk from the product commercialisation process, and allows Prima to commit to the key final stages of **CVac™** development timeline with confidence.

SpringTree is a New York-based investment fund that makes debt and equity investments in small-cap and mid-cap public companies around the world.

Former Pfizer senior executive appointed Project Manager for Prima's US operations

The Company appointed Pfizer's former Director of Global Medical, Ms Ginny Raymond, to the Company on a full-time basis in the role of Project Manager for Prima's US operations.

Ms Raymond has more than 20 years experience in clinical drug development with Pfizer, one of the world's leading pharmaceutical companies. In that time she was involved in the clinical development of more than 30 different generic compounds and clinical research at Sloan-Kettering.

In her role with Prima she will be responsible for managing the Company's growing operations in the US, with a specific focus on overseeing the successful passage of the Investigational New Drug (IND) application with the FDA for **CVac™**. Ms Raymond will also assume responsibility for managing **CVac™**'s upcoming Pivotal Clinical Trial in the US.

Continuing progress in US FDA approval for CVac™

The Company continued to make excellent progress towards the commercialisation of the **CVac™** ovarian cancer therapy treatment vaccine into the multi-billion global oncology pharmacy market.

The Company Prima has commenced the final regulatory submission process for its Investigational New Drug (IND) application with the FDA for **CVac™**. The granting of Investigational New Drug status is a pre-requisite for all new drug applications seeking FDA approval to licence a drug for commercial use. This is being managed by former FDA Director of Cell and Gene Therapy Dr Joyce Frey-Vasconcells.

In addition, the protocol design for the selection of patients to participate in **CVac™**'s Phase IIb/III Pivotal Trial has been completed. This was managed by world leading Gynecological Oncologist, Dr Heidi Grey, at the prestigious Fred Hutchinson Cancer Centre in Seattle in the USA, which has three Nobel Laureates on staff.

The Centre will also host the US section of the Pivotal Trial.

Second European Patent for CVac™ secured

In March this year the Company, through its subsidiary company Cancer Vac Pty Ltd, was granted a patent covering the administration of **CVac™** by the European Patent Office.

The new patent claims create additional value for Prima by extending the patent life of this patent application to 2018, which provides a potential four more years of revenues for the current product under development.

The patent will be validated in Austria, Belgium, Switzerland/Lichtenstein, Germany, Denmark, Spain, France, United Kingdom, Ireland, Italy, Luxembourg, The Netherlands and Sweden.

A\$12 million funding facility secured

In March the Company also secured a A\$12 million funding facility with investment bank Fortrend Securities Pty Ltd ("Fortrend") to advance the commercialisation of **CVac™**.

The funding facility is provided by an equity draw-down facility provided by Fortrend, which allows the Company to place shares with Fortrend over the next 3 years. The facility is subordinated to the convertible loan facility with Springtree. The Company is not permitted to drawdown the facility during the term of the facility with Springtree. The funding is a major milestone for Prima as it continues the commercialisation process for **CVac™**.

Commencement of selective CVac™ patient treatment in Australia

The Company commenced selective patient treatment with **CVac™** in Australia via the Australian Regulatory Control Mechanism's Special Access Scheme under the Therapeutic Goods Administration.

The patient treatment represented another important step in the commercialisation process. The injection of the **CVac™** vaccine in ovarian cancer patients works as a postsurgery and post-chemotherapy maintenance therapy to delay relapse and control metastases.

Canadian Patent for CVac™ granted

In October last year the Company (through its subsidiary, Cancer Vac Pty Ltd) was granted a patent covering **CVac™** by the Canadian Patent Office.

The patent 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.

Positive preIND Meeting with US FDA

In October last year the Company also completed a positive pre-Investigational New Drug Application (preIND) meeting with the FDA.

The preIND meeting was held in Washington DC on October 17 2008, and was the end result of a stringent and rigorous assessment process set to the world's highest regulatory standards.

The focus of the meeting was the Company's plans for the commencement of **CVac™**'s Pivotal clinical trials in the US. As a result of the meeting, Prima has clarified details of the development path for **CVac™**, which paved the way for Prima to file an Investigation New Drug (IND) Application with the FDA.

Other activity

In April this year the Company, through its subsidiary company Oncomab Pty Ltd, received Notification of Grant from the Chinese Patent Office for its cancer antibody antigen Cripto-1. The patent has also been granted in Australia, New Zealand and the USA.

Cripto-1 is a protein found in high levels on the surface of many different kinds of cancer cells and is also found in the blood stream of cancer patients. The antibody works by binding to the Cripto-1 molecule and interfering with cell signaling, which results in the death of the cancer cell.

Financial

Revenue of \$0.029m decreased from \$0.058m. in the previous year due to reductions in interest.

Operating costs were down compared to the previous year. The key contributors to that result came from:

- R&D expenses decreased by \$00m due to a reduction in expenses driven by completion of the clinical trials and containment of costs in the other non-core R&D programs.
- Corporate Administration expenses increased by \$0.084m due to increased activity.
- Intellectual Property expenses increased by \$0m due to increased expenditure on consultants, contract research and legal costs.

The investment in the Trillium Therapeutics Inc ("Trillium") was re-valued to \$0.555m to reflect the latest external indication of fair value, being CAD \$0.43, pursuant to a capital raising exercise carried out in September 2008. The impairment loss of \$0.471m was recognised for the current year.

The Company raised \$0.198m before costs from a share purchase plan in December 2008, \$0.165m before costs from a share purchase plan in June 2009, \$0.126m from the exercise of options and \$1.200m from a share placement.

Overall the result was a loss of \$2.946m compared to a loss for the previous year of \$1.887m.

The Company is keen to unlock value for shareholders as part of this consolidation phase and is assessing all opportunities and looks forward to further updating the market in relation to these programs as they develop.



Martin Rogers
Executive Director
Sydney
Dated 27-August-2009

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

Notes	30 June 2009 \$	Economic Entity 30 June 2008 \$
Revenue	29,112	57,940
Gross Profit	29,112	57,940
Auditor's Remuneration	(50,612)	(45,485)
Depreciation	(7,482)	(10,925)
Amortisation	(41,936)	(41,936)
Research & Development and Intellectual Property	(597,690)	(213,433)
Corporate Administration	(1,446,279)	(1,362,404)
Business Development	(240,029)	(260,369)
Impairment of Assets	(471,464)	-
Loss on Disposal of Assets	(4,677)	(10,766)
Net Loss on Financial Liabilities at Fair Value Through Profit or Loss	(115,385)	-
LOSS BEFORE INCOME TAX	(2,946,442)	(1,887,378)
INCOME TAX EXPENSE	-	-
LOSS FOR THE PERIOD	(2,946,442)	(1,887,378)
LOSS ATTRIBUTABLE TO MINORITY INTEREST	86	22
LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY	(2,946,356)	(1,887,356)
	Cents	Cents
Loss per share attributable to the ordinary equity holders of the Company, from overall operations		
Basic loss per share	(0.90)	(0.74)
Diluted loss per share	(0.90)	(0.74)

The accompanying notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2009

Note	30 June 2009 \$	Economic Entity 30 June 2008 \$
CURRENT ASSETS		
Cash and Cash Equivalents	939,561	1,098,259
Trade and Other Receivables	356,472	46,941
Other Current Assets	77,392	36,055
TOTAL CURRENT ASSETS	1,373,425	1,181,255
NON-CURRENT ASSETS		
Other Financial Assets	555,107	1,026,571
Plant and Equipment	19,311	29,712
Intangible Assets	541,777	583,712
TOTAL NON-CURRENT ASSETS	1,116,195	1,639,995
TOTAL ASSETS	2,489,620	2,821,250
CURRENT LIABILITIES		
Trade and Other Payables	436,713	187,817
Borrowings	240,385	-
TOTAL CURRENT LIABILITIES	677,098	187,817
TOTAL LIABILITIES	677,098	187,817
NET ASSETS	1,812,522	2,633,433
EQUITY		
Issued Capital	5 42,565,806	40,440,275
Reserves	(1,954,694)	(1,954,945)
Accumulated Losses	(38,798,354)	(35,851,998)
Total Parent Entity Interest in Equity	1,812,758	2,633,332
Minority Equity Interest	(236)	101
TOTAL EQUITY	1,812,522	2,633,433

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

Economic Entity					
	Issued Capital	Reserves	Accumulated Losses	Minority Equity Interest	Total
	\$	\$	\$	\$	\$
Balance at 30 June 2007	38,044,589	-	(33,964,642)	123	4,080,070
Shares issued net of costs	1,919,999	-	-	-	1,919,999
Options issued	475,687	-	-	-	475,687
Financial assets revaluation reserve	-	(1,954,945)	-	-	(1,954,945)
Net loss for the period	-	-	(1,887,356)	-	(1,887,356)
Loss attributable to minority equity interest	-	-	-	(22)	(22)
Balance at 30 June 2008	40,440,275	(1,954,945)	(35,851,998)	101	2,633,433
Shares issued net of costs	2,125,531	-	-	-	2,125,531
Financial assets revaluation reserve transferred	-	251	-	(251)	-
Net loss for the period	-	-	(2,946,356)	-	(2,946,356)
Loss attributable to minority equity interest	-	-	-	(86)	(86)
Balance at 30 June 2009	42,565,806	(1,954,694)	(38,798,354)	(236)	1,812,522

The accompanying notes form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	30 June 2009 \$	Economic Entity 30 June 2008 \$
CASH FLOWS RELATED TO OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,922,018)	(1,602,449)
Interest and other items of a similar nature received		38,548	48,113
NET CASH FLOWS USED IN OPERATING ACTIVITIES	7(a)	(1,883,470)	(1,554,336)
CASH FLOWS RELATED TO INVESTING ACTIVITIES			
Proceeds from sales of plant and equipment		901	-
Payment for purchases of plant and equipment		(2,660)	(4,571)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(1,759)	(4,571)
CASH FLOWS RELATED TO FINANCING ACTIVITIES			
Proceeds from issue of securities		1,688,898	2,179,920
Capital raising costs		(87,367)	(194,534)
Proceeds from borrowings		125,000	-
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		1,726,531	1,985,386
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(158,698)	426,479
Cash and cash equivalents at the beginning of the year		1,098,259	671,780
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7(b)	939,561	1,098,259

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensure that the financial statements and notes also comply with International Financial Reporting Standards.

The accounting policies adopted are consistent with those of the previous financial year.

Note 2. Dividends

The Company has not resolved to declare any dividends in the period ended 30 June 2009.

Note 3. Segment Information

(a) Primary Reporting Format - Business Segments

30 June 2009	Cancer Immuno- Therapy	Anti- Inflammat ory	Drug Delivery Systems	Therapeuti c Antibodies for Cancer	Elimination	Consolidat ed
	\$	\$	\$	\$	\$	\$
External Sales	4	-	-	-	-	4
Unallocated Revenue						29,108
Total Segment Revenue/income						29,112
Segment Result	(1,211,090)	(663,770)	(402,338)	(191,883)	1,347,245	(1,121,836)
Unallocated Revenue						29,108
Unallocated Expenses						(1,853,714)
Net Loss						(2,946,442)
Segment Assets	356,894	559,613	2,424	216,215	-	1,135,146
Unallocated Assets						1,354,474
Total Assets						2,489,620
Segment Liabilities	8,831,606	2,393,748	4,507,076	1,508,351	(17,051,393)	189,388
Unallocated Liabilities						487,710
Total Liabilities						677,098
Depreciation and Amortisation	26,121	-	-	16,152	7,145	49,418

(a) Primary Reporting Format - Business Segments (continued)

30 June 2008	Cancer Immuno- Therapy	Anti- Inflammat ory	Drug Delivery Systems	Therapeuti c Antibodies for Cancer	Elimination	Consolidat ed
	\$	\$	\$	\$	\$	\$
External Sales	50	-	132	-	-	182
Unallocated Revenue						57,758
Total Segment Revenue/income						57,940
Segment Result	(730,297)	(170,180)	(353,640)	(160,123)	1,186,148	(228,092)
Unallocated Revenue						57,758
Unallocated Expenses						(1,717,044)
Net Loss						(1,887,378)
Segment Assets	390,006	1,031,599	16,592	236,474	-	1,674,671
Unallocated Assets						1,146,579
Total Assets						2,821,250
Segment Liabilities	7,653,630	2,201,964	4,118,905	1,336,727	(15,302,967)	8,259
Unallocated Liabilities						179,558
Total Liabilities						187,817
Depreciation and Amortisation	26,118	-	-	16,152	10,591	52,861

(b) Secondary Reporting Format - Geographical Segments

The economic entity operated in one geographical location, being Australia in the financial years 2008 & 2009.

Note 4. Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting date.

Note 5. Issued Capital

	30 June 2009		No.	30 June 2008	
	No.	\$		\$	
<u>Issued and Paid Up Capital</u>					
Fully Paid Ordinary Shares	420,574,941	42,136,709	305,079,915	39,745,331	
Options over Fully Paid Ordinary Shares	166,698,302	<u>429,097</u>	185,243,302	<u>694,944</u>	
Total Issued Capital		<u>42,565,806</u>		<u>40,440,275</u>	

During the year ended 30 June 2009, the following movements in equity occurred:

Shares

41,957,112	Share purchase plans
2,000,000	Exercise of unlisted options (PRRAD)
5,295,000	Exercise of listed options (PRRO)
5,473,684	Shares issued to the Company Secretary
57,692,307	Shares issued to investors
3,076,923	Shares issued to consultants

Options

(5,000,000)	Expiry of unlisted options (PRRAA)
(5,250,000)	Expiry of unlisted options (PRRAY)
(1,000,000)	Expiry of unlisted options (PRRAC)
(2,000,000)	Exercise of unlisted options (PRRAD)
(5,295,000)	Exercise of listed options (PRRO)

Note 6. Net Tangible Assets

	30 June 2009	30 June 2008
Net Tangible Assets	\$1,270,745	\$2,049,721
Shares (number)	420,574,941	305,079,915
Net Tangible Assets (cents)	0.30	0.67

Note 7. Cash Flow Reconciliation

	30 June 2009	30 June 2008
	\$	\$
(a) Reconciliation of Cash Flow from Operating Activities with Net Loss after Income Tax		
Loss after income tax expense	(2,946,356)	(1,887,356)
Add back depreciation expense	7,482	10,925
Add back amortisation expense	41,936	41,936
Add back loss on disposal of assets	4,677	10,766
Add back equity issued for nil consideration	224,000	410,300
Add back minority equity interest	(86)	(22)
Add back impairment of assets	471,464	-
Unrealised loss on financial liability at fair value through Profit & Loss	115,385	-
(Increases) in Trade and other receivables	(9,531)	(14,510)
(Increases) in Other current assets	(41,337)	(35,985)
Increases/(Decreases) in Trade and other payables	248,896	(37,332)
(Decreases) in Provisions	-	(53,058)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(1,883,470)	(1,554,336)

(b) Reconciliation of Cash and Cash Equivalents

Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to items in the Balance Sheet as follows:

Cash and Cash Equivalents	939,561	1,098,259
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Note 8. Events Subsequent to Reporting Date

on 21 July 2009 the Company announced it had entered into an agreement in relation to a AUD\$25.5m convertible loan facility with New York based investment fund SpringTree Special Opportunities Fund LLP ("SpringTree"). The facility will be made available to the Company as follows:

- On entering the agreement the Company issued to Springtree 15,000,000 Collateral Shares and granted 15,000,000 Commitment Options exercisable at \$0.0629 on or before 20 July 2014. The Collateral Shares were issued as security and on termination can be cancelled or purchased at the discretion of Springtree.
- The first tranche of \$500,000 was advanced on 21 July 2009 and the Company issued to Springtree 7,739,938 Tranche Repayment Shares and 1,547,988 Tranche Options exercisable at \$0.1053 on or before 10 August 2014.
- The second tranche of \$500,000 was advanced on 12 August 2009.
- 35 additional tranches of AUD\$700,000, each to be advanced approximately 30 days after the date of the immediately preceding tranche. Approximately 28 calendar days after receipt of funds for each tranche the Company will issue to Springtree Tranche Repayment Shares and Tranche Options.

- The issue price for the Tranche Repayment Shares is the lesser of (a) 130% (or in certain circumstances, 150%) of the average of the closing price of ordinary shares of the Company for the 20 business days prior to the date of the agreement, and (b) 90% of the average volume-weighted average price of ordinary shares in the Company for a 5 consecutive business day period during a specified period ending on the date immediately prior to the relevant repayment date.
- For every five Tranche Repayment Shares one Tranche Option will be granted. The exercise price will be 150% of the average of the volume-weighted average prices of ordinary shares for the twenty business days immediately prior to the grant date. These options will expire five years after the grant date.

The Company has additional safeguards against dilution in that it can opt to repay in cash, rather than in shares, the amount outstanding at any time, and terminate the agreement with the investor, if the price at which Prima would be issuing shares to the investor were to be lower than a specified floor price of \$0.04 per share. Additionally, Prima has in place an anti-dilution protection, whereby the first and second tranche of the financing may not exceed 2% of its market capitalisation and any subsequent tranche may not exceed 3% of its market capitalisation. The investor's return on investment depends on Prima's share price appreciation and, consequently, the loan accrues no interest.

The agreement can be terminated at any time by the mutual consent of both parties or by either party after 3 years.

On 30 July 2009 the Company announced it had submitted its Investigational New Drug (IND) application with the US Food and Drug Administration (FDA) to evaluate its core product the **CVac™** ovarian cancer therapy vaccine.

On 5 August 2009, at an adjourned General Meeting, shareholders approved the grant of 38,500,000 unlisted options to directors as part of their remuneration in order to attract and retain their services and to provide incentives linked to the performance of the Company. The options vest on 15 September 2009, subject to satisfying the vesting conditions, and are exercisable for nil consideration on or before 30 September 2009. On 5 August 2009 Mr Ata Gokyildirim received 13,500,000 options, Mr Martin Rogers received 20,000,000 options and Dr Richard Hammel received 5,000,000 options.

Otherwise 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.

Note 9. Audit

These accounts are currently in the process of being audited. An Annual Report containing the audit report shall be provided in due course.