

ANNUAL REPORT



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Cover (clockwise from top left): Electron microscope photograph of immune cells attacking a cancer cell (Cancer Vac); Representation of an antibody (Oncomab); Electron microscope view of dendritic cells (Panvax); and Three dimensional display of the FcγR1a receptor (Arthron drug target).

Bryan Frost
Chairman



Dear Shareholder,

I am very pleased to present to you the 2003 Annual Report for Prima Biomed. The year under review has been highly successful for the company with all projects reaching or exceeding milestones and a number entering into commercial phase and/or licensing negotiations.

During the year Prima Biomed's Cancer Vac program announced highly encouraging results from its Phase 1 human trials for its immune stimulant treatment for cancer. This trial, conducted at the Austin Hospital's Oncology Department in conjunction with the Austin Research Institute, was subsequently extended to investigate whether cell freezing could be undertaken without loss of activity in order to significantly streamline the process. These trials received significant media attention and if results can be replicated in our recently announced Phase II trials this would represent a most compelling outcome for the company.

Prima Biomed also announced its first significant commercial collaboration with US listed biopharmaceutical company Medarex Inc. The licensing and collaboration agreement covers the co-development and commercialisation of monoclonal antibodies for treating cancer by targeting a tumour antigen called Cripto-1. Medarex, a world leader in human antibody technology, provides a strong endorsement of the company's commercial prospects arising from its licensed technology in this field.

For some time Prima Biomed has been involved in negotiations with pharmaceutical companies in respect of its proprietary I.P. relating to autoimmune disease in particular its rheumatoid arthritis applications. These negotiations are proceeding well and we anticipate that they will result in licensing agreements being enacted in the near future.

During the year we announced a number of significant outcomes for our DCtag adjuvant technology including collaboration with the Institute Pasteur, France in the field of malaria. Subsequent to balance date a further collaboration and licensing deal was

announced with leading Australian Alzheimers Disease (AD) company Prana Biotechnology Limited to research and develop a potential vaccine for A.D.

Also subsequent to year end the company completed two capital raisings which have provided in excess of \$7 million in new funding for the company. This places Prima Biomed in a strong financial position to strategically exploit its quality project portfolio.

During the year Prof. Ian McKenzie retired from the board and as the director of the Austin Research Institute and has been replaced in both these capacities by Prof. Mark Hogarth. The company also appointed Dr Kevin Fahey as a director to strengthen its in-house expertise in negotiations with pharmaceutical companies.

In conclusion I would like to express our thanks and appreciation to the many scientists from the Austin Research Institute who have dedicated their time, knowledge and diligence to initially create opportunities for the company and to advance these discoveries to attract commercial interest.

On behalf of the board I thank you for your ongoing support and look forward to the next financial year with great confidence.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Bryan Frost'.

Bryan Frost
Chairman

Prima Biomed's vision and mission is to demonstrate excellence in identifying, funding, developing and managing biotechnology research to produce products for human and animal health care. Consistent growth of Prima Biomed through all projects accepted for funding, development and management to achieve commercial outcomes that produce significant increases in value of the underlying technology.

The objectives for the next financial year are:

- Commercialisation of the technologies under development by Prima Biomed – focus on Arthron and Panvax
- Accelerating the development of current technologies – the plans with Panvax and Cancer Vac to be brought forward in terms of resourcing in order to secure earlier outcomes
- Secure investment into the Specific Purpose Companies – attract groups who can assist the stage 2 developments through provision of funds and networking expertise
- Ensure a pipeline of new investment opportunities – continue to monitor the Austin Research Institute and other centres of excellence

Review of Operations

Marcus Clark
Chief Executive Officer



The hallmark of the year's operations was the significant progress achieved by all four investee companies – confirmation of biological activity was obtained in humans with the Cancer Vac program, the anti inflammatory compounds, vaccine adjuvant technology and anti cancer antibody developed under Arthron, Panvax and Oncomab demonstrated biological activity in animals. This was a significant result to see all investments providing positive developments and thus providing Prima BioMed with vindication of its initial investment decisions.

In early 2003 a commercial agreement was signed with USA biotech, Medarex Inc. and Oncomab for the joint development of a human anticancer antibody. This deal provides an endorsement of the potential value of the target and the means of reducing the costs of development over the next 2-3 years.

A number of other significant collaborations were undertaken with Panvax and we are anticipating they will mature into commercial arrangements in the next financial year.

The R&D program in Arthron has produced a technical data set that we believe now has potential for licensing to a major pharmaceutical company. Presentations and subsequent discussions have begun and the company is hopeful this will lead to Arthron realising value on the investment made by Prima over the previous 2 years.

A review of the accounts of the company indicates an increase in overall expenditure compared to the previous year. This is in line with the company's business plan and particularly reflects expenditure on the technologies licensed into Panvax and Oncomab during 2002/03. Intellectual property costs also increased as a result of the above events and the progression of patent applications associated with Cancer Vac and Arthron into examination and granting in many of the major jurisdictions. These events have been announced during the year. Protection of the patent portfolio is critical to the company's ability to enter into commercial arrangements. In order to maximise our strength in each patent, the company entered into a strategic alliance with Blake Dawson

Waldron's patent group. This has improved invaluable and ensured the design of the claims is refined to optimise protection from competitors.

Business Development activities were stepped up during the year, which involves considerable overseas travel to undertake negotiations and discussions and hence costs rose significantly. Management anticipates that these activities will bear commercial outcomes in 2003/04.

The Board of Directors saw significant changes. Professor Ian McKenzie and Mr Jeremy Cooper resigned. Their efforts were key to the establishment of the company and Professor McKenzie was behind much of the technology, which is under license today. They made way for the appointment of Dr Kevin Fahey who brings considerable expertise in commercial development and licensing of biotechnology products from his experience with the world's largest pharmaceutical group-Pfizer.

Shareholders will recall the company set six corporate objectives which were listed in last year's annual report:

- Initiate a Phase 2 human clinical trial in Cancer Vac;
- Identify a lead compound for preclinical testing in Arthron;
- Panvax-demonstrate platform potential and complete preclinical development for a Phase 1 clinical trial in cancer;
- Oncomab-conclude a collaborative agreement for development of a therapeutic antibody for cancer;

Key Announcements

The company made a number of key announcements during the financial year which indicated that key milestones were being achieved and as a consequence commercial value was being added to the intellectual portfolio:

- 15 JUL 03** Prima Biomed Announce Further Positive Phase 1b Human Cancer Results Using Cell Based Therapy
- 19 JUN 03** Australian Government behind new Prima Biomed DCtag Foot and Mouth Vaccine Research
- 21 MAY 03** Prima Biomed secures key cancer patent in the US
- 30 APR 03** Prima Subsidiary breakthrough in Malaria experiments
- 16 APR 03** Prima Subsidiary secures key cancer patent in Australia
- 19 MAR 03** Prima enters Commercial Alliance with Prominent US Biotech on Cancer Antibodies
- 06 FEB 03** DCtag Technology Validated in Large Animals
- 28 NOV 02** Research Collaboration with Institute Pasteur for DCtag
- 23 OCT 02** Cancer Success in Melbourne Human Trial
- 27 SEP 02** Pivotal Patent Application for Dendritic Cell Based Therapy Accepted
- 25 SEP 02** Prima Subsidiary Has Patent Application Accepted
- 04 SEP 02** Prima Biomed Achieves Clinical Advancement and Patent Expansion in 2002
- 02 AUG 02** Prima Biomed Expands its Anti-inflammatory Intellectual Property Portfolio
- 10 JUL 02** Prima Biomed announces successful Stage 1 results in Cancer and Rheumatoid Arthritis Programs

- Investment in one additional technology; and
- Complete 3rd round of capital raising.

I'm pleased to report that we achieved all these objectives with the exception of identifying a new technology as it was decided to focus our activities on the commercialisation of the Arthron program before making an additional investment.

The significant progress with the product development programs and recent success in raising new capital, post this report period, leaves the company in an excellent position to realise its objectives of commercial returns on its investments.

ARTHRON LTD

The company is focused on developing a new generation of anti-inflammatory agents.

In June a comprehensive review of progress was undertaken and it was decided to invest for a further 12 months in R&D to complete validation of the receptor's role in rheumatoid arthritis, produce a selection of drug templates to show an ability to inhibit activity of the receptor and produce a number of assay systems for screening of compounds.

The receptor, FcγRIIIa, located on white blood cells, is the most highly expressed activating receptor of the Fc receptor family. The evidence however, was lacking as to whether the receptor was casually related to the development of inflammation in autoimmune diseases such as rheumatoid arthritis. Scientists at the Austin Research Institute have successfully characterised a transgenic mouse that expressed the human FcγRIIIa receptor. Experiments conducted over the 12 months, comparing these mice to non transgenic mice, demonstrated that the expression of the receptor produced a naturally occurring form of arthritis in mice at 30 weeks of age, the pathology of which was very similar to that associated with rheumatoid arthritis in humans. Normal mice were monitored as controls and developed no such arthritis. This was the first time any such proof of the effect of FcγRIIIa had been demonstrated. Further experiments with drugs developed by Arthron (which are known to selectively bind to the receptor and inactivate activity) inhibited the development of disease in

the transgenic mice. Such experiments demonstrate quite clearly the role of the receptor in disease.

The second question that remained outstanding was whether the receptor could be "manipulated" in a drug like manner, thus making it a potential pharmaceutical target. To address this, scientists undertook dose-response experiments with a variety of 'drug like' chemical templates that they designed to bind to the receptor. The results of these experiments have provided 12 different families of templates. The initial experiments indicate a number of compounds are able to inhibit the receptor in a drug like manner i.e. Dose changes lead to a change in effect.

In parallel a number of assay systems were developed which can be used for high through put screening of libraries of compounds.

The company has filed patent applications for all new compounds developed during this year.

As a result, the company believes it has a technical data package describing a new target in rheumatoid arthritis, starting template compounds, a number of assay systems together with a significant intellectual property portfolio which covers the gene coding for the receptor, the 3D structure of the receptor and compounds that inactivate the receptor.

Arthron is of the opinion this is an appropriate time to license this package as the market opportunity is significant and there is demand for a new validated target in rheumatoid arthritis and other auto-immune diseases. The commercial potential of this package has been enhanced by pharmaceutical company's interest in biological disease modifiers. Arthron has a soluble recombinant form of the receptor which in itself can be developed as a therapeutic agent. A road show was undertaken earlier this year, and the data package was presented. Discussions are now taking place with key companies who develop and market anti-inflammatory drugs.

CANCER VAC LTD

Cancer Vac has been pursuing a cancer treatment that leads to the patient's own immune cells being reset to recognise and eradicate tumour cells. The process is known as Dendritic Cell Therapy and the "product" is a therapeutic vaccine. It has the advantage that it is tailor made to a patient's own immune status and of all treatment strategies being pursued in cancer represents the treatment capable of providing the greatest level of immune response. Cancer Vac reported the results of its Phase 1b clinical trial (a trial designed to elucidate safety profile and immunogenicity). 14 patients were treated with the therapeutic vaccine and all recorded an immune response to the vaccine, which we believe was the best result recorded for a cancer treatment in a phase 1 setting. The treatment was demonstrated to be very safe as no side effects of any consequence were recorded.

During this trial, the immune cells collected from the patients were frozen so that the number of patient visits could be minimised, thereby improving the quality of treatment for them and reducing the cost of treatment. The results have shown that freezing these cells and subsequent thawing prior to administration did not compromise the treatment's immune activity. These additional findings will have added commercial benefit.

Phase 1 clinical trials do not have the design features to allow analysis of therapeutic activity; however it was a very rewarding observation that two patients showed no progression of their disease despite having a very poor prognosis on entry into the trial.

It was important that the company have sufficient funds to complete a Phase 2 trial. The company received such a commitment from its parent, Prima BioMed, after it completed a successful capital raising. It is forecasted that the trial will receive approval to proceed before the end of 2003.

There have been considerable developments in this form of therapy in North America, and Japan and South East Asia will also be a large market. It is expected that successful results from this trial would produce a very significant commercial position for Cancer Vac.

PANVAX LTD

The scientific program put in place at the start of 2002 was completed in late June and resulted in the demonstration of a platform for a new vaccine adjuvant with potential to enhance the effect of vaccines in many important diseases and improve the activity to treat diseases as diverse as malaria and cancer.

The intellectual property, known as "DCTag", surrounds the use of a nano-particle which at a certain size demonstrates an ability to cause both arms of the immune system to be activated. As a consequence DCTag when coupled to foreign or tumour proteins can lead to antibody and cytotoxic T cell production. This provides a basis for broad therapeutic application.

A number of announcements were made during the year which indicated progression to the platform result:

- Experiments in large animals indicated the ability of DCTag to produce T cell immune responses, an important indicator for outcomes in humans;
- Studies in mice infected with malaria demonstrated that DCTag could eradicate disease;
- DCTag demonstrated an ability to inhibit the development of viral infection by the respiratory syncytial virus – the cause of serious respiratory infections in humans; and
- The completion of a toxicology study indicating that DCTag alone showed no toxicity to any organs.

As a result of those successful outcomes the company has decided to focus its development activities on establishing safety and immunogenicity in humans in a Phase 1 trial. It intends to license in a marketed antigen (foreign protein) conjugate the antigen to DCTag and test the DCTag-vaccine in healthy volunteers. This study should commence mid 2004.

In parallel it will continue to develop a therapeutic cancer treatment using DCTag conjugated to a cancer antigen. It will partner this program to secure access to a well characterised antigen.

Collaborations established in 2003 included:

- **Centre for Animal Biology (Melbourne University)** – Foot and Mouth Disease;
- **UK Biotech (name withheld due to confidentiality agreement)** – Cell Based Therapy;
- **Prana Biotechnology Ltd** – Alzheimer’s disease; and
- **Institute Pasteur** – Malaria.

These will be maintained to provide breadth to the development program while controlling costs.

The dimension of activities is such that the Board of Panvax has brought forward the decision to appoint a CEO and this appointment will be completed in the second quarter of the 2003/04 year. This will create a better defined image for the company and provide the dedicated resource required to secure the program’s commercial potential.

ONCOMAB LTD

Oncomab commenced operations in late 2002 after licensing technology from the Austin Research Institute, that being monoclonal antibodies raised in rodents against a new tumour cell target called Cripto-1. Cripto-1 has been implicated in cell biochemical pathways that lead to cancer cell survival and prevention of cancer cell death. Antibodies produced by the Austin Research Institute have been shown to inhibit both pathways resulting in the death of cancer cells, thereby providing the potential for a very powerful anticancer therapeutic agent.

To bring an antibody into the clinic it is important to remove “the non human” aspects to minimise, if not remove the problem of an immune response to the administration of an animal protein, i.e. antibody.

In early 2003 the company entered into discussions with the major companies that either humanise animal antibodies or produce a human form of the animal antibody.

After considerable analysis of the merit of the different technologies, size and resources of the company, and prioritisation for the project, Oncomab announced in March 2003 that it had entered into a joint agreement with Medarex Inc, a company based in New Jersey USA, to produce a human monoclonal antibody to Cripto-1.

This agreement was particularly important for a number of reasons:

- It provided third party endorsement of the potential value of the target;
- It provided Oncomab with a partner in the largest market in the pharmaceutical sector;
- It reduced the cost of development during the high risk stage of development; and
- It provides Oncomab with experienced resources that will greatly assist in streamlining the timeframe to licensing and marketing.

The joint R&D program is being co-coordinated between the Austin Research Institute and Medarex’s R&D facility on the North West coast of the USA. The program is well advanced and there is high expectation that a lead candidate will be isolated for development within the milestones set by the parties (such information being confidential).

The intellectual property position has been progressed in parallel to ensure strong global protection is in place for the use of anti-tumour agents developed from the collaboration.

The market for anticancer monoclonal antibodies is one of the fastest growing segments of biological therapeutics in the world. The market is estimated already to be of the order \$4bn and growing at a double digit rate. The competitive profile on Oncomab’s anti-cripto-1 antibody is extremely attractive as it has the potential to prevent growth in a far greater range of tumours than the currently marketed monoclonal antibodies. As the product will be a “human” monoclonal antibody it is highly likely it will have minimal side effects, thus providing it with an excellent product profile.

Corporate Governance Statement

The Board of Directors of Prima Biomed Limited is responsible for the corporate governance of the Company.

This statement sets out the main corporate governance practices that were in operation throughout the financial year, except where otherwise indicated.

The Board guides and monitors the business and affairs of Prima Biomed Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

COMPOSITION OF THE BOARD

The Board should comprise of at least 3 Directors.

The Directors in office at the date of this statement are:

Marcus Clark	Executive Director
Richard Revelins	Finance Director
Bryan Frost	Executive Chairman
Mark Hogarth	Non-Executive Director
Kevin Fahey	Non-Executive Director

BOARD RESPONSIBILITIES

The Board of Directors of Prima Biomed Limited is responsible for the Corporate Governance of the consolidated entity and for setting the strategic direction and establishing the policies for the consolidated entity. It is responsible for overseeing the financial position, and for monitoring the business and affairs of the consolidated entity on behalf of the shareholders, by whom the Directors are elected and to whom they are accountable. It also addresses issues relating to internal controls and approaches to risk management.

At the date of this report, the Board consists of 3 Executive and 2 Non-Executive Directors. The names of the Directors, along with details of their qualifications and experience are set out in the Director's Report.

AUDIT COMMITTEE

The Committee is responsible for considering risk management, legal compliance and financial reporting. It:

- reviews and reports to the Board on the annual and half year financial reports and all other financial information published by the Company or released to the market;
- recommends to the Board the appointment, removal and remuneration of the external auditors and reviews the terms of their engagement and the scope and quality of the audit report; and
- reviews the results and findings of the statutory audit and half year review, including the comments by the auditor on the adequacy of internal controls and to obtain any other relevant feedback.

Apart from the committee noted above, Prima Biomed Ltd is not of a size, nor the affairs of such complexity, to justify the establishment of any other committees. All other matters are dealt with by the full Board.

The members of the Committee during the year were:

Richard Revelins
Marcus Clark
Jeremy Cooper, retired 10 March 2003

RELATED PARTY TRANSACTIONS

Those transactions that are, or that appear to be related party transactions in nature are duly noted throughout the financial year.

Your Directors submit their report for the year ended 30 June 2003.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Name, qualifications, experience and special responsibilities.

Bryan Frost – Executive Chairman

Mr Frost, aged 63, was a partner of a Melbourne based stockbroking firm until 1973, where he specialised in advising international investors, banks and investment funds on Australian arbitrage and investments. Over the past 31 years he has been involved in a number of public companies as an Executive Director and major shareholder and possesses extensive experience in financial engineering and management. He was appointed a Director of the Company on 12 July 2000.

He is currently Executive Chairman of Game & Entertainment Group Limited, Yamarna Goldfields Limited, Peregrine Corporate Limited, Peregrine Strategic Limited, Cangold Limited (TSX), Peregrine Securities NL and Futurebourse Limited.

Marcus Clark B. Pharm., M.Sc. MBA – Executive Director and CEO

Mr Clark, aged 53, has a career in pharmaceuticals and diagnostics spanning twenty-two years. He was Chief Executive Officer of Ilexus Pty Ltd, the Austin Research Institute's commercialisation company. Before joining Ilexus he was in charge of the Australian and New Zealand business for Medisense Inc, a North American group, overseeing the glucose diagnostic business for Abbott Laboratories. Before that he was Managing Director of Farmitalia Carol Erba, a global pharmaceutical group based in Milan which has since been acquired by Pharmacia Upjohn. Farmitalia had the largest pharmaceutical sales of anti-cancer products and introduced Adriamycin, the highest selling anti-cancer product, to the oncology market. Mr Clark has also held management positions with Hoechst, Roussel and Sigma in marketing, regulatory affairs and technical services. He was appointed a Director of the Company on 31 May 2001 and is a Member of the Audit Committee.

Richard Revelins BEc – Finance Director

Mr Revelins, aged 41, has held senior executive positions in merchant banking and stockbroking firms and has acted as an advisor to a number of public companies in such matters as takeovers, mergers and acquisitions, sale of businesses, debt and equity raisings and strategic financial advice. He was appointed a Director of the Company on 22 February 2000.

He is a member of the Audit Committee and is currently a Director of Game & Entertainment Group Limited, Yamarna Goldfields Limited, Peregrine Corporate Limited, Peregrine Strategic Limited, Domain Mining NL, First Cangold Limited (TSX), Peregrine Securities NL and Futurebourse Limited. He is Company Secretary for Prana Biotechnology Limited.

Jeremy Cooper BA MBA – Executive Director

Mr Cooper, aged 36, has fourteen years experience in senior management positions with a number of international and Australian corporations, focusing on strategy, business development, finance and mergers and acquisitions.

After graduating from Cambridge University in 1989, Mr Cooper spent six years working throughout Asia and the Middle East with Cathay Pacific Airways Limited (as an employee of John Swire & Sons Limited). Mr Cooper left to study for an MBA at INSEAD in France. He then joined TXU, a global energy company, as Business Development Manager, based initially in London and then in Melbourne, Australia. Focusing on strategic and development activities, Mr Cooper assisted with the conclusion of a number of multi-million dollar transactions.

Since early 2000 Mr Cooper has been advising a number of Australasian companies in areas including corporate development activities, operations and management, capital restructuring, ASX listings and mergers and acquisitions.

Mr Cooper is an Executive Director of Peregrine Corporate Limited (a Melbourne-based merchant bank), Select Vaccines Limited (an ASX-listed biotechnology company), Lift Structures Limited (a New Zealand-based industrial products company) and Finance Director of Premier Bionics Limited (an ASX-listed medical devices & diagnostics company).

Mr Cooper was appointed as a Director of Prima Biomed Limited on 17 November 2000 and retired on 10 March 2003.

Ian McKenzie MD, PhD, FRACP, FRCPA – Non-Executive Director

Professor McKenzie, aged 65, is the Director of the Austin Research Institute and has over 600 scientific publications. He holds pivotal patents in organ rejection and immune response stimulation. Professor McKenzie is on the Scientific Advisory Board of Medica Holdings. He is the President Elect of the International Xenotransplantation Society and has been President of the Australian Society of Immunology and the Transplantation Society of Australia and New Zealand. He has served on the Editorial Board of Immunogenetics, Transplantation and the Journal of Immunogenetics. Professor McKenzie was appointed a Director of the Company on 31 May 2001 and retired on 10 March 2003.

Mark Hogarth BSc (Hons) PhD – Non-Executive Director

Professor Hogarth, aged 47, is the Director of the Austin Research Institute; is an NH&MRC Senior Principal Research Fellow and a Professor of The University of Melbourne and of Victoria University of Technology. He heads the ARI's Helen M Schutt Trust Inflammatory Disease Laboratory and Immunology & Biotechnology Laboratory. Prof. Hogarth received his degrees from the University of Melbourne, and has held numerous senior positions in both Australia and the USA.

He has studied the immune system for over 20 years resulting in publishing over 120 papers and is the inventor on four patent families that protect the FcR gene and proteins, structure and anti-inflammatory compounds.

Professor Hogarth's commercial experience extends to directorships of Ilexus Pty Ltd and Arthron Ltd. He was appointed a director of the Company on 28 March 2002.

Kevin Fahey MSc PhD FASM – Non-Executive Director

Dr Kevin Fahey, aged 59, is the Director of Kevin Fahey & Associates Pty Ltd, a consulting company in the biopharmaceutical industry. Dr Fahey has a MSc degree from the University of Melbourne and a PhD from the Australian National University. He was employed by the CSIRO Division of Animal Health in Parkville, Victoria for 15 years before being recruited by SmithKline Beecham in 1991 to lead their Biologicals Research and Development group in Lincoln, Nebraska, USA. Four years later Dr Fahey joined Pfizer Global R&D in Groton, Connecticut, as Executive Director, Biologicals Discovery.

Prior to joining SmithKline Beecham, Dr Fahey's research in immunology and vaccinology resulted in over 60 papers in refereed journals, the Bart Rispen's Memorial Award in Avian Pathology, the CSIRO Chairman's Medal and a CSIRO Medal. He was elected a Fellow of the Australian Society for Microbiology in 1990.

Dr Fahey returned to Australia with Pfizer in March 2000 as Scientific Director to identify world-class medical research opportunities in Australia for support through Pfizer's participation in the Australian Government's Pharmaceutical Industry Investment Program. He retired from Pfizer Inc in September 2001 and started a private consulting company. He was appointed a Non-Executive Director on 10th March 2003.

Dr Fahey is also a Non-Executive Director of EQiTX Ltd, the Chairman of the Scientific and Commercialisation Board of Imugene Ltd, and Chairman of the Scientific Review Board of Meditech Ltd.

Interests in the shares and options of the Company and related body corporate

As at the date of this report, the relevant interests of the Directors in the shares and options of the Company were:

	Ordinary shares	Options over ordinary shares
Marcus Clark	67,184	1,067,184
Bryan Frost	6,898,423	7,937,806
Richard Revelins	6,898,557	7,463,306
Mark Hogarth	–	1,050,000
Kevin Fahey	–	–

Earnings per share	Cents
Basic earnings/(loss) per share	(12.66)

DIVIDENDS

The Directors did not pay any dividends during the financial year. The Directors do not recommend the payment of a dividend in respect to the 2003 financial year.

CORPORATE INFORMATION**Corporate Structure**

Prima Biomed Limited is a company limited by shares that is incorporated and domiciled in Australia. It has four subsidiaries, Arthron Limited, Cancer Vac Limited, Panvax Limited and Oncomab Limited in which Prima Biomed Limited owned a 65% interest at 30 June 2003.

Nature of operations and principal activities

The consolidated entity's principal activities in the course of the financial year were the research and commercialisation of licensed medical biotechnology through its subsidiaries.

There have been no significant changes in the nature of those activities during the year.

Employees

The company employed 7 employees at 30 June 2003 (2002: 7 employees).

REVIEW AND RESULTS OF OPERATIONS

The net loss for the year after income tax and eliminating outside equity interest was \$4,335,212 (2002: \$2,999,240 loss).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity during the financial year under review not otherwise disclosed in this annual report.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Since 30 June 2003, the company has made the following announcements:

- On 15 July 2003, the company announced to the market, that highly positive results from its subsidiary Cancer Vac's phase 1b clinical trial had been received after a further four advanced cancer patients had been successfully treated with the experimental new therapy at the Austin Hospital.

- On 6 August, the company announced to the market, that its subsidiary Arthron Ltd had succeeded in securing an Australian Patent protecting the three dimensional (3D) structure of its drug target, the Fc receptor (FcR), and use of this structure to design drugs targeted at diseases, such as rheumatoid arthritis, that involve the receptor. Pharmaceuticals products, including drugs, and treatment of diseases using such drugs are also covered. The Patent is expected to be issued in the near future now that all formalities have been completed.
- On 8 August 2003, the company announced to the market, that it had formed a collaboration with Prana Biotechnology, the Austin Research Institute and the University of Melbourne to develop the world's first vaccine for Alzheimer's disease.
- On 8 August 2003, the company announced to the market, the private placement of up to 7.36 million new Ordinary Shares in the capital of the Company to institutional and sophisticated investors who are clients of Peregrine Corporate Limited at an issue price of 37 cents (\$0.37) per share. The placement was undertaken in accordance with ASX Listing Rule 7.1 and raised approximately \$2.72 million before allowing for costs associated with the issue. The funds will be predominantly applied towards ongoing development of the company's scientific development program and for working capital purposes.
- On 15 August 2003, the company announced to the market, that it has received notification from the United States Patent Office that it will allow an application relating to the three dimensional (3D) structure of the Fc receptor (FcR), the target of drugs being developed by its subsidiary Arthron Ltd for the treatment of autoimmune inflammatory diseases.
- On 21 August 2003, the company announced to the market that it had reached agreement for the private placement of up to 11.62 million new ordinary shares in the capital of the company to institutional and sophisticated investors who are clients of Peregrine Corporate Limited at an issue price of 37 cents (\$0.37) per share, subject to shareholder approval. If approved by shareholders the placement will raise approximately \$4.3 million before allowing for associated costs.
- On 27 August 2003, the company issued to the market a Notice of General Meeting. The meeting was held on 26 September 2003. At the meeting the following items were approved:
 - (a) the proposed issue of 11.62 million shares to raise approximately \$4.3 million;
 - (b) the participation of directors and associates in the share issue;
 - (c) the recent placement of 7.36 million shares which raised \$2.72 million;

- (d) the allotment of shares and options to consultants;
- (e) previous issues to employees and consultants;
- (f) appointment of Kevin Fahey as director;
- (g) allotment of options to Kevin Fahey; and
- (h) allotment of options to Marcus Clark.

There have been no other significant events subsequent to balance date which may have a material effect on the financial position of the consolidated entity.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The likely developments in the consolidated entity's operations, to the extent that such matters can be commented upon, are covered in the Review of Operations contained elsewhere in this Annual Report.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity is involved in scientific research and development. The pursuit of these activities is the subject of a research agreement with the Austin Research Institute who undertakes these activities on behalf of the consolidated entity. Accordingly, the activities of the consolidated entity do not create any significant environmental impact to any material extent.

SHARE OPTIONS

Unissued shares

As at the date of this report, there were 41,645,603 unissued ordinary shares under options as follows:

- 27,674,603 options exercisable on or before 15 June 2004 at \$0.20 (PRROB);
- 2,250,000 options exercisable on or before 1 July 2006 at \$0.20 (PRRAO);
- 657,000 options exercisable on or before 30 April 2006 at \$0.20 (PRRAQ);
- 1,300,000 options exercisable on or before 16 July 2006 at \$0.50 (PRRAS);
- 300,000 options exercisable on or before 1 July 2006 at \$0.50 (PRRAU);
- 364,000 options exercisable on or before 16 July 2006 at \$0.30 (PRRAW);
- 2,100,000 options exercisable on or before 30 April 2006 at \$0.20 (PRRAK); and
- 7,000,000 options exercisable on or before 6 July 2006 at \$0.20 (PRRAM).

Shares issued as a result of the exercise of options

102,000 ordinary shares were issued during the year as a result of the exercise of options.

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

During the financial year the Company did not enter into a policy to indemnify Directors, Officers and Auditors against certain liabilities incurred as a Director or Officer, including costs and expenses associated in successfully defending legal proceedings. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such by officer or auditor.

DIRECTORS' AND OTHER OFFICERS' EMOLUMENTS**Remuneration Policy**

Emoluments of Directors and Officers of the consolidated entity are determined by the Board following review by the Company's Audit Committee.

The Committee assesses the appropriateness of the nature and amount of emoluments on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive.

Details of the nature and amount of each element of the emoluments of each Director of the Company for the financial year are shown in the following table.

Emoluments of Directors of Prima Biomed Limited Annual Emoluments

	Base fee	Bonus	Other	Total
	\$	\$	\$	\$
Marcus Clark	215,900	–	43,021	258,921
Bryan Frost	–	–	60,000	60,000
Richard Revelins	–	–	40,000	40,000
Jeremy Cooper	37,500	–	–	37,500
Mark Hogarth	30,000	–	25,000	55,000
Ian McKenzie	22,500	–	–	22,500
Kevin Fahey	10,000	–	–	10,000

Emoluments of the five most highly paid executive officers of the Company

Marcus Clark is the only Executive Officer of the Company. His emolument is disclosed in the table above.

Options granted to Directors and any of the five most highly paid officers

Options granted over unissued shares in Prima Biomed Limited during or since the end of the year to any Director or any of the five most highly paid Officers of the Company as part of their remuneration were as follows:

Director and/or Executive	No of Options Granted	Issuing Entity	No of Ordinary Shares under Option	Value of Options
Mark Hogarth	300,000	Prima Biomed Limited	300,000	\$1,663

The options granted have been valued using the Black Scholes Model.

Directors' Meetings

The number of meetings of Directors held during the year and the number of meetings attended by each Director were as follows:

	Directors' Meetings		Audit Committee Meetings	
	Meetings held while a Director	Meetings attended	Meetings held while a Director	Meetings attended
Marcus Clark	10	9	2	2
Bryan Frost	10	8	–	–
Richard Revelins	10	10	2	2
Jeremy Cooper	7	5	2	2
Mark Hogarth	10	9	–	–
Ian McKenzie	7	7	–	–
Kevin Fahey	3	3	–	–

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the Corporations Act 2001.


Bryan Frost

Executive Chairman

Melbourne, 29 September 2003

Statement of Financial Performance

Year ended 30 June 2003

	Notes	Consolidated		Company	
		2003	2002	2003	2002
		\$	\$	\$	\$
Revenues from ordinary activities	2a	146,793	407,091	497,182	488,608
Expenditure on exploration written off	2b	–	(20,000)	–	(20,000)
Research and development expenses	2b	(3,825,319)	(2,321,548)	(390,192)	(32,534)
Business Development expense	2b	(1,314,670)	(1,357,435)	(1,219,050)	(1,237,341)
Product Development expense	2b	(275,002)	(257,477)	(265,562)	(256,544)
Intellectual Property expense	2b	(377,701)	(338,192)	(112,364)	(135,936)
Other expenses from ordinary activities	2b	(135,745)	(77,497)	(13,546)	(11,832)
(Loss) from ordinary activities before income tax expense		(5,781,644)	(3,965,058)	(1,503,532)	(1,205,579)
Income tax expense relating to ordinary activities	3	–	–	–	–
(Loss) from ordinary activities after income tax expense		(5,781,644)	(3,965,058)	(1,503,532)	(1,205,579)
Net (loss) attributable to outside equity interest	17	1,446,432	965,818	–	–
Net (loss) attributable to members of the parent entity		(4,335,212)	(2,999,240)	(1,503,532)	(1,205,579)
Total changes in equity other than those resulting from transactions with owners as owners		(4,335,212)	(2,999,240)	(1,503,532)	(1,205,579)
Basic earnings per share (cents per share)	21	(12.66)	(10.68)		
Diluted earnings per share (cents per share)	21	(12.66)	(10.68)		

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2003

	Notes	Consolidated		Company	
		2003	2002	2003	2002
		\$	\$	\$	\$
Current assets					
Cash assets	4	1,578,519	3,714,557	1,775,819	3,149,150
Receivables	5	66,499	34,463	–	80,032
Other financial assets	6	–	49,683	–	49,683
Other	7	–	9,094	–	–
Total current assets		1,645,018	3,807,797	1,775,819	3,278,865
Non-current assets					
Receivables	8	–	–	2,711,281	809,051
Plant & Equipment	9	67,095	63,024	67,095	63,024
Intangible assets	10	2,256,218	2,055,340	–	–
Other financial assets	11	–	–	4,538,982	3,938,982
Total non-current assets		2,323,313	2,118,364	7,317,358	4,811,057
Total assets		3,968,331	5,926,161	9,093,177	8,089,922
Current liabilities					
Payables	12	854,726	456,484	1,295,115	1,890,823
Provisions	13	18,196	9,268	18,196	9,268
Total current liabilities		872,922	465,752	1,313,311	1,900,091
Non-current liabilities					
Provisions	14	1,961	–	1,961	–
Total non-current liabilities		1,961	–	1,961	–
Total liabilities		874,883	465,752	1,315,272	1,900,091
Net assets		3,093,448	5,460,409	7,777,905	6,189,831
Equity					
Parent Entity Interest:					
Contributed equity	15	18,403,523	15,311,917	18,403,523	15,311,917
Accumulated losses	16	(15,310,075)	(10,974,863)	(10,625,618)	(9,122,086)
Total Parent Entity Interest in Equity		3,093,448	4,337,054	7,777,905	6,189,831
Total Outside Equity Interest	17	–	1,123,355	–	–
Total equity		3,093,448	5,460,409	7,777,905	6,189,831

The accompanying notes form part of these financial statements.

Statement of Cash Flows

Year ended 30 June 2003

	Notes	Consolidated		Company	
		2003	2002	2003	2002
		\$	\$	\$	\$
Cash flows from operating activities					
Receipts from customers		159,957	387,372	525,808	466,348
Payments to suppliers and employees		(5,427,051)	(3,860,090)	(1,916,299)	(1,491,215)
Interest received		49,526	55,019	49,526	55,019
Interest and other costs of finance		(586)	–	–	–
Other		8,127	–	7,746	–
Net cash flows used in operating activities	18a	(5,210,027)	(3,417,699)	(1,333,219)	(969,848)
Cash flows from investing activities					
Purchase of plant and equipment		(17,617)	(65,717)	(17,617)	(65,717)
Advances to related parties		–	–	(3,114,101)	(3,013,212)
Net cash flows used in investing activities		(17,617)	(65,717)	(3,131,718)	(3,078,929)
Cash flows from financing activities					
Proceeds from issue of shares		3,287,413	4,453,352	3,287,413	4,453,352
Payment of share issue costs		(195,807)	(247,613)	(195,807)	(247,613)
Net cash flows from financing activities		3,091,606	4,205,739	3,091,606	4,205,739
Net increase/(decrease) in cash held		(2,136,038)	722,323	(1,373,331)	156,962
Opening cash brought forward		3,714,557	2,992,234	3,149,150	2,992,188
Closing cash carried forward	18b	1,578,519	3,714,557	1,775,819	3,149,150

The accompanying notes form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Framework

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Urgent Issues Group Consensus Views, and complies with other requirements of the law.

The financial report has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Accounts Payable

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

(b) Acquisition of Assets

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

(c) Capital Gains Tax

No provision has been made for capital gains tax which may arise in the event of sale of revalued assets as no decision has been made to sell any of these assets.

(d) Capitalisation of Borrowing Costs

Borrowing costs directly attributable to buildings under construction and land held for resale are capitalised as part of the cost of those assets.

(e) Depreciation

Depreciation is provided on plant and equipment, including freehold buildings but excluding land and investment properties. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever

is the shorter, using the straight line method. The following estimated useful lives are used in the calculation of depreciation:

Plant and Equipment	3-5 years
Furniture and Fittings	3-20 years
Motor Vehicles	4-5 years

(f) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave, long service leave and other employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of other employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

Contributions made to defined benefit superannuation plans are expensed when incurred. The difference between the accrued benefits and net market value of plan assets has not been recognised in the financial statements.

(g) Financial Instruments issued by the Company

Debt and Equity Instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction Costs on the Issue of Equity Instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(h) Foreign Currency

Foreign Currency Transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at that date.

Exchange differences are recognised in net profit or loss in the period in which they arise except that:

- (i) exchange differences which relate to assets under construction for future productive use are included in the cost of those assets' and

- (ii) exchange differences on transactions entered into in order to hedge the purchase or sale of specific goods and services are deferred and included in the measurement of the purchase or sale.

(i) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(j) Goodwill

Goodwill, representing the excess of the cost of acquisition over the fair value of the identifiable net assets acquired, is amortised on a straight line basis over a period of 20 years.

(k) Income Tax

Tax-effect accounting principles are adopted whereby income tax expense is calculated on pre-tax accounting profits after adjustment for permanent differences. The tax-effect of timing differences, which occur when items are included or allowed for income tax purposes in a period different to that for accounting, is shown at current taxation rates in the deferred tax assets and deferred tax liabilities, as applicable

(l) Investments

Investments in controlled entities are recorded at cost. Investments in associates are accounted for under the equity method in the consolidated financial statements and the cost method of the company financial statements. Other investments are recorded at cost.

(m) Patents, Trademarks and Licences

Patents, trademarks and licences are recorded at cost and amortised on a straight line basis over a period of 20 years.

(n) Principles of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its controlled entities as defined in Accounting Standards AASB 1024 'Consolidated Accounts'. A list of controlled entities appears in note 11 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the company obtains control and until such time as the company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

(o) Provisions

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received and the amount of the receivable can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

(p) Receivables

Trade receivables and other receivables are recorded at amounts due less any allowance for doubtful debts.

(q) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have been discounted to their present value.

(r) Research and Development Costs

Research and development costs are recognised as an expense when incurred, except to the extent that such costs, together with unamortised deferred costs in relation to that project, are expected, beyond any reasonable doubt, to be recoverable.

Any deferred research and development costs are amortised over the period in which the corresponding benefits are expected to arise, commencing with the commercial production of the product.

The unamortised balance of research and development costs deferred in previous periods is reviewed regularly and at each reporting date, to ensure the criterion for deferral continues to be met. Where such costs are no longer considered recoverable, they are written-off as an expense in net profit of loss.

Government grants received or receivable in relation to research and development costs, which are deferred, are deducted from the carrying amount. Grants received for receivable in relation to research and development costs, which are recognised as an expense during the current or previous periods, are recognised as revenue in net profit or loss.

(s) Revenue Recognition

Revenue for grants is recognised on an accrual basis in accordance with the terms of the grant agreements. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield of the financial assets.

(t) Changes in Accounting Policies

In accordance with Accounting Standard AASB 1028 'Employee Benefits', on 1 July 2002 the consolidated entity changed its policy for recognising provisions for annual leave. Under the new policy the amount of the provision is calculated using the remuneration rate expected to apply at the time of settlement, rather than the remuneration rate that applies at reporting date. The statement of financial performance below illustrates the information that would have been disclosed in prior financial reporting periods had the new policy always been applied. This standard has had no material affect on the opening accumulated losses.

	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
2. PROFIT/LOSS FROM ORDINARY ACTIVITIES				
(a) Revenues from Operating Activities				
Interest – other persons/corporations	48,701	55,522	48,701	55,019
Start Grant	95,591	313,869	–	–
Related Parties	–	–	439,910	395,889
Other	2,501	37,700	8,571	37,700
Total revenues	146,793	407,091	497,182	488,608
(b) Expenses from Operating Activities				
Profit/Loss from ordinary activities before income tax has been determined after:				
(i) Expenses				
Depreciation & Amortisation of non-current assets				
– Depreciation of Motor Vehicles	6,068	399	6,068	399
– Depreciation of Furniture & Fittings	5,100	7,922	5,100	7,922
– Depreciation of Plant and equipment	2,378	3,511	2,378	3,511
– Amortisation of Licences	122,199	65,665	–	–
Total Depreciation & Amortisation	135,745	77,497	13,546	11,832
Research and Development Expense	3,825,319	2,321,548	390,192	32,534
Business Development Expense	1,314,670	1,357,435	1,219,050	1,237,341
Product Development Expense	275,002	257,477	265,562	256,544
Intellectual Property Expense	377,701	338,192	112,364	135,936
Operating lease rental minimum lease payments	45,920	–	45,920	–
(ii) Revenue and net gains				
Net loss/(gain) on disposal of property, plant and equipment	–	–	–	–
(iii) Significant revenue and expenses				
The loss from ordinary activities before income tax expense includes the following revenues and expense whose disclosure is relevant in explaining the financial performance of the entity:				
Expenditure on exploration written-off	–	20,000	–	20,000

	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
3. INCOME TAX EXPENSE				
(a) The prima facie tax payable on profit/loss from ordinary activities before income tax is reconciled to the income tax provided in the accounts as follows:				
Prima facie tax payable on operating profit/loss before income tax at 30% (2002: 30%)	(1,734,493)	(1,189,517)	(451,060)	(361,674)
Non-tax deductible items	154,553	142,179	29,354	61,212
Losses carried forward	1,579,940	1,047,338	421,706	300,462
Income Tax Expense	-	-	-	-
(b) The directors estimate that the potential future income tax benefit at 30 June 2003 in respect of tax losses not brought to account is:				
Losses carried forward	2,846,739	1,266,799	914,345	492,639
Timing differences	167,385	10,598	2,748	5,475
	3,014,124	1,277,397	917,093	498,114
This benefit for tax losses will only be obtained if:				
(i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;				
(ii) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and				
(iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.				
The Company and consolidated entity have no franking credits available at year end.				
4. CASH ASSETS				
Cash at bank	1,559,799	3,696,657	1,757,099	3,131,250
Term deposit	18,720	17,900	18,720	17,900
	1,578,519	3,714,557	1,775,819	3,149,150
5. RECEIVABLES (CURRENT)				
Loan to related party	-	-	-	70,828
Goods and services tax	66,499	25,259	-	-
Other Debtors	-	9,204	-	9,204
	66,499	34,463	-	80,032

	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
6. OTHER FINANCIAL ASSETS (CURRENT)				
Unlisted shares at cost	-	49,683	-	49,683
	-	49,683	-	49,683
7. OTHER CURRENT ASSETS				
Prepayments	-	9,094	-	-
	-	9,094	-	-
8. RECEIVABLES (NON-CURRENT)				
Loan to related party	-	-	2,711,281	809,051
	-	-	2,711,281	809,051
9. PLANT & EQUIPMENT				
Plant and Equipment, at cost	24,530	24,530	24,530	24,530
Less Accumulated depreciation	(19,614)	(17,236)	(19,614)	(17,236)
Total Plant & Equipment	4,916	7,294	4,916	7,294
Furniture and Fittings, at cost	54,701	37,084	54,701	37,084
Less Accumulated depreciation	(13,022)	(7,922)	(13,022)	(7,922)
Total Furniture and Fittings	41,679	29,162	41,679	29,162
Motor Vehicle, at cost	26,967	26,967	26,967	26,967
Less Accumulated depreciation	(6,467)	(399)	(6,467)	(399)
Total Motor Vehicle	20,500	26,568	20,500	26,568
Total Plant & Equipment	67,095	63,024	67,095	63,024

Reconciliations

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out below:

	Furniture & Fittings \$	Plant & Equipment \$	Motor Vehicle \$	Total \$
2003				
Carrying amount at 1 July 2002	29,162	7,294	26,568	63,024
Additions	17,617	-	-	17,617
Disposals	-	-	-	-
Depreciation expense	(5,100)	(2,378)	(6,068)	(13,546)
Carrying amount at 30 June 2003	41,679	4,916	20,500	67,095
2002				
Carrying amount at 1 July 2001	-	9,139	-	9,139
Additions	37,084	1,666	26,967	65,717
Disposals	-	-	-	-
Depreciation expense	(7,922)	(3,511)	(399)	(11,832)
Carrying amount at 30 June 2002	29,162	7,294	26,568	63,024

	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
10. INTANGIBLE ASSETS				
Licenses at cost	2,444,082	2,121,005	–	–
Less Accumulated amortisation	(187,864)	(65,665)	–	–
	2,256,218	2,055,340	–	–
11. OTHER FINANCIAL ASSETS (NON-CURRENT)				
Investments at cost comprise:				
Shares in controlled entities – unlisted	–	–	4,538,982	3,938,982
	–	–	4,538,982	3,938,982
	Percentage of equity interest held by the consolidated entity		Investment	
	2003	2002	2003	2002
	%	%	\$	\$
Interests in Subsidiaries				
Arthron Limited – Treatment of autoimmune diseases	65	65	1,292,643	1,292,643
Cancer Vac Limited – Immunotherapy of cancer	65	65	646,339	646,339
Panvax Limited – Vaccine adjuvants	65	65	2,000,000	2,000,000
Oncomab Limited – Therapeutic antibodies	65	65	600,000	–
			4,538,982	3,938,982
	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
12. PAYABLES				
Trade creditors	191,419	242,242	54,847	112,593
Other creditors/accrued expenses	663,307	214,242	212,139	138,230
Amounts payable to controlled entities	–	–	1,028,129	1,640,000
	854,726	456,484	1,295,115	1,890,823
13. PROVISIONS (CURRENT)				
Employee entitlements	18,196	9,268	18,196	9,268
14. PROVISIONS (NON-CURRENT)				
Employee entitlements	1,961	–	1,961	–
Aggregate employee benefit liability	20,157	9,268	20,157	9,268
	No.	No.	No.	No.
No. of employees at year end	7	7	7	7

	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
15. CONTRIBUTED EQUITY				
(a) Issued and paid up capital				
Ordinary shares fully paid	16,700,771	13,609,165	16,700,771	13,609,165
Options	1,702,752	1,702,752	1,702,752	1,702,752
	18,403,523	15,311,917	18,403,523	15,311,917
	2003		2002	
	No of Shares	\$	No of Shares	\$
(b) Movements in shares on issue				
Beginning of the financial year	40,133,478	13,609,165	33,584,431	11,106,178
Issued during the year				
– equity raisings (i)	10,266,362	3,267,013	6,549,047	2,750,600
– less transaction costs	–	(195,807)	–	(247,613)
– exercise of options (ii)	102,000	20,400	–	–
End of the financial year	50,501,840	16,700,771	40,133,478	13,609,165
(i) 2002-2003	Details	Number	Issue Price	\$
19 July 2002	Issue under Governing Deed	1,280,000	–	–
January 2003	Private Placement	7,252,112	\$0.45	3,263,450
January 2003	Issue under Governing Deed	1,720,000	–	–
30 June 2003	Issue to Contractors	14,250	\$0.25	3,563
		10,266,362		3,267,013
(ii) 2002-2003	Details	Number	Exercise Price	\$
20 August 2002	Exercise of Options (PRRAQ)	102,000	\$0.20	20,400
(i) 2001-2002	Details	Number	Issue Price	\$
31 December 2001	Public equity raising	5,029,047	\$0.42	2,112,200
22 January 2002	Public equity raising	1,520,000	\$0.42	638,400
		6,549,047		2,750,600

(c) Movements in Options

42,696,103 options over ordinary shares (2002: 33,449,047)

	2003		2002	
	No of Options	\$	No of Options	\$
(d) Movements in options on issue				
Beginning of the financial year	33,449,047	1,702,752	33,907,245	–
– Issued during the year (i)	9,349,056	–	11,549,047	1,702,752
– expiration of options (ii)	–	–	(12,007,245)	–
– exercise of options (iii)	(102,000)	–	–	–
End of the financial year	42,696,103	1,702,752	33,449,047	1,702,752

(i) 2002-2003	Details	Number	Issue Price	\$
19 July 2002	Issue of options (PRRAM)	3,000,000	–	–
24 July 2002	Issue of options (PRRAQ)	759,000	–	–
24 July 2002	Issue of options (PRRAS)	1,100,000	–	–
24 July 2002	Issue of options (PRRAW)	364,000	–	–
13 December 2002	Issue of options (PRRAS)	50,000	–	–
13 December 2002	Issue of options (PRRAU)	300,000	–	–
January 2003	Issue of options (PRROB)	3,626,056	–	–
20 May 2003	Issue of options (PRRAS)	150,000	–	–
		9,349,056		–

(iii) 2002-2003	Details	Number	Issue Price	\$
20 August 2002	Exercise of Options (PRRAQ)	(102,000)	–	–

(i) 2001-2002	Details	Number	Issue Price	\$
5 December 2001	Scientist Incentive Scheme	3,000,000	–	–
31 December 2001	Public Equity Raising	5,029,047	\$0.26	1,307,552
22 January 2002	Public Equity Raising	1,520,000	\$0.26	395,200
12 February 2002	Austin Research Institute	2,000,000	–	–
		11,549,047		1,702,752

(ii) 2001-2002	Details	Number	Issue Price	\$
30 November 2001	Expiration of Options	(12,007,245)	\$0.60	–

(e) Terms and Conditions of Contributed Equity

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
16. ACCUMULATED LOSSES				
Balance at beginning of year	(10,974,863)	(7,975,623)	(9,122,086)	(7,916,507)
Net loss attributable to members of the Company	(4,335,212)	(2,999,240)	(1,503,532)	(1,205,579)
Balance at end of year	(15,310,075)	(10,974,863)	(10,625,618)	(9,122,086)

	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
17. OUTSIDE EQUITY INTEREST				
Reconciliation of outside equity interest in controlled entities:				
Opening Balance	1,123,355	1,012,277	–	–
Equity contribution by outside parties	323,077	1,076,896	–	–
Less share of operating loss	(1,446,432)	(965,818)	–	–
Closing Balance	–	1,123,355	–	–
Prima Biomed Limited has chosen to incur the burden of the accumulated losses suffered by the consolidated entity on behalf of the outside equity interest. At 30 June 2003, Prima Biomed Limited has borne \$47,602 of accumulated losses attributable to the outside equity interest.				
18. STATEMENT OF CASH FLOWS				
(a) Reconciliation of Cash Flows from Operations with Operating Profit (Loss) after Income Tax				
Operating Profit (Loss) after Income Tax	(4,335,212)	(2,999,240)	(1,503,532)	(1,205,579)
Non Cash Movements				
– Amortisation	122,199	65,665	–	–
– Depreciation	13,546	11,832	13,546	11,832
– Outside Equity Interest	(1,446,432)	(965,818)	–	–
Changes in assets and liabilities				
– (Increase)/decrease in receivables	(32,036)	114,682	80,032	264,184
– (Increase)/decrease in prepayments	9,094	(9,094)	–	–
– (Increase)/decrease in current assets	49,683	–	49,683	–
– Increase/(decrease) in payables	398,242	357,024	16,163	(47,535)
– Increase/(decrease) in provisions	10,889	7,250	10,889	7,250
Cash Flows from Operations	(5,210,027)	(3,417,699)	(1,333,219)	(969,848)
(b) Reconciliation of cash				
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the Statement of Financial Position as follows:				
Cash at bank	1,559,799	3,696,657	1,757,099	3,131,250
Term deposit	18,720	17,900	18,720	17,900
	1,578,519	3,714,557	1,775,819	3,149,150

Oncomab Limited
\$

(c) Acquisition of controlled entities

On 22 July 2002 Prima Biomed Limited acquired 65% of the voting share capital of Oncomab Limited, an unlisted public company. The components of the acquisition are:

Consideration	
– cash	291,805
– cash deferred	308,195
Total consideration	600,000
Net assets of subsidiary at acquisition date	
– receivables	600,000
– licenses	323,077
Total gross assets	923,077
Total net assets – 65% ownership	600,000

	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
19. EXPENDITURE COMMITMENTS				
(a) Operating Lease Commitments				
Non-cancellable operating leases contracted for but not capitalised in the financial statements payable:				
– not later than one year	46,664	–	46,664	–
– later than 1 year but not later than 5 years	48,438	–	48,438	–
– later than 5 years	–	–	–	–

(b) Other

Malvern Administrative Services Pty Ltd provides administrative support at a rate of \$10,000 per month plus GST. This commitment may be terminated with 3 months' notice from either party.

20. SUBSEQUENT EVENTS

Since 30 June 2003, the company has made the following announcements:

- On 15 July 2003, the company announced to the market, that highly positive results from its subsidiary Cancer Vac's phase 1b clinical trial had been received after a further four advanced cancer patients had been successfully treated with the experimental new therapy at the Austin Hospital.
- On 6 August, the company announced to the market, that it's subsidiary Arthron Ltd had succeeded in securing an Australian Patent protecting the three dimensional (3D) structure of its drug target, the Fc receptor (FcR), and use of this structure to design drugs targeted at diseases, such as rheumatoid arthritis, that involve the receptor. Pharmaceuticals products, including drugs, and treatment of diseases using such drugs are also covered. The Patent is expected to be issued in the near future now that all formalities have been completed.
- On 8 August 2003, the company announced to the market, that it had formed a collaboration with Prana Biotechnology, the Austin Research Institute and the University of Melbourne to develop the world's first vaccine for Alzheimer's disease.
- On 8 August 2003, the company announced to the market, the private placement of up to 7.36 million new Ordinary Shares in the capital of the Company to institutional and sophisticated investors who are clients of Peregrine Corporate Limited at an issue price of 37 cents (\$0.37) per share. The placement was undertaken in accordance with ASX Listing Rule 7.1 and raised approximately \$2.72 million before allowing for costs associated with the issue. The funds will be predominantly applied towards ongoing development of the company's scientific development program and for working capital purposes.
- On 15 August 2003, the company announced to the market, that it has received notification from the United States Patent Office that it will allow an application relating to the three dimensional (3D) structure of the Fc receptor (FcR), the target of drugs being developed by its subsidiary Arthron Ltd for the treatment of autoimmune inflammatory diseases.
- On 21 August 2003, the company announced to the market that it had reached agreement for the private placement of up to 11.62 million new ordinary shares in the capital of the company to institutional and sophisticated investors who are clients of Peregrine Corporate Limited at an issue price of 37 cents (\$0.37) per share, subject to shareholder approval. If approved by shareholders the placement will raise approximately \$4.3 million before allowing for associated costs.
- On 27 August 2003, the company issued to the market a Notice of General Meeting. The meeting was held on 26 September 2003. At the meeting the following items were approved:
 - (i) the proposed issue of 11.62 million shares to raise approximately \$4.3 million;
 - (j) the participation of directors and associates in the share issue;
 - (k) the recent placement of 7.36 million shares which raised \$2.72 million;
 - (l) the allotment of shares and options to consultants;
 - (m) previous issues to employees and consultants;
 - (n) appointment of Kevin Fahey as director;
 - (o) allotment of options to Kevin Fahey; and
 - (p) allotment of options to Marcus Clark.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
21. EARNINGS PER SHARE	Cents	Cents		
Basic earnings/(loss) per share	(12.66)	(10.68)		
Diluted earnings/(loss) per share	(12.66)	(10.68)		
The following reflects the income and share data used in the calculations of basic and diluted earnings/loss per share.				
	\$	\$		
Net loss used in calculation of basic & diluted EPS	(5,781,644)	(3,965,058)		
Weighted average number of ordinary shares on issue during the financial year used in the calculation of basic earnings/(loss) per share	No.	No.		
	45,673,537	37,126,214		
22. REMUNERATION OF DIRECTORS				
The directors of Prima Biomed Limited during the year were:				
Marcus Clark				
Bryan Frost				
Jeremy Cooper				
Richard Revelins				
Ian McKenzie				
Kevin Fahey				
Mark Hogarth				
Directors' remuneration				
Income paid or payable, or otherwise made available, in respect of the financial year, to all Directors of each entity in the economic entity, directly or indirectly, by the entities of which they are Directors or any related party:	\$	\$		
	508,667	423,347		
Income paid or payable, or otherwise made available in respect of the financial year, to all Directors of the Parent Entity, directly or indirectly, from the Parent Entity or any related party:			460,584	392,181
The number of Directors of the company whose income (including superannuation contributions) falls within the following income bands is:	No.	No.		
\$0 to \$9,999	–	1		
\$10,000 to \$19,999	1	–		
\$20,000 to \$29,999	1	–		
\$30,000 to \$39,999	1	3		
\$40,000 to \$49,999	1	–		
\$50,000 to \$59,999	1	–		
\$60,000 to \$69,999	1	1		
\$220,000 to \$229,999	–	1		
\$250,000 to \$259,999	1	–		

	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
23. REMUNERATION OF EXECUTIVES				
Remuneration received or due and receivable by executive officers of the Economic Entity whose remuneration is \$100,000 or more, from entities in the Economic Entity or a related party, in connection with the management of the affairs of the entities in the Economic Entity whether as an executive officer or otherwise	258,921	224,681		
Remuneration received or due and receivable by executive officers of the Parent Entity whose remuneration is \$100,000 or more, from the Parent Entity or any related party, in connection with the management of the affairs of the Parent Entity or any of its controlled entities, whether as an executive officer or otherwise	258,921	224,681		
The number of executives of the Economic Entity and the Parent Entity whose remuneration falls within the following band:				
	No	No		
\$220,000 to \$229,999	–	1		
\$250,000 to \$259,999	1	–		
In the opinion of Directors, remuneration paid to executives is considered reasonable.				
24. AUDITORS' REMUNERATION				
Amounts received or due and receivable by the auditors of the Parent Entity for:	\$	\$		
– an audit or review of the financial report	31,700	25,000	17,000	15,500
– other services	15,040	13,140	13,040	13,140
Remuneration of other auditors of subsidiaries for:				
– auditing or reviewing the financial report of subsidiaries	–	8,340	–	–
	46,740	46,480	30,040	28,640

	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
25. RELATED PARTY DISCLOSURES				
Directors				
The Directors of the Company during the financial year were:				
Marcus Clark				
Bryan Frost				
Jeremy Cooper				
Richard Revelins				
Ian McKenzie				
Kevin Fahey				
Mark Hogarth				
Controlled entities				
Oncomab Limited and Panvax Limited, 65% owned by Prima Biomed Limited, entered into a one year interest free loan arrangement with the ultimate parent entity. Amounts owing by Prima Biomed Limited at reporting date were:				
Loan – Panvax Limited	–	–	719,935	1,640,000
Loan – Oncomab Limited	–	–	308,195	–

Ultimate Parent

Prima Biomed Limited is the ultimate parent entity.

Equity instruments of Directors**Interests at balance date**

Interests in the equity instruments of the Company held by Directors of the reporting entity and their Director-related entities:

	Ordinary Shares Fully Paid		Options over Ordinary Shares	
	2003 Number	2002 Number	2003 Number	2002 Number
Marcus Clark	67,184	–	1,067,184	1,000,000
Bryan Frost	8,526,629	6,383,049	7,547,806	5,025,806
Jeremy Cooper	30,000	141,757	320,000	441,757
Richard Revelins	8,369,763	6,781,023	7,463,306	5,473,306
Ian McKenzie	572,050	450,000	1,000,000	1,000,000
Kevin Fahey	–	–	–	–
Mark Hogarth	–	–	1,050,000	750,000

All equity dealings with Directors have been entered into with terms and conditions no more favourable than those that the entity would have adopted if dealing at arm's length.

Other Transactions with Directors

Peregrine Corporate Limited, an entity associated with Bryan Frost, Richard Revelins and Jeremy Cooper was involved in the underwriting of the equity raising by Prima Biomed Limited in the financial year ending 30 June 2003. Peregrine Corporate Limited received \$49,444 in fees.

	Cancer Immuno-Therapy \$	Rheumatoid Arthritis \$	Drug Delivery Systems \$	Therapeutic Antibodies \$	Eliminations \$	Consolidated \$
26. SEGMENT INFORMATION						
2003 Primary Segment Report – Business						
Segment Revenues						
– External Customers	95,279	108	–	–	–	95,387
– Intersegment	–	–	–	–	–	–
Total	95,279	108	–	–	–	95,387
Unallocated						51,406
Consolidated						146,793
Segment Result	(995,939)	(1,430,401)	(1,336,140)	(515,632)	445,776	(3,832,336)
Add Unallocated Revenue						51,406
Add Unallocated Expenses						(2,000,714)
Consolidated Profit before Income Tax						(5,781,644)
Income Tax						–
Consolidated Profit after Income Tax						(5,781,644)
Segment Assets	345,004	645,680	801,706	333,028	–	2,125,418
Unallocated Assets						1,842,913
Consolidated Total Assets						3,968,331
Segment Liabilities	1,042,170	1,839,490	(576,774)	(94,119)	(1,632,469)	578,298
Unallocated Liabilities						296,585
Consolidated Total Liabilities						874,883

The consolidated entity operates in one geographical location, being Australia.

	Cancer Immuno-Therapy \$	Rheumatoid Arthritis \$	Drug Delivery Systems \$	Eliminations \$	Consolidated \$
26. SEGMENT INFORMATION (CONTINUED)					
2002 Primary Segment Report – Business					
Segment Revenues					
– External Customers	313,869	502	–	–	314,371
– Intersegment	–	–	–	–	–
Total	313,869	502	–	–	314,371
Unallocated					92,719
Consolidated					407,090
Segment Result	(650,153)	(1,706,599)	(402,727)	–	(2,759,479)
Add Unallocated Revenue					92,719
Add Unallocated Expenses					(1,298,298)
Consolidated Profit before Income Tax					(3,965,058)
Income Tax					–
Consolidated Profit after Income Tax					(3,965,058)
Segment Assets	428,914	458,545	2,741,022	(1,853,261)	1,775,220
Unallocated Assets					4,150,941
Consolidated Total Assets					5,926,161
Segment Liabilities	130,142	221,954	66,825	(1,853,261)	(1,434,340)
Unallocated Liabilities					1,900,092
Consolidated Total Liabilities					465,752

The consolidated entity operates in one geographical location, being Australia.

27. FINANCIAL INSTRUMENTS

(a) Interest rate risk

The Economic Entity's exposure to interest rates and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

	Floating Interest Rate \$	Fixed Interest Maturing in 1 year or less \$	1-5 years \$	Non-Interest bearing \$	Total \$	Average Interest Rate
2003						
Financial Assets						
Cash	1,578,519	–	–	–	1,578,519	4.025%
Receivables	–	–	–	66,499	66,499	
	1,578,519	–	–	66,499	1,645,018	
Financial Liabilities						
Payables	–	–	–	854,726	854,726	
Provisions	–	–	–	20,157	20,157	
	–	–	–	874,883	874,883	
2002						
Financial Assets						
Cash	782,885	–	17,900	2,913,772	3,714,557	4.25%
Receivables	–	–	–	34,463	34,463	–
	782,885	–	17,900	2,948,235	3,749,020	
Financial Liabilities						
Payables	–	–	–	456,484	456,484	–
	–	–	–	456,484	456,484	

(b) Credit risk

Credit risk represents the accounting loss that would be recognised if counterparties failed to perform as contracted.

The credit risk on financial assets is the carrying amount net of any provision for doubtful debts.

(c) Net Fair Values of Financial Assets and Liabilities

Monetary financial assets and financial liabilities not readily traded in an organised market and determined by valuing them at the present value of contractual future cash flows on amounts due from customers or due to suppliers. The carrying amounts of receivables and payables approximate net fair value.

28. CONTINGENT LIABILITIES

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

Prima Biomed Limited has a bank guarantee with the National Australia Bank to the value of \$17,900 in relation to the lease of their premises in Kew.

29. COMPANY DETAILS

The registered office of the company is Suite 2, 1233 High Street, Armadale, Victoria, 3143.

The principal place of business is Unit 7, 79-83 High Street, Kew, Victoria, 3101.

Research and development activities are conducted at the Austin Research Institute which is located at A&RMC, Kronheimer Building, Studley Road, Heidelberg, Victoria, 3084.

Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 13 to 31, are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2003 and of the performance for the year ended on that date of the company and economic entity;
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.



Bryan Frost
Executive Chairman

Melbourne, 29 September 2002

Independent Audit Report

SCOPE

We have audited the financial report of Prima BioMed Limited and controlled entities for the year ended 30 June 2003 as set out on pages 13 to 32.

The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

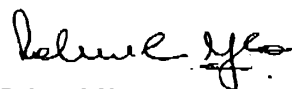
In our opinion, the financial report of Prima BioMed Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2003 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.



Hall Chadwick

Chartered Accountants



Robert L Yeo

Partner

Melbourne, 30 September, 2003

Shareholder Information

25 September 2003

NUMBER OF HOLDERS OF EQUITY SECURITIES

Ordinary Shares

- 58,745,691 fully paid ordinary shares are held by 2107 individual shareholders.
- All ordinary shares carry one vote per share.

Options

- 27,674,603 options exercisable at \$0.20 on or before 15 June 2004 are held by 337 individual shareholders (PRROB)
- 2,250,000 options exercisable at \$0.20 on or before 1 July 2006 are held by 5 individual shareholders (PRRAO)
- 657,000 options exercisable at \$0.20 on or before 30 April 2006 are held by 3 individual shareholders (PRRAQ)
- 1,300,000 options exercisable at \$0.50 on or before 16 July 2006 are held by 5 individual shareholders (PRRAS)
- 300,000 options exercisable at \$0.50 on or before 1 July 2006 are held by 1 individual shareholders (PRRAU)
- 364,000 options exercisable at \$0.30 on or before 16 July 2006 are held by 1 individual shareholders (PRRAW)
- 2,100,000 options exercisable at \$0.20 on or before 30 April 2006 are held by 4 individual shareholders (PRRAK)
- 7,000,000 options exercisable at \$0.20 on or before 6 July 2006 are held by 2 individual shareholders (PRRAM)
- Options do not carry a right to vote. Voting rights will be attached to the unissued shares when the options have been exercised.

DISTRIBUTION OF HOLDERS IN EACH CLASS OF EQUITY SECURITIES

Fully Paid Ordinary Shares	
1-1,000	185
1,001-5,000	742
5,001-10,000	476
10,001-100,000	642
100,001 and over	62
	2107
Unmarketable Parcel	229
Options PRROB	
1-1,000	1
1,001-5,000	35
5,001-10,000	58
10,001-100,000	192
100,001 and over	51
	337

TWENTY LARGEST HOLDERS OF QUOTED SECURITIES

Shareholder	Fully paid ordinary shares	
	Number	%
1 Peregrine Corporate Ltd	5,000,000	8.51
2 Investment Queensland	3,400,000	5.79
3 Bodie Investments Pty Ltd	3,150,000	5.36
4 Westpac Custodian Nominee	2,476,553	4.22
5 Jagen Pty Ltd	1,750,000	2.98
6 AMN Nominees Pty Ltd	1,656,915	2.82
7 Privilege Nominees Pty Ltd	1,323,621	2.25
8 McKenzie Prof Ian	1,050,000	1.79
9 National Nominees Ltd	765,350	1.30
10 Brooks Christopher and Brooks Stephen	760,811	1.30
11 Challand Pty Ltd	650,000	1.11
12 HMS Nominees Ltd	500,000	0.85
13 Goh Geok Khim	500,000	0.85
14 HSBC Custody Nominees	400,000	0.68
15 DJ Enterprises Pty Ltd	400,000	0.68
16 Parmelia Pty Ltd	380,000	0.65
17 Sawah Pt Kresna Tambang	333,334	0.57
18 Layton Stephen	319,500	0.54
19 Jagiello Mr Lech Adam and Jagiello Irena	304,500	0.52
20 Edgar Angus Michael	300,000	0.51
	25,420,584	43.28

**TWENTY LARGEST HOLDERS OF QUOTED SECURITIES
(CONTINUED)**

Optionholder	Options exercisable	
	Number	%
1 AMN Nominees Pty Ltd	1,955,806	7.07%
2 Jagen Pty Ltd	1,750,000	6.32%
3 Investment Queensland	1,700,000	6.14%
4 Westpac Custodian Nominee	1,257,636	4.54%
5 Chaldjian Peter Kevork	1,200,000	4.34%
6 HMS Nominees Ltd	1,100,000	3.97%
7 Santorini Investments Pty Ltd	800,000	2.89%
8 HBK Management Pty Ltd	700,000	2.53%
9 Dixie Investments Pty Ltd	656,680	2.37%
10 Challand Pty Ltd	500,000	1.81%
11 Unus Investments Pty Ltd	420,000	1.52%
12 Twenty Ninth Macorp Nominees Pty Ltd	408,529	1.48%
13 Queensland Marketing Management Pty Ltd Super Fund	390,000	1.41%
14 Opal Supplies Australia Pty Ltd	375,000	1.36%
15 Matheson Christine	366,176	1.32%
16 Manners Mrs Jayni Francis	300,000	1.08%
17 Totland Pty Ltd	270,000	0.98%
18 Howard Martin Paul and Maureen Howard	252,000	0.91%
19 Jilandale Pty Ltd	250,000	0.90%
20 Turle Lionel Terry and Turle Eva Judith	241,790	0.87%
	14,893,617	53.81%

**UNQUOTED EQUITY SECURITIES HOLDINGS
GREATER THAN 20%**

None

SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders who have notified the Company in accordance with Section 671B of the Corporations Act 2001 are:

Bodie Investments Pty Ltd	3,819,500 shares
Peregrine Corporate Ltd	9,984,229 shares
Queensland Investment Corporation	3,400,000 shares

SHAREHOLDER ENQUIRIES

Shareholders with enquiries about their shareholdings should contact the Share Registry, Security Transfers Registrars:

770 Canning Highway Applecross WA 6153

Telephone (08) 9315 0933

Facsimile (08) 9315 2233

Email registrar@securitytransfer.com.au

**CHANGE OF ADDRESS, CHANGE OF NAME,
CONSOLIDATION OF SHAREHOLDINGS**

Shareholders should contact the Share Registry to obtain details of the procedure required for any of these changes

REMOVAL FROM THE ANNUAL REPORT MAILING LIST

Shareholders who do not wish to receive the Annual Report should advise the Share Registry in writing. These shareholders will continue to receive all other shareholder information.

TAX FILE NUMBERS

It is important that Australian resident shareholders, including children, have their tax file number or exemption details noted by the Share Registry.

CHESS

(Clearing House Electronic Subregister System)

Shareholders wishing to move to uncertificated holdings under the Australian Stock Exchange CHES system should contact their stockbroker.

UNCERTIFICATED SHARE REGISTER

Shareholding statements are issued at the end of each month that there is a transaction that alters the balance of your holding.

Corporate Directory

Prima Biomed Limited
ABN 90 009 237 889

DIRECTORS

Marcus Clark – Executive Director
Richard Revelins – Finance Director
Bryan Frost – Executive Chairman
Mark Hogarth – Non-Executive Director
Kevin Fahey – Non-Executive Director

SECRETARY

Phillip Hains

PRINCIPAL OFFICE

Unit 7, 79-83 High Street
Kew Victoria Australia 3101
Telephone (613) 9854 5700
Facsimile (613) 9854 5777

REGISTERED OFFICE

Suite 2, 1233 High Street
Armadale Victoria Australia 3143
Telephone (613) 9824 8166
Facsimile (613) 9824 8161

AUDITORS

Hall Chadwick
Chartered Accountants
459 Collins Street
Melbourne Victoria Australia 3000

SOLICITORS

Oakley Thompson & Co
Level 17, 500 Collins Street
Melbourne Victoria Australia 3000

SHARE REGISTRY

Security Transfers Registrars
770 Canning Highway
Applecross Western Australia 6153
Telephone (08) 9315 0933
Facsimile (08) 9315 2233
Email: registrar@securitytransfer.com.au

SECURITIES QUOTED

Australian Stock Exchange
Code – PRR (shares)
– PRROB (options)

WEBSITE

www.primabiomed.com.au



Prima Biomed Limited ABN 90 009 237 889
Principal Office: Unit 7, 79-83 High Street Kew Victoria Australia 3101
Telephone (613) 9854 5700 Facsimile: (613) 9854 5777
Email enquiries@primabiomed.com.au Website www.primabiomed.com.au

Arthron Limited • Cancer Vac Limited • Oncomab Limited • Panvax Limited

