

PRIMA BIOMED LTD AND CONTROLLED ENTITIES

ABN: 90 009 237 889

**Annual Financial Report For The Year Ended
30 June 2008**



PRIMA BIOMED LTD
ABN: 90 009 237 889
CHAIRMAN'S LETTER

Dear Shareholder,

In a year of global credit crisis and market volatility Prima Biomed ("Prima", "the Company") (ASX: PRR) has been progressing in its pipeline of biotechnology, particularly the mitigation by moving one step closer towards the market launch of the ovarian cancer vaccine treatment CVac™.

What is seen in the broader international market is not reflected in the biotech sector. The number of deals done for all of 2007 for biotech were US\$32.2Bn whilst the number in 2008 is so far in excess of US\$80Bn. Add to this the fact that only 17 drugs were approved by the US FDA in 2007 compared to 53 in 1996.

Pharmaceutical companies are struggling to come up with revolutionary products that will pull them out of a five-year slump with virtually no revenue growth. In desperation, the drug giants are paying hefty cash premiums to swallow biotech companies – witness Swiss giant Roche's US\$44 billion bid to purchase NYSE listed Genentech in July.

What is seen from the scientific community is the new paradigm for the treatment of cancer is through cancer vaccines such as CVac™. There are no available curative therapies for the patients in the last two CVac™ clinical trials. Ovarian cancer disease is insidious because it is asymptomatic for much of its early progression and many women present at advanced stages of disease which leads to the very poor survival rates. We hope that our CVac™ work, initially on ovarian cancer, will help with the estimated 200,000 women diagnosed in USA, EU, Australia New Zealand & Japan. More than three-quarters of these women will die within 5 years of diagnosis.

I would like to thank the team of Prima in particular the scientific advisors Prof. Ian Frazer, Dr Joyce Frey, Dr. Bruce Loveland, Dr Cassian Yee and Dr. Heidi Gray. Without their impassioned work we would not be able to undertake the role of revolutionizing the world of cancer treatment without their vision.

As shareholders of Prima one should be proud that we are moving one step closer with the drug development pipeline which not only unlocks shareholder value but working in the cutting edge of the fight against cancer.



Mr Ata Gokyildirim
Chairman
Sydney
Dated 24th September 2008

PRIMA BIOMED LTD
ABN: 90 009 237 889
REVIEW OF OPERATIONS

On behalf of the Board and Management of Australian cancer treatment development company Prima Biomed ("Prima", "the Company") (ASX: PRR) I am pleased to provide the following review of operations in its cancer treatment technologies and programs.

Key Objectives and Achievements for FY 2007/2008

- Final Clinical Study Report (CSR) of CVac™ confirms findings - shows that there was a statistically significant clinical benefit in patients treated with CVac™
- GAP analysis received for US FDA IND
- Leading cancer/oncology and immunology expert Professor Ian Frazer engaged as a scientific advisor to the Company
- Australian & US Patents granted to Prima's subsidiary, Oncomab Pty Ltd
- Successfully completed underwritten Pro-Rata Share and Options issue
- Change of constitution to enable the sale of unmarketable parcels of shares

Final Clinical Study Report of CVac™

The final Clinical Study Report ("CSR") of CVac™ for the Phase IIa trial in 21 late stage ovarian cancer patients was completed in September 2007. The results confirm the results of the initial report prepared for the Phase IIa trial of CVac™, announced in March 2007, which showed that there was a statistically significant clinical benefit in patients treated with CVac™.

The CSR is an essential document for inclusion in the regulatory package required to commercialise CVac™.

GAP Analysis Report of CVac™ Received and US FDA preIND Meeting Request

CVac™ is a treatment for ovarian cancer and is Prima's lead product. The Company received in March 2008 the requisite Gap Analysis of CVac™, which is an important step toward securing a preIND meeting with the US Food and Drug Administration Investigational New Drug Application (FDA IND).

Prima aims to secure the grant of an FDA IND for its next clinical trial of CVac™ as part of the Company's long-term strategic goal of developing commercial cancer treatments.

Prima views CVac™ as being of key importance as there is a large un-met medical need for new treatments for ovarian cancer, which has a very high morbidity rate. The insidious nature of the disease generally results in late diagnosis, and of the 70% of patients diagnosed with stage III or IV disease, the five year survival rate is only 10-20%.

The CVac™ product is being developed as a maintenance therapy that is most likely to be administered post-surgery and post-chemotherapy to delay relapse and control metastases. There are currently no products available as maintenance based therapies for ovarian cancer, and CVac™ has a competitive advantage because of its therapeutic approach and high barriers to entry generated by intellectual property and licensing agreements.

The global market for ovarian cancer therapeutics has shown consistent growth and in 2007 was valued at US\$2.1 billion. It is expected to total US\$3.6 billion by 2010. Achieving US Food and Drug (FDA) IND status over the next 6-9 months is of considerable importance and is the core focus of Prima.

The Gap Analysis was undertaken by the clinical research organisation (CRO), PharmaNet Inc. ("Pharmanet").

PharmaNet provided Prima with experienced scientists, senior management and assisted in developing relationships with the US FDA. The PharmaNet Oncology team has experience in all stages of development up to and including the registration process, as well as expertise in therapeutic modes.

A subsequent submission to US FDA for a pre-IND meeting was lodged in August 2008.

Professor Ian Frazer advising Prima Biomed

Prima is also pleased to announce that it has engaged leading cancer/oncology and immunology expert Professor Ian Frazer as a scientific advisor to the Company.

Prof. Frazer has a wealth of experience in cancer/oncology and immunology. He is best known for his work on the development of the world's first cervical cancer vaccine, (Gardasil™), which works by protecting women from Human papillomavirus.

The US FDA approved Gardasil™ in 2006 and it is now currently available worldwide, manufactured by Merck & Co and distributed in Australia by CSL Ltd. Prof. Frazer has undertaken a body of work to transform the treatment of cancer to benefit patients and transform lives. Prof Ian Frazer is the president of the Cancer Council, was named Australian of the Year 2006 and recipient of the Florey Medal named in honour of Australian Nobel laureate Howard Florey.

Prima welcomes the experienced guidance and strength of advice that Prof. Frazer will provide.

Australia & US Patent granted for Oncomab

In August 2007 and January 2008 respectively, patents titled Antibodies Against Cancer were granted in the United States (US Patent Number 7,318,924) and Australia (Australian Patent Number 2002240719) for Prima's subsidiary, Oncomab Pty Ltd ("Oncomab"). Oncomab is an antibody development company.

The patent describes the use of therapeutic antibodies that target the tumour antigen, cripto-1, in the treatment of cancer. The patent specifically claims:

A method of treating cancer in a patient whose cancer cells over-express Cripto-1 by administering a therapeutically effective amount of a monoclonal antibody that binds a Cripto-1 and inhibits growth or spread of the cancer cells either by:

- a) *Inducing apoptosis as a result of the binding of the antibody to the Cripto-1 on cancer cells; or*
- b) *Inducing cell death by delivery to cancer cells of a cytotoxic compound conjugated to the monoclonal antibody*

The patent also claims chimeric and human antibodies as well as antibody fragments. A Patent Term Adjustment has also been issued, extending the patent term by an additional 467 days from 26 March 2022, thus providing patent protection through until 6 July 2023.

Financial

Revenue of \$0.058m decreased from \$0.156m in the previous year due to reductions in interest, grants and other income.

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

- R&D expenses decreased by \$0.904m due to a reduction in expenses driven by completion of the CVac™ clinical trials and containment of costs in the other non-core R&D programs.
- Corporate Administration and Business Development expenses decreased by \$0.191m due to reduced activity.

The investment in the Trillium Therapeutics Inc ("Trillium") was re-valued to \$1.027m to reflect the maximum exercise price of unexercised Trillium options and discounted cash flow projections. The impairment adjustment of \$1.955m was taken directly to equity as an unrealised loss arising from a reduction in fair value of this investment.

The Company raised \$1.844m after costs from a pro-rata non-renounceable rights issue of shares in November 2007 and a further \$0.141m after costs from a pro-rata non-renounceable rights issue of options in March 2008.

Overall the result was a loss of \$1.887m compared to a loss for the previous year of \$3.139m.

Personnel

In addition to the scientific advising strength of Professor Ian Frazer, Prima welcomed two additions to the Company. Mr. Ata Gokyildirim and Mr. Martin Rogers join the board to assist the Company during the current transition period and provide a fresh perspective to our technologies. Mr Eugene Kopp resigned from the role of Chairman and as a director, and Dr John Sime also resigned in this period. Mr Phillip Hains retired from the role of Finance Director and continues in the role of joint Company Secretary.

Capital Raising -Successfully completed underwritten Pro-Rata Share and Options issue

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

On 18th January 2008 the Company lodged a prospectus for a pro-rata non-renounceable rights issue of options on the basis of 1 option for each 3 shares held at 29 January 2008, and a placement of 40 million options. The issue price was 0.5 cents per option and the options were exercisable at 2.5 cents on or before 31 December 2011. The offer was fully underwritten by RM Capital Pty Ltd and was expected to raise a total of \$0.498m before costs, however the offer was revised on 11 February 2008 by lodgement of a replacement prospectus altering the issue price to 0.2 cents and the exercise price to 2.0 cents. The revised offer under the replacement prospectus raised a total of \$0.199m before costs.

Change of Constitution to enable sale of unmarketable parcels of shares

The constitution was replaced in June 2008 and was updated to include many of the features of a current best practice constitution for an Australian listed public company. The new constitution enables the Company to consolidate unmarketable parcels and on 21 July 2008 the Company announced its intention to do so.

A facility has been setup by Tolhurst Ltd who will act as an execution-only broker on behalf of shareholders to affect any sales of shares of unmarketable parcels.

The cost to the Company in administering small shareholdings and in providing annual reports, notices of meetings and other information to its shareholders is considerable. In order to reduce this cost Prima is currently proceeding to sell shares under an Unmarketable Parcel Sale Facility executed by Tolhurst Ltd.

Consolidation Phase and Outlook

Core focus for Prima is to ensure the US FDA IND approval and review all potential funding sources once this is in place.

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

- The Company is currently in discussions with the founding inventor to divest its interest in the technology being developed by Panvax Pty Ltd.
- As outlined in its announcement dated 2 June 2008, its options in relation to a potential divestment of its 7% equity interest in Trillium Therapeutics Inc. Trillium Therapeutics Inc is a Canadian biotech company specialising in antibody and anti-inflammatory technologies.
- The potential sale or licensing of Oncomab technology to an international pharmaceutical or biotechnology company.

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



Mr Ata Gokyildirim

Chairman

Sydney

Dated 24th September 2008

PRIMA BIOMED LTD
ABN: 90 009 237 889
INTELLECTUAL PROPERTY REPORT

Intellectual property

The following describes the status of the Intellectual Property portfolio at 30 June 2008:

Patent Family	Title	Status	Expiry
CANCERVAC			
Family 1			
Mannan fusion	Composition of matter patent - Mucin-Mannan conjugates, antigen carbohydrate compounds, or mucin-1 derived antigens and their use in immunotherapy.	Granted in Australia, Japan (x1), USA (x2), UK, Italy, France, Germany, Ireland; applications pending in Canada, Japan (x1) and USA (x1).	2014
Family 2			
Mimics	Mucin -1 mimicking peptides and their use in cancer immunotherapy.	Granted in Australia, New Zealand, USA, UK, Italy, France, Germany, Switzerland, ; applications pending in Canada and Japan.	2016
Family 3			
Ex vivo cell therapy	Method of producing dendritic cells pulsed with MFP (family 1).	Granted in Australia; applications pending in the USA, Europe, Canada and Japan.	2018
Family 4			
Non-VNTR regions	New immunogenic regions of Mucin-1 and their use in cancer immunotherapy.	Granted in Australia and the USA; applications pending in Europe, Canada, and Japan.	US: 2014 Aus: 2021
Biomira licensed patents	Human mucin core protein, antibodies and probes.	Granted in the US (3 patents), Canada, and Europe (11 countries); pending in Japan.	2015
ONCOMAB			
Family 1			
Cancer Antibodies	Therapeutic cancer antibodies targeting cancer antigen, cripto-1.	Granted in New Zealand, USA and Australia. Applications pending in Canada, Europe, Japan, South Korea, USA and China.	2022
PANVAX			
Family 1			
DCtagTM	Novel nanoparticle vaccine adjuvant for use in treatment of cancer and treatment and prevention of infectious diseases.	Granted in Australia, New Zealand (x2), South Africa and Singapore. Application allowed in Australia pending grant. Applications pending in Australia, USA, Canada, Europe, Japan, China, India, Israel, South Korea.	2021
Family 2			
Mixed Beads	Enhancing the efficacy of large particle vaccines through addition of a nanoparticle vaccine adjuvant.	PCT Application filed in Australia. Application abandoned in Feb 2007 due to lack of commercial interest.	

PRIMA BIOMED LTD
ABN: 90 009 237 889
CORPORATE GOVERNANCE REPORT

A review of the Company's 'Corporate Governance Framework' is performed on a periodic basis to ensure that it is relevant and effective in light of the changing legal and regulatory requirements. The Board of Directors continues to adopt a set of Corporate Governance Practices and a Code of Conduct appropriate for the size, complexity and operations of the Company and its subsidiaries.

Unless otherwise stated all policies and charters meet the ASX Corporate Governance Best Practice Recommendations. All charters and policies are available from the Company.

Structure and Composition of The Board

The names of the Directors, their independence, qualifications and experience are stated on pages 9 to 10 of the Directors' Report along with the term of office held by each.

Recommendation 2.1 : A majority of the board should be independent directors

Currently the Board of the Company does not comply with the ASX Corporate Governance Council's Recommendation 2.1. While the Board strongly endorses the position that boards need to exercise independence of judgement, it also recognises (as does ASX Corporate Governance Council Principle 2) that the need for independence is to be balanced with the need for skills, commitment and a workable board size. The Board believes that it has recruited members with the skills, experience and character required to discharge its duties and that any greater emphasis on independence would be at the expense of the Board's effectiveness. Currently no board members (or 0/3 of the board) are considered independent within the ASX Corporate Governance Council's guidelines.

Recommendation 2.2 : The Chairperson should be an independent director

While the Board recognises the importance of independence in decision-making, it does not comply with ASX Corporate Governance Council's Recommendation 2.2 as Mr Ata Gokyildirim, the current chairman, is not an independent director because he is an executive officer of the Company. At this stage in the Company's development, the board believes that the most appropriate person for the position of chairman is an executive Officer of the Company. The Executive Officer's overall expertise is crucial to the Company's development and negates any perceived lack of independence.

Recommendation 2.4 : The Board should establish a nomination committee

Due to the size of the Company's operations, it does not have a nomination committee as it is deemed to be more efficient to have the full board consider membership nominations and configuration.

Integrity of Financial Reporting

Recommendation 4.3 : Structure the Audit Committee so that it consists of : only non executive directors, a majority of independent directors, an independent chairperson who is not chairperson of the board, at least three members

The current members of the Audit, Risk & Compliance Committee are:

- Committee Chairman - Martin Rogers (Executive Director)
- Committee Member - Ata Gokyildirim (Chairman)

Qualifications of the members of the Audit Risk & Compliance Committee are detailed in the Directors Profiles on pages 9 to 10 of the Directors' Report.

Due to the size, composition and technical expertise of the of the Board it was not possible to comply with the ASX Corporate Governance Council's Recommendation 4.3.

The Committee holds a minimum of two meetings a year. Details of attendance of the members of the Audit, Risk & Compliance Committee are contained on page 12 of the Directors' Report.

Recognised and Manage Risk

The Audit, Risk & Compliance Committee has established a policy for risk oversight and management within the Company. This is periodically reviewed and updated.

The CEO and CFO have given a statement to the Board that:

- a) in accordance with 'Best Practice Recommendation 4.1', that the financial statements are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- b) the Company's 'Risk Management and Internal Compliance and Control System', in so far as it relates to financial risk, is operating effectively in all material aspects.

Encourage Enhanced Performance

A 'Performance Evaluation Policy' has been established to evaluate the performance of the Board, individual directors and executive officers of the Company. The Board is responsible for conducting evaluations on an annual basis in line with these policy guidelines.

A performance evaluation for the Board and its members did not take place during the year.

Remunerate Fairly and Responsibly

Profiles of members and details of meetings of the Remuneration Committee are detailed on Pages 9, 10 & 12 of the Directors' Report.

The Committee is responsible for, but not limited to :

- Setting the remuneration and conditions of service of all executive and non-executive directors, officers and employees of the Company.
- Approving the design of executive & employee incentive plans (including equity-based plans) and proposed payments or awards under such plans.
- Reviewing performance hurdles associated with incentive plans.
- Making recommendations to the Board on the remuneration of non-executive directors within the aggregate approved by shareholders at general meetings from time to time.
- Consulting appropriately qualified consultants for advice on remuneration and other conditions of service.
- Succession planning for the CEO and senior executive officers.
- Performance assessment of the CEO and senior executives.
- Recommending policy on the selection of board members.
- Recommending prospective board members to the full board of the Company.

The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with 'Best Practice' as well as supporting the interests of shareholders. Senior executives may receive a remuneration package based on fixed and variable components, determined by their position and experience. Shares and/or options may also be granted based on an individual's performance, with those granted to directors subject to shareholder approval.

Non-executive directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of non-executive directors. Non-executive directors do not receive performance based bonuses and do not participate in equity schemes of the Company without prior shareholder approval.

Current remuneration is disclosed in Note 5: Key Management Personnel Compensation.

PRIMA BIOMED LTD
ABN 90 009 237 889
AND CONTROLLED ENTITIES
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 2008.

Directors

The names of directors in office at any time during or since the end of the year are:

Mr Ata Gokyildirim	Appointed	20-Dec-07		
Mr Martin Rogers	Appointed	16-Oct-07		
Dr Richard Hammel	Appointed	1-Feb-05		
Mr Eugene Kopp	Retired	20-Dec-07		
Dr John Sime	Retired	3-Sep-07		
Mr Phillip Hains	Appointed	4-Sep-07	Retired	29-Nov-07

Company Secretaries

Mr Phillip Hains and Mr Robert Kleine held the position of Company Secretary at the end of the financial year.

Mr Hains, aged 48, has served as the company's Company Secretary since March 2002. Mr Hains is a Chartered Accountant operating a specialist public practice, The CFO Solution, focused on providing back office support, financial reporting and compliance systems for listed public companies. A specialist in the public company environment, Phillip has served the needs of a number of company boards of directors and related committees. He has over 21 years' experience in providing business with accounting, administration, compliance and general management services.

Mr Robert Kleine, aged 42, was appointed as an additional Company Secretary on 4 September 2007. Mr Kleine is a Certified Practising Accountant with 20 years experience in the commercial sector and is a senior manager at The CFO Solution.

Principal Activities

The principal activities of the economic entity during the financial year were research and commercialisation of licensed medical biotechnology through its subsidiaries.

There were no significant changes in the nature of the economic entity's principal activities during the financial year.

Review and Results of Operations

The consolidated net loss of the economic entity after providing for income tax and eliminating minority equity interests amounted to \$1,887,356 (2007: \$3,138,977). For further detail, refer to the Review of Operations.

Dividends Paid or Recommended

The Company did not pay any dividends during the financial year. The directors do not recommend the payment of a dividend in respect of the 2008 financial year.

Significant Changes in State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the economic entity during the financial year under review not otherwise disclosed in this Annual Report.

After Balance Date Events

On 21 July 2008 the Company gave notice of its intention to sell shareholdings that are less than a marketable parcel of shares. Shareholdings with a market value less than \$500 at the close of trading on 5 September 2008 were sold on ASX under the Unmarketable Parcel Sale Facility, unless shareholders had lodged a Notice of Retention of Shares. On 19 September 2008 the Company announced that the sale of unmarketable parcels had been successfully completed.

On 25 August 2008 the Company announced that it had submitted its formal request for a pre-Investigational New Drug Application (preIND) meeting with the US Food and Drug Administration (FDA) for the company's CVac™ ovarian cancer treatment.

Otherwise there has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

Future Developments, Prospects and Business Strategies

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

Environmental Issues

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.

Information on directors

Mr Ata Gokyildirim	—	Chairman
Appointed to the Board	—	20-Dec-07
Last Elected by shareholders	—	n/a
Qualifications	—	Bachelor of Commerce
Experience	—	Mr Gokyildirim, aged 43, has over 20 years experience in retail services and investment banking business, with extensive experience in deal origination and execution. He was previously an executive at David Jones Ltd, assisting with a strategic review and cost efficiency analysis exercise undertaken by the Chief Executive Officer. He has held senior merchant banking positions that involved cross border structured finance transactions, creative securitisation and infrastructure deals with various corporations including Dresner International, State Bank of Victoria and Australia Bank as head of securities derivatives dealing. Recently he founded a marketing and distribution business for the pharmaceutical industry in Turkey and the Middle East.
Interest in Shares and Options	—	0 Ordinary Shares and 18,000,000 Options
Committees	—	Member of the Audit, Risk & Compliance Committee and a member of the Remuneration Committee
Directorships held in other listed entities	—	The Rewards Factory Ltd
Mr Martin Rogers	—	Executive Director
Appointed to the Board	—	16-Oct-07
Last Elected by shareholders	—	29-Nov-07
Qualifications	—	Bachelor of Chemical Engineering, Bachelor of Computer Science
Experience	—	Mr Rogers, has a strong science and corporate consultancy background with his focus being on the incubation of business ideas and the establishment of both internal ventures and external partnerships, including finance concept origination for the likes of Macquarie Bank.
Interest in Shares and Options	—	0 Ordinary Shares and 18,000,000 Options
Committees	—	Chairman of the Audit, Risk & Compliance Committee and Chairman of the Remuneration Committee
Directorships held in other listed entities	—	The Rewards Factory Ltd, Global Nickel Investments Ltd (15 October 2007 until 4 March 2008)
Dr Richard Hammel	—	Non-Executive Director
Appointed to the Board	—	24-Jan-05
Last Elected by shareholders	—	15-Nov-06
Qualifications	—	BPharm, MSc, PhD
Experience	—	Dr Hammel, aged 65, is the founding partner of ProPharma International Partners in San Francisco, USA. ProPharma is a pharmaceutical/biotechnology consulting firm providing a range of business, financial and product development services. He previously held senior management positions with Connetics Corporation (Vice President for Commercial Development), Matrix Pharmaceuticals Inc. (Vice President Business Development, Sales and Marketing) and held several positions at Glaxo Inc (Director, Professional Affairs; Director, New Business Development; and Director, Marketing Services). Dr Hammel is widely recognised in the USA, Europe and Japan for his extensive 28 years expertise in commercialisation and licensing in emerging and developing biotechnology companies.
Interest in Shares and Options	—	0 Ordinary Shares and 10,500,000 Options
Committees	—	Nil
Directorships held in other listed entities	—	Nil
Mr Eugene Kopp	—	Former Executive Chairman & Acting CEO
Resigned	—	20-Dec-07
Qualifications	—	Bachelor of Economics and Politics from Monash University, MBA from IMD in Lausanne, Switzerland
Experience	—	Mr Kopp is the former Non-Executive Chairman of Sonnet Ltd, an ASX publicly listed IT systems integration company. Previously, he was a director of ANZ Investment Bank, heading up its Project Finance Advisory group in Australia and NZ. He has 22 years experience in merchant banking and 8 years experience of direct relevance to the biotechnology sector. He was with investment bank Deutsche Morgan Grenfell for 5 years based in London and Moscow as associate director of corporate finance. He has a Bachelor of Economics and Politics from Monash University, Melbourne, and an MBA from IMD in Lausanne, Switzerland. He is a graduate member of the Australian Institute of Directors.
Interest in Shares and Options	—	267,187 Ordinary Shares and 3,000,000 Options
Directorships held in other listed entities	—	Sonnet Ltd (resigned 1 July 2005)

Dr John Sime	— Non-Executive Director
Resigned	— 03-Sep-07
Qualifications	— B. Pharm, M.Sc., Ph.D. FAICD
Experience	— Dr Sime has extensive experience in a number of senior roles in pharmaceutical and biotechnology business development in Europe, Japan and USA with Beecham and SmithKline Beecham (now GlaxoSmithKline plc). Most recently he was Director, Research Support and Development at Imperial College London. Dr Sime was Managing Director of Beecham Australia and New Zealand for 9 years and later of SmithKline Beecham Pharmaceuticals Australia and New Zealand. As Chief Executive Officer of the UK BioIndustry Association (BIA) for 6 years until mid 2000, Dr Sime grew the membership of the association by more than four-fold and changed its direction from a technology exchange into a business development organisation. During this time with the BIA, Dr Sime was co-founder of EuropaBio, the pan European trade association for biotechnology companies. He was elected to the Board of the Mayne Group Ltd in 2004.
Interest in Shares and Options	— 500,000 Ordinary Shares and 500,000 Options
Directorships held in other listed entities	— Symbion Health Limited (formerly Mayne Group Limited 26 October 2004 until 18 November 2005) , Mayne Pharma Limited (29 September 2005 until 22 January 2007) and Avexa Limited (appointed 8 June 2007)
Mr Phillip Hains	— Finance Director
Appointed	04-Sep-07
Retired	29-Nov-07
Qualifications	— BBus, MBA, CA
Experience	— Mr Hains, aged 48, is a Chartered Accountant operating a specialist public practice, The CFO Solution, focused on providing back office support, financial reporting and compliance systems for listed public companies. A specialist in the public company environment, Phillip has served the needs of a number of company boards of directors and related committees. He has over 21 years' experience in providing business with accounting, administration, compliance and general management services.
Interest in Shares and Options	— 3,333,333 Ordinary Shares and 0 Options
Directorships held in other listed entities	— Nil

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of Prima Biomed Ltd, and for the key management personnel.

The directors of Prima Biomed Ltd during the year were:

Mr Ata Gokyildirim
Mr Martin Rogers
Dr Richard Hammel
Dr John Sime
Mr Eugene Kopp
Mr Phillip Hains

The Key Management Personnel of Prima Biomed Ltd during the year were:

Ms Vanessa Waddell
Mr Phillip Hains
Mr Robert Kleine

Remuneration policy

Remuneration of all Executive and Non-Executive Directors and Officers of the Company is determined by the Remuneration Committee.

The Company is committed to remunerating Senior Executives and Executive Directors in a manner that is market-competitive and consistent with "Best Practice" including the interests of shareholders. Remuneration packages are based on fixed and variable components, determined by the Executives' position, experience and performance, and may be satisfied via cash or equity.

Non-Executive Directors are remunerated out of the aggregate amount approved by shareholders and at a level that is consistent with industry standards. Non-Executive Directors do not receive performance based bonuses and prior Shareholder approval is required to participate in any issue of equity. No retirement benefits are payable other than statutory superannuation, if applicable.

Remuneration Policy versus Company Financial Performance

The Company's Remuneration Policy is not directly based on its financial performance, rather on industry practice, given the Company operates in the biotechnology sector and the Company has historically recorded losses.

The Company's primary focus is research activities with a long term objective of developing and commercialising the research & development results.

The Company envisages its performance in terms of earnings will remain negative whilst the Company continues in the research and development phase. Shareholder wealth reflects this speculative and volatile market sector. This pattern is indicative of the Company's performance over the past 6 years.

Performance based Remuneration

The purposes of a performance bonus is to reward individual performance in line with Company objectives. Consequently, performance based remuneration is paid to an individual where the individual's performance clearly contributes to a successful outcome for the Company. This is regularly measured in respect of performance against key performance indicators (KPI's).

The Company uses a variety of KPI's to determine achievement, depending on the role of the executive being assessed. These include:

- Successful contract negotiations.
- Achievement of research project milestones within scheduled time and/or budget.
- Company share price reaching a targeted level on the ASX or applicable markets over a period of time.

During the year Ms Vanessa Waddell received performance based remuneration in the form of a cash payment.

Details of remuneration for year ended 30 June 2008

The remuneration for each director and each of the Key Management Personnel of the economic entity during the year was as follows:

	Short-term employee benefits		Post-Employment Benefits	Other Long-Term Employee Benefits	Share-based Payments		Termination Benefits	Total
	Cash salary and fees	Other	Superannuation Contribution	Other	Shares	Options	Other	
	\$	\$	\$	\$	\$	\$	\$	\$
Directors								
Mr Ata Gokyildirim	52,411	-	-	-	-	50,000	-	102,411
Mr Martin Rogers	60,235	-	-	-	-	50,000	-	110,235
Dr Richard Hammel	44,210	-	-	-	-	50,000	-	94,210
Mr Eugene Kopp	128,667	-	-	-	-	10,000	133,000	271,667
Dr John Sime	-	-	6,667	-	-	-	-	6,667
	<u>285,523</u>	<u>-</u>	<u>6,667</u>	<u>-</u>	<u>-</u>	<u>160,000</u>	<u>133,000</u>	<u>585,190</u>
Key Management Personnel								
Ms Vanessa Waddell	157,703	16,909	16,303	21,219	-	300	-	212,434
Mr Phillip Hains*	20,000	119,402	-	-	50,000	-	-	189,402
Mr Robert Kleine*	-	-	-	-	-	-	-	-
	<u>177,703</u>	<u>136,311</u>	<u>16,303</u>	<u>21,219</u>	<u>50,000</u>	<u>300</u>	<u>-</u>	<u>401,836</u>

* The fees included under 'Other' for Mr Hains were paid to The CFO Solution. Mr Kleine was remunerated for his services to the Company through his employment with The CFO Solution.

Performance income as a proportion of total remuneration

All executives are eligible to receive incentives whether through employment contracts or by the recommendation of the Board. Their performance payments are based on a set monetary value, set number of shares or options or as a portion of base salary. Therefore there is no fixed proportion between incentive and non-incentive remuneration.

Equity Issued as Part of Remuneration for the Year Ended 30 June 2008

The following table discloses the value of options granted, exercised, sold or lapsed during the year for Directors and Key Management Personnel.

This section refers only to those shares and options issued as part of remuneration. As a result they may not indicate all shares and options held by Key Management Personnel.

	Options Granted	Options Exercised	Options Lapsed	Value of	Value of	Percentage of
				Options Included in Remuneration for the Year	Options yet to be Expensed	Total Remuneration for the Year that Consisted of Options
	Value at Grant Date	Value at Exercise Price	Value at time of Lapse	\$	\$	%
	\$	\$	\$			
Directors						
Mr Ata Gokyildirim	50,000	-	-	50,000	-	49%
Mr Martin Rogers	50,000	-	-	50,000	-	45%
Dr Richard Hammel	50,000	-	-	50,000	-	53%
Mr Eugene Kopp	10,000	-	-	10,000	-	4%
Dr John Sime	-	-	-	-	-	0%
	<u>160,000</u>	<u>-</u>	<u>-</u>	<u>160,000</u>	<u>-</u>	
Key Management Personnel						
Ms Vanessa Waddell	300	-	-	300	-	0%
Mr Phillip Hains	-	-	-	-	-	0%
Mr Robert Kleine	-	-	-	-	-	0%
	<u>300</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>-</u>	

The following table discloses the movement in directors and Key Management Personnel Options.

	Balance 01 July 2007 No.	Granted as Remuneration No.	Options Exercised No.	Options Lapsed No.	Other No.	Balance 30 June 2008 No.
Directors						
Mr Ata Gokyildirim	-	10,000,000	-	-	-	10,000,000
Mr Martin Rogers	-	10,000,000	-	-	-	10,000,000
Dr Richard Hammel	500,000	10,000,000	-	-	-	10,500,000
Mr Eugene Kopp ¹	1,000,000	2,000,000	-	-	-	3,000,000
Dr. John Sime ¹	500,000	-	-	-	-	500,000
	<u>2,000,000</u>	<u>32,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,000,000</u>
Key Management Personnel						
Ms Vanessa Waddell ¹	500,000	300,000	-	-	-	800,000
Mr Phillip Hains	-	-	-	-	-	-
Mr Robert Kleine	-	-	-	-	-	-
	<u>500,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>800,000</u>

1. Balance of options on retirement from the Company.

Employment contracts of directors and key management personnel

Directors	Duration	Notice Requirements	Termination
Mr Ata Gokyildirim	1 year commencing 1 April 2008	Fixed term	
Mr Martin Rogers	1 year commencing 1 April 2008	Fixed term	
Key Management Personnel			
Mr Phillip Hains	1 year commencing 1 April 2008	6 Months	

Meetings of directors

During the financial year, 11 meetings of directors (including committees of directors) were held.

Attendances by each director during the year were as follows:

	Directors' Meetings		Committee Meetings			
	Number eligible to attend	Number attended	Audit, Risk & Compliance Committee		Remuneration Committee	
			Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Ata Gokyildirim	5	5	1	1	1	1
Mr Martin Rogers	6	6	1	1	1	1
Dr Richard Hammel	11	10	-	-	-	-
Dr John Sime	2	2	1	1	-	-
Mr Eugene Kopp	6	6	1	1	-	-
Mr Phillip Hains	4	4	-	-	-	-

Indemnifying Officers or Auditor

During the financial year the Company entered into an insurance policy to indemnify Directors and Officers against certain liabilities incurred as a Director or Officer, including costs and expenses associated in successfully defending legal proceedings. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an Officer or Auditor of the Company or any related body corporate against a liability incurred as such an Officer or Auditor.

Share Options on Issue at 30 June 2008

At the date of this report, the unissued ordinary shares of Prima Biomed Ltd under option are as follows:

Date of expiry	Exercise price	Number under option
26-Feb-09	\$ 0.20	5,250,000
26-Feb-09	\$ 0.30	1,000,000
30-Sep-08	\$ 0.12	5,000,000
31-Dec-09	\$ 0.125	2,000,000
06-Aug-10	\$ 0.20	300,000
20-Oct-10	\$ 0.01	2,000,000
31-Dec-11	\$ 0.02	169,693,302
		<u>185,243,302</u>

Shares Issued as a Result of the Exercise of Options

During the year ended 30 June 2008 three ordinary shares of Prima Biomed Ltd were issued as a result of the exercise of options.

Proceedings on Behalf of Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out below.

The board of directors, in accordance with advice from the Audit, Risk & Compliance committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services are reviewed by the Audit, Risk & Compliance committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 10 Code of Ethics for Professional Accountants.

The following fees for non-audit services were paid or payable to the external auditor of the parent entity during the year ended 30 June 2008:

Taxation services	\$
	<u>6,985</u>
	<u>6,985</u>

Auditor's Independence Declaration

The lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the year ended 30 June 2008 has been received and can be found on page 14 of the directors' report.

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



Director

Mr Ata Gokyildirim

Dated this 24th day of September 2008

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF PRIMA BIOMED LIMITED AND
CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 there have been:

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

MDHC Audit Assurance

MDHC Audit Assurance Pty Ltd



Kevin P Adams
Director

Melbourne
24 September 2008

PRIMA BIOMED LTD
ABN: 90 009 237 889
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Revenue	2	57,940	156,122	1,243,906	1,473,094
		<u>57,940</u>	<u>156,122</u>	<u>1,243,906</u>	<u>1,473,094</u>
Auditor's Remuneration	6	(45,485)	(44,260)	(45,485)	(46,010)
Depreciation	3	(10,925)	(13,875)	(10,591)	(12,619)
Amortisation	3	(41,936)	(41,936)	-	-
Research and Development		(70,146)	(974,404)	(5,851)	(175,161)
Corporate Administration		(1,362,404)	(1,503,626)	(1,348,560)	(1,451,421)
Business Development		(260,369)	(310,167)	(260,369)	(256,247)
Intellectual Property		(143,287)	(139,660)	(35,424)	1,130
Losses Borne by Parent Entity		-	376	-	-
Impairment of Assets	3	-	(267,604)	(2,249,636)	(12,177,146)
Loss on Disposal of Assets		(10,766)	-	(10,766)	-
Loss Before Income Tax		<u>(1,887,378)</u>	<u>(3,139,034)</u>	<u>(2,722,776)</u>	<u>(12,644,380)</u>
Income Tax Expense	4	-	-	-	-
Net Loss		<u>(1,887,378)</u>	<u>(3,139,034)</u>	<u>(2,722,776)</u>	<u>(12,644,380)</u>
Net Loss Attributable to Minority Equity Interest		22	57	-	-
Net loss Attributable to Members of the Parent Entity		<u>(1,887,356)</u>	<u>(3,138,977)</u>	<u>(2,722,776)</u>	<u>(12,644,380)</u>
Basic earnings per share (cents per share)	7	(0.74)	(1.68)		
Diluted earnings per share (cents per share)	7	(0.74)	(1.68)		

The accompanying notes form part of these financial statements.

PRIMA BIOMED LTD
ABN: 90 009 237 889
BALANCE SHEET
AS AT 30 JUNE 2008

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	8	1,098,259	671,780	1,063,277	617,070
Trade and Other Receivables	9	46,941	32,431	36,843	18,622
Other Current Assets	14	36,055	70	22,083	70
TOTAL CURRENT ASSETS		1,181,255	704,281	1,122,203	635,762
NON-CURRENT ASSETS					
Trade and Other Receivables	9	-	-	2,210,092	1,400,000
Other Financial Assets	10	1,026,571	2,981,516	4,414,606	6,014,606
Plant and Equipment	12	29,712	46,832	24,376	41,162
Intangible Assets	13	583,712	625,648	-	-
TOTAL NON-CURRENT ASSETS		1,639,995	3,653,996	6,649,074	7,455,768
TOTAL ASSETS		2,821,250	4,358,277	7,771,277	8,091,530
CURRENT LIABILITIES					
Trade and Other Payables	15	187,817	225,149	179,558	119,663
Provisions	16	-	35,942	-	35,942
TOTAL CURRENT LIABILITIES		187,817	261,091	179,558	155,605
NON-CURRENT LIABILITIES					
Provisions	16	-	17,116	-	17,116
TOTAL NON-CURRENT LIABILITIES		-	17,116	-	17,116
TOTAL LIABILITIES		187,817	278,207	179,558	172,721
NET ASSETS		2,633,433	4,080,070	7,591,719	7,918,809
EQUITY					
Issued Capital	17	40,440,275	38,044,589	40,440,275	38,044,589
Reserves	18	(1,954,945)	-	-	-
Accumulated Losses		(35,851,998)	(33,964,642)	(32,848,556)	(30,125,780)
Parent Interest		2,633,332	4,079,947	7,591,719	7,918,809
Minority Equity Interest		101	123	-	-
TOTAL EQUITY		2,633,433	4,080,070	7,591,719	7,918,809

The accompanying notes form part of these financial statements.

PRIMA BIOMED LTD
ABN: 90 009 237 889
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Note	Issued Capital	Reserves	Accumulated Losses	Minority Equity Interests	Total
		\$	\$	\$	\$	\$
Economic Entity						
Balance at 01 July 2006		37,141,706	-	(30,825,665)	557	6,316,598
Shares issued net of costs	17	1,003,182	-	-	-	1,003,182
Transfer of shares	17	(122,899)	-	-	-	(122,899)
Options issued	17	22,600	-	-	-	22,600
Net loss for the period		-	-	(3,138,977)	-	(3,138,977)
Loss attributable to minority equity interest		-	-	-	(434)	(434)
Balance at 30 June 2007		<u>38,044,589</u>	<u>-</u>	<u>(33,964,642)</u>	<u>123</u>	<u>4,080,070</u>
Shares issued net of costs	17	1,919,999	-	-	-	1,919,999
Options issued	17	475,687	-	-	-	475,687
Financial assets revaluation reserve	18	-	(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		<u><u>40,440,275</u></u>	<u><u>(1,954,945)</u></u>	<u><u>(35,851,998)</u></u>	<u><u>101</u></u>	<u><u>2,633,433</u></u>

	Note	Issued Capital	Reserves	Accumulated Losses	Minority Equity Interests	Total
		\$	\$	\$	\$	\$
Parent Entity						
Balance at 01 July 2006		37,141,706	-	(17,481,400)	-	19,660,306
Shares issued net of costs	17	1,003,182	-	-	-	1,003,182
Transfer of shares	17	(122,899)	-	-	-	(122,899)
Options issued	17	22,600	-	-	-	22,600
Net loss for the period		-	-	(12,644,380)	-	(12,644,380)
Balance at 30 June 2007		<u>38,044,589</u>	<u>-</u>	<u>(30,125,780)</u>	<u>-</u>	<u>7,918,809</u>
Shares issued net of costs	17	1,919,999	-	-	-	1,919,999
Options issued	17	475,687	-	-	-	475,687
Net loss for the period		-	-	(2,722,776)	-	(2,722,776)
Balance at 30 June 2008		<u><u>40,440,275</u></u>	<u><u>-</u></u>	<u><u>(32,848,556)</u></u>	<u><u>-</u></u>	<u><u>7,591,719</u></u>

The accompanying notes form part of these financial statements.

PRIMA BIOMED LTD
ABN: 90 009 237 889
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
Note	\$	\$	\$	\$
CASH FLOWS RELATED TO OPERATING ACTIVITIES				
Payments to suppliers and employees	(1,602,449)	(3,455,720)	(1,308,959)	(1,815,891)
Interest and other items of a similar nature received	48,113	103,518	47,931	98,040
Inter-company revenue	-	-	-	408,312
Grant income	-	22,864	-	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES	22 (1,554,336)	(3,329,338)	(1,261,028)	(1,309,539)
CASH FLOWS RELATED TO INVESTING ACTIVITIES				
Payment for purchases of plant and equipment	(4,571)	(9,417)	(4,571)	(9,417)
Advances to related parties	-	-	(273,580)	(1,902,894)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(4,571)	(9,417)	(278,151)	(1,912,311)
CASH FLOWS RELATED TO FINANCING ACTIVITIES				
Proceeds from issues of securities	2,179,920	877,101	2,179,920	877,101
Capital raising costs	(194,534)	(77,915)	(194,534)	(77,915)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	1,985,386	799,186	1,985,386	799,186
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	426,479	(2,539,569)	446,207	(2,422,664)
Cash and cash equivalents at the beginning of the year	671,780	3,211,349	617,070	3,039,734
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8 1,098,259	671,780	1,063,277	617,070

The accompanying notes form part of these financial statements.

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 1 Statement of Significant Accounting Policies

This financial report includes the consolidated financial statements and notes of Prima Biomed Ltd and controlled entities ('Economic Entity'), and the separate financial statements and notes of Prima Biomed Ltd as an individual parent entity ('Parent Entity').

Basis of Preparation

The financial report is a general purpose financial report that 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 ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity Prima Biomed Ltd has the power to control the financial and operating policies so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 11 to the financial statements. All controlled entities have a 30 June financial year-end.

All intercompany balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20.0% to 33.3%
Furniture and Fittings	5.0% to 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic entity are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Investments

Investments held for trading are recorded at fair value and classified as current assets. All other investments are recorded at fair value and either classified as current or non-current assets. The gains or losses, whether realised or unrealised, are included in profit before income tax.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arms length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(f) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Licences, patents and trademarks

Licences, patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life ranging from 15 to 20 years.

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

(h) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the yearend exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the groups foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(i) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(j) Equity-settled compensation

Equity-settled payments are measured at fair value at the date of grant or entitlement. Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability or exercise restrictions.

The fair value determined for the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest.

(k) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(l) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(m) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(n) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

(o) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the economic entity.

Payables to related parties are carried at the principle amount. Interest, when charged by the lender is recognised as an expense on an accruals basis.

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

(p) Loss per share

Basic loss per share is determined by dividing the net loss after income tax expense by the weighted average number of ordinary shares outstanding during the financial year. For all periods presented, diluted loss per share is equivalent to basic loss per share as the potentially dilutive securities are excluded from the computation of diluted loss per share because the effect is anti-dilutive.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(s) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates — Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The recoverable amount of Arthron Pty Ltd's investment in Trillium Therapeutics Inc. was estimated to be \$1.027m at 30 June 2008. Based on the maximum exercise price of unexercised options and discounted cash flows it was determined that the fair value of these shares as at 30 June 2008 was CAD \$0.83. The 30 June 2008 adjustment of \$1.946m was taken directly to equity as an unrealised loss arising from a reduction in fair value of this investment.

The recoverable amounts of Prima's loans to subsidiaries were estimated to be Nil except the loan to Cancer Vac Pty Ltd which was estimated to be \$2.210m at 30 June 2008. These estimates were based on the Directors' knowledge of the Biotechnology sector and resulted in an impairment expense of \$0.650m for the year ended 30 June 2008.

The recoverable amounts of Prima's investments in subsidiaries were estimated at book value except for Panvax Pty Ltd which was written off and Arthron Pty Ltd which was impaired to \$1.052m. These estimates were based on the Directors' knowledge of the Biotechnology sector and resulted in an impairment expense of \$1.600m for the year ended 30 June 2007.

Note 2 Revenue

	Note	Economic Entity		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Operating Activities					
— Interest	2 (a)	57,940	103,495	1,209,880	1,038,491
— AusIndustry Grant		-	22,864	-	-
— Licence Fees		-	23	-	-
Total Operating Revenue		<u>57,940</u>	<u>126,382</u>	<u>1,209,880</u>	<u>1,038,491</u>
Non-operating Activities					
— Sale of Intellectual Property		-	2,890	-	-
— Other		-	26,850	34,026	434,603
Total Non-operating Revenue		<u>-</u>	<u>29,740</u>	<u>34,026</u>	<u>434,603</u>
Total Revenue		<u>57,940</u>	<u>156,122</u>	<u>1,243,906</u>	<u>1,473,094</u>
(a) Interest revenue from:					
— Controlled entities		-	-	1,152,122	940,451
— Other persons		57,940	103,495	57,758	98,040
Total interest revenue		<u>57,940</u>	<u>103,495</u>	<u>1,209,880</u>	<u>1,038,491</u>

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 3 Profit/Loss

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Profit/Loss before income tax has been determined after:					
(a) Expenses					
Total Depreciation					
— Plant and Equipment		8,046	9,356	8,046	9,021
— Furniture and Fittings		2,879	4,519	2,545	3,598
Total Depreciation		10,925	13,875	10,591	12,619
Total Amortisation					
— Licences		41,936	41,936	-	-
Total Amortisation		41,936	41,936	-	-
Impairment of Assets					
— Impairment on investment in Trillium Therapeutics Inc.		-	267,604	-	-
— Impairment of loans to controlled entities		-	-	649,636	9,297,245
— Impairment of investments in controlled entities		-	-	1,600,000	2,879,901
Total Impairment of Assets		-	267,604	2,249,636	12,177,146

Note 4 Income Tax Expense

(a) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on loss from ordinary activities before income tax at 30% (2007: 30%)

— economic entity	(566,213)	(941,710)	-	-
— parent entity	-	-	(816,833)	(3,793,314)
	(566,213)	(941,710)	(816,833)	(3,793,314)

Add / (Less):

Tax effect of:

— Entertainment	1,113	3,154	1,113	2,532
— Legal expenses	-	13,043	-	13,043
— Amortisation of intangibles	12,581	12,581	-	-
— Provision for intercompany loans & investments	-	-	674,891	3,653,144
— Impairment of investments	-	80,281	-	-
— Share based payments	123,090	24,329	123,090	24,329
— Late Fees	134	-	134	-
— Capital expenses deductible	(41,458)	(33,765)	(41,458)	(33,765)
— Deferred tax asset not recognised	470,753	842,087	59,063	134,031
	-	-	-	-

(b) Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur

Tax losses:

— Carried forward tax losses	8,235,061	8,477,849	2,214,767	1,971,465
— Adjustment to bring into line with lodged tax returns	224,655	(516,679)	21,836	192,422
— Temporary differences	(196,445)	(196,862)	(22,584)	(8,183)
	8,263,271	7,764,308	2,214,019	2,155,704

Note 5 Key Management Personnel Compensation

(a) **Directors**

The following persons were directors of Prima Biomed Ltd during the financial year :

Name	Position
Mr Ata Gokyildirim	Chairman
Mr Martin Rogers	Executive Director
Dr Richard Hammel	Non-Executive Director
Mr Eugene Kopp	Former Executive Chairman & Acting CEO
Dr John Sime	Non-Executive Director
Mr Phillip Hains	Finance Director

All of the above persons were key management persons during the year ended 30 June 2008, except for Mr Eugene Kopp who resigned on 3 September 2007, Dr. John Sime who resigned on 3 September 2007 and Mr Phillip Hains who was appointed on 4 September 2007 and retired on 29 November 2007.

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

(b) **Other key management personnel**

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly during the financial year:

Name	Position	Employer
Ms Vanessa Waddell	Business Development and Intellectual Property Manager	Prima Biomed Ltd
Mr Phillip Hains	Company Secretary	Prima Biomed Ltd
Mr Robert Kleine	Company Secretary	Prima Biomed Ltd

All of the above persons were also key management persons during the year ended 30 June 2008, except for Ms Vanessa Waddell who resigned on 11 June 2008 and Mr Robert Kleine who was appointed on 4 September 2007.

(c) **Key Management Personnel Compensation Policy**

Remuneration Policy

Remuneration of all Executive and Non-Executive Directors and Officers of the Company is determined by the Remuneration Committee.

The Company is committed to remunerating Senior Executives and Executive Directors in a manner that is market-competitive and consistent with "Best Practice" including the interests of shareholders. Remuneration packages are based on fixed and variable components, determined by the Executives' position, experience and performance, and may be satisfied via cash or equity.

Non-Executive Directors are remunerated out of the aggregate amount approved by shareholders and at a level that is consistent with industry standards. Non-Executive Directors do not receive performance based bonuses and prior Shareholder approval is required to participate in any issue of equity. No retirement benefits are payable other than statutory superannuation, if applicable.

For further details, refer to the Company's Corporate Governance Statement contained elsewhere in this report.

Remuneration policy versus Company financial performance

The Company's Remuneration Policy is not directly based on its financial performance, rather on industry practice, given the Company operates in the biotechnology sector and the Company has historically recorded losses.

The Company's primary focus is research activities with a long term objective of developing and commercialising the research & development results.

The Company envisages its performance in terms of earnings will remain negative whilst the Company continues in the research and development phase. Shareholder wealth reflects this speculative and volatile market sector. This pattern is indicative of the Company's performance over the past 6 years.

Performance based remuneration

The purposes of a performance bonus is to reward individual performance in line with Company objectives. Consequently, performance based remuneration is paid to an individual where the individual's performance clearly contributes to a successful outcome for the Company. This is regularly measured in respect of performance against key performance indicators (KPI's).

The Company uses a variety of KPI's to determine achievement, depending on the role of the executive being assessed. These include:

- Successful contract negotiations.
- Achievement of research project milestones within scheduled time and/or budget.
- Company share price reaching a targeted level on the ASX or applicable markets over a period of time.

(d) **Key management personnel compensation**

The aggregate compensation made to key management personnel of the Company and the Group is set out below:

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Short-term employee benefits	599,537	896,084	599,537	887,984
Post-employment benefits	22,970	201,695	22,970	201,695
Long-term benefits	21,219	-	21,219	-
Termination benefits	-	-	-	-
Share-based payments	343,300	81,096	343,300	81,096
	<u>987,026</u>	<u>1,178,875</u>	<u>987,026</u>	<u>1,170,775</u>

The compensation of each member of the key management personnel of the Group is set out on the following pages:

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

(e) **Key Management Personnel Compensation**

The compensation of each member of the key management personnel of the Group for the current year is set out below:

	Short-term employment benefits				Post Employment Benefits	
	Cash, salary & fees \$	Cash bonus \$	Non-monetary benefits \$	Other \$	Super-annuation \$	Other \$
2008						
Mr Ata Gokyildirim	52,411	-	-	-	-	-
Mr Martin Rogers	60,235	-	-	-	-	-
Dr Richard Hammel	44,210	-	-	-	-	-
Mr Eugene Kopp	128,667	-	-	-	-	-
Dr John Sime	-	-	-	-	6,667	-
Ms Vanessa Waddell	157,703	16,909	-	-	16,303	-
Mr Phillip Hains*	20,000	-	-	119,402	-	-
Mr Robert Kleine*	-	-	-	-	-	-
	463,226	16,909	-	119,402	22,970	-

* The fees included under 'Other' for Mr Hains were paid to The CFO Solution. Mr Kleine was remunerated for his services to the Company through his employment with The CFO Solution.

	Other long term employee benefits	Share-based payments			Termination Benefits	Total \$
	Other \$	Equity-settled		Cash-settled \$	Other \$	
		Shares \$	Options \$			
2008 (cont.)						
Mr Ata Gokyildirim	-	-	50,000	-	-	102,411
Mr Martin Rogers	-	-	50,000	-	-	110,235
Dr Richard Hammel	-	-	50,000	-	-	94,210
Mr Eugene Kopp	-	-	10,000	-	133,000	271,667
Dr John Sime	-	-	-	-	-	6,667
Ms Vanessa Waddell	21,219	-	300	-	-	212,434
Mr Phillip Hains*	-	50,000	-	-	-	189,402
Mr Robert Kleine*	-	-	-	-	-	-
	21,219	50,000	160,300	-	133,000	987,026

The compensation of each member of the key management personnel of the Group for the prior year is set out below:

	Short-term employment benefits				Post Employment Benefits	
	Cash, salary & fees \$	Cash bonus \$	Non-monetary benefits \$	Other \$	Super-annuation \$	Other \$
2007						
Dr Richard Hammel	49,699	-	-	-	-	-
Mr. Eugene Kopp	250,833	-	-	-	-	-
Dr John Sime	-	-	-	-	140,833	-
Mr Marcus Clark	119,662	-	-	-	39,567	-
Dr George Mihaly	31,250	-	-	18,100	-	-
Ms Vanessa Waddell	180,723	-	-	-	16,892	-
Mr Phillip Hains	20,000	-	-	180,000	-	-
Dr Emma Ball	44,449	-	-	1,368	4,403	-
	696,616	-	-	199,468	201,695	-

	Other long term employee benefits	Share-based payments			Termination Benefits	Total \$
	Other \$	Equity-settled		Cash-settled \$	Other \$	
		Shares \$	Options \$			
2007 (cont.)						
Dr Richard Hammel	-	-	-	-	-	49,699
Mr. Eugene Kopp	-	10,153	-	-	-	260,986
Dr John Sime	-	-	-	-	-	140,833
Mr Marcus Clark	-	41,289	-	-	-	200,518
Dr George Mihaly	-	-	-	-	-	49,350
Ms Vanessa Waddell	-	24,225	-	-	-	221,840
Mr Phillip Hains	-	-	-	-	-	200,000
Dr Emma Ball	-	5,429	-	-	-	55,649
	-	81,096	-	-	-	1,178,875

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

(f) **Options and Rights Holdings**

The number of options over ordinary shares in the Company held during the financial year by each director of Prima Biomed Ltd and other key management personnel of the Group, including their personally related parties, are set out below:

2008	Balance at start of the year No.	Granted as Compensation No.	Options Exercised No.	Net Change Other ¹ No.	Balance at end of the year No.	Vested and exercisable No.	Unvested No.
Directors of Prima Biomed Ltd							
Mr Ata Gokyildirim	-	10,000,000	-	8,000,000	18,000,000	18,000,000	-
Mr Martin Rogers	-	10,000,000	-	8,000,000	18,000,000	18,000,000	-
Dr Richard Hammel	500,000	10,000,000	-	-	10,500,000	10,500,000	-
Mr Eugene Kopp ²	1,000,000	2,000,000	-	-	3,000,000	3,000,000	-
Dr John Sime ²	500,000	-	-	-	500,000	500,000	-
Other key management personnel of the Group							
Ms Vanessa Waddell ²	500,000	300,000	-	20,000	820,000	820,000	-
Mr Phillip Hains	-	-	-	-	-	-	-
Mr Robert Kleine	-	-	-	-	-	-	-
	<u>2,500,000</u>	<u>32,300,000</u>	<u>-</u>	<u>16,020,000</u>	<u>50,820,000</u>	<u>50,820,000</u>	<u>-</u>

2007	Balance at start of the year No.	Granted as Compensation No.	Options Exercised No.	Net Change Other ¹ No.	Balance at end of the year No.	Vested and exercisable No.	Unvested No.
Directors of Prima Biomed Ltd							
Mr Eugene Kopp	5,783,334	-	-	(4,783,334)	1,000,000	1,000,000	-
Dr Richard Hammel	500,000	-	-	-	500,000	500,000	-
Dr John Sime	500,000	-	-	-	500,000	500,000	-
Mr Marcus Clark ²	1,533,334	-	-	(500,000)	1,033,334	1,033,334	-
Dr George Mihaly ²	500,000	-	-	-	500,000	500,000	-
Other key management personnel of the Group							
Ms Vanessa Waddell	897,334	-	-	(397,334)	500,000	500,000	-
Mr Phillip Hains	-	-	-	-	-	-	-
Dr Emma Ball ²	252,100	50,000	-	(52,100)	250,000	250,000	-
	<u>9,966,102</u>	<u>50,000</u>	<u>-</u>	<u>(5,732,768)</u>	<u>4,283,334</u>	<u>4,283,334</u>	<u>-</u>

1. The net change other reflected above includes those options that have expired or been issued during the year under review, other than for remuneration, or traded on market.
2. Closing balance represents balance on retirement / resignation.

(g) **Shareholdings**

The number of shares in the Company held during the financial year by each director of Prima Biomed Ltd and other key management personnel of the Group, including their personally related parties, are set out below.

2008	Balance at the start of the year No.	Received as Compensation No.	Options Exercised No.	Net Change Other ¹ No.	Balance at the end of the year No.
Directors of Prima Biomed Ltd					
Mr Ata Gokyildirim	-	-	-	-	-
Mr Martin Rogers	-	-	-	-	-
Dr Richard Hammel	-	-	-	-	-
Mr Eugene Kopp ²	16,697,495	-	-	(16,430,308)	267,187
Dr John Sime ²	500,000	-	-	-	500,000
Other key management personnel of the Group					
Ms Vanessa Waddell ²	585,509	-	-	(250,000)	335,509
Mr Phillip Hains	459,857	3,333,333	-	(459,857)	3,333,333
Mr Robert Kleine	-	-	-	-	-
	<u>18,242,861</u>	<u>3,333,333</u>	<u>-</u>	<u>(17,140,165)</u>	<u>4,436,029</u>

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	Balance at the start of the year No.	Received as Compensation No.	Options Exercised No.	Net Change Other ¹ No.	Balance at the end of the year No.
2007					
Directors of Prima Biomed Ltd					
Mr Eugene Kopp	15,925,336	178,125	-	594,034	16,697,495
Dr Richard Hammel	-	-	-	-	-
Dr John Sime	100,000	-	-	400,000	500,000
Mr Marcus Clark ²	411,544	724,375	-	-	1,135,919
Dr George Mihaly ²	75,000	-	-	-	75,000
Other key management personnel of the Group					
Ms Vanessa Waddell	402,891	425,002	-	(242,384)	585,509
Mr Phillip Hains	191,857	-	-	268,000	459,857
Dr Emma Ball ²	-	95,238	-	-	95,238
	<u>17,106,628</u>	<u>1,422,740</u>	<u>-</u>	<u>1,019,650</u>	<u>19,549,018</u>

1. Net change other refers to shares issued for the year under review, other than for remuneration, or traded on market.
2. Closing balance represents balance on retirement / resignation.

Note 6 Auditors' Remuneration

Note	Economic Entity		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
Remuneration of the auditor of the parent entity for:				
— Auditing or reviewing the financial report	38,500	42,000	38,500	42,000
— Taxation services	6,985	4,010	6,985	4,010
— Other - grant audits	-	(1,750)	-	-
	<u>45,485</u>	<u>44,260</u>	<u>45,485</u>	<u>46,010</u>

Note 7 Loss per Share

	2008 cents	2007 cents
Basic loss per share	(0.74)	(1.68)
Diluted loss per share	(0.74)	(1.68)
	2008 \$	2007 \$
(a) Reconciliation of earnings to profit/loss		
Net loss	(1,887,378)	(3,139,034)
Loss attributable to minority equity interest	22	57
Earnings used to calculate basic loss per share	<u>(1,887,356)</u>	<u>(3,138,977)</u>
(b) Weighted average number of ordinary shares outstanding during the year:	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share	<u>256,181,783</u>	<u>187,146,193</u>
(c) Options that are considered to be potential ordinary shares are excluded from the weighted average number of ordinary shares used in the calculation of basic loss per share. Where dilutive, potential ordinary shares are included in the calculation of diluted loss per share. All the options on issue do not have the effect to dilute the loss per share. Therefore they have been excluded from the calculation of diluted loss per share.		

Note 8 Cash and Cash Equivalents

Note	Economic Entity		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
Cash at bank and in hand	175,309	145,610	140,327	90,900
Short-term bank deposits	922,950	526,170	922,950	526,170
	<u>1,098,259</u>	<u>671,780</u>	<u>1,063,277</u>	<u>617,070</u>

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 9 Trade and Other Receivables

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
CURRENT					
Goods and services tax		33,463	30,794	31,196	18,622
Other debtors		13,478	1,637	5,647	-
		<u>46,941</u>	<u>32,431</u>	<u>36,843</u>	<u>18,622</u>
NON-CURRENT					
Loan to related party		-	-	15,302,965	13,843,237
Provision for non-recovery of loan		-	-	(13,092,873)	(12,443,237)
		<u>-</u>	<u>-</u>	<u>2,210,092</u>	<u>1,400,000</u>

Note 10 Other Financial Assets

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
NON CURRENT					
Available-for-sale financial assets	10(a)	1,026,571	2,981,516	4,414,606	6,014,606
		<u>1,026,571</u>	<u>2,981,516</u>	<u>4,414,606</u>	<u>6,014,606</u>
(a) Available-for-sale financial assets comprise:					
NON CURRENT					
Unlisted investments, at recoverable amount					
— shares in other corporations at cost		3,249,120	3,249,120	-	-
— less valuation decrement		(2,222,549)	(267,604)	-	-
		<u>1,026,571</u>	<u>2,981,516</u>	<u>-</u>	<u>-</u>
Total non-current financial assets		<u>1,026,571</u>	<u>2,981,516</u>	<u>4,414,606</u>	<u>6,014,606</u>

Note 11 Controlled Entities

(a) Controlled Entities Consolidated

Parent Entity:	Country of Incorporation	Percentage Owned (%)	
		2008	2007
Prima Biomed Ltd	Australia		
Subsidiaries of Prima Biomed Ltd			
Arthron Pty Ltd	Australia	99.99%	99.99%
Cancer Vac Pty Ltd	Australia	100.00%	100.00%
Oncomab Pty Ltd	Australia	100.00%	100.00%
Panvax Pty Ltd	Australia	100.00%	100.00%

Note 12 Plant and Equipment

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
PLANT AND EQUIPMENT					
Plant and equipment					
At cost		58,020	68,414	58,020	68,414
Accumulated depreciation		(45,206)	(46,589)	(45,206)	(46,589)
		<u>12,814</u>	<u>21,825</u>	<u>12,814</u>	<u>21,825</u>
Furniture and fittings					
At cost		60,234	79,795	53,526	68,300
Accumulated depreciation		(43,336)	(54,788)	(41,964)	(48,963)
		<u>16,898</u>	<u>25,007</u>	<u>11,562</u>	<u>19,337</u>
Total plant and equipment		<u>29,712</u>	<u>46,832</u>	<u>24,376</u>	<u>41,162</u>

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

(a) **Movements in Carrying Amounts**

Movements in carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Plant and equipment \$	Furniture and fittings \$	Total \$
Economic Entity:			
Balance at the beginning of year	21,825	25,007	46,832
Additions	591	3,980	4,571
Disposals	(1,556)	(9,210)	(10,766)
Depreciation expense	(8,046)	(2,879)	(10,925)
Carrying amount at the end of year	<u>12,814</u>	<u>16,898</u>	<u>29,712</u>
Parent Entity:			
Balance at the beginning of year	21,825	19,337	41,162
Additions	591	3,980	4,571
Disposals	(1,556)	(9,210)	(10,766)
Depreciation expense	(8,046)	(2,545)	(10,591)
Carrying amount at the end of year	<u>12,814</u>	<u>11,562</u>	<u>24,376</u>

Note 13 Intangible Assets

	Economic Entity		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
Patents, trademarks and licences				
Cost	1,915,671	1,915,671	-	-
Accumulated amortisation	(430,036)	(388,100)	-	-
Accumulated impairment losses	(901,923)	(901,923)	-	-
Net carrying value	<u>583,712</u>	<u>625,648</u>	<u>-</u>	<u>-</u>
Total intangibles	<u>583,712</u>	<u>625,648</u>	<u>-</u>	<u>-</u>

Note 14 Other Assets

	Economic Entity		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
CURRENT				
Prepayments	1,256	70	1,256	70
Accrued income	23,799	-	9,827	-
Security deposits	11,000	-	11,000	-
	<u>36,055</u>	<u>70</u>	<u>22,083</u>	<u>70</u>

Note 15 Trade and Other Payables

CURRENT				
Unsecured liabilities:				
Trade payables	118,891	122,256	110,632	51,002
Sundry payables and accrued expenses	68,926	102,893	68,926	68,661
	<u>187,817</u>	<u>225,149</u>	<u>179,558</u>	<u>119,663</u>

Note 16 Provisions

CURRENT				
Employee Entitlements				
Opening balance at beginning of year	35,942	51,325	35,942	51,325
Additional provisions	5,940	20,259	5,940	20,259
Amounts used	(41,882)	(35,642)	(41,882)	(35,642)
Balance at end of the year	<u>-</u>	<u>35,942</u>	<u>-</u>	<u>35,942</u>
NON CURRENT				
Employee Entitlements				
Opening balance at beginning of year	17,116	17,009	17,116	17,009
Additional provisions	4,100	11,020	4,100	11,020
Amounts used	(21,216)	-	(21,216)	-
Unused amounts reversed	-	(10,913)	-	(10,913)
Balance at end of the year	<u>-</u>	<u>17,116</u>	<u>-</u>	<u>17,116</u>

(a) Number of Employees at Year-end	1	3	1	3
-------------------------------------	---	---	---	---

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 17 Issued Capital

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Fully paid ordinary shares	17a	39,745,331	37,825,332	39,745,331	37,825,332
Options over ordinary shares	17b	694,944	219,257	694,944	219,257
		<u>40,440,275</u>	<u>38,044,589</u>	<u>40,440,275</u>	<u>38,044,589</u>

(a) Ordinary Shares

		2008		2007	
		No.	\$	No.	\$
At the beginning of reporting period		198,053,275	37,825,332	176,630,535	36,940,829
Shares issued during year	(i)	107,026,640	2,114,532	21,422,740	1,081,096
Transfer of shares	(ii)	-	-	-	(122,899)
Expiration of options		-	-	-	4,220
Transaction costs relating to share issues		-	(194,533)	-	(77,914)
At reporting date		<u>305,079,915</u>	<u>39,745,331</u>	<u>198,053,275</u>	<u>37,825,332</u>

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(i) 2008	Details	Number	Issue Price \$	\$
11-December-2007	Pro-rata non-renounceable rights Issue of shares	99,026,638	\$ 0.020	1,980,532
12-December-2007	Shares issued as cancellation fee for facility agreement	2,000,000	\$ 0.022	44,000
22-May-2008	Exercise of options	3	\$ 0.020	-
04-June-2008	Shares issued to company secretary	3,333,333	\$ 0.015	50,000
04-June-2008	Shares issued to consultants	2,666,666	\$ 0.015	40,000
		<u>107,026,640</u>		<u>2,114,532</u>

2007	Details	Number	Issue Price \$	\$
14-November-2006	Private placement	20,000,000	\$ 0.050	1,000,000
01-December-2006	Issue to directors	902,500	\$ 0.057	51,442
01-December-2006	Issue to employees	520,240	\$ 0.057	29,654
		<u>21,422,740</u>		<u>1,081,096</u>

(ii) 2007	Details	Number	Issue Price \$	\$
20-February-2007	Transferred from Biomira Inc.	(2,594,034)	\$ 0.091	(236,601)
20-February-2007	Transferred to directors	994,034	\$ 0.050	49,702
20-February-2007	Transferred to other parties	1,600,000	\$ 0.040	64,000
		<u>-</u>		<u>(122,899)</u>

(b) Options

		2008		2007	
		No.	\$	No.	\$
At the beginning of reporting period		11,250,000	219,257	50,906,155	200,877
Options issued during year	(i)	173,993,302	475,687	5,050,000	22,600
Expiration of options	(ii)	-	-	(44,706,155)	(4,220)
At reporting date		<u>185,243,302</u>	<u>694,944</u>	<u>11,250,000</u>	<u>219,257</u>

(i) 2008	Details	Number	Issue Price \$	\$
06-August-2007	Options granted to employees	300,000	\$ 0.001	300
12-December-2007	Options granted as cancellation fee for facility agreement	2,000,000	\$ 0.018	36,000
12-December-2007	Options granted to directors	2,000,000	\$ 0.005	10,000
17-March-2008	Pro-rata non-renounceable rights issue of options	99,693,305	\$ 0.002	199,387
17-March-2008	Placement offer of options	40,000,000	\$ 0.002	80,000
22-May-2008	Exercise of options	(3)	\$ -	-
04-June-2008	Options granted to directors	30,000,000	\$ 0.005	150,000
		<u>173,993,302</u>		<u>475,687</u>

2007	Details	Number	Issue Price \$	\$
14-November-2006	Private placement fee	5,000,000	\$ 0.005	22,500
01-December-2006	Issue to employee	50,000	\$ 0.002	100
		<u>5,050,000</u>		<u>22,600</u>

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

(ii) 2007	Details	Number	Issue Price \$	\$
01-July-2006	Expiry of unlisted options	3,050,000	\$ -	-
06-July-2006	Expiry of unlisted options	7,052,100	\$ 0.001	4,220
16-July-2006	Expiry of unlisted options	1,664,000	\$ -	-
30-November-2006	Expiry of listed options	27,800,055	\$ -	-
30-November-2006	Expiry of unlisted options	3,140,000	\$ -	-
26-February-2007	Expiry of unlisted options	2,000,000	\$ -	-
		<u>44,706,155</u>		<u>4,220</u>

Note 18 Reserves

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
Financial Assets Revaluation Reserve	18a	\$ (1,954,945)	\$ -	\$ -	\$ -
		<u>(1,954,945)</u>	<u>-</u>	<u>-</u>	<u>-</u>

(a) **Movements in Carrying Amounts**

Amounts recognised directly in equity relating to non-current assets classified as available-for-sale financial assets:

At the beginning of reporting period

Valuation decrement

At reporting date

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		\$ -	\$ -	\$ -	\$ -
	(i)	(1,954,945)	-	-	-
		<u>(1,954,945)</u>	<u>-</u>	<u>-</u>	<u>-</u>

- (i) A subsidiary of Prima Biomed Ltd, Arthron Pty Ltd, holds 1,200,000 shares in Trillium Therapeutics Inc. which is a privately held Canadian biotechnology company. Based on the maximum exercise price of unexercised options and discounted cash flows it was determined that the fair value of these shares as at 30 June 2008 was CAD \$0.83.

The 30 June 2008 valuation decrement of Arthron's investment in Trillium to a fair value of \$1,026,571 is based on CAD \$0.83 per share converted to AUD at the 30 June 2008 FX rate. The adjustment of \$1,945,945, which was taken directly to equity, is an unrealised loss arising from a reduction in fair value of this investment.

(b) **Financial Assets Reserve**

The financial assets reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised or impaired.

Note 19 Capital and Leasing Commitments

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
(a) Operating Lease Commitments					
Non-cancellable operating leases contracted for but not capitalised in the financial statements:					
Payable — minimum lease payments					
— not later than 12 months		2,703	5,406	2,703	5,406
— between 12 months and 5 years		-	2,703	-	2,703
		<u>2,703</u>	<u>8,109</u>	<u>2,703</u>	<u>8,109</u>

There is an operating lease for office equipment which commenced on 1st January 2006 for a term of 36 months with lease payments of A\$451 per month. Termination would require the Company to payout remaining lease payments until the end of term.

(b) **Other**

The CFO Solution provides administrative support at a rate of \$9,167 per month plus GST. This commitment may be terminated with 6 months notice from either party.

Note 20 Contingent Liabilities and Contingent Assets

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

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 21 Segment Reporting

(a) Primary Reporting Format - Business Segments

	Cancer Immuno- Therapy 2008 \$	Anti- Inflammatory 2008 \$	Drug Delivery Systems 2008 \$	Therapeutic Antibodies for Cancer 2008 \$	Elimination 2008 \$	Consolidated 2008 \$
2008						
Revenue						
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 Expense	26,118	-	-	16,152	10,591	52,861

	Cancer Immuno- Therapy 2007 \$	Anti- Inflammatory 2007 \$	Drug Delivery Systems 2007 \$	Therapeutic Antibodies for Cancer 2007 \$	Elimination 2007 \$	Consolidated 2007 \$
2007						
Revenue						
External Sales	1,635	7,292	22,842	22	-	31,791
Unallocated Revenue						124,331
Total Segment Revenue/income						156,122
Segment Result	(1,487,781)	(435,653)	(457,068)	(290,418)	1,348,763	(1,322,157)
Unallocated Revenue						124,331
Unallocated Expenses						(1,941,208)
Net Loss						(3,139,034)
Segment Assets	419,053	2,983,716	38,231	252,940	-	3,693,940
Unallocated Assets						664,337
Total Assets						4,358,277
Segment Liabilities	6,951,122	2,028,956	3,786,903	1,193,071	(13,843,238)	116,814
Unallocated Liabilities						161,393
Total Liabilities						278,207
Depreciation and Amortisation Expense	26,119	-	921	16,152	12,619	55,811

(b) Secondary Reporting Format - Geographical Segments

The economic entity operated in one geographical location, being Australia in financial years 2008 & 2007.

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 22 Cash Flow Information

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Reconciliation of Cash Flow from Operations with net loss after income tax expense				
Net loss after income tax expense	(1,887,356)	(3,138,977)	(2,722,776)	(12,644,380)
Non-cash movements				
Add back depreciation expense	10,925	13,875	10,591	12,619
Add back amortisation expense	41,936	41,936	-	-
Add back interest on inter-company loans	-	-	(1,152,122)	(940,451)
Add back inter-company management fees	-	-	(34,026)	-
Add back loss borne by parent	-	(376)	-	-
Add back loss on disposal of assets	10,766	-	10,766	-
Add back equity issued for nil consideration	410,300	103,696	410,300	103,696
Add back minority equity interest	(22)	(57)	-	-
Add back impairment of assets	-	267,604	-	-
Add back provision for inter-company investment	-	-	1,600,000	2,879,901
Add back provision for inter-company loan	-	-	649,636	9,297,245
Changes in assets and liabilities				
(Increases)/Decreases in Trade and other receivables	(14,510)	79,664	(18,221)	242,931
(Increases)/Decreases in Other current assets	(35,985)	68,416	(22,013)	31,833
Increases/(Decreases) in Trade and other payables	(37,332)	(749,843)	59,895	(277,657)
Increases/(Decreases) in Provisions	(53,058)	(15,276)	(53,058)	(15,276)
Cash flows from operating activities	<u>(1,554,336)</u>	<u>(3,329,338)</u>	<u>(1,261,028)</u>	<u>(1,309,539)</u>

Note 23 Share-based Payments

The company established the Prima Biomed Limited 2006 Employee and Consultants Equity Participation Plan on 15th November 2006. All employees, directors and consultants are entitled to participate in the plan. The aggregate number of shares issuable under the plan, either by the issuance of shares or under options granted under the plan, shall not exceed 10,000,000 ordinary shares. On 1 December 2006 235,240 ordinary shares were issued to employees under the plan at an issue price of \$0.057 per share. On 6 August 2007 300,000 unlisted PRRAK options, exercisable at \$0.20 on or before 6 August 2010, were issued to an employee under the plan. At balance date none of the options had been exercised.

On 12 December 2007, 2,000,000 unlisted PRRAE options were granted to a Director as remuneration per a resolution at the 2007 AGM, . The options are exercisable at \$0.125 on or before 31 December 2009 and hold no voting or dividend rights. At balance date none of the options had been exercised.

On 12 December 2007, 2,000,000 ordinary shares were issued and 2,000,000 unlisted PRRAD options were granted as a cancellation fee for a facility agreement. These options are exercisable at \$0.01 on or before 20 October 2008 and hold no voting or dividend rights. At balance date none of the options had been exercised.

On 17 March 2008, 40,000,000 listed PRRO options were granted to a consultant for corporate advisory services. These options are exercisable at \$0.02 on or before 31 December 2011 and hold no voting or dividend rights. At balance date none of the options had been exercised. The value of these services was \$80,000.

On 4 June 2008, 30,000,000 listed PRRO options were granted to Directors as an incentive per resolutions at the general meeting held on 4 June 2008. The options are exercisable at \$0.02 on or before 31 December 2011 and hold no voting or dividend rights. At balance date none of the options had been exercised. The total value of this remuneration was \$150,000.

On 4 June 2008, 3,333,333 ordinary shares were issued a company secretary for secretarial and accounting services per a resolution at the general meeting held on 4 June 2008. The value of these services was \$50,000.

On 4 June 2008, 2,333,333 ordinary shares were issued a consultant for research services per a resolution at the general meeting held on 4 June 2008. The value of these services was \$35,000.

On 4 June 2008, 2,333,333 ordinary shares were issued a consultant for public relations services per a resolution at the general meeting held on 4 June 2008. The value of these services was \$5,000.

All options granted ordinary shares in Prima Biomed Ltd which confer a right of one ordinary share for every option held.

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	Economic Entity				Parent Entity			
	2008		2007		2008		2007	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding at the beginning of the year	11,250,000	\$ 0.17	50,906,155	\$ 0.23	11,250,000	\$ 0.17	50,906,155	\$ 0.23
Granted	74,300,000	\$ 0.12	5,050,000	\$ 0.12	74,300,000	\$ 0.12	5,050,000	\$ 0.12
Forfeited	-	\$ -	-	\$ -	-	\$ -	-	\$ -
Exercised	-	\$ -	-	\$ -	-	\$ -	-	\$ -
Expired	-	\$ 0.23	(44,706,155)	\$ 0.23	-	\$ 0.23	(44,706,155)	\$ 0.23
Outstanding at year-end	85,550,000	\$ 0.17	11,250,000	\$ 0.17	85,550,000	\$ 0.17	11,250,000	\$ 0.17
Exercisable at year-end	85,550,000	\$ 0.17	11,250,000	\$ 0.17	85,550,000	\$ 0.17	11,250,000	\$ 0.17

There were no options exercised during the year ended 30 June 2008.

The options outstanding at 30 June 2008 had a weighted average exercise price of \$0.04 and a weighted average remaining contractual life of 3.02 years. Exercise prices range from \$0.01 to \$0.30 in respect of options outstanding at 30 June 2008.

The weighted average fair value of the options granted during the year was \$0.003.

For the 4,300,000 unlisted options granted this price was calculated by using a Black Scholes option pricing model applying the following inputs:

Weighted average exercise price	\$	0.08
Weighted average life of the option		2.49 years
Weighted average underlying share price	\$	0.02
Weighted average expected share price volatility		110.21%
Weighted average risk free interest rate		6.63%

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Included under employee benefits expense in the income statement is \$210,300 (2007: \$81,096), which relates, in full, to equity-settled share-based payment transactions.

Note 24 Events After the Balance Sheet Date

On 21 July 2008 the Company gave notice of its intention to sell shareholdings that are less than a marketable parcel of shares. Shareholdings with a market value less than \$500 at the close of trading on 5 September 2008 were sold on ASX under the Unmarketable Parcel Sale Facility, unless shareholders had lodged a Notice of Retention of Shares. On 19 September 2008 the Company announced that the sale of unmarketable parcels had been successfully completed.

On 25 August 2008 the Company announced that it had submitted its formal request for a pre-Investigational New Drug Application (preIND) meeting with the US Food and Drug Administration (FDA) for the company's CVac™ ovarian cancer treatment.

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.

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 25 Related Party Transactions

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.				
Transactions with related parties:				
(a) Other Related Parties				
Loans to Subsidiary Companies	-	-	2,210,092	1,400,000
Interest charged on loans to subsidiaries	-	-	1,152,122	940,451
Management fees charged to subsidiaries	-	-	34,026	408,312
Impairment of loans to subsidiaries	-	-	649,636	9,297,245
Impairment of investments in subsidiaries	-	-	1,600,000	2,879,901
(b) Key Management Personnel				
ProPharma International Partnership Inc, a firm associated with Dr Hammel, received nil (2007: AUD\$17,644) in consulting fees from Prima Biomed Ltd and nil (2007: AUD\$16,852) from Cancer Vac Pty Ltd.				
Richard J Hammel International Business Consultants Inc., a firm associated with Dr Hammel, received AUD\$50,903 (2007: nil) in consulting fees from Prima Biomed Ltd.				

Note 26 Financial Risk Management Objectives and Policies

(a) Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables, other current assets, other financial assets and trade and other payables.

	2008	2007
	\$	\$
Cash and cash equivalents	1,098,259	671,780
Trade and other receivables	46,941	32,431
Other current assets	36,055	70
Other financial assets	1,026,571	2,981,516
Trade and other payables	(187,817)	(225,149)

The Company does not have any derivative instruments at 30 June 2008.

(b) Risk Management Policy

The Board is responsible for overseeing the establishment and implementation of the risk management system, and reviews and assesses the effectiveness of the Company's implementation of that system on a regular basis.

The Board and Senior Management identify the general areas of risk and their impact on the activities of the Company, with Management performing a regular review of:

- * the major risks that occur within the business;
- * the degree of risk involved;
- * the current approach to managing the risk; and
- * if appropriate, determine:
 - * any inadequacies of the current approach; and
 - * possible new approaches that more efficiently and effectively address the risk.

Management reports risks identified to the Board.

The Company seeks to ensure that its exposure to undue risk which is likely to impact its financial performance, continued growth and survival is minimised in a cost effective manner.

(c) Significant Accounting Policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

The carrying amounts of cash and cash equivalents, trade and other receivables, other current assets, other financial assets and trade and other payables represents their fair values determined in accordance with the accounting policies disclosed in note 1.

Interest revenue on cash and cash equivalents is disclosed in note 2.

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

(d) **Financial Risk Management**

The main risks the Company is exposed to through its operations are interest rate risk, foreign exchange risk, credit risk and liquidity risk.

(i) *Interest Rate Risk*

The Company is exposed to interest rate risks via the cash and cash equivalents that it holds. Interest rate risk is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates. The objective of managing interest rate risk is to minimise the Company's exposure to fluctuations in interest rates that might impact its interest revenue and cash flow. To manage interest rate risk, the Company locks a portion of the Company's cash and cash equivalents into term deposits. The maturity of term deposits is determined based on the Company's cash flow forecast. Interest rate risk is considered when placing funds on term deposits. The Company considers the reduced interest rate received by retaining cash and cash equivalents in the Company's operating account compared to placing funds into a term deposit. This consideration also takes into account the costs associated with breaking a term deposit should early access to cash and cash equivalents be required.

The Company's exposure to interest rate risk and the weighted average interest rates on the Company's financial assets and financial liabilities is as follows:

2008	Weighted Average Effective Interest Rate	Floating Interest Rate \$	Fixed Interest Rate Within Year \$	Fixed Interest Rate 1 to 5 years \$	Fixed Interest Rate Over 5 years \$	Non-Interest Bearing \$	Total \$
Financial Assets:							
Cash and cash equivalents	7.07%	598,259	500,000	-	-	-	1,098,259
Trade and other receivables		-	-	-	-	46,941	46,941
Other current assets		-	-	-	-	36,055	36,055
Other financial assets		-	-	-	-	1,026,571	1,026,571
Total Financial Assets		598,259	500,000	-	-	1,109,567	2,207,826
Financial Liabilities:							
Trade and other payables		-	-	-	-	187,817	187,817
Total Financial Liabilities		-	-	-	-	187,817	187,817

2007	Weighted Average Effective Interest Rate	Floating Interest Rate \$	Fixed Interest Rate Within Year \$	Fixed Interest Rate 1 to 5 years \$	Fixed Interest Rate Over 5 years \$	Non-Interest Bearing \$	Total \$
Financial Assets:							
Cash and cash equivalents	4.93%	671,780	-	-	-	-	671,780
Trade and other receivables		-	-	-	-	32,431	32,431
Other current assets		-	-	-	-	70	70
Other financial assets		-	-	-	-	2,981,516	2,981,516
Total Financial Assets		671,780	-	-	-	3,014,017	3,685,797
Financial Liabilities:							
Trade and other payables		-	-	-	-	225,149	225,149
Total Financial Liabilities		-	-	-	-	225,149	225,149

There has been no change to the Company's exposure to interest rate risk or the manner in which it manages and measures its risk in the year ended 30 June 2008.

The Company has conducted a sensitivity analysis of the Company's exposure to interest rate risk. The analysis shows that if the Company's interest rate was to fluctuate as disclosed below and all other variables had remained constant, then the interest rate sensitivity impact on the Company's loss after tax and equity would be as follows:

	(Higher) / Lower 2008 \$	(Higher) / Lower 2007 \$
+1% (100 basis points)	5,983	6,718
-1% (100 basis points)	(5,983)	(6,718)

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

(ii) *Foreign Currency Risk*

The Company is exposed to foreign currency risk via the other financial assets and trade and other payables that it holds. Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company does not have a policy to hedge overseas payments or receivables as they are highly variable in amount and timing, due to the reliance on activities carried out by overseas entities and their billing cycle.

The following financial assets and liabilities are subject to foreign currency risk:

	2008	2007
	\$	\$
Other financial assets (CAD/AUD)	1,026,571	2,981,516
Trade and other payables (USD/AUD)	5,062	-

Foreign currency risk is measured by regular review of our cash forecasts, monitoring the dollar amount and currencies that payment are anticipated to be paid in. The Company also considers the market fluctuations in relevant currencies to determine the level of exposure. If the level of exposure is considered by Management to be too high, then Management has authority to take steps to reduce the risk. Steps to reduce risk may include the acquisition of foreign currency ahead of the anticipated due date of an invoice or may include negotiations with suppliers to make payment in our functional currency. Should Management determine that the Company should consider taking out a hedge to reduce the foreign currency risk, they would need to seek Board approval.

The Company has some suppliers outside of Australia which exposes it to transactional currency movements, where the Company is required to pay in a currency other than its functional currency.

The Company is currently exposed to fluctuations in United States dollars and Canadian dollars. Analysis is conducted on a currency by currency basis using the same sensitivity variable.

The Company has conducted a sensitivity analysis of the Company's exposure to foreign currency risk. The analysis shows that if the Company's exposure to foreign currency risk was to fluctuate as disclosed below and all other variables had remained constant, then the foreign currency sensitivity impact on the Company's loss after tax and equity would be as follows:

	(Higher) / Lower 2008 \$	(Higher) / Lower 2007 \$
Other financial assets		
CAD/AUD + 5%	134,040	134,040
CAD/AUD - 5%	(134,040)	(134,040)
Trade and other payables		
USD/AUD + 5%	(243)	-
USD/AUD - 5%	243	-

(iii) *Credit Risk*

The Company is exposed to credit risk via its cash and cash equivalents, other current assets and trade and other receivables. Credit risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. To reduce risk exposure for the Company's cash and cash equivalents, it places them with high credit quality financial institutions.

Historically the Company has had minimal trade and other receivables, with the majority of its funding being provided via shareholder investment. Traditionally the Company's trade and other receivables relate to recovery of expenses from third parties and GST refunds due from the Company from the Australian Tax Office. The Board believe that the Company does not have significant credit risk at this time in respect of its trade and other receivables.

The Company has analysed its trade and other receivables below. All trade and other receivables disclosed below have not been impaired.

2008	0-30 days	30-60 days	60-90 days	90+day
	\$	\$	\$	\$
Trade and other receivables (AUD)	33,473	13,468	-	-
2007	0-30 days	30-60 days	60-90 days	90+day
	\$	\$	\$	\$
Trade and other receivables (AUD)	26,352	6,079	-	-

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

(iv) *Liquidity Risk*

The Company is exposed to liquidity risk via its trade and other payables. Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet the commitments associated with its financial instruments. Responsibility for liquidity risk rests with the Board who manage liquidity risk by monitoring undiscounted cash flow forecasts and actual cash flows provided to them by the Company's Management at Board meetings to ensure that the Company continues to be able to meet its debts as and when they fall due. Contracts are not entered into unless the Board believes that there is sufficient cash flow to fund the additional activity. The Board considers when reviewing its undiscounted cash flows forecasts whether the Company needs to raise additional funding from the equity markets.

The Company has analysed its trade and other payables below:

	0-30 days	30-60 days	60-90 days	90+day
2008	\$	\$	\$	\$
Trade and other payables (AUD/USD)	185,195	2,600	22	-
2007	\$	\$	\$	\$
Trade and other payables (AUD)	223,757	-	-	1,392

Note 27 Change In Accounting Policy

The following Australian Accounting Standards have been issued or amended and are applicable to the Parent Entity and Consolidated Entity but are not yet effective. They have not been adopted in presentation of the financial statements at reporting date.

Reference	Title	Outline of Amendment	Impact on Consolidated Entity's Financial Report	Application date for Consolidated Entity
AASB 8	Operating Segments	New standard replacing AASB 114 Segment Reporting, which adopts a management reporting approach to segment reporting.	AASB 8 is a disclosure standard. The amounts presented in the financial statements will not change but the amounts presented in the segment reporting note may differ as a result of AASB 8 requiring the amounts presented to be based on those seen by the entity's chief operating decision maker.	1 July 2009
AASB 101	Presentation of Financial Statements	AASB 101 amended changes how an entity presents changes in equity and especially how it reports changes in equity that arise from transactions with owners in their capacity as owners. The amended standard also changes presentation and terminology of the primary financial statements. The new rules do not change the recognition, measurement or disclosure of specific transactions and other events.	The introduction of AASB 101 (amended) will not have a material impact on the amounts presented within the financial statement but it likely to result in a substantial change in the presentation and terminology of the primary financial statements.	1 July 2009
AASB 3	Business Combinations	The revised standard introduces a number of changes to the accounting for business combinations. The most significant is allow entities a choice to measure a non-controlling interest in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets.	Adoption of the revised AASB 3 is likely to result in substantial changes in the way in which the entity accounts for business combinations. The entity has been unable to assess (as at authorisation of this financial report) the financial impact of this change on the entity's financial report in the period of initial application.	1 July 2009
AASB 127	Consolidated and Separate Financial Statements	Under the revised standard, a change in the ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction.	Adoption of the revised AASB 127 is likely to result in changes in the way in which the entity accounts for changes Consolidated and Separate Financial Statements. The entity has been unable to assess (as at authorisation of this financial report) the financial impact of this change on the entity's financial report in the period of initial application.	1 July 2009

PRIMA BIOMED LTD
ABN: 90 009 237 889
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

AASB 2008-1	Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations	AASB 2008-1 clarifies that vesting conditions comprise service conditions and performance conditions only and that other features of a share-based payment transaction are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.	The Consolidated Entity has sharebased payment arrangements that may be affected by these amendments. However, it has not yet determined the extent of the impact, if any.	1 July 2009
AASB 2008-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	AASB 2008-5 results from the International Accounting Standards Board's annual improvements project. The annual improvements project provides a vehicle for making non-urgent but necessary amendments to IFRSs.	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting.	1 July 2009
AASB 2008-6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	AASB 2008-6 amends AASB 1 and AASB 5 to include requirements relating to a sale plan involving the loss of control of a subsidiary. The amendments require all the assets and liabilities of such a subsidiary to be classified as held for sale and clarify the disclosures required when the subsidiary is part of a disposal group that meets the definition of a discontinued operation.	The Consolidated Entity has not yet determined the extent of the impact, if any.	1 July 2009
AASB 2008-7	Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	(a) amends AASB 1 to allow first-time adopters, in their separate financial statements, to use a deemed cost option for determining the cost of an investment in a subsidiary, jointly controlled entity or associate. (b) removes from AASB 118 the requirement to deduct dividends declared out of pre-acquisition profits from the cost of an investment in a subsidiary, jointly controlled entity or associate. (c) amends AASB 127 to require, in particular circumstances, a new parent entity established in a group reorganisation to measure the cost of its investment at the carrying amount of the share of the equity items shown in the separate financial statements of the original parent at the date of the reorganisation. (d) amends AASB 136 to include recognising a dividend from a subsidiary, jointly controlled entity or associate, together with other evidence, as an indication that the investment in the subsidiary, jointly controlled entity or associate may be impaired.	The Consolidated Entity has not yet determined the extent of the impact, if any.	1 July 2009

Note 28 Company Details

The registered office of the Company is:

Prima Biomed Ltd
Suite 1, 1233 High St, Armadale
Victoria 3143
Australia

The principal place of business of Prima Biomed Ltd is:

Prima Biomed Ltd
Suite 1705, 109 Pitt St, Sydney
New South Wales 2000
Australia

PRIMA BIOMED LTD
ABN: 90 009 237 889
DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 15 to 39, are in accordance with the Corporations Act 2001 and:
 - (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 2008 and of the performance for the year ended on that date of the Company and economic entity;
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
 - (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. 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.



Director

Mr Ata Gokyildirim

Dated this 24th day of September 2008

**PRIMA BIOMED LTD
SHAREHOLDER INFORMATION**

As at 17 September 2008

NUMBER OF HOLDERS OF EQUITY SECURITIES

Ordinary Shares

305,079,915 fully paid ordinary shares are held by 1,494 individual shareholders
All ordinary shares carry one vote per share.

Options

169,693,302 [ASX Code PRR0] options exercisable @ \$0.02 on or before 31 December 2011 held by 487 individual optionholders
5,250,000 [ASX Code PRRAY] options exercisable @ \$0.20 on or before 26/02/09 are held by 11 individual optionholders.
1,000,000 [ASX Code PRRAC] options exercisable @ \$0.30 on or before 26/02/09 are held by 2 individual optionholders.
5,000,000 [ASX Code PRRAA] options exercisable @ \$0.12 on or before 30/09/08 are held by 3 individual optionholder.
300,000 [ASX Code PRRAK] options exercisable @ \$0.20 on or before 6/08/10 are held by 1 individual optionholder.
2,000,000 [ASX Code PRRAE] options exercisable @ \$0.125 on or before 31/12/09 are held by 1 individual optionholder.
2,000,000 [ASX Code PRRAD] options exercisable @ \$0.01 on or before 20/10/10 are held by 3 individual optionholder.

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	30
1,001 - 5,000	134
5,001 - 10,000	110
10,001 - 100,000	694
100,001 - and over	526
Total number of shareholders	1,494
Unmarketable parcels	812

	Listed Options
1 - 1,000	39
1,001 - 5,000	112
5,001 - 10,000	58
10,001 - 100,000	173
100,001 - and over	105
Total number of shareholders	487

TWENTY LARGEST HOLDERS OF QUOTED SECURITIES

Shareholders	Fully Paid Ordinary Shares (ASX Code PRR)	
	Number	%
1 Michael & Lynette Black	7,500,000	2.46%
2 A Di Bella Pty Ltd	5,880,000	1.93%
3 Professional Payment Sevices Pty Ltd	5,000,000	1.64%
4 Innovatif Developments Pty Ltd	5,000,000	1.64%
5 Suburban Holdings Pty Ltd	4,500,000	1.48%
6 Alfio Di Bella and Lorraine Palmer	3,590,000	1.18%
7 Challand Pty Ltd	3,500,000	1.15%
8 Trayburn Pty Ltd	3,500,000	1.15%
9 Ruggles CAI	3,500,000	1.15%
10 CFO Solution Team Pty Ltd	3,333,333	1.09%
11 Landpath Pty Ltd	3,225,718	1.06%
12 Peter and Carlene Gebhardt	3,000,000	0.98%
13 ANZ Nominees Ltd	2,696,421	0.88%
14 Westcap Pty Ltd	2,500,000	0.82%
15 RMWise Research Pty Ltd	2,333,333	0.76%
16 Goh Geok Khim	2,250,000	0.74%
17 Joseph Jaajaa	2,215,408	0.73%
18 John Habib	2,100,000	0.69%
19 Raceland Holdings Pty Ltd	2,100,000	0.69%
20 Gordon & Janine June Goodwin	2,000,000	0.66%
	69,724,213	22.85%

Optionholders	Number	Listed Options
		(ASX Code PRRO) %
1 Rapney Pty Ltd	18,000,000	10.61%
2 Structure Investments Pty Ltd	18,000,000	10.61%
3 Andrew K B Mortimer	21,500,000	12.67%
4 Richard J Hammel International Business Consultants Inc.	10,000,000	5.89%
5 Superstructure International Pty Ltd	8,000,000	4.71%
6 Archenland Pty Ltd	7,500,000	4.42%
7 Professional Payment Services Pty Ltd	6,666,666	3.93%
8 Goffacan Pty Ltd	5,652,433	3.33%
9 Jason and Lisa Peterson	5,000,000	2.95%
10 Damian Peter Black	5,000,000	2.95%
11 Lia Melissa Darby	3,500,000	2.06%
12 Middleton Nominees (SA) Pty Ltd	2,583,333	1.52%
13 Michael & Lynette Black	2,500,000	1.47%
14 Simeon Biderovsky	2,013,333	1.19%
15 Petard Pty Ltd	2,000,000	1.18%
16 Gavin T & V A Caplice	2,000,000	1.18%
17 Peter Lancelot Gebhardt	2,000,000	1.18%
18 Innovatif Developments Pty Ltd	2,000,000	1.18%
19 Lenior Capital Pty Ltd	2,000,000	1.18%
20 Tadea Pty Ltd	1,900,000	1.12%
	127,815,765	75.32%

UNQUOTED EQUITY SECURITIES HOLDINGS GREATER THAN 20%

Taycol Nominees Pty Ltd holds 3,500,000 unlisted options which represents 22.5% of a total of 15,550,000 unlisted options.

SUBSTANTIAL shareholders

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

None

SHAREHOLDER ENQUIRIES

Shareholders with enquiries about their shareholders should contact the share registry:

Security Transfer Registrars
770 Canning Highway Applecross
Western Australia 6153
Telephone (08) 9315 2333
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 wish to receive a hard copy of the Annual Financial Report should advise the Share Registry or the Company in writing. Alternatively, an electronic copy of the Annual Financial Report is available from www.asx.com.au or www.primabiomed.com.au. All 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 CHESS 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.

**PRIMA BIOMED LTD
CORPORATE DIRECTORY**

DIRECTORS

Mr Ata Gokyildirim	Chairman
Mr Martin Rogers	Executive Director
Dr Richard Hammel	Non-Executive Director

COMPANY SECRETARIES

Mr Phillip Hains
Mr Robert Kleine

REGISTERED OFFICE

Prima Biomed Ltd
Suite 1, 1233 High St, Armadale
Victoria 3143
Australia

PRINCIPAL PLACE OF BUSINESS

Prima Biomed Ltd
Suite 1705, 109 Pitt St, Sydney
New South Wales 2000
Australia

AUDITORS

MDHC Audit Assurance Pty Ltd
Level 3, 302 Burwood Road, Hawthorn
Victoria 3122
Australia

SOLICITORS

McCabe Terrill
Level 14, 130 Elizabeth St, Sydney
New South Wales 2000
Australia

SHARE REGISTRY

Security Transfer Registrars
770 Canning Highway Applecross
Western Australia 6153
Australia
Telephone (08) 9315 2333
Facsimile (08) 9315 2233
Email registrar@securitytransfer.com.au

SECURITIES QUOTED

Code:	PRR	Shares
	PRRO	Options

WEBSITE

www.primabiomed.com.au