

Appendix 4E

Preliminary final report Year ended 30 June 2010

Name of entity

IMUGENE LIMITED

ABN

99 009 179 551

Financial year ended ("current year")

30 June 2010

Comparative year ended ("prior year")

30 June 2009

Statement

This report is based on information extracted from the Annual Financial Report of Imugene Limited (Company) and the entities it controlled at the end of, or during the year ended 30 June 2010 (Consolidated Entity or Group).

Results for announcement to the market

	2010 \$'000	2009 \$'000	CHANGE \$'000	% CHANGE
Revenues from ordinary activities	44	3,024	(2,980)	99%
Revenue from ordinary activities for the year has decreased as a result of the termination of the Strategic Alliance with its strategic partner during the financial year.				
(Loss) / Profit from ordinary activities after tax attributable to members.	(1,535)	650	(2,185)	336%
Net (loss) / profit for the period attributable to members	(1,535)	650	(2,185)	336%
No dividends have been paid during or are proposed in respect of the financial year ended 30 June 2010.				
		2010 ¢	2009 ¢	
Net Tangible Assets per Security		0.83	1.66	

Appendix 4E – Contents and checklist of requirements

For the year ended 30 June 2010

1.	Reporting period and the previous corresponding period.	Refer Page 1 of this Appendix 4E
2.	Results for announcement to the market.	Refer Page 1 of this Appendix 4E
3.	Consolidated statement of comprehensive income with notes to the statement.	Refer Pages 3 and 4 of this Appendix 4E
4.	Statement of financial position with notes to the statement.	Refer Pages 6 and 7 of this Appendix 4E
5.	Consolidated statement of cash flows with notes to the statement.	Refer Page 8 of this Appendix 4E
6.	Details of individual and total dividends or distributions and dividend or distribution payments.	No dividends or other distributions have been paid during or are proposed in respect of the financial year ended 30 June 2010.
7.	Details of dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.	No dividends or other distributions plans are in operation in respect of the financial year ended 30 June 2010.
8.	Statement of changes in equity	Refer Page 10 of this Appendix 4E
9.	Net tangible assets per security.	Refer Page 1 of this Appendix 4E
10.	Details of entities over which control has been gained or lost during the period.	Not applicable
11.	Details of joint venture entities and associated entities.	The Company has no material associated or joint venture entities.
12.	Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position	Refer Page 11 of this Appendix 4E
13.	Accounting standards used in compiling reports by foreign entities (e.g. International Accounting Standards).	Not applicable.
14.	A commentary on the results for the period.	Refer Page 5 of this Appendix 4E
15.	A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed.	Refer Page 1 of this Appendix 4E. This report is based on accounts which are in the process of being audited.
16.	If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.	At this stage it is likely the audit report will be unqualified, with an emphasis of matter surrounding going concern
17.	If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification	Not applicable.

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2010

	Consolidated	
	2010	2009
	\$	\$
Revenue from continuing operations	44,018	3,024,028
Other income	312,117	224,410
Total income	356,135	3,248,438
Research and development	(522,337)	(1,047,477)
Business development	(151,592)	(240,546)
Commercialisation expenses	(830,080)	(841,872)
Corporate and administration costs	(617,166)	(866,043)
Loss / (profit) before income tax	(1,765,041)	252,500
Income tax benefit	230,000	397,786
Net loss / (profit) attributable to members of the Company	(1,535,041)	650,286
Other comprehensive income	-	-
Total comprehensive income attributable to equity holders of Company	(1,535,041)	650,286
Loss / (earnings) per share		
Basic loss / (earnings) per share (cents per share)	(1.1)	0.5
Diluted loss / (earnings) per share (cents per share)	(1.1)	0.4

The above Consolidated Statement of Comprehensive Income is an extract from the full Financial Report which is currently in the process of being audited

Notes to the Consolidated Statement of Comprehensive Income
For the year ended 30 June 2010

	Consolidated	
	2010	2009
	\$	\$
Revenue from continuing operations		
Sub-license / contract research fees	-	2,947,420
Interest	44,018	76,608
	44,018	3,024,028
Other income		
Government grants	304,338	223,530
Other	7,779	880
	312,117	224,410
Expenses		
Depreciation of non-current assets	1,868	2,035
Research & Development:		
Employee benefits	350,669	580,996
Business Development:		
Employee benefits	151,592	240,546
Commercialisation expenses:		
Patent expenses	280,826	197,793
Employee benefits	208,114	240,546
Ammortisation of intangibles	341,140	341,140
	830,080	779,479

Commentary on results

For the year ended 30 June 2010

Trends in other income

Other income is \$87,707 higher than 2009, an increase of 39%. This increase is due to successful application and subsequent receipt of funding from an Export Market Development Grant.

Other Significant Features of Operating Performance

Research and development spend has decreased by \$525,140 (50%) in comparison to last year as under the Strategic Alliance that was in place for most of the financial year certain expenditure was incurred by the Alliance partner.

Business development expenditure decreased by \$88,954 (37%) in comparison to last year due to a Strategic Alliance being in place for most of the financial year which provided exclusivity of technology to the Alliance Partner.

Corporate and administration costs decreased by \$248,877 (29%) in comparison to last year due to a decrease in consulting, legal and audit fees.

Consolidated Statement of Financial Position
For the year ended 30 June 2010

		Consolidated	
		2010	2009
		\$	\$
Current assets			
Cash and cash equivalents	(a)	793,062	2,487,316
Trade and other receivables	(b)	180,508	40,873
Tax assets	(c)	520,000	290,000
Total current assets		1,493,570	2,818,188
Non-current assets			
Property, plant and equipment		4,226	2,853
Intangible assets	(d)	2,600,885	2,942,025
Total non-current assets		2,605,111	2,944,878
Total assets		4,098,681	5,763,066
Current liabilities			
Trade and other payables	(e)	195,481	317,833
Provisions		111,893	118,885
Total liabilities		307,374	436,718
Net assets		3,791,307	5,326,348
Equity			
Contributed equity		14,907,453	14,907,453
Reserves		966,003	966,003
Accumulated losses		(12,082,149)	(10,547,108)
Total equity		3,791,307	5,326,348

The above Consolidated Statement of Financial Position is an extract from the full Financial Report which is currently in the process of being audited

Notes to the Consolidated Statement of Financial Position
For the year ended 30 June 2010

	Consolidated	
	2010	2009
	\$	\$
(a) Cash and cash equivalents		
Cash at bank and in hand – AUS dollars	549,144	1,882,305
Cash at bank and in hand – US dollars	243,918	605,011
	793,062	2,487,316
(b) Trade and other receivables		
Accrued income	179,000	30,755
Other	1,508	10,118
	180,508	40,873
(c) Tax assets		
Research and Development Tax Concession receivable	520,000	290,000
(d) Intangible assets		
Patents, licenses and other rights:		
Opening cost	5,117,095	5,117,095
Closing cost	5,117,095	5,117,095
Accumulated amortisation at the start of the year	(2,175,070)	(1,833,930)
Amortisation charge	(341,140)	(341,140)
Accumulated amortisation at the end of the year	(2,516,210)	(2,175,070)
Opening net book amount	2,600,885	3,283,165
Closing net book amount	2,600,885	2,942,025
(e) Trade and other payables		
Trade payables	169,067	269,140
Other payables	26,414	48,693
	195,481	317,833

Consolidated Statement of Cash Flows
For the year ended 30 June 2010

	Consolidated	
	2010	2009
	\$	\$
Cash flows from operating activities		
Receipts from customers	164,703	2,940,164
Payments to suppliers and employees	(1,907,513)	(2,598,356)
Income tax repayments received	-	297,655
Other income	-	242,305
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Net cash (outflow) / Inflow from operating activities	(1,742,810)	881,768
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Cash flows from investing activities		
Payments for property, plant and equipment	(3,241)	-
Interest received	44,018	76,608
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Net cash inflow from investing activities	40,777	76,608
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Net decrease/ increase in cash and cash equivalents	(1,702,033)	958,376
Cash and cash equivalents at the beginning of the year	2,487,316	1,619,678
Effects of exchange rate changes on cash and cash equivalents	7,779	(90,738)
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Cash and cash equivalents at the end of the year	793,062	2,487,316
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The above Consolidated Statement of Cash Flows is an extract from the full Financial Report which is currently in the process of being audited

Notes to the Consolidated Statement of Cash Flows
For the year ended 30 June 2010

	Consolidated	
	2010	2009
	\$	\$
Profit / (loss) for the year	(1,535,041)	650,286
Depreciation and amortisation	343,008	343,175
Share based payment	-	6000
Interest income	(44,018)	(76,608)
Provision for employee benefits	(6,992)	26,460
Loss on disposal of fixed assets	-	5,056
Net exchange differences	(7,779)	90,738
Decrease /(increase) in working capital	2,993,632	(163,339)
Net cash inflow / (outflow) from operating activities	(1,742,810)	881,768

Consolidated Statement of Changes in Equity
For the year ended 30 June 2010

Consolidated	Attributable to equity holders of the Company			
	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total \$
Balance at 1 July 2008	14,907,453	960,003	(11,197,394)	4,670,062
Profit for the year	-	-	650,286	650,286
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	650,286	650,286
Transactions with owners, in their capacity as owners				
Share based payment transaction	-	6,000	-	6,000
Balance at 30 June 2009	14,907,453	966,003	(10,547,108)	5,326,348
Balance at 1 July 2009	14,907,453	966,003	(10,547,108)	5,326,348
Net loss for the year	-	-	(1,535,041)	(1,1535,041)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(12,082,149)	(12,082,149)
Transactions with owners, in their capacity as owners				
	-	-	-	-
Balance at 30 June 2010	14,907,453	966,003	(12,082,149)	3,791,307

The above Consolidated Statement of Changes in Equity is an extract from the full Financial Report which is currently in the process of being audited

Analysis and Discussion

For the year ended 30 June 2010

Statement of Financial Position/Statement of Cash Flows

Tax assets increased by \$230,000 (79%) from the previous year as the Research & Development Concession for the financial year 30 June 2009 was not received until August 2010.