PRIMA BIOMED LTD
Australian Cancer Treatment Company

ASX/Media Release (ASX:PRR)

25 February 2011

Appendix 4D Interim Financial Report

Results for announcement to the market

Current Reporting Period - Half year Ended 31 December 2010

Previous Reporting Period - Half year Ended 31 December 2009

Revenues	up	726.06%	to	$510,851
Loss after tax attributable to members	down	13.50%	to	($6,901,996)
Net loss for the period attributable to members	down	13.50%	to	($6,901,996)

Dividends (Distribution)	Amount per Security	
Final dividend	n/a	n/a
Previous corresponding period	n/a	n/a
Record date for determining entitlements to the dividend, (in the case of a trust, distribution)		

Net Tangible Assets per Share (cents)

As at 31 December 2010	1.90
As at 31 December 2009	2.17

Explanation of the above information:

Refer to the Directors' Report - Review of Operations.

Prima BioMed Ltd, Suite 1, 1233 High St, Armadale, VIC 3143
Ph: +61 (0) 3 9824 5254 Fax: +61 (0) 3 9822 7735
www.primabiomed.com.au
ABN: 90 009 237 889

PRIMA BIOMED LTD

Australian Cancer Treatment Company

Appendix 4D
Interim Financial Report

For the half year ended
31 December 2010

(previous corresponding period: half year ended 31 December 2009)

To be read in conjunction with the 30 June 2010 Annual Report.
In compliance with Listing Rule 4.2A

Contents

Directors' Report

Your directors present their report on the consolidated entity consisting of Prima Biomed Ltd and the entities it controlled at the end of, or during, the half year ended 31 December 2010.

Directors

The following persons were directors of Prima Biomed Ltd during the whole of the half-year and up to the date of this report unless otherwise stated:

Ms Lucy Turnbull – Chairman

Mr Albert Wong – Deputy Chairman

Mr Martin Rogers - Chief Executive Officer

Mr Neil Frazer – Chief Medical Officer

Dr Richard Hammel - Non-Executive Director

Review of Operations

In the six months to December 31, 2010, the Company continued to make strong progress in its development plans for its headline clinical program, the CVac™ ovarian cancer immunotherapy vaccine. Highlights for the half-year include;

US Food and Drug Administration Orphan Drug Designation granted for CVac™ ovarian cancer therapy vaccine

In September the Company announced that it had been granted Orphan Medicinal Product Designation for the CVac™ ovarian cancer therapy vaccine by the US Food and Drug Administration (FDA).

This represented a significant step forward in the development timeline for CVac™.

The Orphan Product designation provides Prima with major benefits during CVac™'s development process in the US. Key incentives include; the exclusive rights to the cure, or treatment, for a specific condition for a period of 7 years post the approval to commercially market CVac™, providing priority review within the FDA, waiving of FDA fees, grant eligibility and the provision of tax reductions.

Orphan Product designation is intended to provide incentives to encourage companies to pursue cures and treatments for rare diseases, such as ovarian cancer. These include; fast tracking, research support, eligibility for protocol assistance, and possible exemptions in certain regulatory fees during development, or at the time of application.

The approval was given under the generic name Autologous Dendritic Cells Pulsed With Recombinant Human Fusion Protein (Mucin1- Glutathione S Transferase) Coupled to Oxidized Polymannose for treatment of ovarian cancer.

New Chairman and Board appointments

In October, the Company announced the appointment of Ms Lucy Turnbull as the Company's new Chairman. She replaced acting Chairman, Mr Albert Wong, who remained on the Board as Deputy Chairman.

Ms Turnbull has strong links to the healthcare sector. She was previously the Chairman of the New South Wales Government's Ministerial Advisory Committee on Biotechnology from 2001-02, a Director of the Sydney Cancer Foundation from 2002-06 and Director and Chair of the Sydney Children's Hospital Foundation from 1993-2000. She is currently on the Board of the Cancer Institute NSW.

Ms Turnbull also has a strong depth of experience in commercial legal practice and investment banking. During her career she has held a number of high profile positions, including Lord Mayor of the City of Sydney from 2003-04 and, prior to that, Deputy Lord Mayor of Sydney from 1999-2003.

She is a Board member of urban renewal organisation, the Waterloo Redfern Authority and the Sydney Metropolitan Development Authority.

Ms Turnbull is active in the Not-for-Profit sector and is currently Deputy Chairman of the Committee for Sydney, a board member of the US Studies Centre at Sydney University and the Centre for Independent Studies. She is also a board member of the Biennale of Sydney and the Redfern Foundation.

During the half, Prima also strengthened the clinical expertise on its Board with the appointment of the Company's Chief Medical Officer Dr Neil Frazer as an Executive Director.

Dr Frazer resides in the US and plays a key role in overseeing Prima's late-stage trials for its CVac™ ovarian cancer treatment vaccine. Dr Frazer has more than 23 years experience in the pharmaceutical industry, including 10 years experience in oncology drug development, and has a strong depth of expertise in managing the clinical development process of new drug applications.

He has been involved in the successful applications for 10 new chemical entities in multiple therapeutic areas, plus more than 20 applications for line extensions of pharmaceutical drug applications. Dr Frazer has a Bachelor of Medicine and Bachelor of Surgery (MB ChB) from the University of Edinburgh Medical School, and has a Fellowship from the Royal College of Anaesthetists in London (FRCA) and a Fellowship in Pharmaceutical Medicine from the Royal College of Physicians.

Plans to list on the NASDAQ market in the United States

In September the Company announced plans to list on the NASDAQ Global Market (NASDAQ) in the United States. Subject to approval of Prima's listing application, the Company will have dual listing of its securities on both the Australian Securities Exchange (ASX) and NASDAQ.

The Company has lodged all the requisite paper work (including a 20-F Form) with the United States Securities Exchange Commission, and expects to confirm a NASDAQ listing date, and commence trading on the NASDAQ in the near future.

Prima's proposed NASDAQ listing will be a Level II ADR compliance listing, and is being managed by Bank of New York Mellon and US broking house National Securities Corporation. The NASDAQ listing will aim to provide a listed structure to better meet the needs of both the Company's Australian and US investors, and to provide increased liquidity for Prima's securities.

NASDAQ is the largest electronic screen-based equity securities trading market in the US.

$2.5 million placement and early termination of SpringTree funding facility

Subsequent to the end of the half-year (on 10 January 2011) the Company announced that it had reached an agreement for the early termination of its convertible loan funding facility with New York-based investment fund SpringTree Special Opportunities Fund, LP (SpringTree), by mutual consent of Prima and SpringTree.

The termination will take effect no later than on 29 March 2011.

Prima also advised that SpringTree would undertake an additional one-off investment of $2.5 million in Prima. Of this $2.5 million, $1.25 million is to be by way of a subscription for shares at $0.20 per share and the other $1.25 million will be by way of a convertible security, convertible on or before 29 March 2011 (at 90% of the average of the VWAPs per share during a specified period prior to the date of the conversion).

Prima entered into the funding agreement with SpringTree in July 2009. Under the agreement, SpringTree agreed to provide Prima with $25.5 million in funding. At time of notification of the early termination of the agreement, SpringTree had provided an aggregate amount of $12.2 million in funding.

The funds have been invaluable to Prima, and have been utilised to attract top industry talent and continue its work to develop and commercialise its CVac™ immunotherapy vaccine for the treatment of ovarian cancer.

As Prima prepares for its upcoming NASDAQ listing and an anticipated increased level of exposure and interest from US investors, Prima and SpringTree agreed that the early termination of the SpringTree funding facility would be in the best interests of Prima and its shareholders. SpringTree has agreed to waive the termination fee that would have otherwise been due under the agreement.

Dr Sharron Gargosky appointed Senior Vice President for CVac™ Clinical Programs

In August the Company announced the appointment of Dr Sharron Gargosky as Senior Vice President for the Company's CVac™ Clinical Programs. Dr Gargosky has 18 years experience in the biotechnology and pharmaceutical industries, and has worked in senior positions for a number of companies which have successfully received FDA approval for orphan drugs.

She is based in the US in her role and is a key senior member of Prima's world class executive team. Dr Gargosky is responsible for managing the clinical team working on the CVac™ immuno-therapy cancer vaccine.

Dr Gargosky has previously held the positions of; Chief Scientific Officer at Pulse Health LLC in Portland in the USA, Chief Scientific Officer and Senior Vice President of Corporate Development at Hyperion Therapeutics Inc. in San Francisco, and Executive Director of Research and Development at Medicis/Ucyclyd Pharma, Arizona, among other senior roles.

First patient enrolled in the CVac™ Phase IIb clinical trial

In July, the Company reported that it had enrolled its first patient into the CVac™ Phase IIb clinical trial with the FDA. This was a significant milestone in the progress of the trial.

The trial is to be conducted with 60 patients across multiple global clinical sites, including key US and Australian centres. The trial design is a randomised and open label trial, comparing treatment with CVac™ to current best available supportive therapy.

The primary objectives are to confirm the safety of CVac™ and compare disease progression (PFS) between CVac™ and the control group. To assess PFS, clinical assessments will be performed every four weeks, and imaging with computed tomography (CT) or magnetic resonance imaging (MRI) will be performed every 12 weeks - until progression or withdrawal of the patient from trial.

Excellent safety data was announced on 1 February 2011. Potency assay is expected to be qualified in Q1 or Q2 2011. Initial PFS data is expected by end of Q4 2012, after all patients complete 2 years of observation. The trial will seek to qualify the potency assay around manufacturing and augment promising efficacy data generated by previous studies, including the phase IIa pilot study completed in 2007 on 28 patients.

Licensing agreement for the development of Cripto-1 cancer monoclonal antibody

The Company, via its subsidiary company Oncomab Pty Ltd, entered into a licensing agreement for the development of a Cripto-1 cancer monoclonal antibody (mAB) with leading Dutch pharmaceutical development company Bioceros.

Cripto-1 is a protein found in high levels on the surface of a number of different types of malignant tumour cells. It facilitates growth of the tumor cells, and contributes to their spreading throughout the body. The antibody works by binding to the Cripto-1 molecule and interfering with local development of the tumor, and preventing distant seeding of tumor cells.

The antibody may be administered in combination with cytotoxic drugs (chemotherapy drugs) to create an even more lethal potent additive effect on tumour cell destruction.

The Licensing Agreement with Bioceros is by way of a 70 (Prima):30 (Bioceros) project split and the work will be undertaken by Bioceros. Prima's agreement, through Oncomab, for the out-licensing and development of Cripto-1 expands the Company's clinical development programs in the area of immunotherapy cancer treatments.

Directors' Report (continued)

The licensing agreement paves the way for the further development of Oncomab's technology to create a Cripto-1 mAB as an immunotherapy treatment for cancers, and is consistent with Prima's business objective to develop commercial cancer treatment technologies and programs for global markets.

This report is signed in accordance with a resolution of the Board of Directors.

Mr Martin Rogers

Chief Executive Officer

Sydney

Dated: 25 February 2011

MDHC
AUDIT
ASSURANCE
Statutory Audit, Internal Audit, Investigations & Due Dilligence

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2010, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

MDHC Audit Assurance Pty Ltd

Kevin Adams
Director

Hawthorn
25 February 2011

Consolidated Statement of Comprehensive Income

For the Half Year ended 31 December 2010

	31 December 2010	31 December 2009 (restated*)
	$	$
REVENUE FROM ORDINARY ACTIVITIES		
Revenue	510,851	61,842
Depreciation & amortisation	(31,857)	(25,082)
Research & development and intellectual property	(3,967,738)	(2,275,304)
Corporate administrative expenses*	(2,976,130)	(3,799,279)
Finance expenses	(437,122)	(1,407,986)
Other expenses	-	(533,130)
Loss before Income Tax*	(6,901,996)	(7,978,939)
Income tax expense	-	-
Loss for the period*	(6,901,996)	(7,978,939)
Other Comprehensive Loss		
Changes in Financial Assets Revaluation Reserve	(66,894)	-
Other comprehensive loss for the period, net of income tax	(66,894)	-
Total comprehensive loss for the period*	(6,968,890)	(7,978,939)
Loss attributable to		
Members of the parent entity*	(6,901,996)	(7,978,939)
Non-controlling interests	-	-
Loss for the period*	(6,901,996)	(7,978,939)
Total comprehensive loss attributable to		
Members of the parent entity*	(6,968,881)	(7,978,939)
Non-controlling interests	(9)	-
Total comprehensive loss for the period*	(6,968,890)	(7,978,939)
Loss per share for loss attributable to the ordinary equity holders of the company:		
Basic and diluted loss per share (cents)*	(1.31)	(1.91)
Weighted average number of ordinary shares used in computing basic and diluted net loss per share	525,060,373	417,753,650

The accompanying notes form part of these financial statements.

*Detail of the restatement of the financials can be found in Note 2 to the financial statements.

Consolidated Statement of Financial Position

as at 31 December 2010

	Note	31 December 2010 $	30 June 2010 (restated*) $
ASSETS			
Current assets			
Cash and cash equivalents		4,407,129	5,638,342
Trade and other receivables		152,303	76,894
Other financial assets	6	11,065,000	10,000,000
Inventory		166,894	-
Other current assets		378,350	1,059,116
Total current assets		16,169,676	16,774,352
Non-current assets			
Other financial assets	6	507,610	1,639,504
Plant and equipment		93,470	97,487
Intangible assets		478,874	499,841
Total non-current assets		1,079,954	2,236,832
Total assets		17,249,630	19,011,184
LIABILITIES			
Current liabilities			
Trade and other payables		1,884,965	1,499,091
Borrowings		700,000	700,000
Provisions		25,606	23,692
Total current liabilities		2,610,571	2,222,783
Non-current liabilities			
Provisions		2,244	887
Total non-current liabilities		2,244	887
Total liabilities		2,612,815	2,223,670
Net Assets		14,636,815	16,787,514
EQUITY			
Issued capital*	7	75,142,659	70,324,468
Reserves		(66,885)	-
Accumulated losses*		(60,438,698)	(53,536,702)
Parent entity interest		14,637,076	16,787,766
Non-controlling interests		(261)	(252)
Total Equity		14,636,815	16,787,514

The accompanying notes form part of these financial statements.

*Detail of the restatement of the financials can be found in Note 2 to the financial statements.

Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2010

	Issued Capital	Reserves	Accumulated Losses	Non-controlling Interests	Total
	$	$	$	$	$
Balance at 1 July 2009	**42,565,806**	**(1,954,694)**	**(38,798,354)**	**(236)**	**1,812,522**
Shares issued net of costs	15,459,748	-	-	-	15,459,748
Options exercised net of costs	1,008,529	-	-	-	1,008,529
Options issued*	4,070,746	-	-	-	4,070,746
Subscription for shares for exercise of options	40,900	-	-	-	40,900
Total comprehensive loss	-	-	(7,978,939)	-	(7,978,939)
Balance at 31 December 2009*	**63,145,729**	**(1,954,694)**	**(46,777,293)**	**(236)**	**14,413,506**
Shares issued net of costs	6,350,164	-	-	-	6,350,164
Options exercised net of costs	97,340	-	-	-	97,340
Options issued	731,235	-	-	-	731,235
Total comprehensive loss	-	1,954,694	(6,759,409)	(16)	(4,804,731)
Balance at 30 June 2010*	**70,324,468**	**-**	**(53,536,702)**	**(252)**	**16,787,514**
Shares issued net of costs	3,139,975	-	-	-	3,139,975
Shares issued from exercise of options	93,493	-	-	-	93,493
Options issued	1,534,723	-	-	-	1,534,723
Subscription for shares for exercise of options	50,000	-	-	-	50,000
Total comprehensive loss	-	(66,885)	(6,901,996)	(9)	(6,968,890)
Balance at 31 December 2010	**75,142,659**	**(66,885)**	**(60,438,698)**	**(261)**	**14,636,815**

The accompanying notes form part of these financial statements.

*Detail of the restatement of the financials can be found in Note 2 to the financial statements.

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2010

	Note	31 December 2010 $	31 December 2009 $
CASH FLOWS RELATED TO OPERATING ACTIVITIES			
Payments to suppliers and employees		(5,592,406)	(2,672,800)
Interest received		785,819	34,689
Interest and other costs of finance paid		(852)	(5,240)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	9	(4,807,439)	(2,643,351)
CASH FLOWS RELATED TO INVESTING ACTIVITIES			
Payment for purchases of plant and equipment		(6,873)	(1,290)
Payment for acquisition of term deposit (> 3 months)		-	(10,000,000)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(6,873)	(10,001,290)
CASH FLOWS RELATED TO FINANCING ACTIVITIES			
Proceeds from issues of securities		143,493	12,305,536
Capital raising costs		(22,144)	(130,428)
Proceeds from borrowings less finance costs		3,461,750	2,519,168
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		3,583,099	14,694,276
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(1,231,213)	2,049,635
Cash and cash equivalents at the beginning of the half year		5,638,342	939,561
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF YEAR		4,407,129	2,989,196

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Note 1. Basis of Preparation

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The half year report does not include full disclosures of the type normally included in an Annual Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the Annual Report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2010 and any public announcements made by Prima Biomed Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2010 financial report.

Note 2. Restatement of Accounts

The company has restated its 31 December 2009 in connection with an error in the valuation of Share Based Payments to Directors. Previously, the valuation was based on historic pricing and Black-Scholes Barrier pricing model and assumed performance risks. The appropriate value under the Australian Accounting standard AASB 2 – Share Based Payments requires the valuation to be based on the price as at the date of issue (5 August 2009).

This correction has resulted in adjustments to the following financial statement line items as of and for the periods indicated:

	As previously reported	Adjustment	Restated
Year Ended 31 December, 2009			
Statement of Comprehensive Income			
Corporate Administrative Expenses	(1,219,779)	(2,579,500)	(3,799,279)
Loss Before Income Tax	(5,399,439)	(2,579,500)	(7,978,939)
Loss for the Period	(5,399,439)	(2,579,500)	(7,978,939)
Total Comprehensive Loss for the Period	(5,399,439)	(2,579,500)	(7,978,939)
Basic and Diluted Loss per Share (Cents per Share)	(1.29)	(0.62)	(1.91)
As at 31 December, 2009			
Statement of Financial Position			
Issued Capital	60,566,229	2,579,500	63,145,729
Accumulated Losses	(44,197,793)	(2,579,500)	(46,777,293)

	As previously reported	Adjustment	Restated
Year Ended 30 June, 2010			
Statement of Comprehensive Income			
Corporate Administrative Expenses	(3,236,506)	(2,579,500)	(5,816,006)
Loss Before Income Tax	(12,159,115)	(2,579,500)	(14,738,615)
Loss for the Period	(12,159,115)	(2,579,500)	(14,738,615)
Total Comprehensive Loss for the Period	(10,204,170)	(2,579,500)	(12,783,670)
Basic and Diluted Loss per Share (Cents per Share)	(2.43)	(0.52)	(2.95)
As at 30 June, 2010			
Statement of Financial Position			
Issued Capital	67,744,968	2,579,500	70,324,468
Accumulated Losses	(50,957,202)	(2,579,500)	(53,536,702)

Note 3. Dividends

The company resolved not to declare any dividends in the period ended 31 December 2010.

Note 4. Segment Information

The consolidated group has identified its operating segments based on the internal reports that are reviewed and used by the management team in assessing performance and determining the allocation of resources.

The operating segments are identified by management based on the manner in which the expenses are incurred. Discrete financial information about each of these operating segments is reported to the board on a regular basis.

The reportable segments are based on aggregated operating segments determined by similarity of expenses, where expenses in the reportable segments exceed 10% of the total expenses for either the current and/or previous reporting period.

31 December 2010	Cancer Immuno-Therapy $	Other R&D $	Corporate $	Total $
Revenue				
External Sales	9	-	510,842	510,851
Total Revenue	9	-	510,842	510,851
Result				
Segment Result	(3,726,026)	(383,734)	(2,792,236)	(6,901,996)
Net Loss	(3,726,026)	(383,734)	(2,792,236)	(6,901,996)

31 December 2009	Cancer Immuno-Therapy $	Other R&D $	Corporate $	Total $
Revenue				
External Sales	190	4	61,648	61,842
Total Revenue	190	4	61,648	61,842
Result				
Segment Result	(2,226,684)	(12,832)	(5,739,423)	(7,978,939)
Net Loss	(2,226,684)	(12,832)	(5,739,423)	(7,978,939)

Note 5. Contingent Liabilities and Assets

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

Note 6. Other Financial Assets

	31 December 2010	30 June 2010
Current		
Term deposit (>3 months)	10,000,000	10,000,000
Collateral shares - convertible loan	1,065,000	-
	11,065,000	10,000,000
Non-Current		
Collateral shares - convertible loan	-	1,065,000
Investment in unlisted shares	507,610	574,504
	507,610	1,639,504
	11,572,610	**11,639,504**

On 21 July 2009, the Company announced that it had entered into an agreement in relation to a A$25.5 million convertible loan facility from New York-base investment fund SpringTree Special Opportunities Fund, LP to provide funds for the commercialization of Prima's headline CVac™ ovarian cancer vaccine treatment. The loan facility was to be provided to the Company in 37 tranches over 3 years.

Pursuant to the agreement with SpringTree, 15 million ordinary shares were issued in July 2009 as collateral for the funds to be loaned to the Company. At the completion of the loan or upon a termination event occurring as defined under the agreement, the shares will be purchased by SpringTree from the Company or alternatively returned by SpringTree to the Company. The fair value of these shares was $1.065 million at the share issue date.

On 10 January 2011, the Company announced that it had reached an agreement (Deed of Amendment and Termination) for the early termination of the convertible loan funding facility with SpringTree. The termination will take effect no later than 29 March 2011.

Pursuant to the Deed of Amendment and Termination, on or before 29 March 2011, SpringTree shall pay to the Company an amount in lieu of cancellation of the Collateral Shares equal to the Collateral Share Holding Number, multiplied by the lower of (a) 90% of the average of the VWAPs per Share on any five (5) consecutive Business Days (chosen by SpringTree) during the period commencing on 10 January 2011 and ending on the date that is immediately prior to the date on which such payment is made, or (b) AU$0.10; As a result, the Collateral shares – convertible loan was reclassified as Current Other Financial Assets.

Note 7. Issued Capital

	31 December 2010		30 June 2010	
	No.	$	No.	$
Issued and Paid Up Capital				
Fully Paid Ordinary Shares*	745,233,072	71,181,184	699,237,595	67,888,067
Options over Fully Paid Ordinary Shares	190,497,625	3,961,475	152,958,086	2,436,401
Total Issued Capital		75,142,659		70,324,468

During the half year ended 31 December 2010, the following movements in equity occurred:

Shares

4,674,630	Shares issued on exercise of Options
40,070,847	Shares issued on conversion of convertible loans and as loan collateral shares
1,250,000	Shares issued to directors as share based payment

Options

8,014,169	Options issued on conversion of convertible loan and in consideration of securing loan
(4,674,630)	Exercise of options
34,500,000	Options issued to directors as share based payment
(300,000)	Options expired during the period

Note 8. Net Tangible Assets

	31 December 2010	31 December 2009
Net Tangible Assets	$14,157,941	$13,892,697
No. of Fully Paid Ordinary Shares	745,233,072	640,238,811
Net Tangible Assets (Cents)	1.90	2.17

Note 9. Cash Flow Reconciliation

Reconciliation of cash flow from operating activities with net loss after tax.

	31 December 2010 $	31 December 2009 $
Net loss after tax*	(6,901,996)	(7,978,939)
Add back depreciation expense	10,889	4,114
Add back amortisation expense	20,968	20,968
Add back financing costs on convertible notes	436,270	1,402,454
Add back share and options expenses*	1,196,842	2,720,582
Add back fair value adjustment to liabilities	-	528,846
Add back fair value adjustment to available for sale financial assets	-	4,284
Increase in provisions for employee leave	3,271	-
(Increases)/Decreases in trade and other receivables	(75,409)	242,339
(Increases)/Decreases in inventory	(166,894)	-
(Increases)/Decreases in other current assets	282,746	(141,877)
Increases/(Decreases) in trade and other payables	385,874	553,878
Cash flow from operating activities	(4,807,439)	(2,643,351)

Note 10. Events Subsequent to Reporting Date

On 21 February 2011, the Company announced that there has been an agreement for strategy and design of the Phase III clinical registration trial for the CVac™ immunotherapy therapeutic ovarian cancer vaccine.

On 17 February 2011, the Company announced the appointment of Mr Ian Bangs as Chief Financial Officer.

On 1 February 2011, the Company announced that the first seven patients in its Phase IIb Trial for the CVac™ immunotherapy ovarian cancer vaccine had now successfully completed the first treatment cohort with the vaccine.

On 10 January 2011, the Company announced that it had reached an agreement for early termination of the convertible loan funding facility with SpringTree. Following the termination of the loan agreement, the Company received a one-off $2.5 million investment from SpringTree, of which $1.25 million was consideration for the subscription of 6,209,638 ordinary shares in Prima. The remaining $1.25 million is a converting loan to be converted into equity on or before 29 March 2011.

Since 31 December 2010, the company has issued 20,444,077 ordinary shares on conversion of convertible securities and options and has issued 11,072,125 ordinary shares and 2,214,425 options to SpringTree in repayment of $1.4 million convertible loans.

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 15:

(a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and

(b) give a true and fair view of the economic entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Mr Martin Rogers

Chief Executive Officer

Dated: 25 February 2011

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PRIMA BIOMED LTD

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Prima BioMed Ltd and controlled entities (the consolidated entity), which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, the accounting policies and other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Prima BioMed Ltd (the company) are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Prima BioMed Ltd and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Prima BioMed Ltd and controlled entities is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

MDHC Audit Assurance Pty Ltd

Kevin Adams
Director

Hawthorn
25 February 2011