APPENDIX 4E
PRELIMINARY FINAL REPORT

1. Company details

Name of entity:	**Prima BioMed Limited**
ABN:	90 009 237 889
Reporting period:	**Year ended 30 June 2011**
Previous corresponding period:	Year ended 30 June 2010

2. Results for announcement to the market

Revenues from ordinary activities	up	124.4%	to	$ 1,066,196
Loss from ordinary activities after tax attributable to the owners of Prima BioMed Limited	up	17.4%	to	$(21,081,095)
Loss for the period attributable to the owners of Prima BioMed Limited	up	17.4%	to	$(21,081,095)

Dividends
There were no dividends paid or declared during the current financial period.

Comments
The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to $21,081,095 (30 June 2010: $17,960,320).

3. NTA backing

	Reporting period	Previous corresponding period
Net tangible asset backing per ordinary security	5.57 cents	2.19 cents

4. Control gained over entities

Name of entities (or group of entities)	Not applicable.
Date control gained	
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	$ -
Profit/(loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period (where material)	$ -

5. Loss of control over entities

Name of entities (or group of entities)	Not applicable.
Date control lost	
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	$ -
Profit/(loss) from ordinary activities after tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	$ -

6. Dividends

Current period
There were no dividends paid or declared during the current financial period.

Previous corresponding period
There were no dividends paid or declared during the previous financial period.

7. Dividend reinvestment plans

The following dividend or distribution plans are in operation:

Not applicable.

The last date(s) for receipt of election notices for the dividend or distribution plans: Not applicable.

8. Details of associates and joint venture entities

	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
Name of associate / joint venture	Current period	Previous corresponding period	Current period	Previous corresponding period
Not applicable.				
Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)				
Profit(loss) from ordinary activities before income tax			$ -	$ -
Income tax on operating activities			$ -	$ -

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The accounts are in the process of being audited.

11. Attachments

Details of attachments (if any):

The financial statements and key supporting notes for the year ended 30 June 2011 are attached.

12. Signed

Signed: _____ Date: 30 August 2011

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 (ASX: PRR) I am pleased to provide the following review of operations and activities of the Company over the previous 12 months.

Key Achievements for FY 2010/2011

- A$41.3 million raised in successful Capital Raising
- Potency Assay for CVac™ ovarian cancer vaccine successfully developed
- CVac™ commercialisation plans commenced in the Middle East - CVac™ at Dubai Healthcare City
- Scientific Advice granted provided by EMA regulatory for CVac™ Phase III Trial
- First patient cohort successfully treated in CVac™ Phase IIb Trial
- New board and management appointments broadens Company skill set
- Orphan Drug Designation granted for CVac™ by US Food and Drug Administration building on EMA Orphan Product Designation

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A$41.3 million raised in successful Capital Raising

In May 2011 the Company completed a successful Capital Raising which raised a total of A$41.3 million. It comprised a Placement to institutional and sophisticated investors which raised a total of A$21 million, and a Share Purchase Plan (SPP) to existing shareholders, which raised $20.3 million. Deutsche Bank AG and Ord Minnett Limited were joint lead managers for the Placement.

The price of shares under the Placement and the SPP was 28 cents, which represented a discount of 18.8% to the adjusted volume weighted average price for the five day period up to and including Tuesday 24 May 2011.

The funds raised under the Capital Raising will be used by Prima for its ongoing development of the CVac™ immunotherapy ovarian cancer vaccine, including its upcoming Phase III Clinical Trials, and also to provide working capital for the Company. The Company was delighted with the response from institutional investors to its Capital Raising.

Potency Assay for CVac™ ovarian cancer vaccine successfully developed

In June 2011 Prima confirmed that a Potency Assay for the CVac™ immunotherapy ovarian cancer vaccine had been successfully developed.

The purpose of a Potency Assay is to ensure that a given batch of the CVac™ vaccine has a pre-defined minimum level of potential biological activity that will deliver an expected result. It also helps demonstrate a batch-to-batch consistency of the treatment.

The development of a Potency Assay is an important step for CVac™. It gives Prima BioMed an opportunity to compare manufacturing across manufacturing facilities used world-wide and will lead to a validation tool for regulatory purposes; once patient data from the upcoming Phase III study is available ensuring consistency of biological activity.

The assay is a key component in the process to establish CVac™ as a pharmaceutical grade product, and will become an integral part of the Chemistry Manufacturing and Controls (CMC) section of a future registration regulatory package for CVac™.

CVac™ commercialisation plans commenced in the Middle East - CVac™ at Dubai Healthcare City

In May 2011, Dubai Healthcare City (DHCC) granted approval for the marketing and distribution of the CVac™ vaccine in DHCC. This represented the first approval globally to make CVac™ commercially available, and is a major market opportunity for Prima to provide treatment for cancer patients in the Middle Eastern region and generate revenues.

Subject to finalising regulatory and logistical steps, the first sales of CVac™ in DHCC are expected before the end of 2011.

CVac™ will be available in DHCC through Prima's partnership with The City Hospital, a state-of-the art multi-disciplinary hospital in Dubai. Prima and The City Hospital has signed a Memorandum of Understanding on the terms and conditions by which CVac™ will be available. A full agreement between the parties has been signed. There is also the potential, in the future, to extend the application of CVac™ in Dubai to other mucin-1 positive tumours.

At the same time Dr Hind Al Saadi was appointed General Manager of Prima BioMed's Middle East operations to lead the commercialisation effort for CVac™ in the region. Dr Al Saadi is a pharmacist by training with nearly 20 years industry experience in marketing, sales, distribution, and regulatory affairs.

Scientific Advice granted for CVac™ Phase III Trial

In February 2011 an agreement was entered into for the strategy and design for the Phase III Trial of the CVac™ immunotherapy therapeutic ovarian cancer vaccine. The agreement came after the European regulator, the European Medicines Agency (EMA) advised that Scientific Advice for the Phase III Trial had been granted.

This was a significant milestone in the development of CVac™, and allowed Prima to progress with preparations for patient recruitment into the Phase III Trial.

The Phase III Trial will be conducted on 800 patients in a double-blind placebo controlled study, randomized 1:1 of CVac™ vs Standard of Care. It will be conducted across multiple sites in Europe, the US and Australia. Full enrollment for the trial is expected to be complete by the start of 2013. Interim data from the Phase III Trial is expected to be available in 2013, and would provide the first opportunity to observe statistical analysis of progression free survival.

If statistical endpoints are successfully reached in the Phase III Trial, CVac™ should be well placed to become the world's first ovarian cancer immunotherapy treatment.

First patient cohort successfully treated in CVac™ Phase IIb Trial

Also in February 2011, the first seven patients in the CVac™ Phase IIb Trial successfully completed the first treatment cohort with the CVac™ vaccine, and no safety data concerns were expressed by the Data Safety Monitoring Board (DSMB). The DSMB voted unanimously to allow the study to progress as planned.

As a result, patient enrollment into the randomised component of the Phase IIb Trial (a further 54 patients) opened. This patient cohort will be tracked on standard of care vs treatment with CVac™. The trial is open in five premier sites in Australia and 15 sites across the US.

The initial cohort of seven subjects (who met the Phase IIb Trial's eligibility criteria) completed their first injection of the CVac™ vaccine, in an open label fashion. Post the treatment, the patient group was monitored for a period of (at least) 28 days to assess any treatment-related adverse effects.

New board and management appointments

In October 2010 **Ms Lucy Hughes Turnbull AO was appointed the Company's new Chairman**. She replaced acting Chairman, Mr Albert Wong, who remains 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 2001-2, a Director of the Sydney Cancer Foundation from 2002-6 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 2003-2004 and, prior to that, Deputy Lord Mayor of Sydney from 1999-2003.

In July 2010, the Company's Chief Medical Officer **Dr Neil Frazer joined the Board as an Executive Director**. The appointment increased the level of clinical expertise on the Board.

Dr Frazer resides in the US and plays a key role in overseeing Prima's late-stage trials for CVac™. He 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 (NCE) 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.

The Company's previous Chairman Mr Ata Gokyildirim resigned from the Company on 27 July 2010.

Mr Ian Bangs **was appointed the Company's new Company Secretary and Chief Financial Officer**. He has a strong depth of experience and expertise in the financial management of publicly listed companies, and has previously held the roles of Chief Financial Officer and Company Secretary for a number of ASX-listed companies.

These include property and funds management group LandMark White Limited (ASX: LMW) and, prior to that, IFC Capital Limited (ASX: IFC) for six and a half years. He was also the CFO of the Four Seasons Hotel (formerly the Regent Hotel) in Sydney for 10 years.

Mr Bangs has a Bachelor of Commerce degree and is a Fellow CPA.

Dr Sharron Gargosky was appointed Senior Vice President for CVac™ Clinical Programs in August 2010. She 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™ immunotherapy cancer vaccine.

Orphan Drug Designation granted for CVac™ by US Food and Drug Administration

Building on EMA Orphan Product Designation in June 2010 in September 2010 Prima was granted Orphan Medicinal Product Designation for CVac™ by the US Food and Drug Administration (FDA). 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.

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; priority review, research support, eligibility for protocol assistance, and possible exemptions in certain regulatory fees during development, or at the time of application.

Other activity

In April 2011, Prima's subsidiary company, Cancer Vac Pty Ltd, was granted a patent for CVac™ from the Japanese Patent Office. The claims secured in patent number 4669930 provide for the manufacture of mannan fusion protein (MFP) conjugated vaccine to a patient's own dendritic cells. The granted patent claims will allow the conjugation of Mucin-1 as well as other cancer antigens to MFP. Prima now intends to file for Orphan Drug Designation for CVac™ in Japan.

In January 2011, the Company 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). At the same time SpringTree agreed to make an additional one-off investment of $2.5 million in Prima.

In August 2010, Prima's 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. The Licensing Agreement is a 70 (Prima):30 (Bioceros) project split and the work will be undertaken by Bioceros. The agreement expands Prima's clinical development programs in the area of immunotherapy cancer treatments.

Martin Rogers
Chief Executive Officer

Prima BioMed Limited
Statement of comprehensive income
For the year ended 30 June 2011

	Note	Consolidated 30 June 2011 $	Consolidated 30 June 2010 $
Revenue		1,066,196	475,037
Other income		-	48,697
Expenses			
Research & development and intellectual property		(9,531,163)	(5,124,522)
Corporate administrative expenses		(5,600,988)	(5,816,006)
Finance expenses		(6,395,818)	(6,946,628)
Depreciation and amortisation expense		(64,287)	(53,039)
Impairment losses		(555,107)	-
Other expenses		-	(544,126)
Loss before income tax expense		(21,081,167)	(17,960,587)
Income tax expense		-	-
Loss after income tax expense for the year		(21,081,167)	(17,960,587)
Other comprehensive income			
Foreign currency translation		(233)	-
Unrealised foreign exchange gain on available-for-sale financial assets		-	19,397
Impairment of available-for-sale financial assets transferred from reserve		(19,397)	-
Other comprehensive income for the year, net of tax		(19,630)	19,397
Total comprehensive income for the year		(21,100,797)	(17,941,190)
Loss for the year is attributable to:			
Non-controlling interest		(72)	(267)
Owners of Prima BioMed Limited		(21,081,095)	(17,960,320)
		(21,081,167)	(17,960,587)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(70)	(18)
Owners of Prima BioMed Limited		(21,100,727)	(17,941,172)
		(21,100,797)	(17,941,190)
		Cents	**Cents**
Basic earnings per share	5	(3.74)	(3.60)
Diluted earnings per share	5	(3.74)	(3.60)

Refer to note 3 for detailed information on restatement of comparatives.

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Prima BioMed Limited
Statement of financial position
As at 30 June 2011

	Consolidated		
	30 June 2011 $	30 June 2010 $	1 Jul 2009 $
Assets			
Current assets			
Cash and cash equivalents	45,918,552	5,638,342	939,561
Trade and other receivables	35,899	76,894	356,472
Inventories	214,346	-	-
Other financial assets	10,000,000	10,000,000	-
Other	894,005	863,934	77,392
Total current assets	57,062,802	16,579,170	1,373,425
Non-current assets			
Available-for-sale financial assets	-	574,504	555,107
Property, plant and equipment	119,953	97,487	19,311
Intangibles	457,906	499,841	541,777
Other	-	299,289	-
Total non-current assets	577,859	1,471,121	1,116,195
Total assets	57,640,661	18,050,291	2,489,620
Liabilities			
Current liabilities			
Trade and other payables	2,471,212	1,499,091	436,713
Borrowings	-	603,062	240,385
Derivative financial instruments	-	83,620	-
Employee benefits	65,879	23,692	-
Total current liabilities	2,537,091	2,209,465	677,098
Non-current liabilities			
Employee benefits	4,440	887	-
Total non-current liabilities	4,440	887	-
Total liabilities	2,541,531	2,210,352	677,098
Net assets	55,099,130	15,839,939	1,812,522
Equity			
Contributed equity	134,895,001	74,534,413	42,565,806
Reserves	(1,157)	19,397	-
Accumulated losses	(79,794,714)	(58,713,617)	(40,753,048)
Equity attributable to the owners of Prima BioMed Limited	55,099,130	15,840,193	1,812,758
Non-controlling interest	-	(254)	(236)
Total equity	55,099,130	15,839,939	1,812,522

Refer to note 3 for detailed information on restatement of comparatives.

The above statement of financial position should be read in conjunction with the accompanying notes

Prima BioMed Limited
Statement of changes in equity
For the year ended 30 June 2011

	Contributed equity $	Reserves $	Accumulated losses $	Non-Controlling Interest $	Total equity $
Consolidated					
Balance at 1 July 2009	42,565,806		(40,753,048)	(236)	1,812,522
Other comprehensive income for the year, net of tax	-	19,397	-	(18)	19,379
Loss after income tax expense for the year	-	-	(17,960,569)	-	(17,960,569)
Total comprehensive income for the year	-	19,397	(17,960,569)	(18)	(17,941,190)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	31,968,607	-	-	-	31,968,607
Balance at 30 June 2010	74,534,413	19,397	(58,713,617)	(254)	15,839,939

	Contributed equity $	Reserves $	Accumulated losses $	Non-Controlling Interest $	Total equity $
Consolidated					
Balance at 1 July 2010	74,534,413	19,397	(58,713,617)	(254)	15,839,939
Other comprehensive income for the year, net of tax	-	(19,630)	-	(70)	(19,700)
Loss after income tax expense for the year	-	-	(21,081,097)	-	(21,081,097)
Total comprehensive income for the year	-	(19,630)	(21,081,097)	(70)	(21,100,797)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	60,360,588	-	-	-	60,360,588
Transactions with non-controlling interests	-	(924)	-	324	(600)
Balance at 30 June 2011	134,895,001	(1,157)	(79,794,714)	-	55,099,130

The above statement of changes in equity should be read in conjunction with the accompanying notes

Prima BioMed Limited
Statement of cash flows
For the year ended 30 June 2011

	Consolidated	
	30 June 2011	**30 June 2010**
	$	**$**
Cash flows from operating activities		
Payments to suppliers (inclusive of GST)	(9,966,609)	(6,634,692)
Interest received	210,906	124,315
Grant income	-	48,697
Net cash used in operating activities	(9,755,703)	(6,461,680)
Cash flows from investing activities		
Payment for acquisition for term deposit (>3 months)	-	(10,000,000)
Payments for plant and equipment	(44,751)	(95,327)
Proceeds from sale of plant and equipment	-	1,814
Net cash used in investing activities	(44,751)	(10,093,513)
Cash flows from financing activities		
Proceeds from issue of shares	48,602,601	15,096,258
Proceeds from borrowings	5,411,750	6,334,717
Share issue transaction costs	(3,933,687)	(177,001)
Net cash from financing activities	50,080,664	21,253,974
Net increase in cash and cash equivalents	40,280,210	4,698,781
Cash and cash equivalents at the beginning of the financial year	5,638,342	939,561
Effects of exchange rate changes on cash	-	-
Cash and cash equivalents at the end of the financial year	45,918,552	5,638,342

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Prima BioMed Limited ('company' or 'parent entity') as at 30 June 2011 and the results of all subsidiaries for the year then ended. Prima BioMed Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 1. Significant accounting policies (continued)

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial report is presented in Australian dollars, which is Prima BioMed Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximates the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and under and over provision in prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories
Stock on hand is stated at the lower of cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Derivative financial instruments
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Investments and other financial assets
Investments and other financial assets are measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arms length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Note 1. Significant accounting policies (continued)

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised directly in the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets
The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised directly in the available-for-sale reserve.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Furniture and Fittings	3-20 years
Plant and equipment	3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Patents and trademarks
Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 20-25 years.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

SpringTree convertible loan
The host debt instrument is carried at amortised cost using the effective interest rate method. The embedded derivatives are measured at fair value at inception and remeasured at fair value through profit and loss until the drawdown amount is settled through the issuance of Prima equity.

The issuance of an option to purchase the collateral shares and the commitment options at the outset of the arrangement were considered to be similar to a non-refundable commitment fee to a lender at the inception of a line of credit arrangement or a revolving loan arrangement.

The services are measured and recognised as an expense with a corresponding increase in equity on each drawdown date at the fair value of the collateral shares and commitment options, based on the amount drawn down in proportion to the total expected financing. The fair value is measured using a Monte-Carlo simulation option pricing model.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:
- interest on short-term and long-term borrowings

Employee benefits

Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Long service leave
The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributed equity
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 1. Significant accounting policies (continued)

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Prima BioMed Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 1. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2011. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Fair value and hierarchy of financial instruments

The consolidated entity is required to classify financial instruments, measured at fair value, using a three level hierarchy, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). An instrument is required to be classified in its entirety on the basis of the lowest level of valuation inputs that is significant to fair value. Considerable judgement is required to determine what is significant to fair value and therefore which category the financial instrument is placed in can be subjective.

The fair value of financial instruments classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and definite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Long service leave provision

As discussed in note 1, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. Restatement of comparatives

Statement of comprehensive income

			Consolidated	
		30 June 2010 $	$	30 June 2010 $
Extract	**Note**	**Reported**	**Adjustment**	**Restated**
Expenses				
Corporate administrative expenses	(i)	(3,236,506)	(2,579,500)	(5,816,006)
Finance expenses	(iii)	(1,789,108)	(5,157,520)	(6,946,628)
Impairment losses	(ii)	(1,935,548)	1,935,548	-
Loss before income tax expense		(12,159,115)	(5,801,472)	(17,960,587)
Income tax expense		-	-	-
Loss after income tax expense for the year		(12,159,115)	(5,801,472)	(17,960,587)
Other comprehensive income				
Unrealised foreign exchange gain on available-for-sale financial assets	(ii)	-	19,397	19,397
Impairment of available-for-sale financial assets	(ii)	1,954,945	(1,954,945)	-
Other comprehensive income for the year, net of tax		1,954,945	(1,935,548)	19,397
Total comprehensive income for the year		(10,204,170)	(7,737,020)	(17,941,190)
Loss for the year is attributable to:				
Non-controlling interest		(267)	-	(267)
Owners of Prima BioMed Limited		(12,158,848)	(5,801,472)	(17,960,320)
		(12,159,115)	(5,801,472)	(17,960,587)
Total comprehensive income for the year is attributable to:				
Non-controlling interest		(16)	(2)	(18)
Owners of Prima BioMed Limited		(10,204,154)	(7,737,018)	(17,941,172)
		(10,204,170)	(7,737,020)	(17,941,190)

Statement of financial position at the beginning of the earliest comparative period

			Consolidated	
		1 Jul 2009 $	$	1 Jul 2009 $
Extract		**Reported**	**Adjustment**	**Restated**
Equity				
Reserves	(ii)	(1,954,694)	1,954,694	-
Accumulated losses	(ii)	(38,798,354)	(1,954,694)	(40,753,048)
Total equity		1,812,522	-	1,812,522

Note 3. Restatement of comparatives (continued)

Statement of financial position at the end of the earliest comparative period

		Consolidated		
Extract	Note	30 June 2010 $ Reported	$ Adjustment	30 June 2010 $ Restated
Assets				
Current assets				
Other	(iv)	1,059,116	(195,182)	863,934
Total current assets		16,774,352	(195,182)	16,579,170
Non-current assets				
Other financial assets	(v)	1,639,504	(1,065,000)	574,504
Other	(iv)	-	299,289	299,289
Total non-current assets		2,236,832	(765,711)	1,471,121
Total assets		19,011,184	(960,893)	18,050,291
Liabilities				
Current liabilities				
Borrowings	(vi)	700,000	(96,938)	603,062
Derivative financial instruments	(vi)	-	83,620	83,620
Total current liabilities		2,222,783	(13,318)	2,209,465
Total liabilities		2,223,670	(13,318)	2,210,352
Net assets		16,787,514	(947,575)	15,839,939
Equity				
Contributed equity		67,744,968	6,789,445	74,534,413
Reserves	(ii)	-	19,397	19,397
Accumulated losses		(50,957,202)	(7,756,415)	(58,713,617)
Equity attributable to the owners of Prima BioMed Limited		16,787,766	(947,573)	15,840,193
Non-controlling interest		(252)	(2)	(254)
Total equity		16,787,514	(947,575)	15,839,939

Note 3. Restatement of comparatives (continued)

Notes

(i) The Company has restated its 2010 Annual Accounts 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 (August 5, 2009). This adjusted valuation has increased corporate administrative expenses by $2,579,500.

(ii) The Company has restated its 2010, 2009 and 2008 Annual Accounts in connection with the fair value movement of the available-for-sale financial assets. Previously, the decline in fair value of $1,954,945, which was based on adjusting the price of the most recently issued shares, being convertible preference shares, using an option pricing model to determine the value of ordinary shares, was recorded in the asset revaluation reserve in 2008, and transferred from the asset revaluation reserve to the income statement in 2010. The decline in value should have been impaired in 2008. In addition, an unrealised foreign exchange gain of $19,397 has been recognized in the financial assets valuation reserve in 2010.

The net impact on Impairment of available of sale financial assets in June 2010 is $1,935,548.
The net impact on Changes in financial assets revaluation reserve in June 2010 is $1,935,548.

(iii)(a) The Company has restated its accounts for the period ended 30 June 2010 in connection with the treatment of the SpringTree loan facility. A remeasurement of the fair value of shares and options issued to repay the loan, commitment options and collateral shares issued have been expensed over the period of the facility as finance expenses. In addition, loan transaction costs have been amortised over the period of the facility.

(b) The excess of fair value of consideration conveyed (being shares and options issued) over the debt from each tranche has now been calculated and recorded as a finance cost in accordance with paragraph 56 of IAS 39. This has increased finance costs by $5,883,768.

(c) The Tranche 6 finance cost included an amount which related to the repayment of the loan for that tranche. This amount has now been removed from finance costs. This has reduced finance costs by $602,732.

(d) The total loan transaction costs, including the initial commencement fee and the maintenance fees, have now been amortised over the term of the SpringTree loan facility for each tranche in proportion to the total facility. This has increased finance costs by $296,737 and reduced other current assets by $296,737.

(e) Reversal of finance costs previously expensed as incurred. This has reduced finance costs by $907,600 and increased other current assets by $907,600.

(f) The value of the commitment options have been recalculated using the Black-Scholes option pricing model for each tranche and expensed over the term of the SpringTree loan facility for each tranche in proportion to the total facility. This has increased finance costs by $499,047.

(g) Reversal of the commitment options previously expensed on a straight-line basis based on fair value at commencement of loan facility. This has reduced finance costs by $243,244 and increased other current assets by $243,244

(h) The fair value of the option to retain the collateral shares at a discount has now been calculated based on a Monte Carlo pricing model for each tranche and expensed over the term of the SpringTree loan facility for each tranche in proportion to the total facility. This has increased finance costs by $477,527.

Note 3. Restatement of comparatives (continued)

(i) In addition, the charge for a modification of the option has now been calculated based on a Monte Carlo pricing model and expensed. This has increased finance costs by $136,943.

(j) The Tranche 12 finance cost has now been apportioned to reflect the exact cost to 30 June 2010. This has reduced finance costs by $382,926.

Overall Impact

The overall impact of these restatements on finance costs was an increase in finance costs of $5,157,520.

The net impact on Finance expenses in June 2010 is $5,157,520.

(iv) Reversal of commitment options previously calculated at fair value at commencement of loan facility and recorded as a prepayment in other current assets. This has reduced other current assets by $750,000.

Reallocation between current and non-current components of other assets. This has reduced other current assets by $299,289 and increased other non-current assets by $299,289.

The net impact on Other current assets is $195,182.
The net impact on Other non-current assets is $299,289.

(v) Reversal of the collateral shares valued on the issuing date. This has reduced other financial assets – non-current by $1,065,000 and reduced issued capital by $1,065,000.

The net impact on Other financial assets non-current is $1,065,000.

(vi) The Tranche 12 fair value movement in the shares and options issued and the embedded derivatives have been calculated to reflect the exact balance at 30 June 2010. This has reduced borrowings by $13,318 and reduced issued capital by $369,608.

The net impact on Borrowings is $13,318.

Note 4. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into two operating segments: Cancer Immunotherapy and Other R & D. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews both adjusted earnings before interest, tax, depreciation and amortisation (segment result) and profit before income tax.

Types of products and services
The principal products and services of each of these operating segments are as follows:
Cancer Immunotherapy
Other R & D

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.

Note 4. Operating segments (continued)

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Operating segment information

30 June 2011	Cancer Imm'therapy $	Other R&D $	Intersegment eliminations/ unallocated $	Consolidated $
Revenue				
Sales to external customers	-	-	1,066,196	1,066,196
Total sales revenue	-	-	1,066,196	1,066,196
Total revenue	-	-	1,066,196	1,066,196
Segment result	-	-	-	-
Depreciation and amortisation	-	-	(64,287)	(64,287)
Other expenses	(7,944,531)	(401,813)	(12,670,536)	(21,016,880)
Loss before income tax expense	(7,944,531)	(401,813)	(12,734,823)	(21,081,167)
Income tax expense				-
Loss after income tax expense				(21,081,167)

30 June 2010	Cancer Imm'therapy $	Other R&D $	Intersegment eliminations/ unallocated $	Consolidated $
Revenue				
Sales to external customers	41,417	-	482,317	523,734
Total sales revenue	41,417	-	482,317	523,734
Total revenue	41,417	-	482,317	523,734
Segment result	-	-	-	-
Depreciation and amortisation	-	-	(53,209)	(53,209)
Other expenses	(5,155,122)	(2,445,777)	(10,306,479)	(17,907,378)
Loss before income tax expense	(5,155,122)	(2,445,777)	(10,359,688)	(17,960,587)
Income tax expense				-
Loss after income tax expense				(17,960,587)

Note 5. Earnings per share

	Consolidated	
	30 June 2011 $	30 June 2010 $
Loss after income tax	(21,081,167)	(17,960,587)
Non-controlling interest	72	267
Loss after income tax attributable to the owners of Prima BioMed Limited	(21,081,095)	(17,960,320)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	563,107,660	499,567,326
Weighted average number of ordinary shares used in calculating diluted earnings per share	563,107,660	499,567,326
	Cents	**Cents**
Basic earnings per share	(3.74)	(3.60)
Diluted earnings per share	(3.74)	(3.60)