

Appendix 4E – Preliminary Final Report

(ASX Listing rule 4.2A)

Company Name:	Imugene Limited (the 'Company')
ABN:	99 009 179 551
Reporting Period:	Financial year ended 30 June 2013
Previous Reporting Period:	Financial year ended 30 June 2012

Results for Announcement to the Market

The results of Imugene Limited for the year ended 30 June 2013 are as follows:

Revenues	Down	90.51%	to	\$23,208
Loss after tax attributable to members	Down	50.23%	to	(\$1,559,566)
Net loss for the period attributable to members	Down	50.23%	to	(\$1,559,566)

Brief explanation of figures reported above

The loss for the Company after income tax for the reporting period was \$1,559,566 (2012: \$3,133,433).

For further details relating to the current period's results, refer to the Review of Operations contained within this document.

Dividends

No dividends have been paid or declared by the Company since the beginning of the current reporting period. No dividends were paid for the previous reporting period.

Net Tangible Assets

	30 June 2013	30 June 2012
Net Tangible Assets	\$619,151	\$1,051,715
Shares (No.)	376,162,516	143,637,220
Net Tangible Assets (Cents)	0.16	0.73

Loss per Share

	30 June 2013	30 June 2012
Basic loss per share (cents)	0.48	2.18
Diluted loss per share (cents)	0.48	2.18

Details of entities over which control has been gained or lost during the period

On 17 July 2012 the Company acquired Lingual Consegra Pty Ltd, refer to note 16 for further details.

Status of Audit of Accounts

These accounts are currently in the process of being audited. An Annual Report for the year ended 30 June 2013 containing the Audit Report shall be provided in due course.



ABN 99 009 179 551

Appendix 4E

Preliminary Final Report

For the Year Ended 30 June 2013

In Compliance with ASX Listing Rule 4.3A

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Review of Operations

The Directors of Imugene Limited present their report on the Consolidated Entity consisting of Imugene Limited ("the Company or Imugene") and the entities it controlled ("Consolidated Entity or Group") during the year ended 30 June 2013.

Principal Activities

The Consolidated Entity is an Australian pharmaceutical company with a platform drug delivery platform technology at the centre of its assets. The platform allows drugs in tablet form to be delivered straight into the blood stream via the mouth accelerating onset of action and reducing side effects of absorption in the stomach.

Review of Operations

Operating Results

The Company reported a loss for the full-year ended 30 June 2013 of \$1,559,566 (2012: \$3,133,433). The loss is after fully expensing all research and development costs.

Summary Review of Operations

Imugene terminated its animal health vaccine portfolio in September 2012 after a final review. Imugene is a pharmaceutical business with a drug delivery platform at the centre of its assets focusing on consumer healthcare products and Vitamin D therapeutics.

Our three key messages are;

1. We have made rapid progress in advancing our technology for immediate returns.
2. We are committed to driving the business for the long term.
3. Our strategy for new innovation and new drug development is fully on track.

In February 2013, Imugene announced changes to its Board and Management structure with the appointment of Dr. Nicholas Ede as an Executive Director. Dr Ede has a record of successfully evolving research concepts to commercial products and processes. He has over 25 years' experience in drug discovery and international business development gained at Chiron (acquired by Novartis), EpiTX, Mimotopes, Adistem and Consegna.

Along with the appointment of Dr Ede, existing Non-Executive Director, Mr Steve Harris, stepped forward to fill the role of Non-Executive Chairman of the Company following the resignation of the former Executive Chairman, Mr Fabio Pannuti.

The new Director and management structure, together with the existing Non-Executive Director, Mr Paul Hopper, has taken a very prudent approach to all expenditure, drug development, and overhead expenses by cutting monthly cash burn to 20% of 2012 levels.

The Board and Management Team have also engaged The CFO Solution with whom they're working very closely with to manage all of the Company's financial and company secretarial functions, which has resulted in substantial cost and time savings allowing management to focus on fast-tracking its development programs.

Imugene continues to use outsource specialised professional partners and consultants to minimise its overall internal overhead, enabling maximum efficiency and focus from its personnel to generate product and early revenues.

During the twelve months ended 30 June 2013, the Company completed feasibility testing and formulation development for two initial Vitamin D formulations which have been enhanced using Imugene's proprietary Linguet drug delivery technology.

Consumer Healthcare

Imugene is developing firstly a vitamin D supplement tablet, which melts in the mouth, better known as a "meltlet". The novel formulation, which utilises the Company's Linguet™ technology, is designed to address issues of the unpleasant taste of vitamins, and alleviate the stress that millions of people face worldwide who suffer with difficulty in swallowing particularly different forms of vitamin tablets. During the year, Imugene commissioned its own research to firstly validate the issues people have with swallowing and secondly, confirm a melt-in-the-mouth tablet is a solution that is desired. Our research has been supported by discussions held with Australian nutraceutical

companies. The vitamins and supplements industry is big business in Australia, worth an estimated \$1.5bn each year and the industry is growing at up to 12% annually.

Imugene is also developing a melt-in-the-mouth tablet for ibuprofen, marketed for example as Nurofen® by the Reckitt Benckiser company globally. In June 2013, Imugene contracted IDT Australia to manufacture its ibuprofen tablets. Linguet fast melt 200mg ibuprofen tablets will be formulated to dissolve in the mouth and can then be swallowed, with the goal being there is no burning from acidic ibuprofen and no throat catch. Global ibuprofen sales in 2011 were \$US1.98B with the Nurofen® brand in 2012 contributing sales of \$US472M (12% growth on 2011).

Therapeutic Program

One-third of Australian adults are Vitamin D deficient.

Imugene will develop a prescription Vitamin D tablet for buccal delivery. Linguet supports “buccal” administration of drugs straight to the blood stream via absorption through the lining of the mouth. There are direct links between several diseases such as diabetes, cancer and chronic kidney disease and a deficiency of vitamin D.

While current vitamin D supplements are available over the counter and by prescription, they do not deliver sufficient amounts or consistent amounts of Vitamin D due to the varying absorption of the drug when it is passed through the gastro-intestinal tract via an oral delivery method.

Commercialisation progress

Imugene’s formulations of Vitamin D have now advanced through formulation development. There is a high level of interest amongst pharmaceutical and nutraceutical companies for new and innovative forms of Vitamin D given the rising rates of deficiency and the lack of novel dosage forms in development. Imugene has commenced preliminary licensing discussions for its nutritional supplement form of Vitamin D.

Events Occurring After Reporting Date

In August 2013, Imugene reported that after completing formulation development on its novel Linguet form of Vitamin D, it had progressed to commercialisation discussions with Australian vitamin manufacturers and suppliers.

In August 2013, Imugene also reported the official granting of a key Japanese patent application for the Company’s novel drug delivery technology Linguet™ (patent no: 5256425), following on from an earlier allowance in March 2013.

For and on behalf of the Company;



Dr Nicholas Ede
Executive Director
Melbourne, Victoria

On this day the 29th August 2013

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2013

	Note	30 June 2013 \$ AUD	30 June 2012 \$ AUD
Revenue			
Total Revenue	3	23,208	244,591
Other Income	3	184,012	46,446
Expenses			
Amortisation		-	(170,570)
Business development		(392,821)	(84,102)
Corporate administration expenses		(691,312)	(374,988)
Commercialisation expenses		(51,305)	(488,248)
Research and development expenses		(603,321)	(285,436)
Impairment expenses	3	-	(2,089,175)
Unrealised foreign exchange (gain)/ loss		(27,351)	68,049
Depreciation expense		(676)	-
Loss before tax	4	(1,559,566)	(3,133,433)
Income tax expense	5	-	-
Net loss for the year		(1,559,566)	(3,133,433)
Other comprehensive income / (expense) for the year, net of tax			
		-	-
Total comprehensive loss for the year		(1,559,566)	(3,133,433)
Loss per share for the year attributable to members of Imugene Ltd:			
Basic loss per share (cents per share)		0.48	2.18
Diluted loss per share (cents per share)		0.48	2.18

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2013

	Note	30 June 2013 \$ AUD	30 June 2012 \$ AUD
ASSETS			
Current Assets			
Cash and cash equivalents	5	565,629	1,016,748
Trade and other receivables	6	53,522	-
Current tax assets	7	-	266,672
Other	8	-	34,291
Total Current Assets		619,151	1,317,711
Non-Current Assets			
Property, plant and equipment	9	-	676
Goodwill	10	960,527	-
Intangible assets	10	1,004,817	-
Total Non-Current Assets		1,965,344	676
TOTAL ASSETS		2,584,495	1,318,387
LIABILITIES			
Current Liabilities			
Trade and other payables	11	160,991	138,758
Provisions	12	5,571	106,216
Total Current Liabilities		166,562	244,974
Non-Current Liabilities			
Other financial liabilities	13	531,467	-
Total Non-Current Liabilities		531,467	-
TOTAL LIABILITIES		698,029	244,974
NET ASSETS		1,886,466	1,073,413
EQUITY			
Issued capital	14	17,280,072	14,907,453
Option reserve	15	966,003	966,003
Accumulated loss	15	(16,359,609)	(14,800,043)
TOTAL EQUITY		1,886,466	1,073,413

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

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2013

		Contributed Equity	Share Based Payment Reserve	Accumulated Losses	Total
	Note	\$ AUD	\$ AUD	\$ AUD	\$ AUD
Balance as at 1 July 2011		14,907,453	966,003	(11,666,610)	4,206,846
Total comprehensive loss for the year:		-	-	(3,133,433)	(3,133,433)
Balance at 30 June 2012		14,907,453	966,003	(14,800,043)	1,073,413
Total comprehensive loss for the year:		-	-	(1,559,566)	(1,559,566)
Transactions with Equity holders in their capacity as equity holders:					
Shares issued	14	2,573,000	-	-	2,573,000
Capital raising costs	14	(205,381)	-	-	(205,381)
Options issued	14	5,000	-	-	5,000
Balance at 30 June 2013		17,280,072	966,003	(16,359,609)	1,886,466

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

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2013

	Note	30 June 2013 \$ AUD	30 June 2012 \$ AUD
<u>Cash flows from operating activities</u>			
Receipts from customers		-	235,913
Payments to suppliers and employees		(1,815,910)	(1,500,109)
Other income		447,267	298,274
Net cash outflows from operating activities		(1,368,643)	(965,922)
<u>Cash flows related to investing activities</u>			
Loans to other entities		(5,721)	-
Interest received		23,208	8,679
Net cash inflows from investing activities		17,487	8,679
<u>Cash flows related to financing activities</u>			
Proceeds from issues of equity securities		1,132,999	-
Capital raising costs		(205,380)	-
Net cash inflows from financing activities		927,619	-
Net decrease in cash and cash equivalents		(423,537)	(957,243)
Cash and cash equivalents at the beginning of the period		1,016,753	1,905,942
Effects of exchange rate changes on cash and cash equivalents		(27,587)	68,049
Cash and cash equivalents at the end of the year	5	565,629	1,016,748

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

Notes to the Financial Statements

Note 1 - Statement of Significant Accounting Policies

Corporate Information

Imugene Limited ("Parent Entity") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The financial statements consist of consolidated financial statements for Imugene and its subsidiaries ("Group or Consolidated Entity").

The Company's Preliminary Financial Report does not include all the notes of the type normally included in an Annual Financial 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 entity as the full financial report.

This Preliminary Financial Report has been prepared in accordance with the recognition and measurement requirements, but not all disclosure requirements, of Australian Accounting Standards and Interpretations and the Corporations Act 2001. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards.

Significant accounting policies adopted in preparation of the preliminary financial report are consistent with those adopted by the company in preparation of the 30 June 2012 financial report and the 31 December 2012 half year financial report.

The Preliminary Final Report has been prepared on an accruals basis and is based on historical costs, except for the revaluation of certain non-current assets and financial instruments. Cost is based on fair values of the consideration given in exchange for assets.

The preliminary financial report is presented in Australian dollars.

Note 2 - Dividends

The Company has resolved not to declare any dividends for the financial year ended 30 June 2013.

Note 3 - Profit and Loss for the year

	Consolidated	
	30 June 2013	30 June 2012
	\$	\$
Income		
Revenue		
Sub-license / contract research fees	-	235,912
Interest received	23,208	8,679
	<u>23,208</u>	<u>244,591</u>
Other income		
Income Tax Refund	184,012	-
Government Grant	-	(11,715)
Other	-	58,161
	<u>184,012</u>	<u>46,446</u>
Expenses		
Impairment expense	-	(2,089,175)
	<u>-</u>	<u>(2,089,175)</u>

Notes to the Financial Statements *Continued.....*

Note 4 - Segment Information

Management has determined, based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions, that the Group has one reportable segment being the research, development and commercialisation of health technologies.

Reportable segment revenue

Revenue, including interest income, is disclosed below based on the reportable segment:

	Consolidated	
	30 June 2013	30 June 2012
	\$	\$
Revenue from research, development and commercialisation	180,595	224,198
Revenue from other corporate activities	26,625	66,839
	<u>207,220</u>	<u>291,037</u>

Reportable segment assets

Assets are disclosed based on the reportable segment:

	Consolidated	
	30 June 2013	30 June 2012
	\$	\$
Asset from research, development and commercialisation	1,965,344	266,672
Assets from other corporate activities:		
Cash and cash equivalents	565,629	1,016,748
Other corporate assets	53,522	34,967
	<u>2,584,495</u>	<u>1,318,387</u>

Reportable segment liabilities

Liabilities are disclosed based on the reportable segment:

	Consolidated	
	30 June 2013	30 June 2012
	\$	\$
Liabilities from research, development and commercialisation	692,458	138,758
Liabilities from other corporate activities:		
Trade and other payables	-	-
Other corporate liabilities	5,571	106,216
	<u>698,029</u>	<u>244,974</u>

Reportable segment profit/ (loss)

Profit/ (loss) are disclosed below based on the reportable segment:

	Consolidated	
	30 June 2013	30 June 2012
	\$	\$
Profit/ (loss) from research, development and commercialisation	(1,047,447)	(2,835,171)
Profit/ (Loss) from other corporate activities	(512,119)	(298,262)
	<u>(1,559,566)</u>	<u>(3,133,433)</u>

Notes to the Financial Statements *Continued.....*

Note 5 - Cash

	Consolidated	
	30 June 2013	30 June 2012
	\$	\$
Cash at bank and in hand - AUD	565,629	46,480
Cash at bank and in hand - USD	-	970,268
	565,629	1,016,748

Note 6 - Receivables

	Consolidated	
	30 June 2013	30 June 2012
	\$	\$
Trade receivables	47,801	-
Amounts receivable from other entities	5,721	-
	53,522	-

Note 7 - Tax Asset

	Consolidated	
	30 June 2013	30 June 2012
	\$	\$
Research and Development Tax Concession Receivable	-	266,672
	-	266,672

Note 8 - Other Assets

	Consolidated	
	30 June 2013	30 June 2012
	\$	\$
Share placement - prepaid costs	-	34,291
	-	34,291

Notes to the Financial Statements *Continued.....*

Note 9 - Property, Plant & Equipment

	Consolidated	
	30 June 2013	30 June 2012
	\$	\$
Plant and equipment		
At cost	24,089	24,089
Accumulated depreciation	(24,089)	(23,413)
Total plant and equipment	-	676

A reconciliation of movements in property, plant and equipment is as follows:

Plant and equipment

Carrying amount at beginning of year	676	2,213
Additions	-	-
Depreciation expense	(676)	(1,537)
Carrying amount at the end of year	-	676

Note 10 - Intangible Assets

		Consolidated	
		30 June 2013	30 June 2012
		\$	\$
Patents, licenses and other rights			
Opening cost		3,027,920	5,117,095
Additions		1,004,817	-
Impairment charge		-	(2,089,175)
Closing cost		4,032,737	3,027,920
Accumulated amortisation			
Accumulated amortisation at the start of the year		(3,027,920)	(2,857,350)
Amortisation charge		-	(170,570)
Accumulated amortisation at the end of the year		(3,027,920)	(3,027,920)
Opening net book amount		-	2,259,745
Closing net book amount	16	1,004,817	-
Goodwill			
Opening cost		-	-
Additions		960,527	-
Impairment charge		-	-
Closing cost	16	960,527	-

Notes to the Financial Statements *Continued.....*

Note 11 - Payables

	Consolidated	
	30 June 2013	30 June 2012
	\$	\$
Trade payables	96,736	116,879
Other payables	70,592	21,879
	160,991	138,758

Note 12 - Provision

	Consolidated	
	30 June 2013	30 June 2012
	\$	\$
Employee benefits - annual leave	5,571	106,216
	5,571	106,216

Note 13 - Other Financial Liabilities

		Consolidated	
		30 June 2013	30 June 2012
	Note	\$	\$
Expected future royalties payable	16	531,467	-
		531,467	-

Note 14 - Issued Capital

		30-June-2013		30-June-2012	
	Note	No.	\$ AUD	No.	\$ AUD
Ordinary shares	14(a)	376,162,516	17,275,072	143,637,220	14,907,453
Options	14(b)	50,000,000	5,000	-	-
Total at reporting date			17,280,072		14,907,453

Notes to the Financial Statements *Continued.....*

Note 14 - Issued Capital (Continued)

Movements in equity during the year ended 30 June 2013 and prior year are set out below:

(a) Ordinary Shares

		30-June-2013		30-June-2012	
		No.	\$	No.	\$
At the beginning of the period		143,637,220	14,907,453	143,637,220	14,907,453
Share issued during the period	(i)	232,525,296	2,367,619	-	-
Total at reporting date		376,162,516	17,275,072	143,637,220	14,907,453

Rights of each type of share

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting or by proxy, is entitled to one vote. Upon a poll every holder is entitled to one vote per share held.

(i) 2013	Details	Number	Issue price	
			\$	\$
31/07/2012	Share Placement	95,000,000	0.0100	950,000
31/07/2012	Acquisition of Lingual Consegna Pty Ltd	100,000,000 ¹	0.0140	1,400,000
4/06/2013	Share Purchase Plan	33,888,932	0.0054	183,000
12/02/2013	Shares issued to corporate consultants	3,636,364	0.0110	40,000
	Transaction costs in relation to share issue	-	-	(205,381)
		232,525,296		2,367,619

¹100,000,000 shares were released from escrow period on 31 July 2013.

(b) Options

		30-June-2013		30-June-2012	
	Note	No.	\$ AUD	No.	\$ AUD
At the beginning of the period		-	-	-	-
Options issued during the period	(i)	50,000,000	5,000	-	-
Total at reporting date		50,000,000	5,000	-	-

(i) 2013	Details	Number	Value at Grant date \$AUD	\$ AUD
3/08/2012	Unlisted advisor options (IMUAK), exercisable at \$0.02, expire on 31 December 2015*	50,000,000	0.0001	5,000
		50,000,000		5,000

* The general terms and conditions of the options were:

- Life of 3.4 years from date of issue
- No dividends or voting rights attached
- Exercise price set at a premium to share price at date of entitlement.
- Vested at issue
- All shares allotted upon the exercise of Options will rank pari passu in all respects with other shares

Notes to the Financial Statements *Continued.....*

Note 15 - Reserves and accumulated losses

	Consolidated	
	30 June 2013	30 June 2012
	\$	\$
a) Share-based payment reserve		
Opening balance	966,003	966,003
Closing Balance	966,003	966,003
b) Accumulated losses		
Opening balance	(14,800,043)	(11,666,610)
Net profit/ (loss) for the year	(1,559,566)	(3,133,433)
Closing Balance	(16,359,609)	(14,800,043)

Note 16 - Business Combination

On 17 July 2012, the Company acquired 100% of the issued share in Lingual Consegna Pty Ltd, a drug delivery technology company which holds the Linguet Patented Buccal Delivery intellectual property.

(a) Consideration

	\$AUD
Ordinary Shares 100,000,000 in Imugene Ltd at \$0.014 per share*	1,400,000
Total purchase consideration	1,400,000

(*) The issue price is based on the closing share price of Imugene Limited share quoted on ASX on date of acquisition. These shares were released from the escrow period on 31 July 2013.

(b) Fair Value

	Note	Book value \$AUD	Fair value adjustments \$AUD	Total \$AUD
Assets				
Cash and cash equivalents		-	-	-
Intangible assets		2,859,591	(1,854,774)	1,004,817
Total Assets	10	2,859,591	(1,854,774)	1,004,817
Liabilities				
Trade and other payables		(33,877)	-	(33,877)
Expected royalties payable	13	(2,386,241)	1,854,774	(531,467)
Total Liabilities		(2,420,118)	1,854,774	(565,344)
Fair value of identifiable net assets		439,473	-	439,473
Goodwill	10			960,527
Total purchase consideration				1,400,000

Notes to the Financial Statements *Continued.....*

Note 17 - Events Subsequent to Balance Date

There were no other events subsequent to reporting date that has not been disclosed elsewhere in this report.

Note 18 - Audit

These accounts are currently in the process of being audited. An Annual Report for the year ended 30 June 2013 containing the Audit Report shall be provided in due course.

Corporate Directory

Directors

Mr Steve Harris - Non-Executive Chairman
Mr Paul Hopper - Non-Executive Director
Dr Nicholas Ede - Executive Director

Company Secretary

Mr Justyn Stedwell
Mr Phillip Hains

Registered and Principal Office

Suite 1, 1233 High Street,
Armadale, Vic, 3143, Australia
Telephone: (61 3) 9824 5254
Facsimile: (61 3) 9822 7735

Share Register

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth, WA, 6000, Australia
Telephone: 1300 557 010
International: (61 8) 9323 2000
Facsimile: (61 8) 9323 2033

Securities Quoted

Australian Securities Exchange

- Ordinary Fully Paid Shares (Code: IMU)

Patent Attorney

David Collison Cave
1 Nicholson Street,
Melbourne, Vic, 3002, Australia

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, WA, 6008, Australia

Bankers

National Bank of Australia
Level 2, 181 William Street,
Melbourne, Vic, 3000, Australia

Securities Exchange Listing

Imugene Limited shares are listed on the
Australian Securities
Exchange (Symbol: IMU)

Website and Email

www.imugene.com
Info@imugene.com